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PRESS RELEASE

***NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION
IN THE UNITED STATES.***

SABINA ANNOUNCES \$30 MILLION BOUGHT DEAL PRIVATE PLACEMENT

Vancouver, British Columbia (June 5, 2012) – Sabina Gold & Silver Corp. (SBB.TSX) ("Sabina" or the "Corporation") is pleased to announce that it has entered into an agreement with Dundee Capital Markets ("Dundee" or the "Lead Underwriter") on behalf of a syndicate of Underwriters (the "Underwriters") under which the Underwriters have agreed to purchase, on a "bought deal" private placement basis, 10,345,000 flow-through common shares (the "Flow-Through Common Shares") at a price of \$2.90 per Flow-Through Common Share for total gross proceeds to Sabina of \$30,000,500 (the "Offering"). The Underwriters have been granted the option (the "Option") to purchase up to an additional 15% of the Flow-Through Common Shares, exercisable in whole or in part at any time up to 48 hours before the closing of the Offering (the "Closing Date"). The gross proceeds from the sale of the Flow-Through common Shares will be used for Canadian Exploration Expenses (within the meaning of the Income Tax Act (Canada), and the Company will use commercially reasonable efforts to ensure that such Canadian Exploration Expenses qualify as a "flow-through mining expenditure", for purposes of the Income Tax Act (Canada)), related to the exploration of the Company's exploration projects. The Company will renounce such Canadian Exploration Expenses with an effective date of no later than December 31, 2012.

The closing date of the Offering is scheduled on or about June 26, 2012. The Flow-Through Common Shares will be subject to a statutory four months hold period. The Offering is subject to a number of conditions including, without limitation, receipt of all regulatory approvals.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States.

SABINA GOLD & SILVER CORP

Sabina Gold & Silver Corp. is an emerging precious metals company with district scale, world class undeveloped assets in one of the world's newest, politically stable mining jurisdictions: Nunavut, Canada.

Sabina's primary properties consist of the Back River Gold Project, the Wishbone Claims (a vastly prospective grass roots project) and the Hackett River silver royalty, all located in Nunavut. The silver royalty on Xstrata's Hackett River silver production is comprised of 22.5% of the first 190 million ounces produced and 12.5% of all silver produced thereafter.

At March 31, 2012, the Company had \$147.4 million in cash and equivalents.

For further information, please contact:

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This news release has been authorized by the undersigned on behalf of Sabina Gold & Silver Corp

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