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SBB – TSX

SABINA GOLD & SILVER REPORTS GLENCORE XSTRATA DISCLOSES NEW HACKETT RIVER RESOURCE ESTIMATE

- Hackett Resource increased by 34% over last Xstrata resource-
- Approval to re-engage environmental assessment on Port and Road received-
- Sabina Q1 financials also reported. \$104.2 million in cash and equivalents at March 31, 2013-

VANCOUVER – Sabina Gold & Silver Corp. (the “Company”) (SBB – TSX) reported today Glencore Xstrata has disclosed a new mineral resource estimate for the Hackett River project. The Company also is pleased to report approval from the Nunavut Impact Review Board (NIRB”) to continue through the environmental assessment process on the port and road. The Company also announced its financial results for the interim period ended March 31, 2013.

Hackett River Project

Hackett River, located 45 km west of the Company’s Back River gold project in Nunavut, is a *silver rich* volcanogenic massive sulphide (“VMS”) project and is one of the largest undeveloped projects of its type. In 2011, the Company sold the project to Xstrata Zinc Canada Ltd which is now part of the newly formed Glencore Xstrata Plc (“Xstrata”).

As consideration for the sale, the Company received \$50 million in cash and retains a significant silver royalty on the project. Under the terms of the agreement, Sabina would receive 22.5% of silver production up to the first 190 million ounces produced and 12.5% of all silver produced thereafter at Hackett River.

Since its acquisition of the project and its initial resource estimate on Hackett in 2011, Xstrata has been moving the project forward including drilling over 50,000 meters in 2012.

On May 3, 2013 in its annual report of mineral resources and ore reserves as at December 31, 2012, Xstrata provided a summary of the mineral resources and mineral reserves on its projects, including a new mineral resource estimate for Hackett River. Xstrata now reports measured and indicated resources of 25 million tonnes grading 4.2% Zn and 130 g/t Ag and an additional

inferred resource of 57 million tonnes grading 3% Zn and 100 g/t Ag. The project also contains appreciable copper, lead and gold.

The entire Xstrata resource update can be found at <http://www.glencorexstratapl.com/assets/Uploads/X-pup-reservesandresources-20121231.pdf>. Xstrata disclosed that Aline Côté, Project Manager for Xstrata Zinc served as the Competent Person for Xstrata in connection with this mineral resource estimate.

The new mineral resource is an increase of approximately (34%) in all categories (measured, indicated and inferred) over Xstrata's previously published estimate in December 2011.

“The Hackett royalty is a significant asset to Sabina,” said Rob Pease, President & CEO. “We are very encouraged by Xstrata's progress on the project and their current activities. The more work done to de-risk and advance the project, the more the value of the royalty should materialize for our shareholders. We are also pleased to have NIRB approval to advance through the permitting process for BIPR. We view the port and road as infrastructure that will serve both industry and the regional communities of Nunavut. We have a good working rapport with what is now the Canadian zinc division of Glencore Xstrata, and look forward to continuing our mutually beneficial relationship.”

The Company does not expect Xstrata will prepare a technical report in respect of the new Hackett River mineral resource estimate. Consequently, the Company has not had an opportunity to fully review or assess the assumptions, parameters or methods used by Xstrata to make such estimate, although it has no reason to believe that such estimate is not reliable. Accordingly, the Company is currently working to complete its own mineral resource estimate based upon Xstrata's field work as well as a technical report. The Company expects that it will publish its new mineral resource estimate for Hackett River later this month.

Bathurst Inlet Port & Road Project “BIPR”

The BIPR project has been in the planning stages in Nunavut for many years and contemplates building a deep water port in Bathurst Inlet (approximately 80 km to the east of Hackett River and 70 km to the north of Back River) and an all weather road connecting the port to existing ice roads which service the Ekati and Diavik mines from Yellowknife, NWT. Significant infrastructure as contemplated within the BIPR project necessary for the shipping of concentrates from the proposed Hackett River project could also be utilized to support operations at the Company's proposed Back River gold project.

The Company and Xstrata are joint proponents of BIPR and have been waiting for approval from the Nunavut Impact Review Board (“NIRB”) to be able to re-engage in the environmental assessment of the project. On May 8, 2013, the NIRB gave their approval to re-engage and provided an addendum to the existing guidelines for an environmental impact statement for the project. A draft environmental impact statement on the project is being prepared by Xstrata and will be filed with the NIRB later this year.

Consequently, Sabina and Xstrata are working to finalize a partnership agreement on BIPR that will outline terms of use and commitments going forward. This agreement will be announced once completed.

Q1 Financials

Highlights of the quarter include:

- Cash of 104.2 million at March 31, 2013.
- On February 15, 2013, the Company announced an updated resource estimate for Back River. The new mineral resource is comprised of measured and indicated resources of 24.2 million tonnes grading 6.0 g/t for 4.7 million ounces of gold, and inferred resources of 7.7 million tonnes grading 7.8 g/t for 1.9 million ounces of gold increasing confidence, grade and ounces.
- Also in February, the Company announced its work program for Back River for approximately 45,000 – 50,000 meters of drilling. Goose exploration camp opened in January 2013 and drilling is ongoing with eight drill rigs operating on Goose and George.
- Work on the Back River Gold pre-feasibility study continues and is expected to be completed in Q3, 2013.

Financial Results

For the quarter ended March 31, 2013, the Company reported a net loss of \$3.7 million compared to a loss of \$4.2 million in 2012. The decrease of \$0.5 million was the net result of lower income tax expense and lower share based payment expense partially offset by increased salaries, decreased amortization of flow-through premium and decreased interest income.

The company had cash and cash equivalents and short-term investments of \$104.2 million at March 31, 2013 compared to cash and cash equivalents of \$116.4 million at December 31, 2012.

For the full Q1, 2013 interim financial statements and Management's Discussion and Analysis, please see the Company website at www.sabinagoldsilver.com.

SABINA GOLD & SILVER CORP

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

Sabina's primary assets, all located in Nunavut, consist of: the Back River Gold Project, currently in the pre-feasibility and permitting phase; the Wishbone Claims, a vastly prospective grass roots project; and the Hackett River Silver Royalty, a silver production royalty on Xstrata Zinc's Hackett River project comprising 22.5% of the first 190 million ounces produced and 12.5% of all the silver produced thereafter.

Mr. Angus Campbell, P. Geo, and Vice-President, Exploration of the Company is a Qualified Person under the terms of National Instrument 43-101 and has reviewed the technical content of this press release and approved its dissemination.

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Forward Looking Statements

Statements relating to future operations at the Hackett River Project, the Back River Project and the Wishbone Greenstone belt and the expected results of this work are forward-looking statements within the meaning of securities legislation of certain Provinces in Canada. Forward looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects,” “plans,” “anticipates,” “believes,” “intends,” “estimates,” “projects,” “potential” and similar expressions, or that events or conditions “will,” “would,” “may,” “could” or “should” occur. Information inferred from the interpretation of drilling results may also be deemed to be forward looking statements, as it constitutes a prediction of what might be found to be present when and if a project is actually developed. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation: risks related to fluctuations in metal prices; uncertainties related to raising sufficient financing to fund the planned work in a timely manner and on acceptable terms; changes in planned work resulting from weather, logistical, technical or other factors; the possibility that results of work will not fulfill expectations and realize the perceived potential of the Company’s properties; risk of accidents, equipment breakdowns and labour disputes or other unanticipated difficulties or interruptions; the possibility of cost overruns or unanticipated expenses in the work program; the risk of environmental contamination or damage resulting from Sabina’s operations and other risks and uncertainties, including those described in Sabina’s Annual Report for the year ended December 31, 2011.

Forward-looking statements are based on the beliefs, estimates and opinions of Sabina’s management on the date the statements are made. Sabina undertakes no obligation to update these forward-looking statements should management’s beliefs, estimates or opinions, or other factors, should change.

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

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