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SABINA GOLD & SILVER ANNOUNCES 2012 YEAR END FINANCIAL RESULTS

\$116 million at December 31, 2012 in cash and equivalents
NI 43-101 Technical Report filed on updated Back River Resource

VANCOUVER – Sabina Gold & Silver Corp. (the “Company”) (SBB – TSX) reported today the financial results for the year ended December 31, 2012.

2012 was a year of continued growth and change for Sabina. Highlights of the year include:

- The Company had cash and cash equivalents and short-term investments of \$116.4 million at December 31, 2012.
- During 2012, the Company completed 68,861 meters of drilling at Back River focused on infill, geotechnical and extension drilling at the Llama, Umwelt, Goose and George deposits in support of the planned Back River Pre-Feasibility Study (“PFS”). Exploration highlights included success in all areas; improvements in and near proposed pits, extensions of existing deposits, success in conversion of resources from inferred to indicated and new discoveries. All deposits have since been remodelled from first principles and along with the drilling from 2012, have resulted in an increased resource calculation with better grade and confidence (announced in early 2013).
- On May 29th the Company announced the results of the Preliminary Economic Assessment (“PEA”) on the Back River Project which contemplated a project with average annual production of 300,000 ounces of gold over a 12.3 year mine life; total LOM capital of \$838 million and total LOM cash costs of \$542/oz including royalties.
- In June 2012, the Company filed a preliminary project description (“PPD”) for the Back River Project with the Nunavut Impact Review Board (“NIRB”). This filing triggered the environmental assessment process and associated permitting activities. In December 2012, the Company received a response from the Minister of Aboriginal Affairs and Northern Development indicating that the project would be subject to a Part 5 screening process as NIRB had recommended and the Company had expected.
- On June 26, 2012, the Company completed a bought-deal financing. The offering was comprised of 11,896,750 flow-through common shares at \$2.90 per share for total gross

proceeds of approximately \$34.5 million. Additionally, the Company completed a non-brokered equity placement on the same terms as the brokered placement for additional gross proceeds of approximately \$0.6 million. The total gross proceeds of \$35.1 million must be used to incur Canadian exploration expenditures as defined by the Income Tax Act (Canada) by December 31, 2013.

- In August, the Company initiated a PFS on the Back River Project. The Company engaged Tetra Tech WEI Inc., as the lead consultant, responsible for overall delivery of the PFS, process and infrastructure design, operating and capital expenditures and economic modelling, AMC Consultants Ltd., responsible for geology and mining, Knight Piésold Consultants Ltd., responsible for tailings design, geotechnical, and hydrogeology and Rescan, responsible for hydrology and baseline environmental. The PFS is scheduled for completion in Q3, 2013.

“Last year, we executed one of the largest exploration programs for the Company with impressive results,” said Rob Pease, President & CEO, “This year, we are continuing to aggressively push Back River forward to the next stage of development. Currently, eight drills are running at our Goose and George projects with engineering and environmental baseline work for the FS and ongoing PFS work underway” he said “We look forward to providing further details about Xstrata’s progress on Hackett River and anticipate the beginning of Back River drill results in the near future.”

Technical Report Filed

Subsequent to the end of the year, 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. Remodelling from first principles was conducted on all deposits and in combination with 2012 drilling, resulted in increasing overall confidence and grade, and added approximately 740,000 ounces (or 13%) of gold in all categories.

The report, entitled, Back River Gold Property, Nunavut Territory Canada, has now been filed on and can be found at www.sedar.com or on the Company’s website at www.sabinagoldsilver.com.

Financial Results

For the year ended December 31, 2012, the Company reported a net loss of \$14.1 million compared to a loss of \$12.7 million in 2011. The increase of \$1.4 million was the net result of a write-off of the Cook Lake mineral property and lower net finance income, offset by decreased share-based payments costs and lower deferred income tax expense.

Operating expenses in 2012 were \$11.9 million compared to \$10.0 million for the same period 2011. In Q4, 2012, the Company wrote-off the carrying value of its Cook Lake property of \$3.8 million. Following a review of exploration results at Cook Lake, the Company determined that it would not continue with its option on the property and, consequently, all deferred exploration costs were written-off. Share based compensation payments decreased in 2012 by \$2.0 million due to primarily to a decrease in the option value. Approximately 10% more share purchase options were granted and vested in 2012 compared to the same period in 2011.

Interest income in 2012 was \$2.4 million compared to \$2.1 million in 2011, higher by 15% due to higher average cash balances (\$138.2 million in 2012 versus \$131.0 million in 2011) and a higher realized interest rate which increased to 1.71% from 1.54%.

The total flow-through premium income recognized in 2012 was \$4.1 million compared to \$8.1 million in 2011. In addition to timing differences related to renunciation of eligible expenditures, the Company had a larger flow-through premium in 2011, both in terms of gross premium amount and percentage of share price.

Deferred income tax expense was \$8.7 million in 2012 compared to \$12.8 million in 2011; the difference was the result of less flow-through financing completed in the period and timing of renunciation of flow-through eligible expenditures.

For the full December 31, 2012 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. The company ended December 31, 2012 with approximately \$116 million in cash.

Quality Assurance

Mr. Angus Campbell, P.Geo, and Vice President Exploration of Sabina Gold & Silver Corp is a Qualified Person under the terms of NI 43-101 and has reviewed the technical content of this press release and approved its dissemination.

The Mineral Resource estimates for the Back River deposits were estimated by AMC Mining Consultants (Canada) Ltd. The Qualified Persons are Dinara Nussipakynova, P Geo. and Andrew Fowler MAusIMM CP (Geo) both of AMC Mining Consultants (Canada) Ltd.

All technical reports have been filed on www.sedar.com

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Forward Looking Statements

Statements relating to future operations at the Hackett River Project, the Back River Project and the 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, 2012.

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, change.

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

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