



Sabina Gold & Silver Corp.

Creating
precious metals
opportunities in
the Canadian
North
September
2011



Forward Looking Statements

This presentation includes certain "forward looking statements" within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, included herein, including without limitation, statements regarding potential mineralization, mineral resources or reserves, exploration results and future plans and objectives of Sabina Gold & Silver Corp. are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

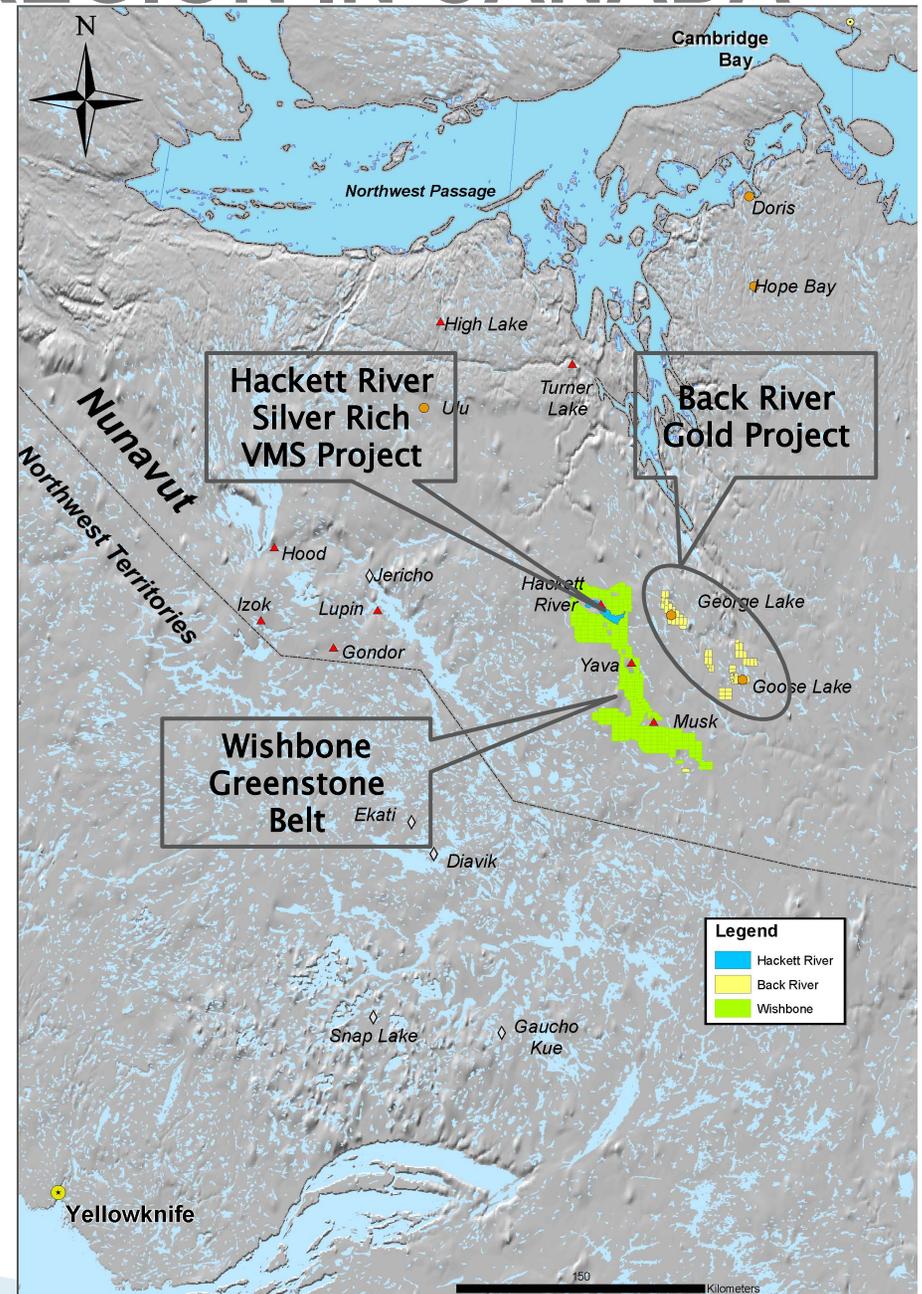
WHO ARE WE?

- ▶ Sabina Gold & Silver Corp. is on track to become a mid-tier gold producer with significant metals upside
- ▶ The Company owns a highly prospective land package in one of the world's newest and politically stable mining jurisdictions – Nunavut, Canada
- ▶ Sabina's major projects include the world-class Hackett River Project and the Back River Gold Project, and the Wishbone Greenstone Belt, all in Nunavut
- ▶ Sabina also holds a number of exploration properties in Ontario and Manitoba



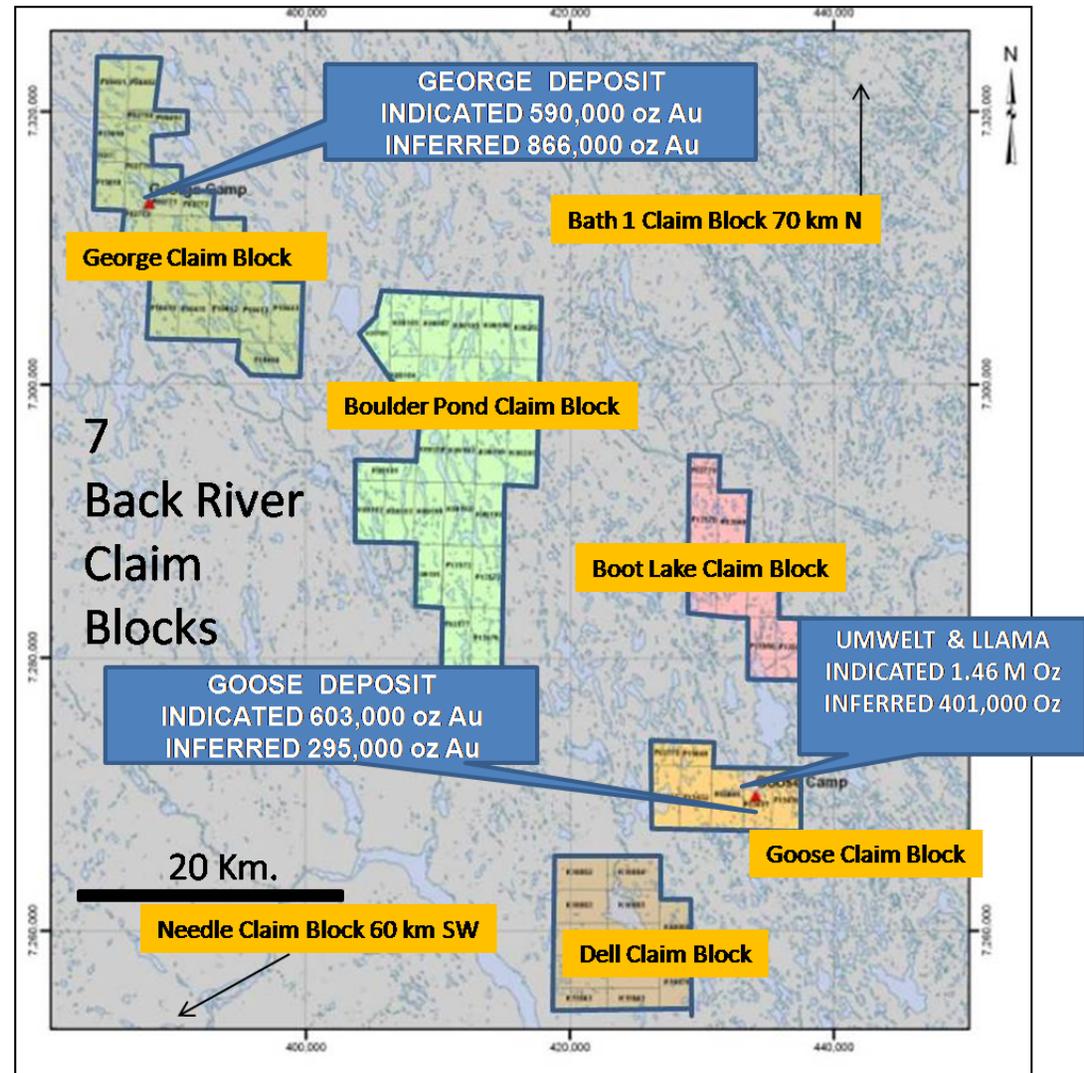
OPENING A MINING REGION IN CANADA

- Management experienced in the Canadian North
- Nunavut = Pro-mining/certainty of tenure – MOU signed with NRC in Mar/11
- Arctic a priority to CDN Gov't. Infrastructure a key objective
- Sabina land package has access to tide water and projects are large enough to sustain infrastructure capital
- Infrastructure development could open the district for mining giving Sabina enhanced logistics in the region.
- Hackett River and certain wishbone claims sold to Xstrata Zinc Canada – silver production right retained



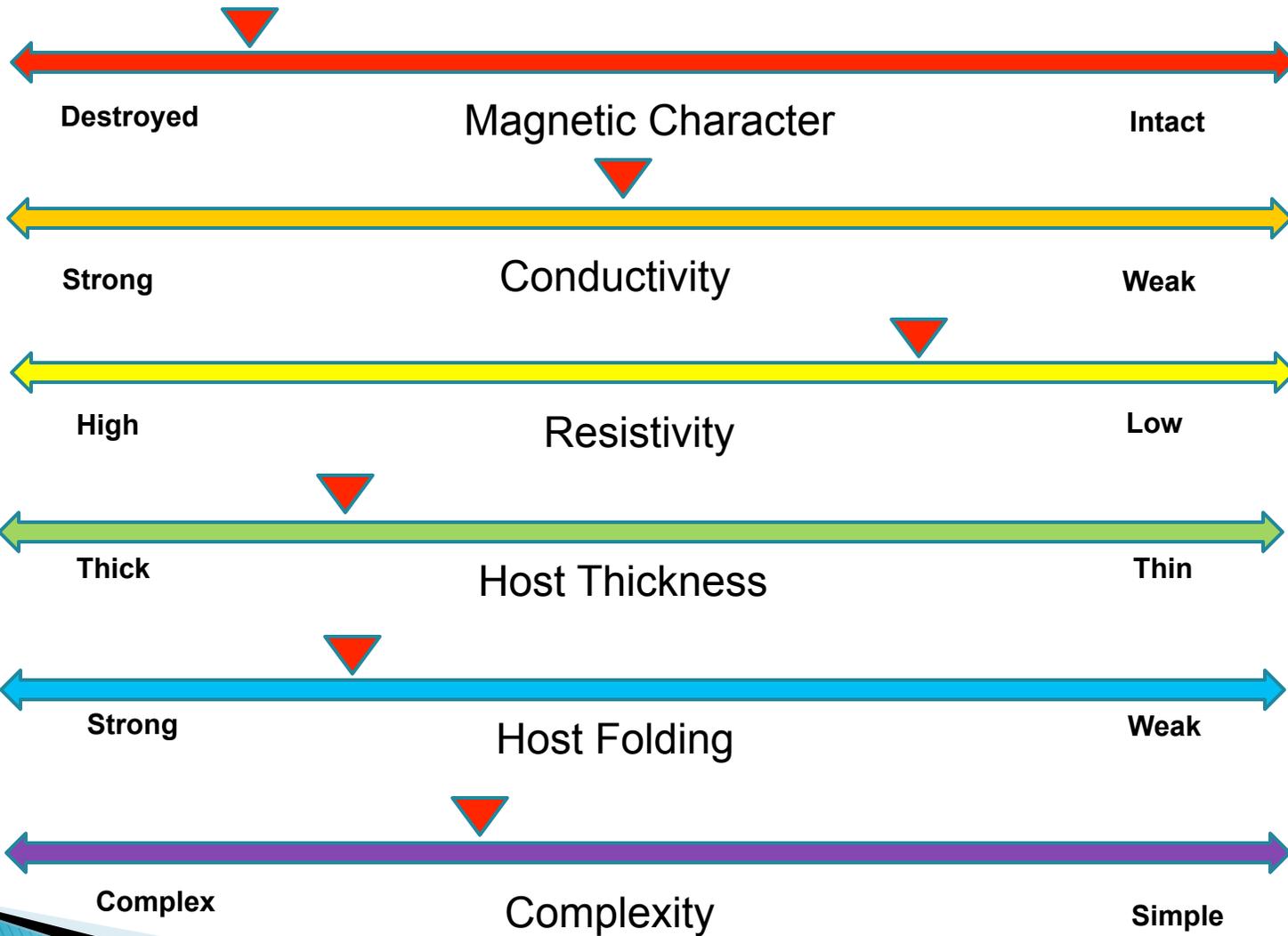
BACK RIVER GOLD PROJECT

- Initial goal to become 200K oz/year gold producer for 10 years, open pit if possible
- 2010 goal was to add 700k to existing resource
- Added 1.9 million ounces in 2010 – exceeded goals
- High grade open-pit gold targets at Goose Claim block.
- Success driven by development of Exploration Tool Box

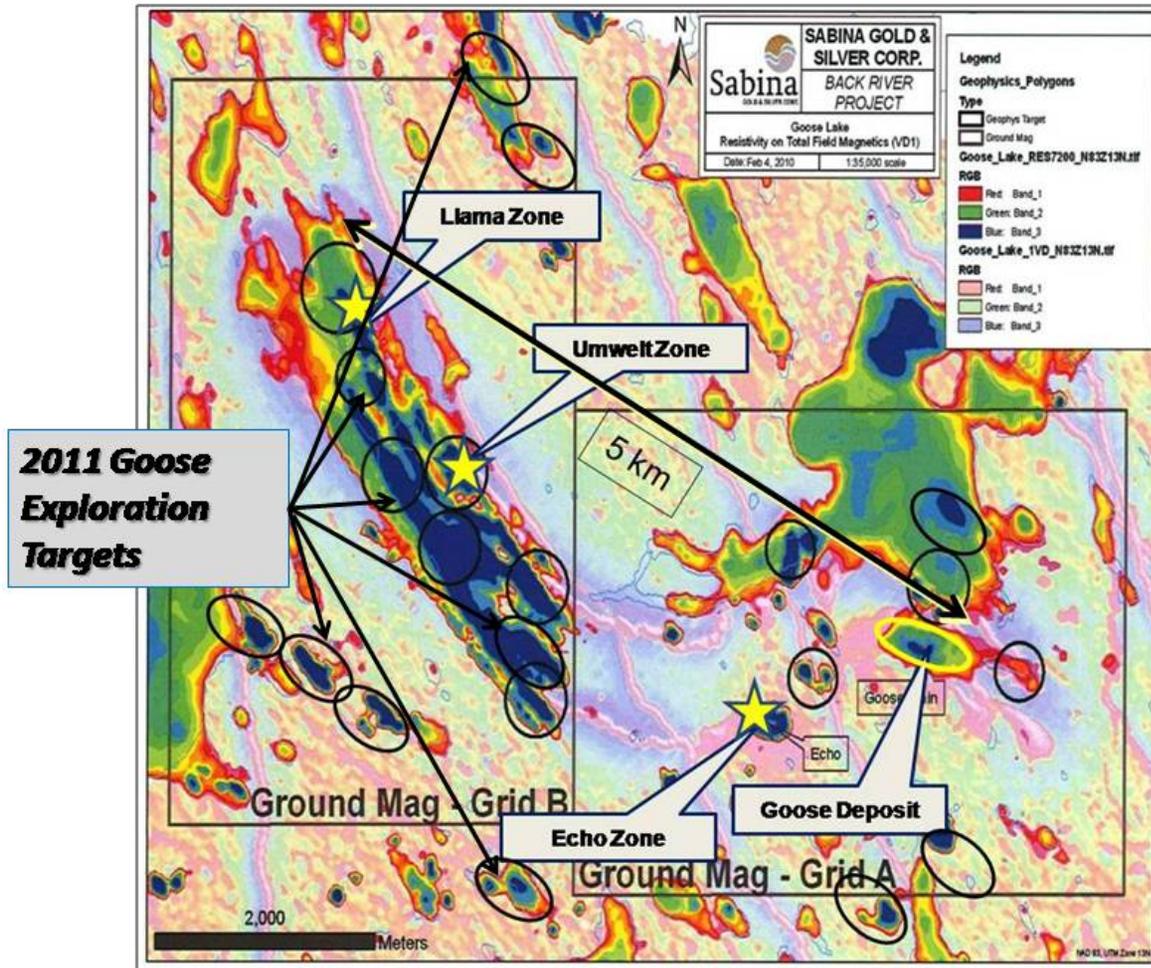


Indicated resource of 2,655,000 ounces Au at 8.33 g/t
Inferred resource of 1,562,000 ounces Au at 8.65 g/t

“TOOL BOX” ASSUMPTIONS



BACK RIVER PROJECT – GOOSE CLAIM BLOCK TARGETS



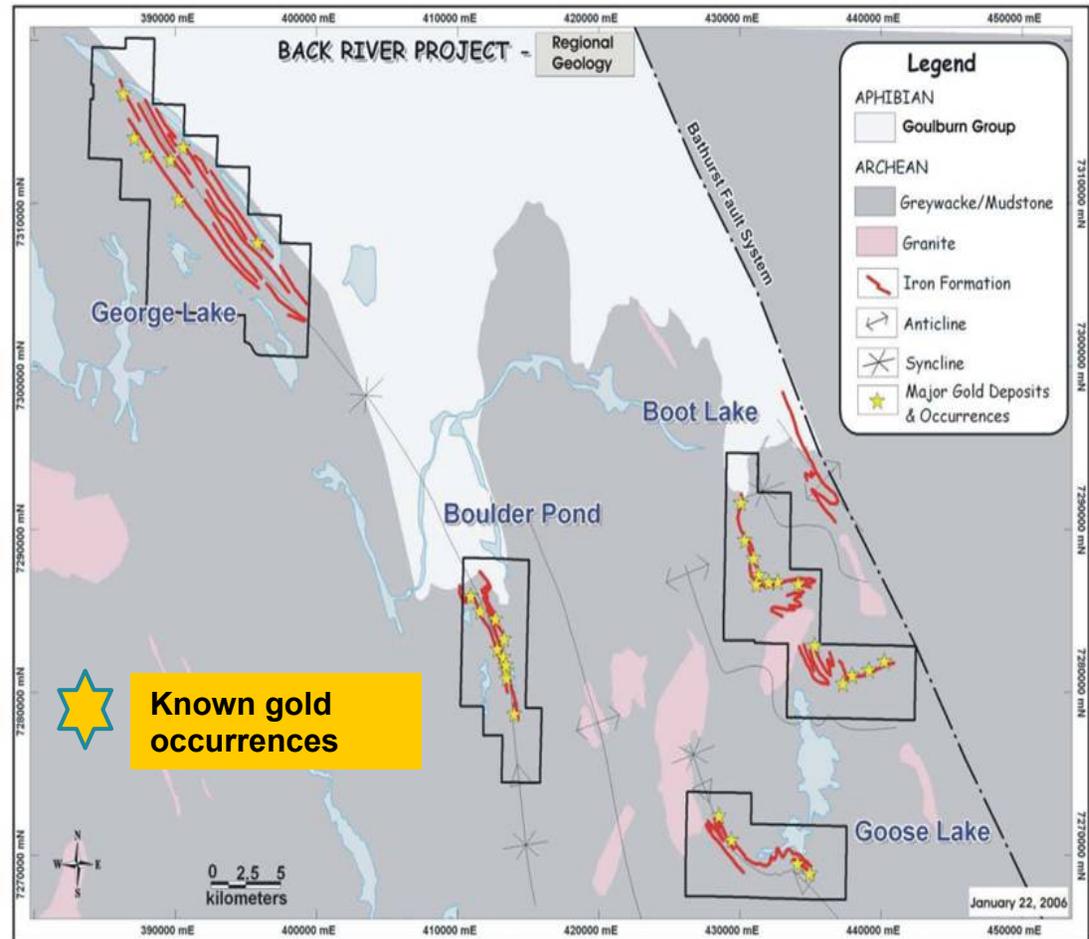
➤ New discoveries open along strike and to depth

➤ 19 other targets on Goose Claim Block alone

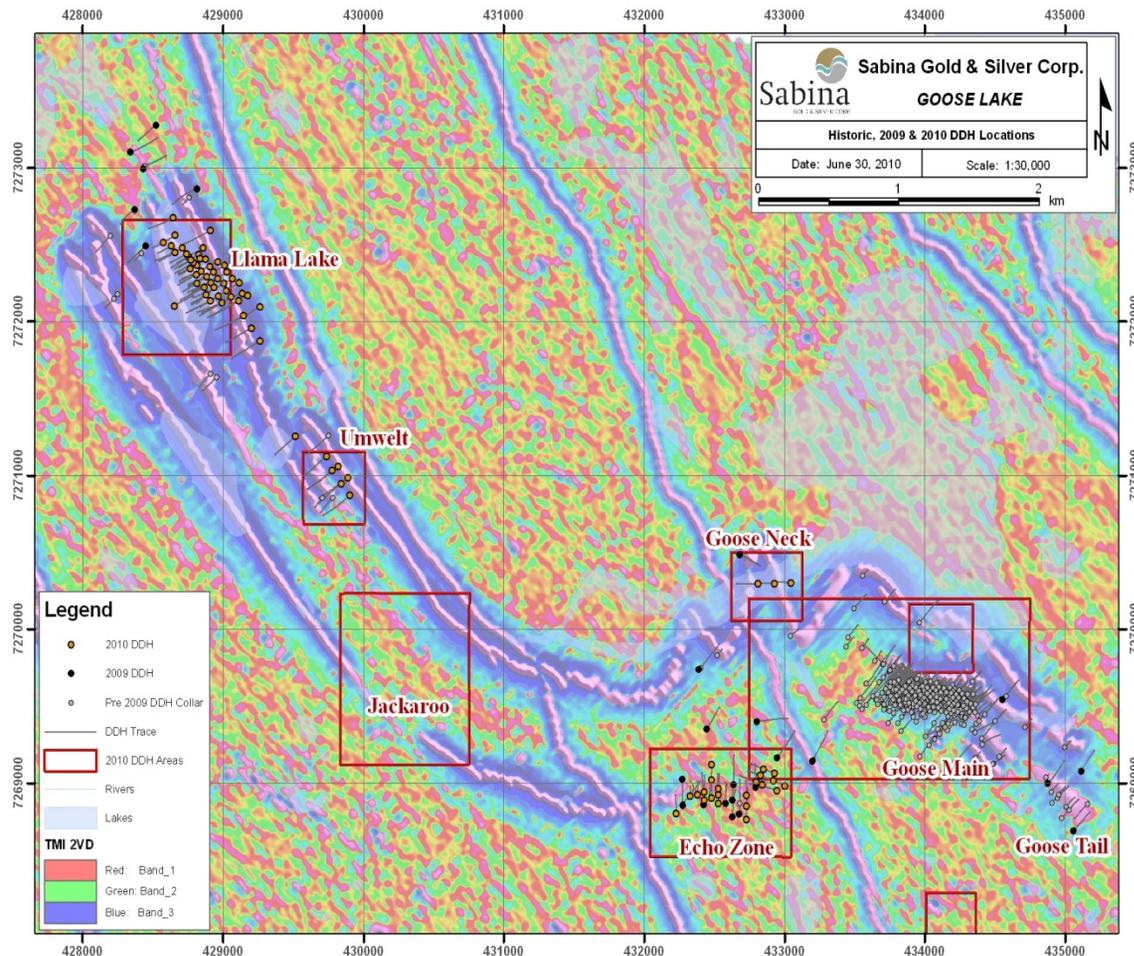
➤ All targets proximal to each other

Opportunities for more discoveries driven by application of Tool Box Assumptions

- Back River made up of a series of 7 claim blocks
- Existing resource on George and Goose Claim blocks – 2010 discoveries made on Goose Claim block
- Potential on other claim blocks to find other deposits utilizing exploration “Tool Box”.
- Four new discoveries made in 2011 – further work to evaluate discoveries in progress



2010 – Two Significant New Discoveries North of Goose



➤ New zones are analogous to Goose Lake mineralization

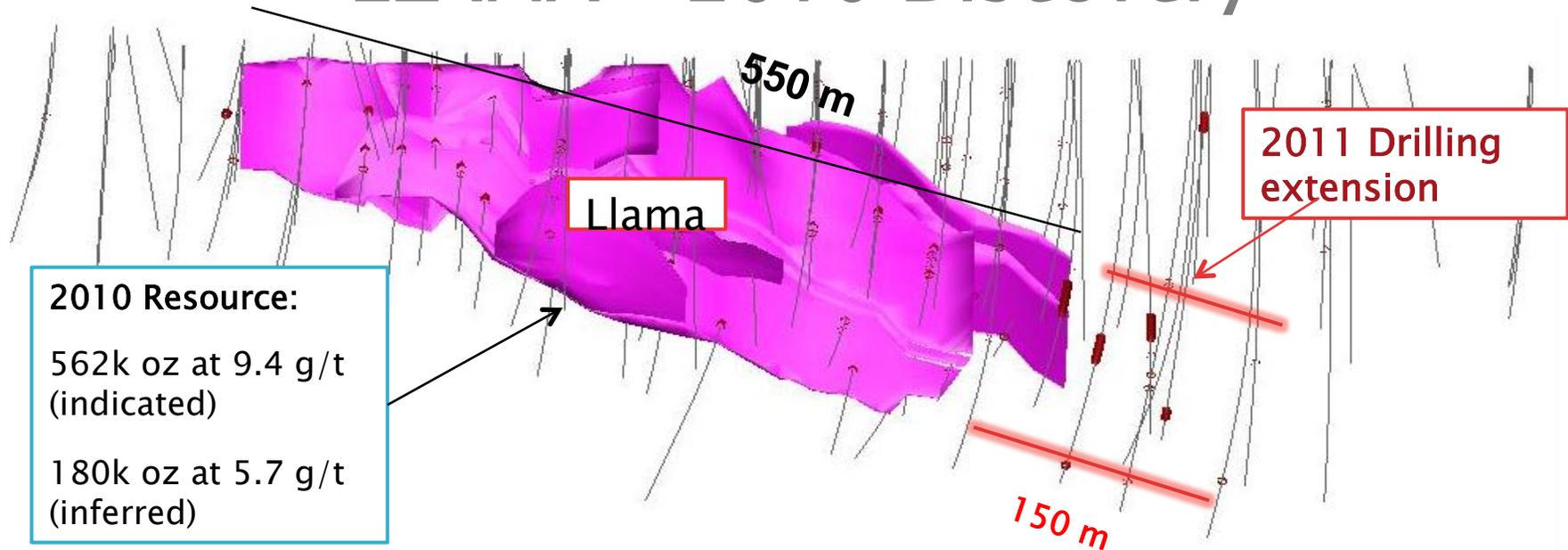
➤ 3.5 and 5 km from existing resource at Goose

➤ Resource calculations complete at Llama, Umwelt significant ounces added

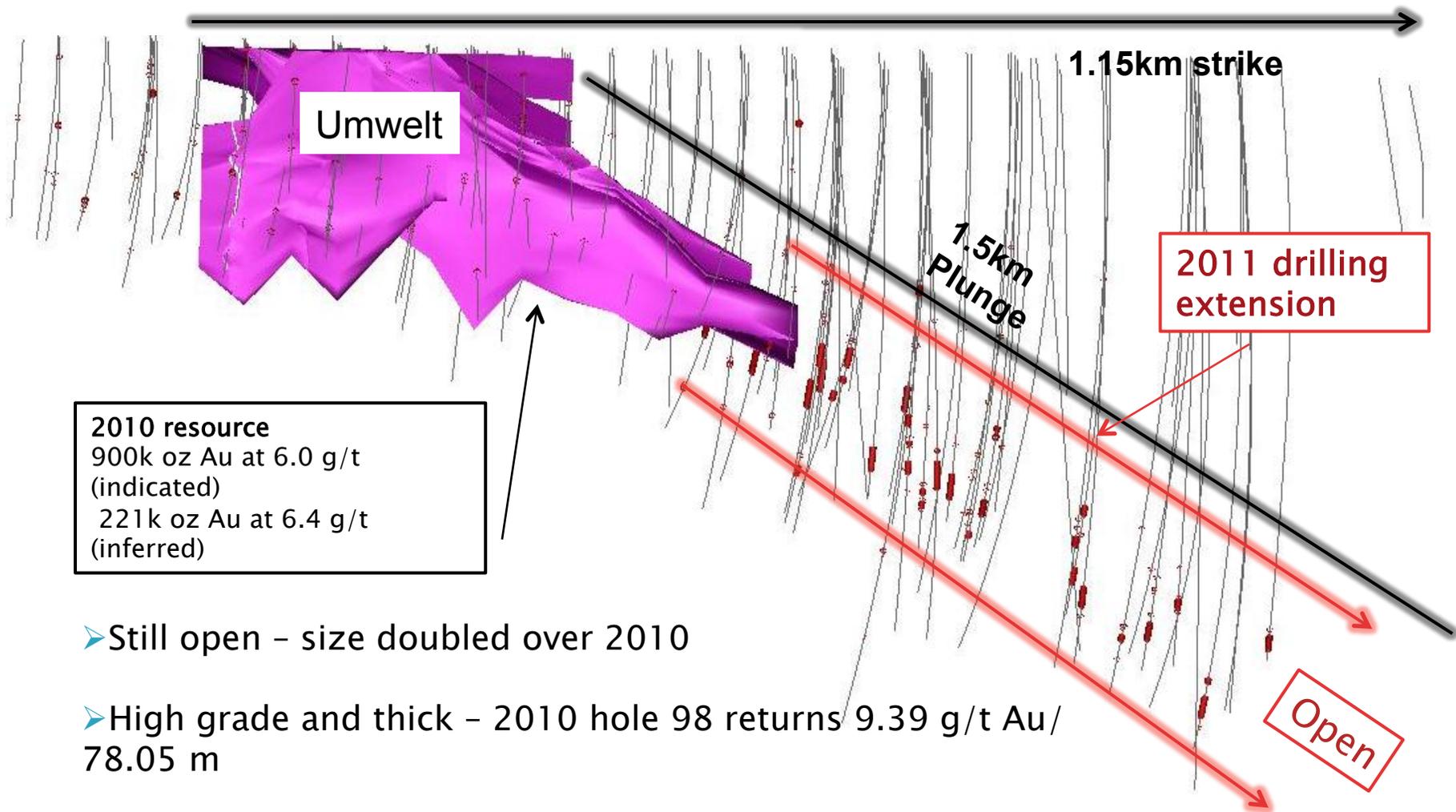
➤ Goose open pit resource underway

➤ PEA planned for 1st quarter of 2012

LLAMA - 2010 Discovery



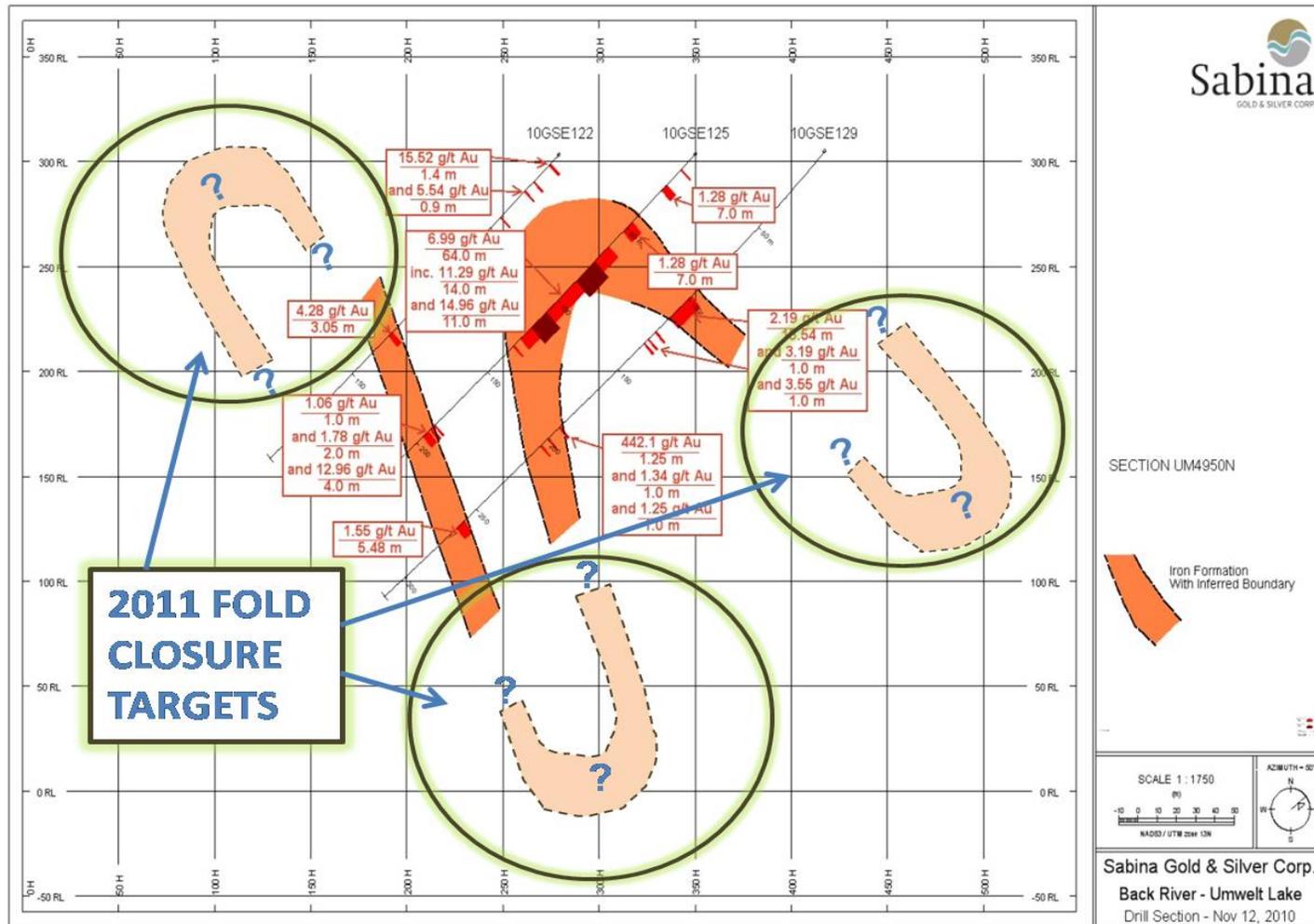
- 700 m strike length with holes as deep as 250 m
- Open at depth, to the South and Possibly to the North
- High grade - hole 41 returns 25.43 g/t Au over 20 m
- Hole 31 returns 16.92 g/t Au over 22 m



- Still open – size doubled over 2010
- High grade and thick – 2010 hole 98 returns 9.39 g/t Au/ 78.05 m
- 2011 hole 09 returns 10.14 g/t Au over 25 m including 16.62 g/t/ 10 m

UMWELT – 2010 Discovery

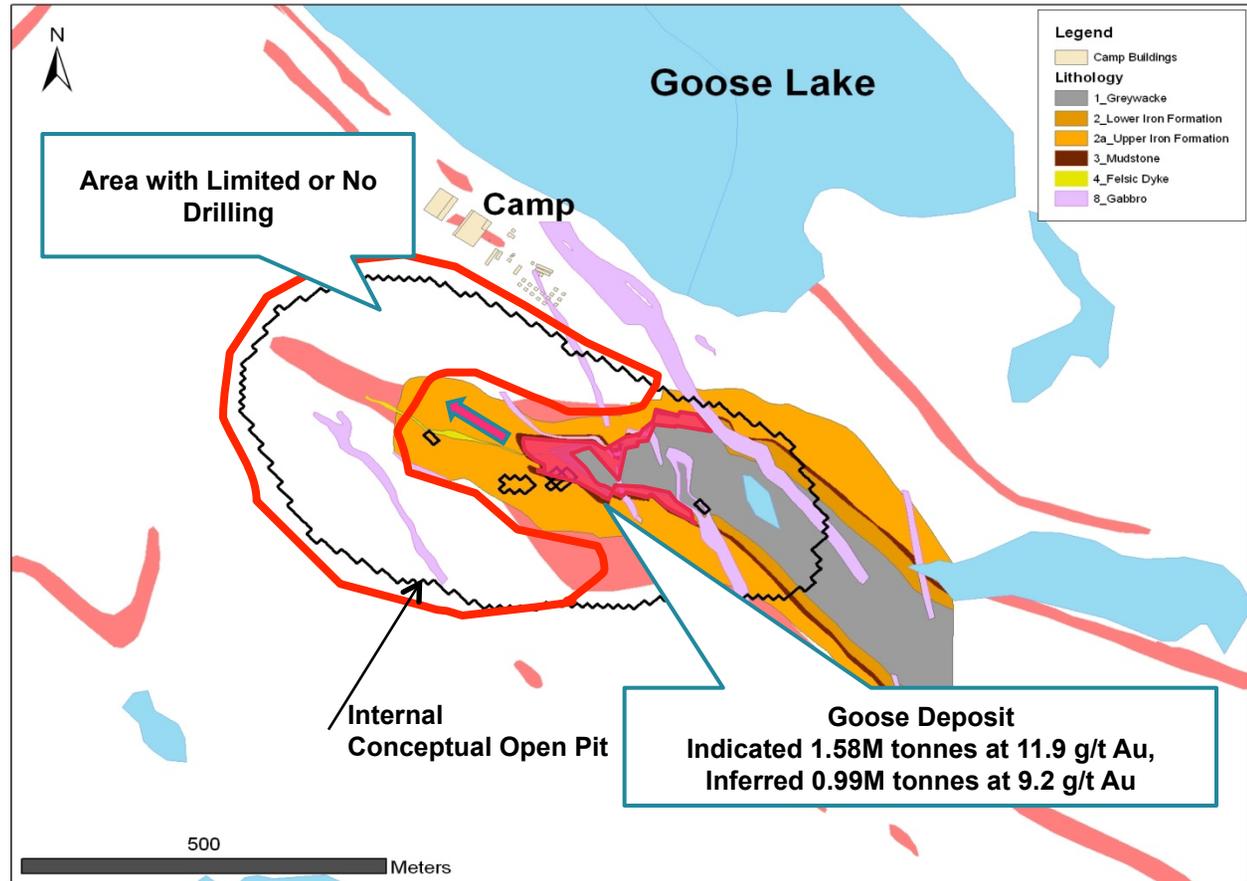
Opportunities for growth



GOOSE DEPOSIT -- 2011 PLANS

➤ Test undrilled areas of internal open pit scenario

➤ Hole 11GSE002 (Goose) returns 18.99 g/t Au over 27.2m including 63.51 g/t Au over 4.1m.



New Goose open pit model expected September

Updated Back River Global Resource

TABLE 1 BACK RIVER MINERAL RESOURCES – MARCH 3, 2011

Classification	Location	Tonnes (‘000s)	Grade (g/t Au)	Ounces (‘000s)
Indicated	Llama*	1,860	9.4	562
	Umwelt*	4,601	6.0	900
	Goose**	1,577	11.9	603
	George**	1,838	10.0	590
Total Indicated		9,876	8.33	2,655
Inferred	Llama*	980	5.7	180
	Umwelt*	1,067	6.4	221
	Goose**	992	9.2	295
	George**	2,563	10.5	866
Total Inferred		5,602	8.65	1,562

Notes: *

•CIMM definition standards were followed for Mineral Resources

•The Qualified Person under National Instrument 43-101 for the Llama and Umwelt Mineral Resource estimate is Patti Nakai-Lajoie, P. Geo.

•Mineral Resources are estimated at a pit discard cut-off grade of 0.76 g/t Au and 90% recovery. Pit optimizations were used to constrain the resources

•Mineral Resources are estimated using an average long-term gold price of US\$1200 per ounce.

•Bulk densities used were 3.02 t/m³ in iron formation, 2.80 t/m³ in greywacke, 3.0 t/m³ in gabbro, 2.73 t/m³ in felsic dyke, and 1.80 t/m³ in overburden.

•High assays were capped at 70 g/t Au at Llama and 60 g/t Au at Umwelt

•The Llama drill hole database contains 74 surface diamond drill holes and the Umwelt drill hole database contains 60 surface diamond drill holes at approximate spacings of 25m, 50m and 100m.

• Notes: **

•The Qualified Person for the George and Goose Mineral Resource estimate is Doug

• Cater, P.Geo.

• Numbers may not add due to rounding.

•The RPA Qualified Person under NI 43-101 is Patti Nakai-Lajoie, P. Geo., who has reviewed and approved this disclosure as it applies to the Llama and Umwelt mineral resource estimates.

•The Qualified Person under NI 43-101 is Doug Cater, Project Manager for Sabina Gold & Silver Corp, who has approved this disclosure as it applies to the Goose and George mineral resource estimates.

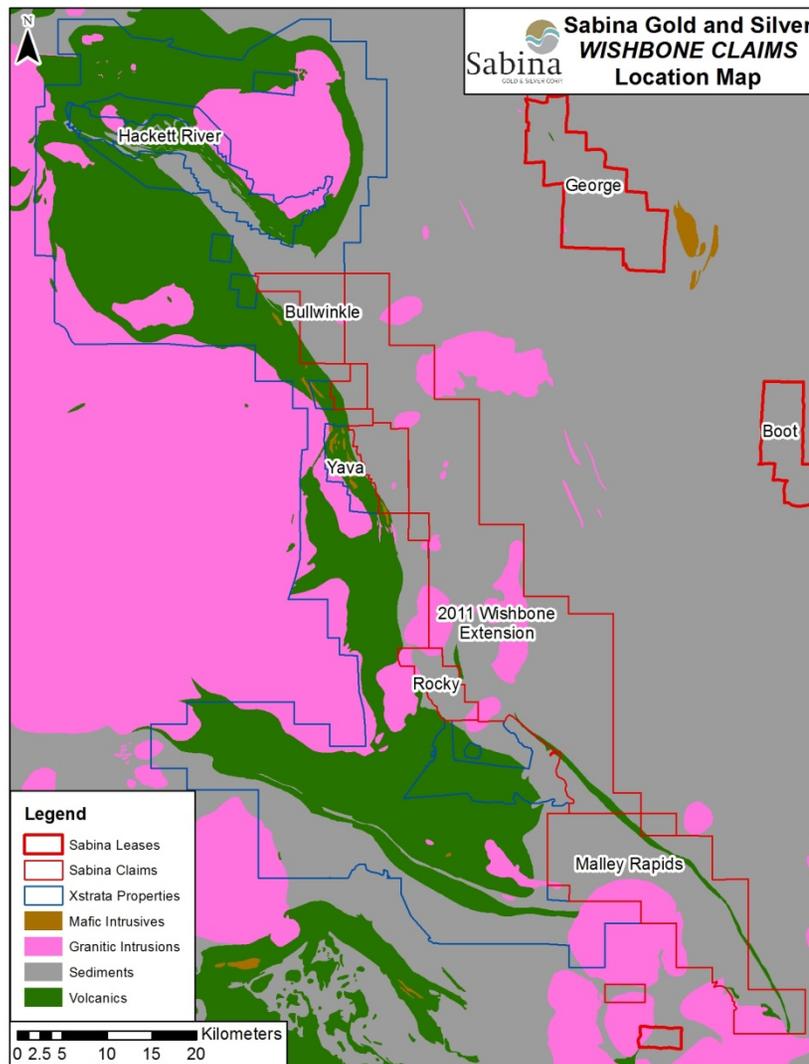
BACK RIVER GOLD- 2010-2011 PLANS



- 70% of entire exploration budget spent on Back River in 2011 – \$29 million
- Base line and environmental work to proceed with scoping study and preliminary project description for completion in Q1 2012
- Utilizing exploration tool box – identify other gold targets on Back River and Wishbone claim blocks
- PEA in Q1, 2012

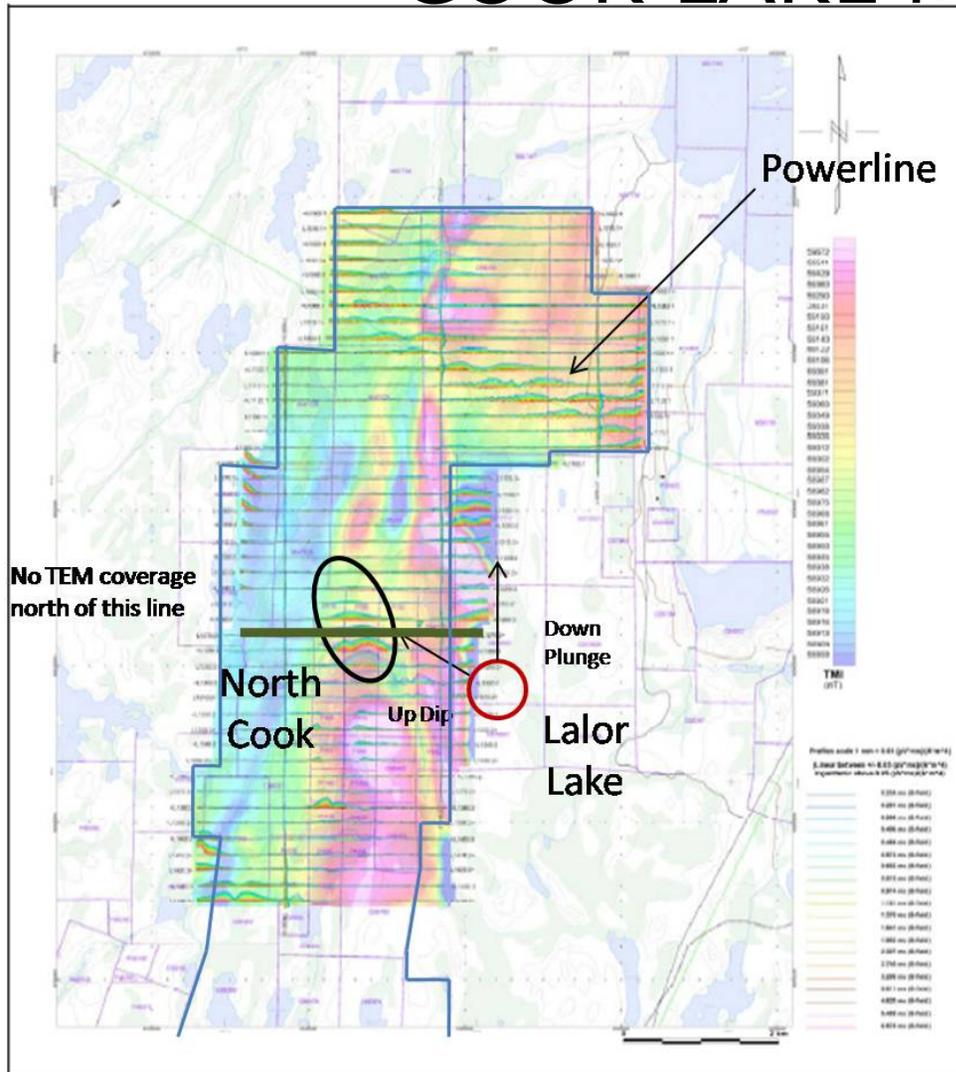
Aggressive 2011 program with 6 drills to expand current resources and explore for new deposits, drill 68,000 meters – 70% (\$20m) on advancing new deposits and 30% (\$9m) on looking for new discoveries

WISHBONE PROJECT – GREENSTONE BELT



- 150 km long x 30 km wide
- Covers highly prospective VMS and gold targets
- Approximately 70% of Wishbone claims sold to Xstrata (VMS targets)
- Exploration “Tool Box” identified altered iron formations on belt for potential new gold discoveries
- Sabina retains Gold target similar in geology to Back River south east of belt.
- 2011 Summer season planned \$7M and 7,500 meters with focus on gold targets

COOK LAKE MANITOBA



Plan to spend approximately \$1m on drilling and assessment work in 2011 - 2012

COOK LAKE NORTH PROPERTY

LALOR

Indicated 12.3 mt

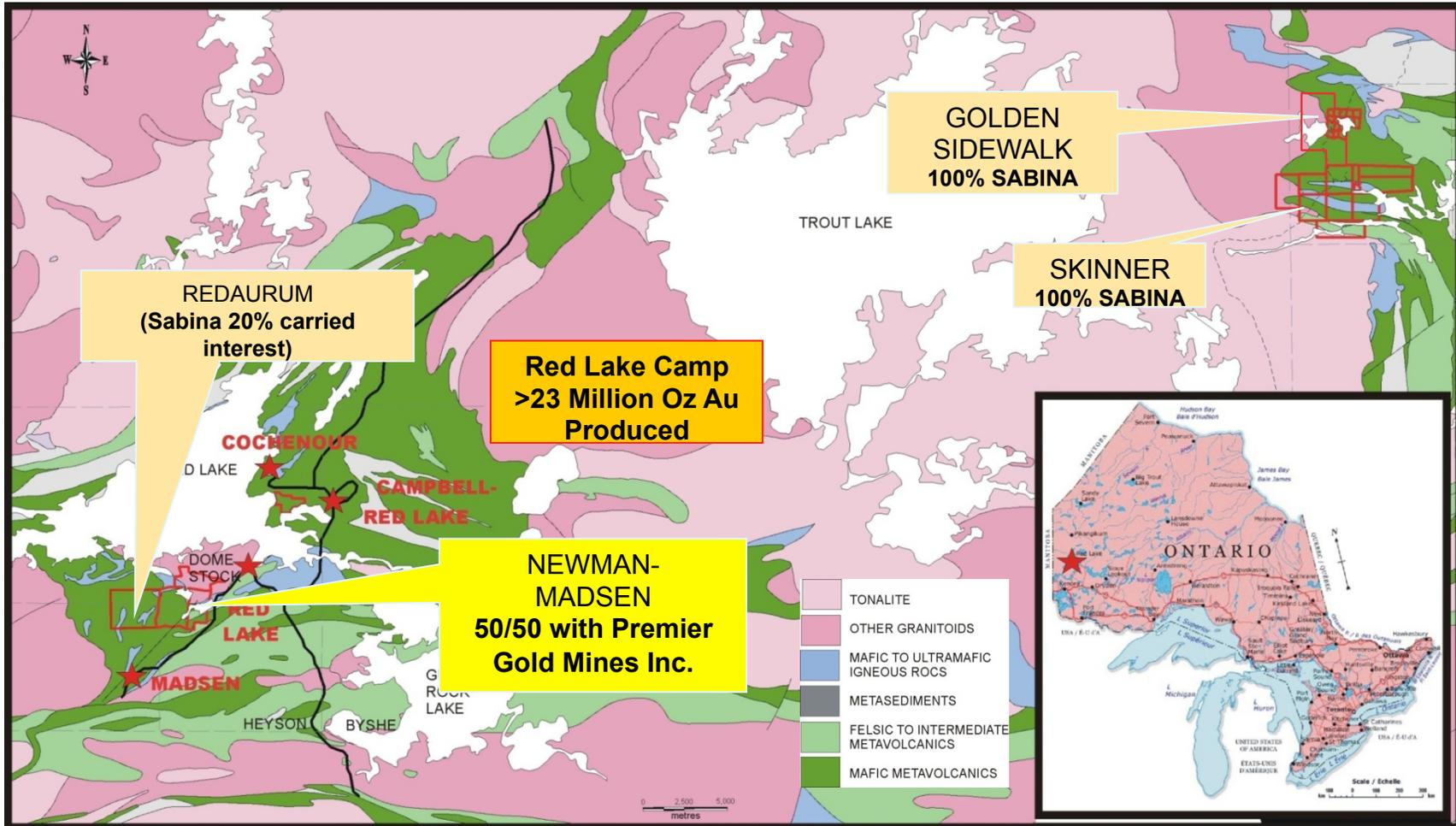
1.6 g/t Au, 24 g/t Ag, 0.66% Cu,
8.70% Zn

Inferred 5.0 mt

1.4 g/t Au, 26 g/t Ag, 0.57% Cu,
9.39% Zn

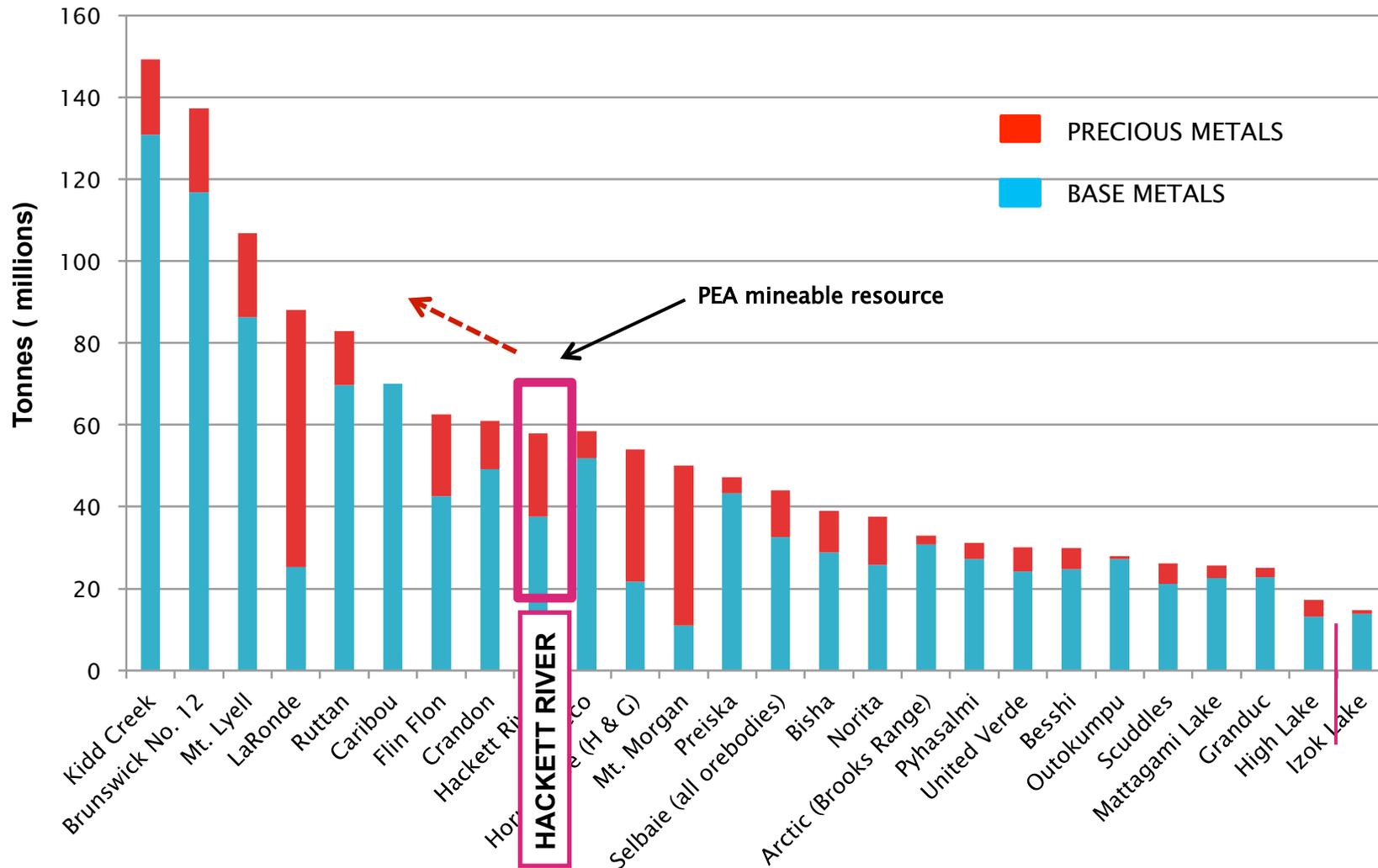
North Block: VTEM B-Field Profiles
- Time Gates 0.234 to 6.578 ms, over TMI

RED LAKE – NEWMAN–MADSEN



Work completed in 2011 being assessed to determine next targets

HACKETT RIVER – IN TOP 10 AND GROWING



Data source: Galley et al. , Mineral deposits of Canada, 2007 and selected company websites
 Metal distribution using 2009 PEA metal prices in USD, \$2.09 Cu, \$0.88 Zn, \$0.61 Pb, \$13.20 Ag, \$880 Au.

HACKETT RIVER 2009 MINERAL RESOURCE

Indicated 43,340,000 tonnes				Inferred 14,620,000 tonnes			
Metal	Grade		Product	Metal	Grade		Product
Ag	144	g/t	200,480,000 ounces	Ag	136	g/t	64,020,000 ounces
Zn	4.65	%	2,016,000 tonnes	Zn	4.46	%	652,000 tonnes
Cu	0.42	%	180,000 tonnes	Cu	0.31	%	46,000 tonnes
Pb	0.64	%	278,000 tonnes	Pb	0.57	%	84,000 tonnes
Au	0.30	g/t	419,000 ounces	Au	0.31	g/t	144,000 ounces

- Good recoveries and three clean concentrates: Zn, Cu-Ag- Au, & Pb-Ag
- Conservative long range prices used (\$2.09 Cu, \$0.88 Zn, \$13.20 Ag)

The mineral resource estimate for Hackett River was prepared as part of the Preliminary Economic Assessment (PEA) update by Gordon Zurowski, P.Eng., Principal Mine Engineer of PEG Mining Consultants Inc. CIM Definition Standards (2005) have been used in defining the mineral resource categories. Project Management of the PEA study was conducted by Eric Harkonen, P.Eng. and Principal Project Manager/Mine Engineer of PEG Mining Consultants Inc. Both individuals are qualified persons as defined by NI43-101.

DEC/09 PRELIMINARY ECONOMIC ASSESSMENT

Generates \$1.8 billion net pre-tax cash flow

NPV \$975M (5% discount), IRR 25.9%, Payback 4.6 years

Project Summary		2010 Targets & Comments
Production Rate (tpd, year 1-10)	12,000	Demonstrate potential to increase to 15,000 tpd
Production Rate (tpd, year 11-17)	7,800	Demonstrate potential to maintain full open pit throughput rate
Mine Life	16	Open at depth
Stripping ratio	7:1	Reduce by conversion of waste to resource
Initial Capital (\$CDN M)	\$ 668.0	Includes Road and Port (\$200M)
Sustaining Capital (\$CDN M)	\$ 343.0	Year 7 , \$250 M for UG development

PEA uses following costs: US\$ 13.20/oz Ag, \$0.88/lb. Zn, \$2.09/lb Cu

SALE OF HACKETT RIVER TO XSTRATA ZINC CANADA

Rationale:

- Sabina focused on gold assets at Back River – opportunity to achieve production sooner
- Back River and Hackett both world class assets, but aggressive work on both was diluting Sabina human and financial resources and could have resulted in Hackett start up delay
- Hackett River large scale complex project – would benefit from senior producer
- Engaged BMO Capital Markets in fall 2010 to advise on strategic opportunities. Data room set up. 53 companies approached, 10 under CA – management travelled to Asia, and over North America to market project
- Xstrata most aggressive and interested – non-binding term sheet signed April

SALE OF HACKETT RIVER TO XSTRATA ZINC CANADA

Terms:

- Sale of Hackett River and 70% of retained Wishbone claims
- \$50 million up front cash payment
- 22.5% of first 190 million ounces of silver product
- 12.5% of all silver product thereafter
- Use of Xstrata/Hackett infrastructure on commercially competitive terms
- Xstrata to spend \$50 million on feasibility study work by 4th anniversary of closing date.
- If no FS completed, Xstrata to spend \$10 million per year for another 3 years or elect to pay Sabina short fall if expenditures not met
- If on year 7 no production decision Sabina can buy back for 100% of Xstrata Feasibility study expenditures
- Xstrata could elect to pay \$75 million over 3 years as advance royalty payments

SALE OF HACKETT RIVER TO XSTRATA ZINC CANADA

Conditions:

- 10 day due diligence after signing of agreement for Xstrata to investigate Sabina title and permit rights
- \$50 million cash – once all title, permits and licences have been approved, cash will go into escrow until transferred.
- Compliance with Competition Act Canada
- Regulatory and exchange approvals as required

RESULT - SABINA ENTIRELY PRECIOUS METALS

THIS IS A TRANSFORMING DEAL FOR THE COMPANY AS IT POSITIONS US TO BECOME A GOLD PRODUCER, DERIVING VALUE FROM OUR BACK RIVER ASSETS, WHILE STILL RETAINING EXPOSURE TO SIGNIFICANT SILVER UPSIDE FROM HACKETT RIVER. CRYSTALIZES VALUE IN HACKETT AND POISES SABINA FOR RE-RATING AS A GOLD COMPANY.

- Xstrata presents greater likelihood of Hackett reaching production
- Allows us to focus on becoming a mid-tier gold producer while retaining leverage to Hackett River and Wishbone silver
- Adds gold equivalent ounces to Sabina's production profile at no cost

22.5% x 190 million / 16 years = 2.7 million ounces per year
Silver to Gold ratio = 40:1 = 67k ounces gold equiv./year

- Could potentially leverage royalty for financing (either through sale or bank security) – mitigate the need to return to market for funding
- Exposure to infrastructure built by Xstrata for Hackett operations would enhance Back River operations

CORPORATE SUMMARY

Sabina Gold & Silver Corp.	Trading symbol: SBB
Listed exchange	Toronto
Market capitalization (approx)	C\$800m
Shares outstanding	160 million
Fully diluted	190 million
Current cash estimate	\$140 million
Debt	None
52 week trading range	\$3.35 to \$7.63
September 2011	\$5.00

NEAR TERM CORPORATE PLAN – SUMMARY

- Two new gold discoveries at Back River in 2010 and four smaller discoveries to date in 2011
- Updated Goose resource Q4 2011, PEA Q1, 2012
- Drilling until late September with results continuing through October/November
- Continue to refine exploration tool box to look for new gold discoveries
- Sale of Hackett River to Xstrata Zinc announced. Work towards completing by end of Q3, 2011.
- Treasury C\$140 million

Mgmt/people + Exploration success + strong treasury + excellent land position = **Sabina Gold & Silver Corp.**