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SABINA GOLD & SILVER TO SET UP DEVELOPMENT TRUST FOR THE KITIKMEOT REGION OF NUNAVUT

-Kitikmeot Inuit Association has agreed to negotiate long-term land use agreements for Back River and Wishbone properties-

Vancouver, BC – Sabina Gold & Silver Corp (SBB.T) is pleased to announce it has entered into a Memorandum of Understanding (“MOU”) with the Kitikmeot Inuit Association (“KIA”) for the creation of a development trust (the “Trust”).

In recognition of Inuit rights under the Nunavut Land Claims Agreement, and in light of Sabina’s continuing commitment to development of its projects on Inuit Owned Lands in Nunavut, Sabina and the KIA have signed a MOU whereby Sabina would establish and contribute to the Trust.

The Trust would provide short and long term benefits to the Inuit of the Kitikmeot region in which Sabina’s Nunavut properties are located. The Trust will contribute towards KIA development projects and initiatives including training and education as well as infrastructure projects that will serve to support sustainable economic development in a currently struggling region.

“The development of the Trust is indicative of our investment in the people and sustainability of the Kitikmeot,” said Tony Walsh “We view this Trust as a vehicle to cultivate long term relationships, train our future employees and support infrastructure needs and growth. We realize a need to start now to prepare for our future as a mid-tier gold producer and establish win-win relationships to prosper. We are proud to be one of the first companies in Nunavut to create such a Trust.”

The definitive form of the agreement would incorporate the following terms:

- The Trust would receive 3% of Sabina’s net proceeds from the silver royalty retained by Sabina on the Hackett River and Wishbone properties sold to Xstrata Zinc.

- The Trust would be comprised of a maximum of six trustees of which a majority would be KIA appointees with at least one Sabina appointee;
- Funds contributed to the Trust would be allocated by the Trustees to initiatives that provide benefits to the Kitikmeot region. A portion of the Trust funds would be retained for allocation after mine or project closure;
- Payments can be made to the Trust in shares at Sabina's election (subject to regulatory approval);
- To kick off the initiative, prior to creation of the Trust, Sabina will pay approximately \$1.4 million to an existing KIA fund which provides for development and community initiatives in the Kitikmeot Region.

Land Use Agreement

The Company and the KIA have also agreed that it would be mutually beneficial to enter into long-term land use agreements for the Back River and Sabina's remaining Wishbone properties. Key provisions which have been agreed upon in a separate Memorandum of Understanding include an initial seven year term for exploration activities with a provision to extend for an additional two years.

The Company is well funded to continue its aggressive exploration and development objectives and expects to end the year with \$150 million in cash.

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, most politically stable mining jurisdictions: Nunavut, Canada.

In Addition to a significant silver royalty on the Hackett River and Xstrata Wishbone claims, the assets consist of the Back River Gold Project, an advanced exploration property, as well as the Wishbone Claims, a vastly prospective grass roots project.

For further information please contact:

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Forward Looking Statements

Statements relating to exploration, work on the Company's natural resource properties 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, 2010.

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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