



The Trust will be established with an objective of contributing funding towards short and long term KIA development projects and initiatives including training and education as well as infrastructure projects that will serve to support sustainable economic development in the region.

“The development of the Trust is indicative of our investment in the economic sustainability and environmental stewardship of the Kitikmeot,” said Rob Pease, President & CEO of Sabina “We view this Trust as a vehicle to cultivate long term relationships with the beneficiaries of the region, train our future employees and potentially support infrastructure needs and growth in the future. We are proud to be one of the first companies in Nunavut to create such a Trust.”

The definitive form of the Development Agreement incorporates 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 Glencore Canada Plc (“Glencore”), formerly Xstrata Zinc Canada Ltd.
- To kick off the initiative, prior to creation of the Trust, Sabina has paid approximately \$1.4 million to an existing KIA fund which provides for development and community initiatives in the Kitikmeot Region.
- 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);

### **Capacity Funding Agreement**

As previously reported, environmental assessment and permitting processes for Back River are well underway. The Company is committed to working efficiently with the KIA through the process and recognizes that the KIA has an immediate need to increase its personnel capacity to respond to the technical review of the Project. To this end, Sabina and the KIA have finalized a Capacity Funding Agreement (the “Capacity Agreement”).

Under the terms of the Capacity Agreement Sabina will fund the KIA based on an agreed work plan and budget for the environmental assessment and permitting processes. Funding will occur over an estimated period of three years ending in 2016, which is the anticipated completion of the permitting process. This funding will enable the KIA to establish stable, long term funding to enable the KIA to employ staff, retain certain technical specialists and to conduct such administrative and management functions as are required with the process.

## **KITIKMEOT INUIT ASSOCIATION**

The Kitikmeot Inuit Association is a birthright development corporation representing and benefiting the Kitikmeot Inuit of Nunavut. Our mandate is "To represent the interests of Kitikmeot Inuit by protecting and promoting our social, cultural, political, environmental and economic well-being". With a population of 5,361 and significant potential for development and economic growth, our future holds great promise; the Kitikmeot Inuit Association will have an important role to play in securing this future.

Further information can be found on the KIA's website at <http://www.kitia.ca>.

## **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 2013 with approximately \$58 million in cash and expect to end 2014 with approximately \$36 million.

All news releases and further information can be found on the Company's website at [www.sabinagoldsilver.com](http://www.sabinagoldsilver.com) or on SEDAR at [www.sedar.com](http://www.sedar.com).

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## **Forward Looking Information**

This news release contains "forward-looking information" within the meaning of applicable securities laws (the "forward-looking statements"), including our belief as to the extent, of the Environmental Impact Study timing and receipt of necessary permits and project approvals for future operations and access to project funding. These forward-looking statements are made as of the date of this news release. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the future circumstances, outcomes or results anticipated in or implied by such forward-looking statements will occur or that plans, intentions or expectations upon which the forward-looking statements are based will occur.

While we have based these forward-looking statements on our expectations about future events as at the date that such statements were prepared, the statements are not a guarantee that such future events will occur and are subject to risks, uncertainties, assumptions and other factors which could cause events or outcomes to differ materially from those expressed or implied by such forward-looking statements. Such factors and assumptions include, among others, the effects of general economic conditions, commodity prices, changing foreign exchange rates and actions by government and regulatory authorities and misjudgments in the course of preparing forward-looking statements. In addition, there are known and unknown risk factors which could cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Known risk factors include risks associated with exploration and project development; the need for additional financing; the calculation of mineral resources and reserves; operational risks associated with mining and mineral processing; fluctuations in metal prices; title matters; government regulation; obtaining and renewing necessary licences and permits; environmental liability and insurance; reliance on key personnel; the potential for conflicts of interest among certain of our officers or directors; the absence of dividends; currency fluctuations; labour disputes; competition; dilution; the volatility of the our common share price and volume; future sales of shares by existing shareholders; and other risks and uncertainties, including those relating to the Back River Project and general risks associated with the mineral exploration and development industry described in our Annual Information Form, financial statements and MD&A for the fiscal period ended December 31, 2013 filed with the Canadian Securities Administrators and available at [www.sedar.com](http://www.sedar.com). Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We are under no obligation to update or alter any forward-looking statements except as required under applicable securities laws. This news release has been authorized by the undersigned on behalf of Sabina Gold & Silver Corp.

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