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## SABINA GOLD & SILVER ANNOUNCES Q2 FINANCIAL RESULTS

\$22.2 million at June 30, 2015 in cash and equivalents

VANCOUVER – Sabina Gold & Silver Corp. (“Sabina”) or (the “Company”) (SBB – TSX) reported today the financial results for the second quarter of 2015.

“The second quarter saw the accomplishment of some major milestones for the Company and for Back River,” said Bruce McLeod, President & CEO “Our Back River Feasibility Study Technical Report (“6KFS”) was filed in June with very positive economic results; we continued cost cutting measures to ensure we are a fit for purpose organization; and we completed a brief field program at Back River which resulted in the identification of a new style of gold mineralization at Back River which adds to the extensive exploration potential.”

“Subsequent to the quarter we also announced that we have commenced a feasibility study on a smaller start up project at Back River. The Initial Project Feasibility Study (“IPFS”) will evaluate the potential of a project at 3,000 tpd generating ~250,000 ounces of gold per year over ~10 years targeting a lower initial capital requirement and providing lower execution risk. The IPFS is expected to be completed in Q3 of this year.” said McLeod.

### **Q2 Highlights**

- The Company had cash and cash equivalents and short-term investments of \$22.2 million at June 30, 2015.
- During the quarter the Company completed and announced positive results of the 6KFS on the Back River Project. The study demonstrates the opportunity for significant high-grade gold production (~350,000 ounces/year), at good margins, in a safe Canadian mining jurisdiction with a post-tax IRR of 21.7% and NPV(5%) of C\$539 million at US\$1,200 gold and US\$:C\$ exchange rate of 0.87.
- Given the large initial capital of the 6KFS, subsequent to the quarter end, the IPFS was commenced to assess the opportunity for a smaller start up less capital intensive option at Back River.
- The Company also completed a short six week field program focused on geotechnical drilling and environmental baseline data collection to support the environmental assessment process. During this program two exploration holes were completed identifying a new target type and gold mineralization style which continues to

demonstrate the project wide gold endowment and potential for greenfield resource growth.

- On June 11, 2015, the Company held its Annual General Meeting of shareholders at which all directors nominated for election were elected.
- During the quarter, the Company continued to focus on a number of cost saving measures, including additional staff reductions, a 50% reduction of directors' fees and a reduction of the number of board members.
- Subsequent to the quarter, Walter Segsworth joined the Board as a director bringing significant experience to guide the Company's objectives and execution to become a significant gold producer.

### **Financial Results**

For the quarter ended June 30, 2015, the Company reported a net loss of \$2.5 million, unfavourable by \$1.8 million compared to Q2 2014. The difference quarter over quarter was largely the result of write downs recognized in Q2, 2015 (impairment loss on its equity investment in Pure Gold Mining Inc. and a write down of \$0.2 million for deferred exploration costs on non-material mineral claims that the Company elected to drop on its Wishbone Property).

Excluding write-downs, operating expenses in Q2 2015 were \$0.2 million, lower than the comparable period in 2014. Offsetting was lower interest income and deferred tax recovery in Q2 2015 than the comparable period in 2014. Interest income was lower by \$0.1 million due to reduced average cash balances; deferred income tax recovery was lower by \$0.7 million primarily due to impairment loss on investments.

The decrease in operating expenses in Q2 2015 resulted primarily from the reduction of share-based payments, salaries, travel activity, financial advisory and human resources related services, directors' fees, share listing and filing fees and attendance at investor conferences. Partially offsetting was higher severances paid in 2015.

The primary costs incurred by the Company are associated with exploration and evaluation of its mineral properties and are deferred until the properties are placed into production, sold or abandoned. In Q2 2015, total deferred exploration and evaluation expenditures were \$4.7 million compared to \$10.0 million in the comparable period in 2014. The decrease of \$3.8 million was primarily the result of decreased economic assessment costs in 2015 compared to 2014, primarily due to reduced drilling and site support activities.

The Company had cash and cash equivalents and short-term investments of \$22.2 million at June 30, 2015 compared to cash and cash equivalents of \$32.5 million at December 31, 2014. The Company expects to end 2015 with a cash balance of approximately \$17 million.

For the full Q2 2015 financial statements and management's discussion and analysis, please see the Company website at [www.sabinagoldsilver.com](http://www.sabinagoldsilver.com) or retrieve them from [www.sedar.com](http://www.sedar.com).

## **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, politically stable mining jurisdictions: Nunavut, Canada.

Sabina has recently released a Feasibility Study on its 100% owned Back River Gold Project which presents a project that has been designed on a fit-for purpose basis, with the potential to produce ~350,000 ounces a year for ~10 years with a rapid payback of 2.2 years. At a US\$1,200 gold price and a 0.87 exchange rate, the Study delivers a potential after tax internal rate of return of approximately 22% with an initial CAPEX of \$695 million.

In addition to Back River, Sabina also owns a significant silver royalty on Glencore's Hackett River Project. The silver royalty on Hackett River's silver production is comprised of 22.5% of the first 190 million ounces produced and 12.5% of all silver produced thereafter.

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). All technical reports have been filed on [www.sedar.com](http://www.sedar.com)

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### **Forward Looking Statements**

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, results and timing of exploration programs and various studies including the FS, and exploration results, the results of the PFS, the potential tonnage, grades and content of deposits, timing, establishment and extent of resources and reserves estimates, potential production from and viability of the Company's properties, production and operating costs and permitting submission, 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, 2014 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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