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## SABINA GOLD & SILVER ANNOUNCES 2013 YEAR END FINANCIAL RESULTS

\$58.3 million at December 31, 2013 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, 2013.

2013 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 \$58.3 million at December 31, 2013.
- During the year, the Company had a total of up to eight drill rigs operating on its Back River project and completed over 82,000 metres of drilling. The program was focused on a combination of infill, extension, geo-technical and geo-mechanical drilling and investigation of highly prospective greenfield targets.
- At the same time, the Company expanded its camp infrastructure at Back River by installing additional bulk fuel storage and constructing an all-weather airstrip. The field program in 2013 was one of the largest and most productive completed to-date and was successfully completed with a high standard of safety and environmental compliance. There was more than 350,000 manhours deployed at site with no lost-time or significant environmental incidents.
- In June, 2013, the Company further added to its treasury by completing flow-through equity financing to raise gross proceeds of approximately \$20 million.
- In October, 2013 the Company announced the results of the Preliminary Feasibility Study (“PFS”) on the Back River Project which contemplated a project with average annual production of ~300,000 ounces of gold over a 8+ year mine life; initial capital of \$605 million and total LOM cash costs of \$685/oz including royalties, shipping and refining. Based on the results of the PFS, the Company determined to move the project forward to a Feasibility Study.

- Subsequent to the year end, early in 2014 the Company filed its Draft Environmental Impact Statement (“DEIS”) with the Nunavut Impact Review Board (“NIRB”) and was advised that the Back River DEIS conforms to the environmental assessment guideline requirements and that the technical review process has begun.
- Also subsequent to year-end, the Company announced an updated mineral resource estimate on the Back River project, incorporating the results of the significant 2013 drill program. This new estimate consists of a Measured Mineral Resource of 10.4 million tonnes grading 5.2 g/t for a contained 1,761,000 ounces Au, an Indicated Mineral Resource of 17.9 million tonnes grading 6.1 g/t for a contained 3,536,000 ounces Au and an Inferred Mineral Resource of 8.2 million tonnes grading 7.3 g/t for a contained 1,927,000 ounces Au.

“The exploration program in 2013 was the largest and most complex we have ever executed at Back River with results falling very much in line with our objectives,” said Rob Pease, President & CEO, “A major focus was to upgrade confidence in our resources with the objective of ultimately increasing reserves and results have delivered a significant increase in measured resources, with a large component coming from our open pit resources at Umwelt and Llama. Additionally, since completion of the PFS in October 2013, we have also been working on optimization studies for the project, including metallurgical testing, mining methods and scheduling among others. These studies are progressing well and we look forward to announcing their results in the coming months.”

### **Financial Results**

For the year ended December 31, 2013, the Company reported a net loss of \$9.5 million compared to a net loss of \$14.1 million in 2012. The decrease of \$4.6 million was primarily due to a reduction recorded in 2012 in carrying value for the Cook Lake mineral property of \$3.8 million.

Operating expenses in 2013 were \$7.7 million compared to \$11.9 million in 2012. As noted above, in Q4 2012, 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 2013 by \$0.6 million due to primarily to a decrease in the option value. For the year ended December 31, 2013, the Company had granted 3.7 million options compared with 3.1 million options granted in 2012.

Interest income in 2013 was \$1.5 million compared to \$2.4 million in 2012; the decrease was due to the reduced average cash and short term investment balances in 2013 compared to 2012.

The total flow-through premium income recognized in 2013 was \$1.5 million compared to \$4.1 million in 2012. In addition to timing differences related to amortization of the flow-through premium, the Company had a lower premium in 2013, both in terms of gross premium amount and percentage of share price. Deferred income tax expense was \$4.8 million in 2013 compared to \$8.7 million in 2012; the difference was primarily the result of less flow-through financing completed in the period.

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 2013, total deferred expenditures were \$73.4 million compared to \$66.8 million in

2012. The increase of \$6.6 million resulted from increased drilling as well as environmental and economic assessment activities on the Back River Project in 2013 compared to 2012.

For the full December 31, 2013 financial statements and Management's Discussion and Analysis, please see the Company website at [www.sabinagoldsilver.com](http://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 Glencore's 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.

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).

### **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.

*Mineral resources that are not mineral reserves do not have demonstrated economic viability. Mineral resource estimates do not account for mineability, selectivity, mining loss and dilution. These mineral resource estimates include inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. There is also no certainty that these inferred mineral resources will be converted to measured and indicated categories through further drilling, or into mineral reserves, once economic considerations are applied.*

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, 2012 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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