



202-930 West First Street,  
North Vancouver, B.C.  
604.998.4175



August 7, 2014	SBB NR-14-13	SBB – TSX
----------------	--------------	-----------

## SABINA GOLD & SILVER ANNOUNCES Q2 2014 FINANCIAL RESULTS

\$45.6 million at June 30, 2014 in cash and equivalents

All Directors Re-Elected during the Quarter

VANCOUVER – Sabina Gold & Silver Corp. (the “Company”) (SBB – TSX) reported today the financial results for the quarter ended June 30, 2014.

### **Q2 2014 Highlights:**

- The Company had cash and short-term investments of \$45.6 million at June 30, 2014.
- On April 22, 2014, the Company reported the results of ongoing metallurgical testing at Back River. The improved recoveries (88% in the pre-feasibility study to an indicated 94%) in combination with the increased mineral resource estimate announced earlier this year will be incorporated into the Feasibility Study (“FS”).
- On April 28, 2014, the Company and the Kitikmeot Inuit Association jointly announced that they have finalized the agreements for the Development Trust and Capacity Funding. These two important agreements will continue to foster and build a relationship of cooperation between the two organizations as we work together towards the responsible development of the Back River Gold Project.
- On June 12, 2014, the Company held its annual general meeting of shareholders; all nominated directors to the board were re-elected.
- During the quarter, the Company completed 11,392 meters of drilling, including 7,523 meters of exploration drilling focused on near deposit and extension to existing resources and 3,869 meters of geo-mechanical drilling targeting additional data for the FS.
- On June 25, 2014, the Company completed the sale of the Company’s 100% owned Newman-Madsen property to Pure Gold Mining Inc. (“Pure Gold”, formerly Laurentian Goldfields Ltd.). As consideration, Sabina received 6.5 million shares of Pure Gold; the shares received had a fair value of \$0.42 per share or \$2.73 million on the closing date.
- Subsequent to the quarter end, the Company formally launched its FS by engaging a team comprised of JDS Energy & Mining Inc. (lead), Hatch Ltd., SRK Consulting, Knight Piésold Ltd. and AMC Consultants Pty Ltd. The FS is anticipated to be completed during the first half of 2015.

“Q2 has been a productive quarter for the Company,” said Rob Pease, President & CEO, “We were successful on a number of fronts, demonstrating the continuity and expansion potential at Echo, finalizing some very important agreements with the KIA and completing metallurgical testing that has the opportunity to enhance project economics. We look forward to a busy Q3 as we launch into our FS. We are very pleased with our team of consultants, all of which have substantial Arctic experience. Work completed to-date continues to demonstrate the potential for Back River to become a meaningful gold producer.”

## **Financial Results**

For the quarter ended June 30, 2014, the Company reported a net loss of \$0.8 million compared to a net loss of \$1.6 million in the same period in 2013. The difference between the periods was mainly the result of a favourable variance on deferred income tax; in Q1 2014, the Company recorded a deferred income tax recovery of \$0.9 million compared to deferred income tax expense of \$1.0 million in Q2 2013. This favourable variance of \$1.9 million was partially offset by a loss of \$0.8 million on the disposition of its Newman-Madsen mineral property and lower net finance income.

For the six months ended June 30, 2014, the Company had a net loss of \$2.4 million compared to a net loss of \$5.3 million in the same period in 2013. The difference between the periods was as noted above and due to lower stock-based payments in 2014.

For the three and six month periods in 2014, operating expenses were \$1.1 million and \$3.2 million respectively (excluding the loss on disposition of mineral property), compared to \$1.3 million and \$5.1 million in the same periods of 2013. Lower operating expenses in 2014 relative to the comparative periods, (\$0.2 million in Q2 and \$1.9 million for the year-to-date) resulted primarily from reductions in manpower which reduced salary expenses and lower stock-based payments.

For the three and six month periods in 2014, net finance income was \$0.2 million and \$0.4 million respectively, compared to \$0.7 million and \$1.5 million in the same periods in 2013. The decrease was the result of lower interest income and amortization of flow-through premium. Interest income was lower due to the reduced average cash and short term investment balances. Amortization of flow-through share premium was nil in 2014 compared to \$0.6 million in 2013. The Company has not completed any flow-through share financings in 2014.

In Q2 2014, total deferred exploration and evaluation expenditures were \$10.0 million compared to \$26.1 million in Q2 2013 (note 7 of 2014 Q2 financial statements). For the six month period in 2014, total deferred exploration and evaluation expenditures were \$13.7 million compared to \$40.2 million in the same period of 2013. The decrease in 2014 was primarily the result of significantly reduced drilling activity at Back River and decreased environmental and economic assessment expenditures compared to 2013.

The Company has re-forecast its budget for 2014 and now expects to end the year with approximately \$30 million in cash. This is lower than previously forecast, however is primarily a timing difference related to FS and environmental assessment efforts in 2015. The Company’s guidance for cash at the end of 2015 is approximately \$23 million, including costs to complete the FS and the environmental review process; excluding any additional exploration activities that may be planned for 2015.

For the full June 30, 2014 interim financial statements and Management’s Discussion and Analysis, please see the Company website at [www.sabinagoldsilver.com](http://www.sabinagoldsilver.com).

### **Annual General Meeting Of Shareholders**

On June 12, 2014, the Company held its Annual General Meeting of the Shareholders (“AGM”). The results voting results have been included below and include overwhelming positive votes for the re-election of all nominated directors.

<b>Motion/Nomination</b>	<b>For</b>	<b>% For</b>	<b>Against/ Withheld</b>	<b>% Against/ Withheld</b>
Number of Directors	109,129,805	85.87%	17,955,335	14.13%
Terrence E. Eyton	115,033,532	99.72%	318,900	0.28%
David A. Fennell	101,246,871	87.77%	14,105,561	12.23%
Jonathan Goodman	110,751,665	96.01%	4,600,767	3.99%
Scott B. Hean	115,277,717	99.89%	124,715	0.11%
James N. Morton	115,147,632	99.82%	204,800	0.18%
Robert Pease	115,266,017	99.93%	86,415	0.07%
John Wakeford	114,003,042	98.83%	1,349,390	1.17%
Anthony P. Walsh	112,544,887	97.57%	2,807,545	2.43%
John F. Whitton	102,324,946	88.71%	13,027,486	11.29%
LeRoy E. Wilkes	102,344,731	88.72%	13,007,701	11.28%
Appointment of Auditors	126,545,727	99.57%	541,513	0.43%

### **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.

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)

For further information please contact:

Nicole Hoeller, Vice-President, Communications: **1 888 648-4218**  
[nhoeller@sabinagoldsilver.com](mailto:nhoeller@sabinagoldsilver.com)

#### **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, 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.

Rob Pease, President & CEO  
930 West 1<sup>st</sup> Street, Suite 202  
North Vancouver, BC V7P 3N4  
Tel 604 998-4175 Fax 604 998-1051  
<http://www.sabinagoldsilver.com>