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## SABINA GOLD & SILVER ANNOUNCES Q1 FINANCIAL RESULTS AND CORPORATE UPDATE

\$27.9 million at March 31, 2015 in cash and equivalents

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

“It has been a busy year to date for the Company,” said Bruce McLeod, President & CEO “We are anticipating the imminent release of the Back River Feasibility Study (“FS”); we have completed a field program at Goose to support our Final Environmental Impact Statement (“FEIS”); we have implemented significant cost cutting measures within the Company to minimize impacts on our existing treasury and we are gearing up for our Annual General Meeting of Shareholders to be held in early June. We are very much looking forward to announcing the results of a detailed FS on Back River as well as providing updates on other studies and permitting through the remainder of the year.”

“We recognize that projects are not just about economics, they have to be financeable for companies like Sabina in these weak capital markets without being overly dilutive to the shareholders. One of the unique features of the Back River Project is the multitude of high grade open pit and underground deposits. This offers the opportunity to selectively mine and process higher grade zones through utilization of a higher cut-off grade. With this in mind, in addition to work for the FS, the Company is evaluating opportunities for a smaller start-up, less capital intensive mine at the Goose property as contemplated in the FS. The results of this evaluation will enable Sabina to consider two opportunities: a FS on a +5000 tpd operation at Back River, and a potentially smaller tonnage lower capex scenario, that may be more easily financeable by Sabina in this capital markets environment.” said McLeod.

### **Q1 Highlights**

- The Company had cash and cash equivalents and short-term investments of \$27.9 million at March 31, 2015.
- In February, 2015, the Company appointed Mr. Bruce McLeod as President & CEO effective February 16, 2015, following the retirement of Mr. Rob Pease.
- In January, 2015, the Company received the Pre-Hearing Conference Decision document from Nunavut Impact Review Board (‘NIRB’) regarding the technical review of the Back River Draft Environmental Impact Statement. The NIRB report summarizes the collaboration and discussion with all participants on subjects such as caribou, marine/shipping, socio economic effects, tailing storage, among others and the

commitments made by the Company to incorporate further data, reasonable mitigation measures, and preferred processes into the Project and its final EIS (“FEIS”). The Company has started work on its FEIS and expects it to be completed and submitted before in the fourth quarter, 2015.

- In March, 2015, the Company opened its camp at Back River in order to complete an approximately six-week field program at the Goose property. The program, completed at the end of April, primarily consisted of geo-technical drilling and environmental baseline work to support the FEIS.
- During the quarter, the Company continued to advance the Back River FS; work focused on:
  - The impact of an increased resource on the Project as it relates to mine life;
  - The impact of significant conversion of inferred resources to measured and indicated, particularly in the underground resource as it relates to development efficiencies and cost reductions;
  - The impact of increased recoveries (88.0% in the PFS to an anticipated 93.9%);
  - More efficient tailings and waste rock management facilities;
  - Increasing through put by approximately 20% from the 5,000 tpd in the PFS; and
  - The impact of an improved understanding of how the less densely drilled deeper portion of the current inferred resource could provide opportunity for longer term production; and other opportunities.
- In March, 2015, the Company initiated a scoping level study on Back River to consider alternative mining and milling scenarios which could significantly decrease construction capital requirements by increasing cut-off grade and decreasing annual production rate while maintaining or improving return on investment.
- In the quarter, the Company focused on a number of cost saving initiatives, including staff reductions and a 50% reduction of directors’ fees.

## **Financial Results**

For the quarter ended March 31, 2015, the Company reported a net loss of \$1.5 million, favourable by \$0.1 million compared to Q1 2014. Operating expenses in Q1 2015 were \$2.0 million, lower than the comparable period in 2014 by \$0.1 million (discussed below). Deferred income tax recovery was \$0.4 million in Q1 2015, favourable by \$0.1 million compared to Q1 2014, largely due to higher net tax loss in the period. Offsetting, interest income was \$0.1 million, lower by \$0.1 million due to lower cash balances.

The decrease in operating expenses in Q1 2015 resulted from the reduction of share-based payments due to a decrease in option value, reduced travel activity, reduced financial advisory and human resources related services, reduced directors’ fees, share listing and filing fees and attendance at investor conferences.

Partially offsetting and included in salaries and severances in the period was severances of \$0.5 million incurred for termination benefits in Q1, 2015 compared to severances of \$0.1 million in Q1, 2014. Excluding severances, salaries were lower in Q1, 2015 than in the comparable period in 2014 by \$87 thousand due to staffing reductions.

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 Q1 2015, total deferred exploration and evaluation expenditures were \$5.1 million compared to \$3.9 million in 2014. The increase of \$1.2 million was primarily the result of significantly increased economic assessment at Back River in 2015 compared to 2014. In Q1 2015, the Company worked to complete the FS on Back River; in the comparable period of 2014, the economic assessment activities were focused on various optimization studies in preparation for commencing the FEIS in Q3, 2014.

For the full March 31, 2014 yearend 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).

### **2015 Budget**

Management and the Board have been focused on developing a "fit for purpose" organization that enables the Company to achieve its current initiatives and preserve its treasury as much as possible during these challenging markets. Already significant cost cutting measures have been made, including staff reductions of approximately 30% and the Board of Directors implementing a 50% reduction in Director fees while the Board undergoes a composition and compensation evaluation.

The 2015 budget delivers:

- 1) Completion of feasibility and trade off studies;
- 2) Completion of a technical review of the draft EIS and submission of a FEIS;
- 3) Modest field programs in winter and summer at Back River;
- 4) Continued community relations efforts;
- 5) Marketing and G&A.

The Company anticipates spending approximately \$17 million in 2015 and expects to end the year with \$16 million.

The Company's Annual General Meeting of Shareholders will be held at 10:00 am Pacific Time on June 11, 2015 at the Company's offices at 930 West First Street, #202, North Vancouver, BC.

### **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 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. Sabina also holds grass roots exploration properties in Nunavut and Ontario.

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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