

All dollar amounts are stated in Canadian dollars, unless otherwise indicated

TORONTO, May 12, 2015 /CNW/ - [St Andrew Goldfields Ltd.](#) (T-SAS), ("SAS" or the "Company") reports \$9.5 million or \$0.03 per share, in operating cash flow for Q1 2015. The Company also reports net earnings attributable to shareholders for Q1 2015 of \$3.0 million or \$0.01 per share, compared to net loss of \$1.8 million, or nil, on a per share basis, in Q1 2014. Excluding marked-to-market losses on derivative instruments, adjusted net earnings ⁽¹⁾ for Q1 2015 was \$3.4 million or \$0.01 per share as compared to an adjusted net loss ⁽¹⁾ of \$1.9 million or \$0.01 share for Q1 2014.

Q1 2015 HIGHLIGHTS

Gold production – Produced 23,727 ounces of gold from Holt and Holloway, down 3% from Q1 2014, without the production contribution from Hislop.

Gold sold - Sold 24,951 ounces of gold at an average realized price ⁽¹⁾ of US\$1,213 per ounce for revenues of \$36.8 million, reflecting a 10% increase in revenue from Q1 2014.

Total cash cost per ounce of gold sold ⁽¹⁾ – US\$717 per ounce of gold sold, reflecting, a decrease of 12% from Q1 2014.

All-in sustaining cost (AISC) ⁽¹⁾ - Decreased by 14% or US\$152 per ounce from Q1 2014 to US\$937 per ounce of gold sold in Q1 2015.

Cash margin from operations ⁽¹⁾ - Increased by 29% from Q1 2014 to \$14.5 million earned in Q1 2015.

Operating cash flow - SAS generated \$9.5 million or \$0.03 per share, in operating cash flow for Q1 2015. Net cash flow ⁽¹⁾ for the quarter was \$4.9 million as compared to \$1.5 million achieved in Q1 2014.

Outlook for 2015

SAS is on schedule to meet its 2015 annual production guidance of between 85,000 – 95,000 ounces of gold from Holt and Holloway with similar mine cash cost estimates as in 2014 of between US\$750 and US\$800 per ounce of gold sold. The Company is advancing Taylor into production expected before the end of 2015. If commercial production is achieved during the third quarter, this could result in Taylor contributing between 10,000 and 12,000 ounces of production. The Taylor production will be included in the Company's production forecast once the timing is better understood.

"The first quarter got off to a strong start with our production 11% above our forecast and mine cash costs significantly below our guidance," said Duncan Middlemiss, President and CEO of SAS. "So far 2015 has proven to be a very positive year for SAS with a 25% increase in proven and probable reserves, a large discovery of 1 million ounces of inferred resources to the west of the Holt Mine, the continued successful mine exploration program and mine life extension at Holloway, and the advancement of the Taylor Project toward commercial production. The low Canadian dollar has benefited SAS since the start of 2015, as we continue to add cash to the bank and remain debt free. We are excited for the upcoming developments within the Company, as we continue on the path to increasing production, lowering costs, and enhancing shareholder value."

Conference Call Information

A conference call will be held Wednesday, May 13, 2015 at 2:00 p.m. (EST) to discuss the first quarter 2015 results. Participants may join the call via webcast at www.sasgoldmines.com or call in toll free at 1-866-212-4491. A playback of the conference call will be available via the website and will be posted within 24 hours of the call.

Mine Operations Review

Holt (see Operating and Financial Statistics – Holt Mine on page 13)

Both throughput and ore grade decreased slightly by 4% from Q1 2014 which resulted in an 8% decrease in gold production. The lower throughput, the higher production stoping and mine services costs for the quarter, resulted in an 11% increase to the cost per tonne of ore milled, from \$96 per tonne in Q1 2014 to \$107 per tonne in Q1 2015. Mine cash costs, in US dollar terms, increased marginally by US\$2 an ounce of gold sold as a result of the strong US dollar relative to the Canadian dollar.

Holloway (see Operating and Financial Statistics – Holloway Mine on page 14)

Both throughput and ore grade increased by 6% and 35%, respectively, from Q1 2014 resulting in an 50% increase in gold production from 5,154 ounces of gold in Q1 2014 to 7,575 ounces in Q1 2015. Mine site cost in Q1 2015 of \$151 per tonne of ore milled was comparable to those achieved in Q1 2014. Mine cash cost per ounce of gold sold in US dollar terms decreased by US\$403 an ounce as a result of the strong US dollar relative to the Canadian dollar.

Taylor Project

Underground development activities started at Taylor during Q1 2015 after the decision was made to advance the project into commercial production by the end of 2015. A total of 243 metres ("m") of lateral development was completed during the quarter. The main focus is to continue the ramp development to access additional mining fronts within the 1004 lens and to develop a second egress for emergency purposes. All permitting requirements, including the mine production closure plan, are currently underway.

Exploration Programs

Exploration activities during Q1 2015 continued to focus on the near mine targets, specifically exploring for strike and depth extensions of the known mineralized zones and also exploring for potential repetitions and satellite zones situated near the operations. In Q1 2015, SAS using 3 surface drills, completed a total of 5,600m of surface core and using 3 underground drills completed an additional 7,340m of underground drilling. The majority of surface drilling activities were focused on Phase 2 evaluation of Holt Deep Zone 4 Extension and Mattawasaga pit extension drilling at Holt, and on exploring the southerly strike extension of 147 Zone mineralization on the Hislop North property. The majority of the underground drilling took place on the 1055m Sublevel at Holt targeting the Zone 4 extension, and on the 945m Sub-level at Holloway to evaluate the easterly strike potential of Smoke Deep.

Capital Resources

SAS generated \$4.9 million in net cash flow ⁽¹⁾ in Q1 2015 as compared to \$1.5 million in Q1 2014, despite a 6% decline in gold price. Working capital at the end of quarter was \$15.7 million, an increase of \$6.1 million from \$9.6 million at the end of 2014. The Company maintained a cash position of \$25.7 million at the end of the quarter and also has available US\$10.0 million revolving credit facility. In conjunction with the expected cash flows from operations, the Company is well positioned to finance its planned sustaining capital programs, the growth capital required for Taylor and to conduct its planned exploration programs for 2015.

Qualified Person

Production at Holt and Holloway, processing at the Holt Mill, and mine development at Taylor are conducted under the supervision of Marc-Andre Pelletier, P.Eng., the Company's Vice-President and General Manager of Operations.

Exploration activities on the Company's various mineral properties, including the drilling program at Taylor is under the supervision of Mr. Doug Cater, P. Geo., the Company's Vice-President of Exploration.

Messrs. Pelletier and Cater are qualified persons as defined by NI 43-101, and have reviewed and approved this news release.

The following abbreviations are used to describe the periods under review throughout this release.

Abbreviation Period		Abbreviation Period	
Q1 2015	January 1, 2015 – March 31, 2015	Q1 2014	January 1, 2014 – March 31, 2014
Q2 2014	April 1, 2014 – June 30, 2014	Q2 2013	April 1, 2013 – June 30, 2013
Q3 2014	July 1, 2014 – September 30, 2014	Q3 2013	July 1, 2013 – September 30, 2013
Q4 2014	October 1, 2014 - December 31, 2014	Q4 2013	October 1, 2013 - December 31, 2013
FY 2014	January 1, 2014 – December 31, 2014	FY 2013	January 1, 2013 – December 31, 2013

Non-GAAP Measures

The Company has included the following non-GAAP performance measures: adjusted net earnings; operating cash flow per share; net cash flow; average realized price per ounce of gold sold; total cash cost per ounce of gold sold; cash margin from mine operations; cash margin per ounce of gold sold; and mine-site cost per tonne milled throughout this press release, which do not have standardized meanings prescribed by International Financial Reporting Standards ("IFRS") and are not necessarily comparable to other similarly titled measures of other companies due to potential inconsistencies in the method of calculation. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors use this information to evaluate the Company's performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Refer to pages 7-14 of this press release for a discussion and the reconciliation of these non-GAAP measurements to the Company's Unaudited Q1 2015 Condensed Interim Financial Statements ("Financial Statements").

The unaudited Balance Sheets, Statements of Operations and Statements of Cash Flows for the Company for the three months ended March 31, 2015, can be found on pages 15-17.

To review the complete unaudited Condensed Interim Financial Statements and the Q1 2015 Management's Discussion and Analysis, please see the Company's SEDAR filings under the Company's profile at www.sedar.com or the Company's website at www.sasgoldmines.com.

About SAS

SAS (operating as "SAS Goldmines"), is a gold mining and exploration company with an extensive land package in the Timmins mining district, north-eastern Ontario, which lies within the Abitibi greenstone belt, the most important host of historical gold production in Canada.

SAS owns and operates the Holt and Holloway mines and is also advancing its Taylor Project into commercial production. The Company is conducting various exploration programs across 120km of land straddling the Porcupine-Destor Fault Zone.

FORWARD-LOOKING INFORMATION

This news release contains forward-looking information and forward-looking statements (collectively, "forward-looking information") under applicable securities laws, concerning the Company's business, operations, financial performance, condition and prospects, as well as management's objectives, strategies, beliefs and intentions. Forward-looking information is frequently identified by such words as "may", "will", "plan", "expect", "estimate", "anticipate", "believe", "intend" and similar words referring to future events and results, including the Company's production and cash cost guidance for 2015; the advancement of Taylor towards production, the timing thereof and potential 2015 production level; the Company's exploration programs in 2015; and the sufficiency of the Company's capital resources to carry out its planned objectives. Also, Mineral Reserves and Mineral Resources are considered to be forward-looking information as they involve the assessment, based on certain estimates and assumptions, that such Mineral Reserves and Resources can be economically produced in the future.

This forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied by the forward-looking information. Factors that may cause actual results to vary materially include, but are not limited to, uncertainties relating to the interpretation of the geology, continuity, grade and size estimates of the mineral reserves and resources; unanticipated operational or technical difficulties which could escalate operating and/or capital costs and reduce anticipated production levels; the Company's dependence on key employees and changes in the availability of qualified personnel; fluctuations in gold prices and exchange rates; insufficient funding or delays or inability to raise additional financing on satisfactory terms if required; operational hazards and risks, including the inability to insure against all risks; changes in laws, regulations and the risks of obtaining necessary licenses and permits; changes in general economic conditions and changes in conditions in the financial markets. Such forward looking information is based on a number of assumptions, including but not limited to the level and volatility of the price of gold, the accuracy of reserve and resource estimates and the assumptions on which such estimates are based, the ability to achieve capital and operating cost estimates, the ability of the Company to retain and attract qualified personnel, the sufficiency of the Company's cash reserves and operating cash flow to complete planned development and exploration activities, the availability of additional financing on acceptable terms if and as required and the level of stability of general business and economic conditions. Should one or more risks and uncertainties materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information and accordingly, readers are cautioned not to place undue reliance on this forward-looking information. SAS does not assume the obligation to revise or update this forwardlooking information after the date of this release or to revise such information to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws. A description of these risks and uncertainties are can also be found in the Company's Annual Information Form obtained on SEDAR at www.sedar.com.

NON-GAAP MEASURES

Adjusted net earnings (loss)

Adjusted net earnings (loss) is a non-GAAP performance measure and does not constitute a measure recognized by IFRS and does not have a standardized meaning defined by IFRS, and may not be comparable to information in other gold producers' reports and filings. Adjusted net earnings (loss) is calculated by removing the gains and losses, resulting from the mark-to-market revaluation of the Company's gold-linked liabilities and foreign currency derivative contracts, one-time gains or losses on the disposition of non-core assets, periodic adjustments to the Company's asset retirement obligations, and expenses, asset impairment gains or losses and significant tax adjustments not related to current period's earnings, as detailed in the table below. The Company discloses this measure, which is based on its Financial Statements, to assist in the understanding of the Company's operating results and financial position.

Amounts in thousands of Canadian dollars, except per share amounts Q1 2015 Q1 2014 Q4 2014

Net income (loss) per Financial Statements	\$ 3,043	\$ (1,806)	\$ (67)
Mark-to-market loss (gain) on gold-linked liabilities	177	456	55
Mark-to-market loss (gain) on foreign currency derivatives	351	245	(60)
Net change in provision	-	(777)	250
Tax effect of above items	(206)	19	(61)
Adjusted net earnings (loss)	\$ 3,365	\$ (1,863)	\$ 116
Weighted average number of shares outstanding (000s)			
Basic	368,274	368,296	368,296
Diluted	368,296	368,296	368,296
Adjusted net earnings (loss) per share - basic and diluted	\$ 0.01	\$ (0.01)	\$ (0.00)

Total cash cost per ounce of gold sold

Total cash cost per ounce of gold sold is a non-GAAP performance measure, which does not have a standardized meaning defined by IFRS and may not be comparable to information in other gold producers' reports and filings. The Company has included this non-GAAP performance measure throughout this document as the Company believes that this generally accepted industry performance measure provides a useful indication of the Company's operational performance. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The following table provides a reconciliation of total cash costs per ounce of gold sold to production expenses per the Financial Statements for Q1 2015, Q1 2014 and Q4 2014:

Amounts in thousands of Canadian dollars, except where indicated Q1 2015 Q1 2014 Q4 2014

Mine site operating costs per Financial Statements	\$ 19,888	\$ 19,189	\$ 17,633
Less: Toll milling revenue	(1,083)	-	(992)
Production royalties per Financial Statements	3,407	3,017	2,599
Total cash costs	\$ 22,212	\$ 22,206	\$ 19,240
Divided by gold ounces sold	24,951	23,500	20,744
Total cash cost per ounce of gold sold (Canadian dollars)	\$ 890	\$ 945	\$ 928
Average 1 USD ?CAD exchange rate	\$ 1.24	\$ 1.10	\$ 1.14
Total cash cost per ounce of gold sold (US\$)	\$ 717	\$ 856	\$ 816

All-in sustaining cost per ounce of gold sold

All-in sustaining cost per ounce of gold sold is a non-GAAP performance measure, which does not have a standardized meaning defined by IFRS and may not be comparable to information in other gold producers' reports and filings. The Company has included this non-GAAP performance measure throughout this document as the Company believes that this generally accepted industry performance measure provides a useful indication of the Company's operational performance. To report on this performance metrics, the Company uses the all-in sustaining definition as set out in the guidance note released by the

World Gold Council on June 27, 2013. All-in sustaining costs include mine-site operating costs and production royalties incurred at the Company's mining operations (net of toll milling revenue), sustaining capital expenditures, corporate administration expense, mine-site exploration costs, and reclamation cost accretion. The Company believes that this measure represents the total costs of producing gold from current operations, and provides the Company and other stakeholders with additional information that illustrates the Company's operational performance and ability to generate cash flow. This cost measure is reported on a consolidated level and on a per-ounce of gold sold basis. As the measure seeks to reflect the full cost of gold production from current operations, new project capital is not included. Certain other cash expenditures, including tax payments and financing costs are also not included.

The Company determines sustaining capital as those capital expenditures that are necessary to maintain current gold production and execute the current mine plan. Capital expenditures to develop new operations, or related to projects at existing operations where these projects will enhance gold production or Mineral Reserves, are considered development capital. For Q1 2015, all capital expenditures at Holt and Holloway are classified as sustaining; and the capital expenditures incurred to bring Taylor, net of bulk sample gold sales, are classified as development capital.

Amounts in thousands of Canadian dollars, except where indicated Q1 2015 Q1 2014 Q4 2014

Mine site operating costs per Financial Statements	\$ 19,888	\$ 19,189	\$ 17,633
Less: Toll milling revenue	(1,083)	-	(992)
Production royalties per Financial Statements	3,407	3,017	2,599
Add (less):			
Sustaining mine capital	4,460	4,349	3,790
Mine site exploration	605	227	388
Mine reclamation obligation	102	104	15
Corporate administration	1,634	1,362	1,135
All-in sustaining costs	\$ 29,013	\$ 28,248	\$ 24,569
Divided by gold ounces sold	24,951	23,500	20,744
All-in sustaining cost per ounce of gold sold (Canadian dollars)	\$ 1,163	\$ 1,202	\$ 1,184
Average 1 USD ?CAD exchange rate	\$ 1.24	\$ 1.10	\$ 1.14
All-in sustaining cost per ounce of gold sold (US\$)	\$ 937	\$ 1,089	\$ 1,042

Mine-site cost per tonne milled

Mine-site cost per tonne milled is a non-GAAP performance measure, which does not have a standardized meaning defined by IFRS and may not be comparable to information in other gold producers' reports and filings. As illustrated in the table below, this measure is calculated by adjusting Production Costs, as shown in the statements of operations for toll milling revenue and inventory level changes and then dividing by tonnes processed through the mill. Since total cash cost per ounce of gold sold data can be affected by fluctuations in foreign currency exchange rates, Management believes that mine-site cost per tonne milled provides additional information regarding the performance of mining operations and allows management to monitor operating costs on a more consistent basis as the per tonne milled measure reduces the cost variability associated with varying production levels. Management also uses this measure to determine the economic viability of mining blocks. As each mining block is evaluated based on the net realizable value of each tonne mined, the estimated revenue on a per tonne basis must be in excess of the mine-site cost per tonne milled in order to be economically viable. Management is aware that this per tonne milled measure is impacted by fluctuations in throughput and thus uses this evaluation tool in conjunction with production costs prepared in accordance with IFRS. This measure supplements production cost information prepared in accordance with IFRS and allows investors to distinguish between changes in production costs resulting from changes in production versus changes in operating performance.

Amounts in thousands of Canadian dollars, except per tonne amounts Q1 2015 Q1 2014 Q4 2014

Holt Mine

Mine site costs per Financial Statements	\$ 12,579	\$ 10,304	\$ 11,703
Less: toll milling revenue allocation	(769)	-	(702)
Inventory adjustments ⁽¹⁾	(157)	600	601
Mine site operating costs	\$ 11,653	\$ 10,904	\$ 11,603
Divided by tonnes of ore milled	108,766	113,279	120,721
Mine site cost per tonne milled	\$ 107	\$ 96	\$ 96

Holloway Mine

Mine site costs per Financial Statements	\$ 7,309	\$ 6,181	\$ 5,927
Less: toll milling revenue allocation	(314)	-	(291)
Inventory adjustments ⁽¹⁾	(87)	374	420
Mine site operating costs	\$ 6,908	\$ 6,555	\$ 6,056
Divided by tonnes of ore milled	45,617	42,981	54,674
Mine site cost per tonne milled	\$ 151	\$ 153	\$ 111

Hislop Mine

Mine site costs per Financial Statements	\$ -	\$ 2,704	\$ 4
Less: toll milling revenue allocation	-	-	-
Inventory adjustments ⁽¹⁾	-	56	(4)
Mine site operating costs	\$ -	\$ 2,760	\$ -
Divided by tonnes of ore milled	-	31,999	-
Mine site cost per tonne milled	\$ -	\$ 86	\$ -

Mine site costs per Financial Statements

Holt	\$ 12,579	\$ 10,304	\$ 11,703
Holloway	7,309	6,181	5,927
Hislop	-	2,704	4
	\$ 19,888	\$ 19,189	\$ 17,634

Note:

(1) Inventory adjustment reflects production costs associated with unsold bullion and in-circuit inventory.

Cash margin from mine operations

Cash margin from mine operations is a non-GAAP measure, which does not have a standardized meaning defined by IFRS and may not be comparable to information in other gold producers' reports and filings. It is calculated as the difference between gold sales and production costs (comprised of mine-site operating costs and production royalties) per the Company's Financial Statements. The Company believes it illustrates the performance of the Company's operating mines and enables investors to better understand the Company's performance in comparison to other gold producers who present results on a similar basis.

Amounts in thousands of Canadian dollars		Q1 2015	Q1 2014	Q4 2014
Gold sales per Financial Statements	[A]	\$ 36,755	\$ 33,481	\$ 28,391
Mine site operating costs per Financial Statements		19,888	19,189	17,633
Less: Toll milling revenue		(1,083)	-	(992)
Production royalties per Financial Statements		3,407	3,017	2,599
	[B]	22,212	22,206	19,240
Cash margin from mine operations	[A] - [B]	\$ 14,543	\$ 11,275	\$ 9,151

Breakdown of cash margin from mine operations by mines:

Holt Mine	\$ 10,209	\$ 10,819	\$ 6,241
Holloway Mine	4,334	589	2,911
Hislop Mine	-	(133)	(1)
	\$ 14,543	\$ 11,275	\$ 9,151

Average realized price per ounce of gold sold

Average realized price per ounce of gold sold is a non-GAAP measure, which does not have a standardized meaning defined by IFRS and is calculated by dividing gold sales proceeds received by the Company for the relevant period by the ounces of gold sold. It may not be comparable to information in other gold producers' reports and filings.

Amounts in thousands of Canadian dollars, except where indicated		Q1 2015	Q1 2014	Q4 2014
Gold sales per Financial Statements		\$ 36,755	\$ 33,481	\$ 28,391
Foreign exchange gain realized on the settlement of gold sales		2,237	(94)	(247)
Gain (loss) on foreign currency derivative cash flow hedges realized		(1,437)	229	183
		\$ 37,555	\$ 33,616	\$ 28,327
Average 1 USD ?CAD exchange rate		1.24	1.10	1.14
Gold sales recorded in US\$		\$ 30,262	\$ 30,406	\$ 24,932
Divided by gold ounces sold		24,951	23,500	20,744
Average realized price per ounce of gold sold (US\$)		\$ 1,213	\$ 1,294	\$ 1,202

Cash margin per ounce of gold sold

Cash margin per ounce of gold sold is a non-GAAP measure, which does not have a standardized meaning defined by IFRS

and is calculated by subtracting the total cash cost per ounce of gold sold from the average realized price per ounce of gold sold. It may not be comparable to information in other gold producers' reports and filings.

Amounts in United States dollars	Q1 2015	Q1 2014	Q4 2014
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Per ounce of gold sold:

Average realized price per ounce of gold sold [A]	\$ 1,213	\$ 1,294	\$ 1,202
Total cash cost per ounce of gold sold [B]	717	856	816
Cash margin per ounce of gold sold [A] - [B]	\$ 496	\$ 438	\$ 386

Net cash flow

Net cash flow is a non-GAAP measure which does not have a standardized meaning defined by IFRS and is calculated by taking cash flow from operating activities less cash used in investing activities as reported in the Company's Financial Statements. It may not be comparable to information in other gold producers' reports and filings.

Amounts in thousands of Canadian dollars	Q1 2015	Q1 2014	Q4 2014
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Cash flow from operating activities per Financial Statements	\$ 9,486	\$ 9,468	\$ 7,586
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Less:

Cash used in investing activities per Financial Statements	4,634	7,987	5,888
	\$ 4,852	\$ 1,481	\$ 1,698

Operating cash flow per share

Operating cash flow per share is a non-GAAP measure and is calculated by dividing cash flow from operating activities in the Company's Financial Statements by the weighted average number of shares outstanding for each year. It may not be comparable to information in other gold producers' reports and filings.

Amounts in thousands of Canadian dollars, except per share amounts	Q1 2015	Q1 2014	Q4 2014
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Cash flow from operating activities per Financial Statements	\$ 9,486	\$ 9,468	\$ 7,586
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Weighted average number of shares outstanding (000s)	368,274	368,296	368,296
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Operating cash flow per share	\$ 0.03	\$ 0.03	\$ 0.02
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Operating and Financial Statistics – Holt Mine

Amounts in thousands of Canadian dollars, except per unit amounts Q1 2015 Q1 2014 Q4 2014

Tonnes milled	108,766	113,279	120,721
Head grade (g/t Au)	4.86	5.08	4.05
Average mill recovery	95.0%	94.6%	94.8%
Gold produced (ounces)	16,152	17,497	14,908
Commercial gold production sold (ounces)	16,646	16,516	13,996
Gold sales revenue	\$ 24,499	\$ 23,541	\$ 19,153
Cash margin from mine operations ⁽¹⁾	\$ 10,209	\$ 10,819	\$ 6,241
Mine site cost per tonne milled ⁽¹⁾	\$ 107	\$ 96	\$ 96
Total cash cost per ounce of gold sold (US dollars) ⁽¹⁾			
Mine cash costs *	\$ 572	\$ 565	\$ 692
Royalty costs	120	133	120
Total cash cost per ounce of gold sold (US dollars) ⁽¹⁾	\$ 692	\$ 698	\$ 812
Capital expenditures	\$ 4,217	\$ 4,072	\$ 3,274
Depreciation and depletion expense	\$ 3,107	\$ 2,793	\$ 3,531

* Toll milling revenue is allocated to each of SAS's mine operations

Note:

(1) Total cash cost per ounce of gold sold, mine-site cost per tonne milled and cash margin from mine operations are non-GAAP measures and are not necessarily comparable to similarly titled measures of other companies due to potential inconsistencies in the method of calculation (see pages 7-14 for an explanation and reconciliation of non-GAAP measurements).

Operating and Financial Statistics – Holloway Mine

Amounts in thousands of Canadian dollars, except per unit amounts Q1 2015 Q1 2014 Q4 2014

Tonnes milled	45,617	42,981	54,674
Head grade (g/t Au)	5.58	4.14	4.80
Average mill recovery	92.6%	90.1%	91.6%
Gold produced (ounces)	7,575	5,154	7,734
Commercial gold production sold (ounces)	8,305	5,175	6,745
Gold sales revenue	\$ 12,256	\$ 7,369	\$ 9,235
Cash margin from mine operations ⁽¹⁾	\$ 4,334	\$ 589	\$ 2,911
Mine site cost per tonne milled ⁽¹⁾	\$ 151	\$ 153	\$ 111
Total cash cost per ounce of gold sold (US dollars) ⁽¹⁾			
Mine cash costs *	\$ 679	\$ 1,082	\$ 735
Royalty costs	90	105	90
Total cash cost per ounce of gold sold (US dollars) ⁽¹⁾	\$ 769	\$ 1,187	\$ 825
Capital expenditures	\$ 231	\$ 250	\$ 405
Depreciation and depletion expense	\$ 574	\$ 7,325	\$ 738

* Toll milling revenue is allocated to each of SAS's mine operations

Note:

(1) Total cash cost per ounce of gold sold, mine-site cost per tonne milled and cash margin from mine operations, are non-GAAP measures and are not necessarily comparable to similarly titled measures of other companies due to potential inconsistencies in the method of calculation (see pages 7-14 hereof for an explanation and reconciliation of non-GAAP measurements).

Statements of Operations (unaudited)

[St Andrew Goldfields Ltd.](#)

Expressed in thousands of Canadian dollars except per share information

	Three months ended March 31,	
	2015	2014
Revenue		
Gold sales	\$ 36,755	\$ 33,481
Toll milling	1,083	-
	37,838	33,481

Operating costs and expenses:

Mine site operating	19,888	19,189
Production royalty	3,407	3,017
Site maintenance	51	42
Exploration	1,810	1,165
Corporate administration	1,634	1,362
Depreciation and depletion	3,815	10,420
	30,605	35,195
Operating income (loss)	7,233	(1,714)
Finance costs	289	548
Mark-to-market loss on gold-linked liabilities	177	456
Mark-to-market loss on foreign currency derivatives	646	245
Foreign exchange loss	351	783
Finance income and other	(51)	(870)
	1,412	1,162
Income (loss) before taxes	5,821	(2,876)
Net deferred tax expense (recovery)	2,778	(1,070)
Net income (loss) attributable to shareholders	\$ 3,043	\$ (1,806)
Other comprehensive income (loss)		
Unrealized gain (loss) on available-for-sale investments (nil tax effect)	126	138
Unrealized loss on derivatives designated as cash flow hedges, net of tax of \$24 (2014 - \$8) 71		(22)
	197	116
Comprehensive income (loss) for the period	\$ 3,240	\$ (1,690)
Basic and diluted income (loss) per share	\$ 0.01	\$ 0.00
Weighted average number of shares outstanding (000's)		
Basic	368,274	368,296
Diluted	368,296	368,296

Statements of Cash Flows (unaudited)

[St Andrew Goldfields Ltd.](#)

Expressed in thousands of Canadian dollars

	Three months ended March 31,	
	2015	2014
Operating activities:		
Net income (loss) for the period	\$ 3,043	\$ (1,806)
Items not affecting cash:		
Net deferred tax expense (recovery)	2,778	(1,070)
Mark-to-market loss on gold-linked liabilities	177	456
Non-cash interest	243	419
Mark-to-market loss on foreign currency derivatives	646	245
Depreciation and depletion	3,815	10,420
Net change in provision	-	(777)
Share-based payments	57	44
Net change in non-cash operating working capital and other	(1,246)	1,640
Interest paid	(27)	(103)
Cash provided by operating activities	9,486	9,468
Investing activities:		
Additions to exploration and evaluation assets	(2)	(4,364)
Mine development expenditures	(2,437)	(2,610)
Additions to plant and equipment	(801)	(1,892)
Amounts payable on capital additions	(1,283)	895
Reclamation costs and other	(12)	(16)
Cash collateralized for banking facilities	(99)	-
Cash used in investing activities	(4,634)	(7,987)
Financing activities:		
Advance royalty payments	(458)	(419)
Capital lease payments	(271)	(260)
Repayment of term credit facility	-	(2,239)
Cash used in financing activities	(729)	(2,918)
Effects of exchange rate changes on cash and cash equivalents	149	(638)
Increase (decrease) in cash and cash equivalents	4,272	(2,075)
Cash and cash equivalents, beginning of period	21,485	33,690
Cash and cash equivalents, end of period	\$ 25,757	\$ 31,615

Balance Sheets

[St Andrew Goldfields Ltd.](#)

Expressed in thousands of Canadian dollars

March 31, 2015 December 31, 2014

Unaudited

Assets

Current assets:

Cash and cash equivalents	\$ 25,757	\$ 21,485
Accounts receivable	2,233	1,220
Inventories	9,627	10,128
Prepayments and other assets	312	324
	37,929	33,157

Exploration and evaluation assets 9,724 47,193

Mines under development 36,248 -

Producing properties and mines under development 44,351 41,907

Plant and equipment 34,865 36,144

Reclamation deposits 7,748 7,736

Restricted cash 2,496 2,397

Deferred tax assets 21,315 22,809

Other assets 335 210

\$ 195,011 \$ 191,553

Liabilities and Shareholders' Equity

Current liabilities:

Accounts payable and other liabilities \$ 10,532 \$ 13,094

Employee-related liabilities 6,207 4,954

Royalties payable 1,155 1,220

Provisions 250 250

Derivative liabilities 1,052 501

Current portion of long-term debt 2,653 2,579

Current portion of asset retirement obligations 343 925

22,192 23,523

Long-term debt 756 1,284

Asset retirement obligations 8,662 7,950

Deferred tax liabilities 4,534 3,226

36,144 35,983

Shareholders' equity:

Share capital	98,569	98,575
Contributed surplus	21,270	21,157
Stock options	3,936	3,986
Retained earnings	35,005	31,962
Accumulated other comprehensive income (loss)	87	(110)
	158,867	155,570
	\$ 195,011	\$ 191,553

SOURCE [St Andrew Goldfields Ltd.](#)

Contact

For further information about St Andrew Goldfields Ltd., please contact: Tel: 1-800-463-5139 or (416) 815-9855, Fax: (416) 815-9437, Website: www.sasgoldmines.com; Keyvan Salehi, P. Eng., MBA, VP Corporate Development and Technical Services, ksalehi@sasgoldmines.com; Duncan Middlemiss, P. Eng., President & CEO, dmiddlemiss@sasgoldmines.com; Ben Au, CFO, VP Finance & Administration, bau@sasgoldmines.com