

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Mar 16, 2016) - Timmins Gold Corp. (TSX:TMM)(NYSE MKT:TGD) ("Timmins Gold" or the "Company") reports its financial results for the year ended December 31, 2015 ("fiscal 2015"). The comparative period is the year ended December 31, 2014 ("fiscal 2014"). All results are presented in United States dollars ("US Dollars") unless otherwise stated. Readers should refer to the fiscal 2015 management discussion and analysis and audited consolidated financial statements for complete information.

"In the fourth quarter, mining operations at San Francisco were negatively affected by greater than expected waste tonnes mined due to block model variability versus forecast," stated Interim CEO Mark Backens. "We have made adjustments to the model and operating plan and we have already seen a positive difference to date in Q1 2016. Due to the recent rise in gold prices, we are evaluating the possibility of mine life extension beyond 2016. In the meantime, we remain on track to achieve 2016 objectives which is to produce between 75,000 and 85,000 gold ounces at a cash cost of \$750 to \$850 per gold ounce."

FISCAL 2015 HIGHLIGHTS

- Metal revenues were \$109.2 million, compared to \$154.1 million during fiscal 2014. This represents a 29.1% decrease from the prior year, primarily due to a reduction in gold ounces sold to 93,196 ounces from 121,441 ounces. The average London PM Fix price was \$1,160 per gold ounce, compared to \$1,266 per gold ounce during fiscal 2014. This represents an 8.4% decrease over the prior year and was also a contributing factor to the decrease in metal revenues over fiscal 2014.
- As a result of the sustained decrease in the gold price during fiscal 2015 and subsequent changes to the San Francisco Mine ("the Mine") plan, as well as changes to the Company's areas of exploration focus and changes to the estimated recoverable ounces contained within the leach pad inventory, the Company recorded a total impairment of mineral properties, plant and equipment and other assets of \$228.4 million during the year.
- Loss from operations was \$241.8 million, compared to earnings from operations of \$22.2 million during fiscal 2014. This difference was mainly due to the impairment charge of \$228.4 million during the period as well as decreased metal revenues.
- Loss and total comprehensive loss were \$190.3 million or \$0.77 per share, compared to earnings and total comprehensive income of \$9.2 million or \$0.06 per share during fiscal 2014.
- Cash provided by operating activities were \$13.3 million or \$0.05 per share, compared to \$33.1 million or \$0.20 per share during fiscal 2014. This represents a 59.8% and 75.0% decrease, respectively, from the prior year.
- Cash provided by operating activities during Q4 2015 were \$2.1 million, compared to cash used in operating activities during Q4 2014 of \$2.7 million. During Q4 2015, \$5.4 million was spent on exploration, sustaining capital, expansion programs and payment of prior quarter payables related to capital items, compared to \$9.2 million during Q4 2014. In addition, during Q4 2014 the Company spent \$10.8 million as part of the cash consideration paid on the acquisition of the Caballo Blanco gold project.
- Cash and cash equivalents and restricted cash at December 31, 2015 were \$9.2 million and \$2.3 million, respectively, after investing \$7.1 million on exploration, \$0.8 million on sustaining capital, \$6.6 million on expansion programs and \$17.5 million on deferred stripping. Subsequent to December 31, 2015, the Company received \$5.7 million of the \$9.1 million VAT receivable.
- Cash and cash equivalents at December 31, 2014 were \$26.9 million after investing \$6.8 million on exploration, \$2.0 million on sustaining capital, \$12.5 million on expansion programs, \$15.0 million on deferred stripping and \$10.8 million as part of the cash consideration paid on the acquisition of Caballo Blanco. In addition, the Company repaid C\$5.0 million (\$4.5 million) of its loan facility during fiscal 2014.
- On October 2, 2015, the Company reported a small tear in the liner of the new leach pads at the San Francisco Mine. This incident was immediately reported to the Mexican environmental agency, PROFEPA. The small tear in the liner was repaired and approval was received from PROFEPA to continue irrigation in the area.

Operating performance

- The Company produced and sold, 93,353 and 93,196 ounces of gold, respectively, compared to 120,023 and 121,441 ounces of gold, respectively, during fiscal 2014. The change from prior year is primarily due to a reduction in average processing grade to 0.51 g/t Au, compared to the fiscal 2014 average of 0.62 g/t Au, which resulted in fewer ounces of gold available for processing. More specifically, 138,031 ounces of gold were loaded to the leach pads, compared to 171,421 ounces of gold during fiscal 2014. This reduction was in accordance with the Company's mine plan.
- The Company's cash cost per ounce on a by-product basis was \$1,017 (all-in sustaining cash cost per ounce on a by-product basis - \$1,144), compared to \$790 (all-in sustaining cash cost per ounce on a by-product basis - \$925) during fiscal 2014. This increase in cash costs over the prior year is primarily driven by an increased strip ratio and by fewer ounces being produced during fiscal 2015.

Key developments

- On May 26, 2015, the Company completed the all share acquisition of [Newstrike Capital Inc.](#) ("Newstrike") for total consideration of \$67.2 million. Newstrike's principal asset is the Ana Paula gold project ("Ana Paula") in Guerrero, Mexico.
- On October 19, 2015, the Company completed a C\$6.0 million (\$4.6 million) non-brokered private placement with [Goldcorp Inc.](#) ("Goldcorp") consisting of 20 million common shares at a price of C\$0.30 (\$0.23) per unit. Each unit consists of one share and one-half of a warrant, each whole warrant (a "warrant") being exercisable for one common share of the Company at a price of C\$0.35 (\$0.27) per share for a term of 24 months. This private placement was in connection with the Company's agreement to purchase a processing plant ("Plant") from Goldcorp for total consideration of C\$8.0 million (\$6.1 million). The cash received from the private placement is restricted to use for disassembly of the Plant.

- On December 31, 2015, the Company renegotiated the \$10.2 million loan facility with an extension of the maturity date to January 31, 2016 with the annual interest rate remaining at 9.0%.

Recent developments

- On January 26, 2016, the Company finalized an agreement with Sprott Resource Lending Partnership and [Goldcorp Inc.](#) (the "Lenders") to refinance the \$10.2 million loan. The new credit facility has a maturity date of June 30, 2016. Interest is payable monthly at a rate of 12% per annum, and the principal amount outstanding is payable on the maturity date. In consideration of the refinancing, the Company will pay a bonus to the Lenders under the credit facility of \$0.4 million on the earlier of the repayment of the loan and June 30, 2016. The bonus is payable at the option of each Lender, in relation to its proportion of the credit facility, in cash or in common shares of the Company. Any shares issued in connection with the bonus payment shall be issued at a deemed price equal to the volume weighted average price per share on the TSX for the ten days immediately preceding issuance, less 10%.

SUMMARIZED ANNUAL FINANCIAL STATEMENTS AND OPERATING RESULTS

US dollars (thousands) except where noted	Q4 2015	Q4 2014	Fiscal 2015	Fiscal 2014
Gold ounces sold	22,786	25,007	93,196	121,441
Silver ounces sold	13,158	16,322	52,047	85,262
Metal revenues	\$ 25,310	\$ 30,400	\$ 109,192	\$ 154,068
Production costs, excluding depreciation and depletion	\$ 26,459	\$ 23,508	\$ 95,542	\$ 97,525
(Loss) earnings from operations	\$ (9,453)	\$ (1,854)	\$ (241,778)	\$ 22,167
(Loss) earnings	\$ (9,517)	\$ (3,701)	\$ (190,311)	\$ 9,187
(Loss) earnings per share, basic and diluted	\$ (0.14)	\$ (0.02)	\$ (0.77)	\$ 0.06
Cash flows from operating activities	\$ 2,091	\$ (2,726)	\$ 13,290	\$ 33,054
Total cash and cash equivalents, end of period (including restricted cash)	\$ 11,499	\$ 26,952	\$ 11,499	\$ 26,952
Total assets, end of period	\$ 152,837	\$ 311,947	\$ 152,837	\$ 311,947
Total cash costs per gold ounce on a by-product basis	\$ 1,153	\$ 930	\$ 1,017	\$ 790
All-in sustaining cash cost per ounce gold	\$ 1,289	\$ 1,045	\$ 1,144	\$ 925
Average realized gold price per gold ounce	\$ 1,105	\$ 1,216	\$ 1,172	\$ 1,269

Reminder of fiscal 2015 results conference call:

The Company's senior management will host a conference call Thursday March 17, 2016 at 11am (ET) to discuss fiscal 2015. Participants may join the call by dialing 416-695-7806 or 888-789-9572 (Canada and U.S. toll-free number) or via webcast on link: <http://www.gowebcasting.com/7309>.

A replay of the call will be available until March 22, 2016, by dialing 905-694-9451 or 800-408-3053 (Canada and U.S.). The passcode is 2625102. A live and archived audio webcast will also be available at www.timminsgold.com.

Technical information contained in this news release was reviewed and approved by Taj Singh, P.Eng., a Vice President of the Company who is recognized as a QP under NI 43-101.

About Timmins Gold

The Company owns and operates the San Francisco open pit, heap leach gold mine in Sonora, which provides a base of operations, allowing the Company to develop two economically robust growth projects with manageable capital requirements, the Ana Paula and Caballo Blanco gold projects.

Neither the TSX nor its Regulation Services Provider (as that term is defined in the policies of the TSX) nor the New York Stock Exchange MKT accepts responsibility for the adequacy or accuracy of this news release.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained herein may constitute forward-looking statements and are made pursuant to the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995 and Canadian securities laws. Forward-looking statements are statements which relate to future events including projected production (and estimated cash costs). Such statements include estimates, forecasts and statements as to management's expectations with respect to, among other things, receipt of the requisite approvals for business and financial prospects, financial multiples and accretion estimates, future trends, plans, strategies, objectives and expectations, including with respect to liquidity, working capital management and to production (including production at Ana Paula and Caballo Blanco), possible capital savings and estimates of pre-production capital at Ana Paula, exploration drilling, reserves and resources, exploitation activities and events or future operations. Information inferred from the interpretation of drilling results and information concerning mineral resource estimates may also be deemed to be

forward-looking statements, as it constitutes a prediction of what might be found to be present when, and if, a project is actually developed.

In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential", or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, level of activity, performance or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggestions herein. Except as required by applicable law, the Company does not intend to update any forward-looking statements to conform these statements to actual results.

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