

Scorpio Gold achieve record production despite a challenging 2014

Scorpio Gold {TSX.V: SGN} CEO Peter Hawley “proud of record production achievement in 2014”

In a year that contained challenges both with grade and permitting issues, Scorpio Gold still managed to produce a record amount of gold, exceeding 40,000 ounces for the first time!

Comment

Scorpio Gold have achieved guidance and produces a record amount of gold in a year that contained challenges, principally permitting delays on their satellite deposits, and a lower grade in their mining.

This is some achievement given the challenges mentioned above, and one would hope that once the permitting is completed, 2015 guidance will be for a significantly higher number.

Add in the potential for a LOM uplift via exploration drilling at Gold Wedge, and the opportunity to grind the high grade ore from Mineral Ridge at the Gold Wedge mill before returning to the leach pad, increasing recovery substantially, and Scorpio are one for even the most selective watchlist in 2015 in my view.

2015-01-13

News Release

Mr. Steve Roebuck reports

Scorpio Gold reports record annual gold production at their Mineral Ridge operation, Nevada, USA.

Scorpio Gold Corp. has released its operating results for full year and the fourth quarter of 2014 at its 70-per-cent-owned Mineral Ridge project, located in Nevada.

Total gold production in 2014 was 40,814 ounces, an increase of 4 per cent over the year 2013. Gold production in fourth quarter 2014 totalled 10,258 ounces, representing a decrease of 10 per cent from fourth quarter 2013 and a 9-per-cent decrease from third quarter 2014. Production challenges occurred in the fourth quarter of 2014 as the company experienced a delay in receiving its mine permit for the satellite deposits. The delay created a shortfall in scheduled tons and ounces mined from those pits and had to be made up by mining in the Mary LC area. Looking forward, the company is in the process of finalizing its 2015 budget and expects to provide guidance in first quarter 2015 once the mine permit for the satellite deposits has been received.

Peter J. Hawley, chief executive officer, reported: *"We are proud to report a record annual gold production of 40,814 ounces at Mineral Ridge in 2014, representing a 4-per-cent increase over 2013 and meeting our 2014 production guidance. Scorpio Gold has now completed three full years of production at Mineral Ridge and has fully transitioned production from the Drinkwater pit to the Mary pit. On behalf of the company, I would like to thank the entire production team and contractors who continue to make the Mineral Ridge operation a success."*

KEY OPERATING STATISTICS

Three months ending	12 months ending
Dec. 31,	Dec. 31,

2014	2013	2014	2013
Mining operations			
Mary pit			
Ore tonnes mined		141,056	136,891
443,343	285,688		
Waste tonnes mined		674,026	563,368
1,986,738			2,266,625
Total mined		815,082	700,259
2,272,426			2,709,968
Strip ratio		4.8	4.1
5.1	7.0		
Drinkwater pit			
Ore tonnes mined		—	100,732
395,177	607,535		
Waste tonnes mined		—	441,244
2,102,002			834,938
Total mined		—	541,976
2,709,537			1,230,115
Strip ratio		—	4.4
2.1	3.5		
Total producing pits			
Ore tonnes mined		141,056	237,623
838,520	893,223		
Waste tonnes mined		674,026	1,004,612
4,088,740			3,101,563
Total mined		815,082	1,242,235
4,981,963			3,940,083

Strip ratio	4.8	4.2
3.7 4.6		

Pits under development

Mary LC pit

Ore tonnes mined	37,417	—
73,718 —		

Waste tonnes mined

(prestripping)	902,039	151,332
2,346,051 213,411		

Total mined	939,456	151,332
2,419,769 213,411		

Satellite pits

Ore tonnes mined	7,339	—
7,339 —		

Waste tonnes mined

(prestripping)	99,920	—
118,332 —		

Total mined	107,259	—
125,671 —		

Total mining

operations

Ore tonnes mined	185,812	237,623
919,577 893,223		

Waste tonnes mined	1,675,985	1,155,944	5,565,946
4,302,151			
Total mined	1,861,797	1,393,567	6,485,523
5,195,374			
Processing			
Tonnes processed	205,643	242,124	
974,346 903,337			
Gold head grade			
(g/t)	1.68	2.28	
1.72 2.32			
Ounces produced			
Gold	10,258	11,348	
40,814 39,160			
Silver	4,387	4,154	
18,182 14,975			
Crusher throughput			
(Tonnes per day)	2,235	2,632	
2,891 2,681			
Recoverable gold			
(ounces) placed on			
pad	7,207	11,554	
35,086 43,845			

We seek Safe Harbour.