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.

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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	2,266,625
1,986,738					
Total mined		815,082		700,259	2,709,968
2,272,426					
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	834,938
2,102,002					
Total mined		–		541,976	1,230,115
2,709,537					
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	3,101,563
4,088,740					
Total mined		815,082		1,242,235	3,940,083
4,981,963					

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.