

# Scorpio Gold Q3 2016 financial results

Scorpio Gold {TSX.V: SGN} have reported their Q3 2016 financial results.

9,981 ounces of gold were produced at the Mineral Ridge mine, compared to 9,497 produced during Q3 of 2015

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News – Thursday, November 24, 2016

## Scorpio Gold Reports Financial Results for Third Quarter of 2016

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Vancouver, November 24, 2016 – **Scorpio Gold Corporation** (“Scorpio Gold” or the “Company”) (TSX-V: SGN) is pleased to announce its financial results for the third quarter ended September 30, 2016 (“Q3”).

This press release should be read in conjunction with the Company’s condensed interim consolidated financial statements for Q3 of 2016 and Management Discussion & Analysis for the same period, available on the Company’s website at [www.scorpiogold.com](http://www.scorpiogold.com) and under the Company’s name on SEDAR at [www.sedar.com](http://www.sedar.com).

All monetary amounts are expressed in US dollars unless otherwise specified.

## PERFORMANCE HIGHLIGHTS:

	Q3 2016	Q3 2015	Nine Months 2016	Nine Months 2015
	\$	\$	\$	\$
Revenue (000's)	13,328	9,333	35,190	33,759
Mine operating earnings (000's)	3,177	1,766	8,109	6,239
Net earnings (loss) (000's)	2,331	(15,823)	4,609	(13,321)
Basic and diluted earnings (loss) per share	0.01	(0.11)	0.02	(0.10)
Adjusted net earnings <sup>(1)</sup> (000's)	2,484	1,128	5,768	3,879
Adjusted basic and diluted net earnings per share <sup>(1)</sup>	0.01	0.01	0.03	0.02
Adjusted EBITDA <sup>(1)</sup> (000's)	3,508	3,208	7,893	7,946
Adjusted basic and diluted EBITDA per share <sup>(1)</sup>	0.02	0.02	0.04	0.04
Cash flow from operating activities (000's)	5,906	2,271	10,418	11,223
Total cash cost per ounce of gold sold <sup>(1)</sup>	956	732	883	779
Gold ounces sold	10,000	8,516	28,315	29,141

Gold ounces produced	<b>9,981</b>	9,497	<b>28,578</b>	30,187
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Brian Lock, Interim CEO, comments: “We are very pleased to report strong financial results for Q3 and for the first nine months of 2016.

These favorable financial results largely result from the sale of 17% more ounces of gold in Q3 of 2016 compared to Q3 of 2015 at a realized price which was 22% higher during Q3 of 2016 compared to Q3 of 2015.

For the nine month period ended September 30, 2016, the realized gold price was 7% higher compared to same period of 2015. Production for the third quarter of 2016 remained high at 9,981 ounces of gold compared to 9,497 for Q3 of 2015.

“With 28,578 ounces of gold produced for the nine month period ended September 30, 2016, at a total cash cost of \$883 per ounce, the Company expects to be at the higher end of the 30,000-35,000 ounces of gold produced range, and in the lower end of \$900-\$950 for estimated total cash cost per ounce of gold sold as per the previous revised guidance for the 2016 year.”

### **Highlights for the Third Quarter Ended September 30, 2016:**

- 9,981 ounces of gold produced at the Mineral Ridge mine, compared to 9,497 produced during Q3 of 2015.
- 10,000 ounces of gold sold, compared to 8,516 ounces sold during Q3 of 2015.
- Revenue of \$13.3 million compared to \$9.3 million during Q3 of 2015.
- Total cash cost per ounce of gold sold<sup>(1)</sup> of \$956 compared

to \$732 during Q3 of 2015.

- Mine operating earnings of \$3.2 million compared to \$1.8 million during Q3 of 2015.
- Net earnings of \$2.3 million (\$0.01 basic and diluted per share), compared to net loss of \$ 15.8 million (\$0.11 basic and diluted per share) during Q3 of 2015.
- Adjusted net earnings<sup>(1)</sup> of \$2.5 million (\$0.01 basic and diluted per share) compared to \$1.1 million (\$0.01 basic and diluted per share) during Q3 of 2015.
- Adjusted EBITDA<sup>(1)</sup> of \$3.5 million (\$0.02 basic and diluted per share) compared to \$3.2 million (\$0.02 basic and diluted per share) during Q3 of 2015.
- Cash flow from operating activities of \$5.9 million compared to \$2.3 million during Q3 of 2015.
- On August 10, 2016 the Company announced the resignation of Peter J. Hawley from the position of president, effective on that date, for personal reasons. Mr. Hawley also retired from the position of CEO of the Company on November 1, 2016. Mr. Hawley remains as Chairman and a Director of the Company. The Company also announced the promotion of Chris Zerga to the position of President effective August 10, 2016. Brian Lock, a current Director of the Company, was appointed as Interim CEO effective November 2, 2016.

### **Highlights for the Nine Months Ended September 30, 2016**

- 28,578 ounces of gold produced at the Mineral Ridge mine, compared to 30,187 during the nine months ended September 30, 2015.
- 28,315 ounces of gold sold, compared to 29,141 ounces sold during the nine months ended September 30, 2015.
- Revenue of \$35.2 million compared to \$33.8 million during the nine months ended September 30, 2015.
- Total cash cost per ounce of gold sold<sup>(1)</sup> of \$883 compared to \$779 during the nine months ended September 30, 2015.

- Mine operating earnings of \$8.1 million compared to \$6.2 million during the nine months ended September 30, 2015.
- Net earnings of \$4.6 million (\$0.02 basic and diluted per share) compared to net loss of \$13.3 million (\$0.10 basic and diluted per share) during the nine months ended September 30, 2015.
- Adjusted net earnings<sup>(1)</sup> of \$5.8 million (\$0.03 basic and diluted per share) compared to \$3.9 million (\$0.02 basic and diluted per share) during the nine months ended September 30, 2015.
- Adjusted EBITDA<sup>(1)</sup> of \$7.9 million (\$0.04 basic and diluted per share) compared to \$7.9 million (\$0.04 basic and diluted per share) during the nine months ended September 30, 2015.
- Cash flow from operating activities of \$10.4 million, compared to \$11.2 million during the nine months ended September 30, 2015.

<sup>(1)</sup> This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and the Company's Management Discussion & Analysis for Q3 of 2016 for a complete definition and reconciliation to the IFRS results reported in the Company's financial statements for Q3 of 2016.

## **Non-IFRS Measures**

The discussion of financial results in this press release includes reference to Adjusted EBITDA, Total cash cost per ounce of gold sold and Adjusted Net Earnings, which are non-IFRS measures. The Company provides these measures as additional information regarding the Company's financial results and performance. Please refer to the Company's Management Discussion & Analysis for Q3 of 2016 for definitions of these terms and a reconciliation of these measures to reported IFRS results.

## **About Scorpio Gold**

Scorpio Gold holds a 70% interest in the Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Elevon, LLC (30%). Mineral Ridge is currently in production as a conventional open pit mining and heap leach operation. The Mineral Ridge property is host to multiple gold-bearing structures, veins and lenses at exploration, development and production stages. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property in Manhattan, Nevada, with a fully permitted underground mine and 400 ton per day mill facility. The Goldwedge mill facility has been placed on a care and maintenance basis and can be restarted immediately when needed.

Scorpio Gold's Chairman, Peter J. Hawley, PGeo,, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the content of this release.

**ON BEHALF OF THE BOARD**  
**SCORPIO GOLD CORPORATION**

Brian Lock,  
Interim CEO