

# Scorpio Gold repay debt early and announce production guidance for 2015

Vancouver, March 11, 2015 – **Scorpio Gold Corporation** {TSX-V: **SGN**} announces that it has fully repaid its remaining debt of US\$3.4 M to Waterton Global Value L.P. ahead of the scheduled maturity date.

Scorpio CEO Peter Hawley also announced the production guidance for 2015.

## *Comment*

*Scorpio continue to perform, now repaying debt ahead of schedule, and setting a decent production goal for 2015, with the possibility of upside from Gold Wedge.*

*In a world of struggling juniors Scorpio is an oasis of sanity.*

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The debt to Waterton was incurred in connection the Company's acquisition of the Goldwedge and Pinon properties in December of 2012, and has been repaid in part with proceeds from the sale of the Pinon property to a subsidiary of Gold Standard Ventures Inc. ("GSV"), which included cash and shares in GSV. The sale of the Pinon property to GSV closed in March of 2014. GSV has repaid the CAD\$2.5M principal amount note receivable issued as consideration in the sale, and the Company recently sold its 6,750,000 shares in GSV. Subject to the fulfillment of certain conditions involving a sale of GSV or its assets, the Company may receive further cash payments of up to C\$3.0 M from GSV as bonus consideration. Peter J. Hawley, CEO comments, "Since 2012, Scorpio Gold has repaid over US\$24.5 M in debt to Waterton while continuing to deliver positive financial results from its Mineral Ridge operation. This is a remarkable achievement for a junior gold producer and reflects a strong commitment company-wide to make the Mineral Ridge operation a success. Scorpio Gold is now debt-free and poised for growth. The Company would like to thank the management and shareholders of Gold Standard Ventures who have worked diligently to complete the Pinon sale transaction in a timely

and professional manner. We would also like to thank Waterton Global Value for its support over the past several years as the Company's principal lender."

### **2015 Mineral Ridge Operations Forecast:**

- Production: 40,000 to 45,000 ounces of gold
- Total Cash Cost: US\$800 to US\$850 per ounce of gold sold

Production in 2015 is scheduled from the Mary and Mary LC pits, and from the Wedge, Bluelite, Solberry and Brodie satellite pits. Scorpio Gold is awaiting approval from the Nevada Bureau of Land Management of its Plan of Operations Amendment and Environmental Assessment for its pit expansion plan. The Company expects to receive these approvals in early Q2 2015, and as such, the Environmental Assessment process is not likely to impact the production schedule.

### **Key estimated parameters forming the basis for the 2015 forecast are:**

- Average throughput: 2,700 short tons (2,450 metric tonnes) per day
- Average grade: 0.061 ounces per short ton (2.09 grams per tonne) gold
- Waste to ore ratio including development: 7.4 to 1

The Company expects these parameters to fluctuate throughout 2015 and as a result, these parameters should be treated as full-year averages and will not necessarily be reflective of quarterly operating results.

***The capital expenditure, development and exploration budgets for 2015 will be presented in a forthcoming news release.***

Additionally, the Company is pleased to announce that it has retained Renmark Financial Communications Inc. ("Renmark") to assist with its investor relations activities on a month-to-month basis commencing in March 2015. In consideration of the

services to be provided, the Company has agreed to pay Renmark a monthly retainer of C\$6,000. Renmark is a full service investor relations firm headquartered in Toronto, Ontario, and wholly owned by founder, Henri Peron. Renmark does not have any interest directly or indirectly in Scorpio Gold or its securities, or any right or intent to acquire such an interest.

### **About Scorpio Gold**

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Waterton Global Value L.P. (30%), and Scorpio Gold is currently entitled to receive 80% of cash flow generated. Mineral Ridge is 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 and processing facility in Manhattan, Nevada. The Company is assessing its exploration plans for the Goldwedge property as well as the potential for toll milling at the Goldwedge plant, which is currently permitted for 400 tons per day.

Scorpio Gold's CEO, Peter J. Hawley, P.Geo, 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**

Peter J. Hawley,  
CEO