

Scorpio Gold releases Q1 2016 results

Scorpio Gold Corp. {TSX.V; SGN} announced its financial results for the first quarter ended March 31, 2016 .

Scorpio Gold Corporation
May 13, 2016 08:00 ET

Scorpio Gold Reports Financial Results for First Quarter of 2016

VANCOUVER, BRITISH COLUMBIA-May 13, 2016) – **Scorpio Gold Corp. {TSX.V; SGN}** is pleased to announce its financial results for the first quarter ended March 31, 2016 .

This press release should be read in conjunction with the Company's condensed interim consolidated financial statements for the three-month period ended March 31, 2016 and its related Management Discussion & Analysis for the same period, available on the Company's website at www.scorpiogold.com and under the Company's name on SEDAR at www.sedar.com.

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

PERFORMANCE HIGHLIGHTS:
Q1 2016 Q1 2015

\$
 Revenue (\$000's) 9,428 12,343
 Mine operating earnings (\$000's) 1,865 2,055
 Net earnings (\$000's) 1,079 755
 Basic and diluted earnings per share 0.00 0.00
 Adjusted net earnings(1) (\$000's) 1,041 979
 Adjusted basic and diluted net earnings per share(1) 0.00 0.00
 Adjusted EBITDA(1) (\$000's) 1,569 1,871
 Adjusted basic and diluted EBITDA per share(1) 0.01 0.01
 Cash flow (used by) from operating activities (\$000's) (366)
 4,344
 Total cash cost per ounce of gold sold(1) 801 797
 Gold ounces produced 8,508 11,952

(1) This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and the Company's Management Discussion & Analysis for Q1 of 2016 for a complete definition and reconciliation to the IFRS results reported in the Company's financial statements for Q1 of 2016.

Peter Hawley, President & CEO, comments, *"We are pleased to report another strong quarter of production at Mineral Ridge, wherein total ore mined increased 16.4%, processed material increased 15.2% and the head grade increased 17%, compared to Q1 2015. The decreased metal production in Q1 of 2016 is attributed to slower leach pad recoveries while equipment was being relocated in order to utilize new areas of the pad for leaching. Both gold and silver recoveries from the leach pad are expected to increase in Q2 2016.*

As always the Company remains focused on being cost effective for 2016, and the Company anticipates another full year of strong production at Mineral Ridge from the Mary LC, Bluelite and Solberry pits with additional development commencing in Q2 of 2016 from the Phase Three LC pit.

Production guidance for the Mineral Ridge mine for 2016

remains at 30,000-35,000 ounces of gold produced at a total cost of \$850-\$900 per ounce gold sold. The Company has completed its drill program for 2016 with approximately 19,000 meters of RC drilling completed in 148 holes with the main focus on the 2015 exploration successes. Infill and development drilling has focused on delineating and expanding the Custer and Oromonte areas of known mineralisation proximal to existing production pits and satellite deposits. In addition, the exploration drilling was designed to quickly identify and delineate new open pit targets for potential development within the existing Plan of Operation permit boundary such as the Paris target.

Mining at Mineral Ridge remains scheduled to end in mid-2017. An initial presentation was made in March, 2016 to the Bureau of Land Management (BLM) with respect to permitting the Custer, Oromonte, and Paris claims for additional mining which would extend the mining schedule. There can be no assurance that any applications made for permitting will be successful."

Highlights for the First Quarter Ended March 31, 2016:

8,508 ounces of gold were produced at the Mineral Ridge mine during Q1 of 2016, compared to 11,952 ounces during Q1 of 2015.

Revenue of \$9.4 million, compared to \$12.3 million during Q1 of 2015.

Total cash cost per ounce of gold sold(1) of \$801 compared to \$797 during Q1 of 2015.

Mine operating earnings of \$1.9 million compared to \$2.1 million during Q1 of 2015.

Net earnings of \$1.1 million (\$0.00 basic and diluted per share), compared to \$0.8 million (\$0.00 basic and diluted per share) during Q1 of 2015.

Adjusted net earnings(1) of \$1.0 million (\$0.00 basic and diluted per share) similar to Q1 of 2015.

Adjusted EBITDA (1) of \$1.6 million (\$0.01 basic and diluted per share) compared to \$1.9 million (\$0.01 basic and diluted

per share) during Q1 of 2015.

(1) This is a non-IFRS measure; please see Non-IFRS performance measures section.

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 MD&A for the three months ended March 31, 2016 for definitions of these terms and a reconciliation of these measures to reported International Financial Reporting Standards ("IFRS") results.

About Scorpio Gold Corporation

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Elevon, LLC (30%). 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 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 President and CEO, Peter J. Hawley, P.Geo., is a Qualified Person as defined in 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, President & CEO

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

The Company relies on litigation protection for “forward-looking” statements. This news release contains forward-looking statements that are based on the Company’s current expectations and estimates. Forward-looking statements are frequently characterized by words such as “plan”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “suggest”, “indicate” and other similar words or statements that certain events or conditions “may” or “will” occur, and include, without limitation, statements regarding the Company’s plans with respect to the exploration, development and exploitation of its Mineral Ridge project, including any forecasts regarding future production or costs related thereto. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements, including risks relating to operation of a gold mine, including unanticipated changes in the mineral content of materials being mined; unanticipated changes in recovery rates; changes in project parameters; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; availability of skilled labour and the impact of labour disputes; delays in obtaining governmental approvals; changes in metals prices; the availability of cash flows or financing to meet the Company’s ongoing financial obligations; unanticipated changes in key management personnel; changes in

general economic conditions; obtaining the required permits to expand and extend mining activities; other risks of the mining industry and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty thereof.

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