

Scorpio Gold reports annual gold production at Mineral Ridge

Scorpio Gold Corp. {TSX. V: SGN} announced a 3% reduction in gold production 2015 compared to the previous year, citing several issues and challenges that occurred during the year.

An increase in production resulted in 29% more recoverable ounces being placed on the leach pad, and this will result in an uplift into the next quarter.

Comment

Scorpio have encountered several issues and challenges in the last 12 months, and now appear to have overcome them, and are looking to increase production going into the next year.

It would be nice to have some idea when Goldwedge might reopen, presumably an increase in the price of gold northwards from here might bring the answer to that question.

Scorpio Gold Reports Annual Gold Production at the Mineral Ridge

Operation, Nevada

VANCOUVER, BRITISH COLUMBIA- January . 11, 2016 – Scorpio Gold Corp. {TSX. V: SGN} announced its operating results for the full year and the fourth quarter (“Q4”) of 2015 at its 70% owned Mineral Ridge project, located in Nevada.

Total gold production in 2015 was 39,690 ounces, a decrease of 3% over the prior year. Early in 2015, permitting delays related to the satellite deposits resulted in the Company mining in areas with higher stripping rates and fewer ore tons, until ore production began to recover in Q4. As a result, ore tons processed were 9% less than 2014. Despite lower ore tonnage processed and a 12% lower average grade, gold production was largely maintained through improved recoveries and a reduction in inventory levels during the year.

Gold production in Q4 2015 totalled 9,503 ounces, roughly equal to the prior quarter and a decrease of 7% from Q4 2014. Previously reported issues with mine production drills were resolved and strip ratios improved during Q4, resulting in significantly improved ore production from the various pits. Ore tons processed during Q4 2015 increased by 24% from the prior quarter and 29% over Q4 2014.

Estimated recoverable ounces placed on the leach pad during Q4 2015 were 29% higher than the prior quarter and 31% higher than Q4 2014. The increased ounces placed on the leach pad during Q4 are expected to positively impact gold production in Q1 2016.

Peter J. Hawley, President & CEO comments, “We are proud to report reaching the high end of our production guidance of 38,000 – 40,000 ounces with 39,690 ounces gold produced at Mineral Ridge in 2015. Scorpio Gold has now completed four years of production at Mineral Ridge, fully transitioning production from the initial Drinkwater pit on to the Mary pit, both now exhausted, to the currently active Mary LC, Bluelite and Solberry pits. 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 December 31			Twelve months ending December 31				
2015	2014	Change	2015	2014	Change		
Mining operations							
Mary LC pit							
Ore tonnes mined		119,891	—	100.0%	203,468	—	100.0%
Waste tonnes mined		743,394	—	100.0%	1,684,728	—	100.0%
Total mined		863,285	—	100.0%	1,888,196	—	100.0%
Strip Ratio		6.2	—	100.0%	8.3	—	100.0%
Satellite pits							
Ore tonnes mined		245,569	—	100.0%	487,234	—	100.0%
Waste tonnes mined		769,186	—	100.0%	2,045,787	—	100.0%
Total mined		1,014,755	—	100.0%	2,533,021	—	100.0%
Strip Ratio		3.1	—	100.0%	4.2	—	100.0%
Mary pit							
Ore tonnes mined		—	141,056	-100.0%	202,002	443,343	-54.4%

Waste tonnes mined	—	674,026	-100.0%	1,053,992	2,266,625	-53.5%
Total mined	—	815,082	-100.0%	1,255,994	2,709,968	-53.7%
Strip Ratio	—	4.8	-100.0%	5.2	5.1	2.0%
Drinkwater pit						
Ore tonnes mined	—	—	—	—	395,177	-100.0%
Waste tonnes mined	—	—	—	—	834,938	-100.0%
Total mined	—	—	—	—	1,230,115	-100.0%
Strip Ratio	—	—	—	—	2.1	-100.0%
Total producing pits						
Ore tonnes mined	365,460	141,056	159.1%	892,704	838,520	6.5%
Waste tonnes mined	1,512,580	674,026	124.4%	4,784,507	3,101,563	54.3%
Total mined	1,878,040	815,082	130.4%	5,677,211	3,940,083	44.1%
Strip Ratio	4.1	4.8	-14.6%	5.4	3.7	45.9%
Pits under development						
Mary LC Pit						
Ore tonnes mined	—	37,417	-100.0%	87,675	73,718	18.9%
Waste tonnes mined (pre-stripping)	—	902,039	-100.0%	1,732,711	2,346,051	-26.1%
Total mined	—	939,456	-100.0%	1,820,386	2,419,769	-24.8%
Satellite Pits						
Ore tonnes mined	—	7,339	-100.0%	4,471	7,339	-39.1%
Waste tonnes mined (pre-stripping)	—	99,920	-100.0%	262,721	118,332	122.0%
Total mined	—	107,259	-100.0%	267,192	125,671	112.6%
Total mining operations						
Ore tonnes mined	365,460	185,812	96.7%	984,850	919,577	7.1%

Waste tonnes mined	1,512,580	1,675,985	-9.7%	6,779,939	5,565,946	21.8%
Total mined	1,878,040	1,861,797	0.9%	7,764,789	6,485,523	19.7%
Processing						
Tonnes processed	265,017	205,643	28.9%	891,997	974,346	-8.5%
Gold head grade (g/t)	1.66	1.68	-1.2%	1.52	1.72	-11.6%
Ounces produced						
Gold	9,503	10,258	-7.4%	39,690	40,814	-2.8%
Silver	4,905	4,387	11.8%	19,742	18,182	8.6%
Crusher throughput (tonnes per day)	2,881	2,235	28.9%	2,444	2,891	-15.5%
Recoverable ⁽¹⁾ gold ounces placed on pad	9,434	7,207	30.9%	29,189	35,086	-16.8%
(1)	A weighted average metallurgical recovery factor has been applied to the estimated contained ounces crushed and placed on the leach pad based on the pit from which the ore was mined.					

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 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, PGeo, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the content of this news release.

ON BEHALF OF THE BOARD

SCORPIO GOLD CORPORATION

Peter J. Hawley, President and CEO

Website: www.scorpiogold.com

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. 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 related to open pit mining and heap leach processing operations 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.

Contact:

Scorpio Gold Corporation
Peter J. Hawley
President and CEO
+1 819 825 7618
phawley@scorpiogold.com
www.scorpiogold.com