

# Scorpio Gold Reports Q4 and Year-End Financial Results for 2016

Scorpio Gold Corp. {TSX.V: SGN} announced its financial results for the fourth quarter (“Q4”) and year ended December 31, 2016.

They are also filed on [www.sedar.com](http://www.sedar.com) and on the company website.



## Scorpio Gold Reports Fourth Quarter and Provides Year-End Financial Results for 2016

Vancouver, April 24, 2017 – Scorpio Gold Corp. {TSX.V: SGN} is pleased to announce its financial results for the fourth quarter (“Q4”) and year ended December 31, 2016. This press release should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2016 and Management’s Discussion & Analysis (“MD&A”) 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:

	Q4 2016	Q4 2015	2016	2015
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\$ \$ \$ \$

Revenue (000’s)	7,569	10,828	42,759	44,587
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Mine operating earnings (000's)	1,529	1,452	9,638	7,691
Net (loss) earnings (000's)	(4,270)	(4,665)	339	(17,986)
Basic and diluted loss per share	(0.03)	(0.03)	(0.00)	(0.13)
Adjusted net earnings(1) (000's)	804	712	6,481	4,591
Adjusted basic and diluted net earnings per share(1)	0.00	0.00	0.03	0.02
Adjusted EBIDTA(1) (000's)	1,617	2,665	9,510	10,611
Adjusted basic and diluted EBIDTA per share(1)	0.01	0.01	0.05	0.06(2)
Cash flow from (used in) operating activities(000's)	582	(31)	11,000	11,192
Total cash cost per ounce of gold sold(1)	873	786	881	781
Gold ounces produced	8,301	9,503	36,879	39,690

## 2016 HIGHLIGHTS

36,879 ounces of gold produced at the Mineral Ridge mine compared to 39,690 ounces during 2015.

Revenue of \$42.8 million compared to \$44.6 million during 2015.

Total cash cost per ounce of gold sold(1) of \$881 compared to \$781 during 2015.

Mine operating earnings of \$9.6 million compared to \$7.7 million during 2015.

Net earnings of \$0.3 million (\$0.01 basic and diluted net loss per share) after non-cash impairment charges of \$3.6 million, \$1.4 million net loss on write-off and disposal of mining assets and \$1.0 million loss on litigation, compared to a net loss of \$18.0 million (\$0.13 basic and diluted per share) after non-cash impairment charges of \$21.9 million during 2015.

Adjusted net earnings(1) of \$6.5 million (\$0.03 basic and diluted per share) compared to \$4.6 million (\$0.02 basic and diluted per share) during 2015.

Adjusted EBITDA(1) of \$9.5 million (\$0.05 basic and diluted per share) compared to \$10.6 million (\$0.06(2) basic and diluted per share) during 2015.

Cash flow from operating activities of \$11.0 million compared to \$11.2 million during 2015.

## **FOURTH QUARTER 2016 ("Q4") HIGHLIGHTS**

8,301 ounces of gold produced at the Mineral Ridge mine compared to 9,503 ounces in Q4 of 2015.

Revenue of \$7.6 million in Q4 of 2016 compared to \$10.8 million during Q4 of 2015.

Total cash cost per ounce of gold sold(1) of \$873 in Q4 of 2016 compared to \$786 during Q4 of 2015.

Mine operating earnings of \$1.5 million in both Q4 of 2016 and 2015.

Net loss of \$4.3 million (\$0.03 basic and diluted per share), compared to \$4.7 million (\$0.03 basic and diluted per share) during Q4 of 2015. During Q4 of 2016, impairments of \$3.6 million on the mining assets, \$1.0 million loss on litigation and \$0.4 million write-off of mining assets were recorded. During Q4 of 2015, impairments of \$4.9 million were recorded on the mining assets.

Adjusted net earnings(1) of \$0.8 million (\$0.00 basic and diluted per share) compared to \$0.7 million (\$0.00 basic and diluted per share) during Q4 of 2015.

Adjusted EBITDA(1) of \$1.6 million (\$0.01 basic and diluted per share) compared to \$2.7 million (\$0.01 basic and diluted per share) during Q4 of 2015.

Cash flow from operating activities of \$0.6 million compared to close to nil in Q4 of 2015.

(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 a complete definition and reconciliation to the Company's financial statements.

(2) This number was adjusted following a change in the calculation of the non-controlling interest's share of MRG's net income (loss). See the section of the MD&A entitled "Equity" for a description of the resulting changes.

## **2017 Outlook**

Based on the Company's current mine plan, it currently anticipates mining of gold at Mineral Ridge through to August 2017. Due to permitting timelines, the Company anticipates production of gold at Mineral Ridge to be 20 – 25,000 ounces from the Mary LC, Brodie and Bluelite south pits. The Custer pit and other areas for which permitting is outstanding, are not included in this production estimate and will be evaluated for economics of associated mining timelines when permits are received. Given the Company's short remaining life of mine, it is taking initiatives to extend the life of mine at Mineral Ridge through additional drilling to expand its resources, applying for permits to expand and extend current operations of new and existing pits, expanding the heap leach pad, and conducting a drilling program on its leach pad to determine if the leach pad material is amenable for further gold recovery using milling processes.

## **NON-IFRS MEASURES**

The discussion of financial results in this press release includes reference to Adjusted net earnings, Adjusted EBITDA, Total cash cost per ounce of gold sold 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 year ended December 31, 2016 for definitions of these terms and a reconciliation of these measures to reported International Financial Reporting Standards ("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 on short notice.

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

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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 mine, 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; obtaining the required permits to expand and extend mining activities; 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; 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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