

Scorpio Gold surpass 100K production of gold at Mineral Ridge

Scorpio Gold {TSX.V: SGN} have announced the passing of the 100,000 ounces of gold production at Mineral Ridge, a significant achievement.

This was achieved with Q3 production of 11,228 ounces, lighter than in previous quarters as low grade ore was worked through, but Scorpio President Steve Roebuck confirmed that guidance of 40 – 45,000 production ounces for the full year remains on target.

Scorpio Gold Produces 11,228 Ounces of Gold in Third Quarter 2014 and Surpasses 100,000 Ounce Production Milestone at the Mineral Ridge Operation, Nevada, USA.

Vancouver, October 9, 2014 – *Scorpio Gold Corp. (TSX-V: SGN)* announces its operating results for the third quarter (“Q3”) of 2014 at its 70% owned Mineral Ridge project, located in Nevada.

Production at Mineral Ridge in Q3 2014 totalled 11,228 ounces of gold and 4,911 ounces of silver. Gold production for the first nine months of 2014 totals 30,556 ounces, representing an increase of 9.9% over the same period in 2013.

Steve Roebuck, President of the Company, reports. “On behalf of the entire Scorpio Gold team, we are very proud of our production output in Q3, during which we achieved our second highest quarterly output since we declared commercial production in January 2012. As of September 30, 2014, total production at the Mineral Ridge Operation since January 2012 stands at 101,782 ounces of gold.”

“It was another robust quarter at Mineral Ridge, with our new high capacity carbon column continuing to draw down gold from the leach pad in-process inventory, which helped offset lower head grades in Q3 as we complete our production transition from the Drinkwater pit to the Mary pit. Head grades are expected to increase in Q4 of 2014. We reiterate our guidance of 40,000 to 45,000 ounces of gold production at Mineral Ridge in 2014.”

Key Operating Statistics

			Three Months Ending Sep 30			Nine Months Ending Sep 30		
			2014	2013	Change	2014	2013	Change
Mining operations								
Drinkwater Pit								
	Ore tonnes mined		73,343	134,147	-44.6%	395,177	506,803	-22.0%
	Waste tonnes mined		110,401	478,927	-76.9%	834,938	1,660,758	-49.7%
	Total mined		184,744	613,074	-69.9%	1,230,115	2,167,561	-43.2%
	Strip Ratio		1.5	3.6	-58.3%	2.1	3.3	-36.4%
Mary Pit								
	Ore tonnes mined		130,145	80,212	62.3%	302,287	148,79	103.2%
	Waste tonnes mined		564,727	652,326	-13.4%	1,592,599	1,423,370	11.9%
	Total mined		694,872	732,538	-5.1%	1,894,886	1,572,167	20.5%
	Strip Ratio		4.3	8.1	-46.9%	5.3	9.6	-44.8%
Total producing pits								
	Ore tonnes mined		204,488	214,359	-4.6%	697,464	655,600	6.4%
	Waste tonnes mined		675,128	1,131,253	-40.3%	2,427,537	3,084,128	-21.3%
	Total mined		879,616	1,345,612	-34.6%	3,125,001	3,739,728	-16.4%
	Strip Ratio		3.3	5.3	-37.7%	3.5	4.7	-25.5%
Pits under development								
Mary LC Pit								
	Ore tonnes mined		29,386	-	-	36,301	-	-
	Waste tonnes mined (pre-stripping)		775,454	62,079	1,149.1%	1,444,012	62,079	2,226.1%
	Total mined		804,840	62,079	1,196.5%	1,480,313	62,079	2,284.6%
Satellite Pits								
	Ore tonnes mined		-	-	-	-	-	-
	Waste tonnes mined (pre-stripping)		18,412	-	-	18,412	-	-
	Total mined		18,412	-	-	18,412	-	-
Total mining operations								
	Ore tonnes mined		233,874	214,359	9.1%	733,765	655,600	11.9%
	Waste tonnes mined		1,450,582	1,193,332	21.6%	3,889,961	3,146,207	23.6%
	Total mined		1,684,456	1,407,691	19.7%	4,623,726	3,801,807	21.6%
Processing								
	Tonnes processed		276,857	247,105	12.0%	768,703	661,213	16.3%
	Gold head grade (g/t)		1.49	2.08	-28.4%	1.74	2.34	-25.6%
	Ounces produced							
	Gold		11,228	9,632	16.6%	30,556	27,812	9.9%
	Silver		4,911	3,702	32.7%	13,795	10,821	27.5%
	Crusher throughput (tonnes per day)		3,009	2,686	12.0%	3,138	2,699	16.3%
	Recoverable ⁽²⁾ gold (ounces) placed on pad		8,616	10,764	-20.0%	27,879	32,291	-13.7%

(1) A 65% metallurgical recovery factor has been applied to the estimated contained ounces crushed and placed on the leach pad.

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 President, Steve Roebuck, 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

*Steve Roebuck,
President*

Comment

A poorer quarter for Scorpio, but their low grade area comment explains the lower than recent quarters number of 11K ounces gold.

Management have confirmed guidance for the full year of 40 – 45,000 ounces, so are clearly confident that all is on track.

Scorpio's costs are below industry average, so the current lower price of gold will be hurting for sure, but they should still be cashflow positive, and funding exploration out of

production, rather than the norm of continual financings.