Scorpio Gold {TSX.V: SGN}

Scorpio Gold {TSX.V: SGN} announce lower production and revenue figures YOY.

Installation of the new carbon column will increase the processing of pregnant leach solution and as a result, lower leach pad inventory and increase production.

Scorpio Gold Reports Financial Results for Second Quarter of 2014

Scorpio Gold Corporation {TSX-V: SGN} is pleased to announce its financial results for the second quarter ended June 30, 2014 ("Q2"). This press release should be read in conjunction with the Company's condensed consolidated interim financial statements for Q2 and 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:

	Q2 2014	Q2 2013	H1 2014	H1 2013
	$	$	$	$
Revenue (000's)	10,646	14,835	23,895	26,501
Mine operating earnings (000's)	1,048	3,662	2,378	7,232
Net earnings (loss) (000's)	608	(7,772)	986	(5,676)
Basic and diluted earnings (loss) per share	0.00	(0.05)	0.00	(0.04)
Adjusted net earnings[1] (000's)	524	2,661	910	4,764
Adjusted basic and diluted net earnings per share[1]	0.00	0.01	0.00	0.02
Adjusted EBIDTA[1] (000's)	3,392	8,388	7,320	15,255
Adjusted basic and diluted EBIDTA per share[1]	0.02	0.05	0.04	0.08
Cash flow from operating activities (000's)	2,224	5,392	5,362	11,466
Total cash cost per ounce of gold sold[1]	815	713	803	738
Gold ounces produced	9,034	10,769	19,328	18,180

Peter Hawley, CEO, comments, "Following another strong quarter at Mineral Ridge, the Company is well on track to meet its

2014 production forecast of 40,000 to 45,000 ounces gold at a cash cost of $800 to $850 per ounce of gold sold. Operational excellence remains the Company's key focus, and with the new carbon column tower coming on line as planned at the end of Q2, continued performance through the second half of 2014 is fully expected. We are very proud of our Mineral Ridge operations team, which continues to deliver solid results despite a lower average gold price."

Highlights for the Second Quarter Ended June 30, 2014:

- 9,034 ounces of gold produced compared to 10,769 ounces produced during Q2 of 2013. In late June 2014, an additional carbon column was installed which is expected to increase the rate of processing of pregnant leach solution and thereby bring down leach pad inventory and consequently increase gold production.
- Revenue of $10.6 million compared to $14.8 million during Q2 of 2013, due to a lower number of ounces of gold sold at a lower average gold price.
- Total cash cost per ounce of gold sold(1) of $815 compared to $713 during Q2 of 2013, mainly attributable to mining a lower grade of ore.
- Mine operating earnings(1) of $1.0 million compared to $3.7 million during Q2 of 2013.
- Net earnings of $0.6 million ($0.00 basic and diluted per share) compared to a net loss of $7.8 million ($0.05 basic and diluted per share) following non-cash impairment charges of $9.9 million ($0.06 basic and diluted per share) during Q2 of 2013.
- Adjusted net earnings(1) of $0.5 million ($0.00 basic and diluted per share) compared to $2.7 million ($0.01 basic and diluted per share) during Q2 of 2013.
- Adjusted EBITDA ( ) of $3.4 million ($0.02 basic and diluted per share) compared to $8.4 million ($0.05 basic and diluted per share) during Q2 of 2013, as a result of lower revenue and higher cash costs.

- Cash flow from operating activities(1) of $2.2 million, down from $5.4 million during Q2 of 2013, as a result of lower revenue and higher cash costs.
- Highlights for the Six-Month Period Ended June 30, 2014:
- 19,328 ounces of gold produced compared to 18,180 ounces produced during the six months ended June 30, 2013.
- Revenue of $23.9 million compared to $26.5 million during the six months ended June 30, 2013, mainly due to increased production which resulted in a higher number of ounces of gold sold, but at a lower average gold price.
- Total cash cost per ounce of gold sold(1) of $803 compared to $738 during the six months ended June 30, 2013, mainly attributable to a lower head grade.
- Mine operating earnings(1) of $2.4 million compared to $7.2 million during the six months ended June 30, 2013.
- Net earnings of $1.0 million ($0.00 basic and diluted per share) compared to a net loss of $5.7 million ($0.04 basic and diluted per share) following non-cash impairment charges of $9.9 million ($0.06 basic and diluted per share) during the six months ended June 30, 2013.
- Adjusted net earnings(1) of $0.9 million ($0.00 basic and diluted per share) compared to $4.8 million ($0.02 basic and diluted per share) during the six months ended June 30, 2013.
- Adjusted EBITDA(1) of $7.3 million ($0.04 basic and diluted per share) compared to $15.3 million ($0.08 basic and diluted per share) million during the six months ended June 30, 2013, as a result of lower revenue and higher cash costs.
- Cash flow from operating activities(1) of $5.4 million, down from $11.5 million during the six months ended June 30, 2013, as a result of lower revenue and higher cash costs.
- Sale of the Pinon property completed on March 5, 2014, with approximately $5.2 million of the proceeds from

such sale being applied to reduce the Company's long-term debt.

(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 Q2 of 2014 for a complete definition and reconciliation to the IFRS results reported in the Company's financial statements for Q2 of 2014.

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 Q2 2014 for definitions of these terms and a reconciliation of these measures to reported 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 Waterton Global Value L.P. (30%), and Scorpio Gold is currently entitled to receive 80% of cash flow generated. 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 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 ton per day.

Scorpio Gold's 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 release.

ON BEHALF OF THE BOARD
SCORPIO GOLD CORPORATION

Peter J. Hawley,
CEO

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