

Scorpio Gold Reports Annual Gold Production at the Mineral Ridge Operation, Nevada

written by Raj Shah | January 11, 2018

January 10, 2018 ([Source](#)) – Scorpio Gold Corporation (“Scorpio Gold” or the “Company”) (TSX-V:[SGN](#)) announces its operating results for the full year and the fourth quarter (“Q4”) of 2017 at its 70% owned Mineral Ridge project, located in Nevada.

Total gold production in 2017 was 19,045 ounces, which slightly exceeded the Company’s low-end guidance of 19,000 ounces. The annual production for 2017 of 19,045 ounces represents a decrease of 48% over the prior year. Gold production in Q4 2017 totalled 3,709 ounces representing a decrease of 55% from Q4 of 2016. Mine production decreased in 2017 due to mining 47% fewer ore tonnes, although average grades were 9% higher as compared to the prior year.

Brian Lock, CEO, comments, “As previously announced, mining was suspended in the first week of November 2017. Earlier this month, the Company announced results from Mine Technical Services on the mineable, higher-grade mineralization in the existing pits at Mineral Ridge and a positive updated feasibility study, which supports the Company’s plans for the construction of a 4,000 TPD milling facility with CIL recovery and dry stack tailings circuit. Construction of the milling facility will begin once financing is obtained and the Plan of Operations Amendment and Water Pollution Control permit are approved and issued.”

Key Operating Statistics

	Three months ending December 31				Twelve months ending December 31			
	2017	2016	Change		2017	2016	Change	
Mining operations								
Mary LC pit								
Ore tonnes mined	—	148,161	-100.0	%	315,242	553,402	-43.0	%
Waste tonnes mined	—	977,246	-100.0	%	1,805,218	3,519,285	-48.7	%
Total mined	—	1,125,407	-100.0	%	2,120,460	4,072,687	-47.9	%
Strip Ratio	—	6.6	-100.0	%	5.7	6.4	-10.9	%
Satellite pits								
Ore tonnes mined	24,290	6,028	303.0	%	78,854	196,802	-59.9	%
Waste tonnes mined	113,972	5,888	1,835.7	%	665,226	525,491	26.6	%
Total mined	138,262	11,916	1,060.3	%	744,080	722,293	3.0	%
Strip Ratio	4.7	1.0	370.0	%	8.4	2.7	211.1	%
Total producing pits								
Ore tonnes mined	24,290	154,189	-84.2	%	394,096	750,204	-47.5	%
Waste tonnes mined	113,972	983,134	-88.4	%	2,470,444	4,044,776	-38.9	%
Total mined	138,262	1,137,323	-87.8	%	2,864,540	4,794,980	-40.3	%
Strip Ratio	4.7	6.4	-26.6	%	6.3	5.4	16.7	%
Pits under development								
Ore tonnes mined	—	—	0.0	%	772	—	100.0	%
Waste tonnes mined	—	160,672	-100.0	%	249,085	309,902	-19.6	%
Total mined	—	160,672	-100.0	%	249,857	309,902	-19.4	%

Total mining operations							
Ore tonnes mined	24,290	154,189	-84.2	%	394,868	750,204	-47.4 %
Waste tonnes mined	113,972	1,143,806	-90.0	%	2,719,529	4,354,678	-37.5 %
Total mined	138,262	1,297,995	-89.3	%	3,114,397	5,104,882	-39.0 %
Processing							
Tonnes processed	30,259	142,101	-78.7	%	398,898	846,140	-52.9 %
Gold head grade (g/t)	1.92	1.37	40.1	%	1.57	1.44	9.0 %
Ounces produced							
Gold	3,709	8,301	-55.3	%	19,045	36,879	-48.4 %
Silver	2,256	4,074	-44.6	%	10,203	16,950	-39.8 %
Crusher throughput (tonnes per day)	672	1,545	-56.5	%	1,254	2,312	-45.8 %
Recoverable ⁽¹⁾ gold ounces placed on pad	1,212	4,301	-71.8	%	13,668	26,549	-48.5 %

⁽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 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. Mining at Mineral Ridge was suspended in November 2017; however, the Company continues to generate limited revenues from residual but diminishing recoveries from the leach pads. 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 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 news release.

ON BEHALF OF THE BOARD
SCORPIO GOLD CORPORATION

Chris Zerga,
President

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 restriction, any statements regarding pending permit approval, planned financing and construction activities and planned future production. 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, 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 approval to the revised Plan of Operations, permits and governmental approvals; changes in metals prices; the availability of cash flows or financing to meet the Company's ongoing financial obligations or to finance the construction of the mill facility; 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.