

# Mineral Ridge, Nevada



**Positive Feasibility Study to Recover 250,500 oz. Gold  
from Open Pit Reserves and Heap Leach Material**



## **Forward Looking Statements:**

Except for the statements of historical fact, the information contained herein is of a forward-looking nature. Such forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievement of the Company to be materially different from any future results, performance or achievements expressed or implied by statements containing forward-looking information. Such factors include metal prices, exploration success, continued availability of capital and financing and general economic, market or business conditions.

Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that statements containing forward looking information will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on statements containing forward looking information. Readers should review the risk factors set out in the Company's Filing Statement as filed on SEDAR.

## **Cautionary Note to U.S. Investors Concerning Estimates of Inferred Resources:**

This presentation uses the term "Inferred Resources". U.S. investors are advised that while this term is recognized and required by Canadian regulations, the Securities and Exchange Commission does not recognize it. "Inferred Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of "Inferred Resources" may not form the basis of feasibility or other economic studies. U.S. investors are also cautioned not to assume that all or any part of an "Inferred Mineral Resource" exists, or is economically or legally mineable.

## **Qualified Person:**

The technical information contained within this presentation has been reviewed and approved by the Company's Chairman, Peter Hawley, PGeo, a Qualified Person as defined by NI 43-101.

- The 100% owned Mineral Ridge project entered commercial production as an open pit & heap leach operation in 2012
- Mining was suspended in early Nov 2017; residual but diminishing gold recoveries continue from the leach pads
- An updated feasibility study completed in Jan 2018 outlines positive economics for processing the residual heap leach material and mining of higher-grade mineralization in the existing pits. The study provides ~7.5 years of additional mine life at Mineral Ridge and 250,500 oz. life of project gold sold at a total cash cost of US\$805/oz.
  - NPV 5%: **US\$35.1 M** ● IRR: **30.0%** ● Payback: **2.9 years**
- The Mineral Ridge property remains highly prospective with exploration to date focusing on a limited portion of the overall 13,879 acre property
- The 100% owned Goldwedge project has a fully permitted mine and mill facility currently on care and maintenance and available for toll milling; significant exploration potential exists in the Goldwedge mine and Keystone-Jumbo areas
- Scorpio Gold's first exploration diamond drilling program in the Keystone-Jumbo areas conducted in summer 2019 – results pending



## Mineral Ridge Operation

- 100% interest
- Commercial production from 2012 to Q2 2019 totals 217,420 oz. gold and 98,819 oz. of silver
- Mining was suspended in Nov 2017
- Existing site infrastructure is in good condition to support operations as per the updated feasibility study

## Goldwedge Project

- 100% interest
- Fully permitted mine and mill; mill currently on care and maintenance
- 16 km south of Round Mountain Mine
- Historical resource estimate

# Mineral Ridge Mining History

Year	Operator	Type	Short Tons	Grade (opt)	Au (oz)*
1864 - 1902	Multiple	UG	??	??	55,742
1903 - 1904	Mary Gold Mining	UG	1,466	1.446	2,120
1907 - 1918	Pittsburgh Silver Peak Gold Mining	UG	1,148,178	0.244	279,940
1919 - 1922	Blair Mines Co.	UG	5,794	0.579	3,357
1917 - 1941	Black Mammoth Consolidated Mining	UG	333,167	0.36	120,866
Subtotal (1903-1941)		UG	1,488,605	0.273	406,283
<b>Total UG</b>	<b>1864 - 1941</b>	UG	<b>+1,488,605</b>		<b>462,025</b>
1989	Zephyr Resources	Pit	76,551	0.120	9,204
1990	Zephyr Resources/Homestead Minerals	Pit	466,578	0.089	41,397
1991 - 1992	Homestead Minerals	Pit	852,904	0.074	63,360
1993 - 1998	Cornucopia (MRRI)	Pit	644,587	0.062	40,076
1998 - 2000	Vista (Including Trustee)	Pit	1,010,940	0.052	52,367
2000 - 2009	Golden Phoenix (GPMI)	Pit	287,000	0.068	19,516
2010 - 2017	Scorpio Gold	Pit	5,517,117	0.053	292,878
<b>Total Pit</b>	<b>1989 - 2017</b>	Pit	<b>8,855,677</b>	<b>0.059</b>	<b>518,798</b>
<b>Total UG &amp; Pit</b>	<b>1864 - 2017</b>	<b>UG/Pit</b>	<b>10,344,282</b>		<b>980,823</b>

\* Contained ounces of gold placed on leach pad

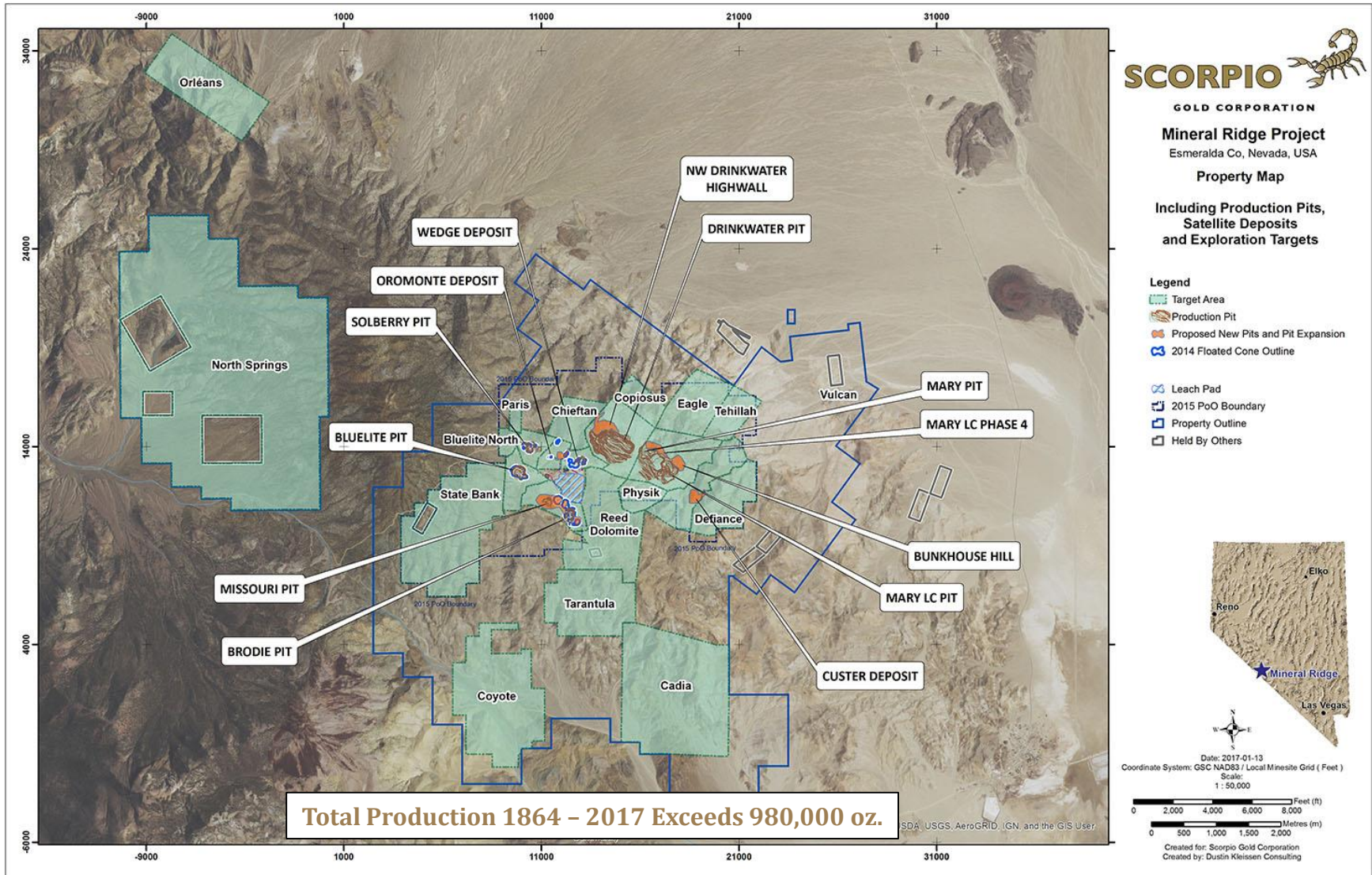


# Historical Mine & Mill Workings



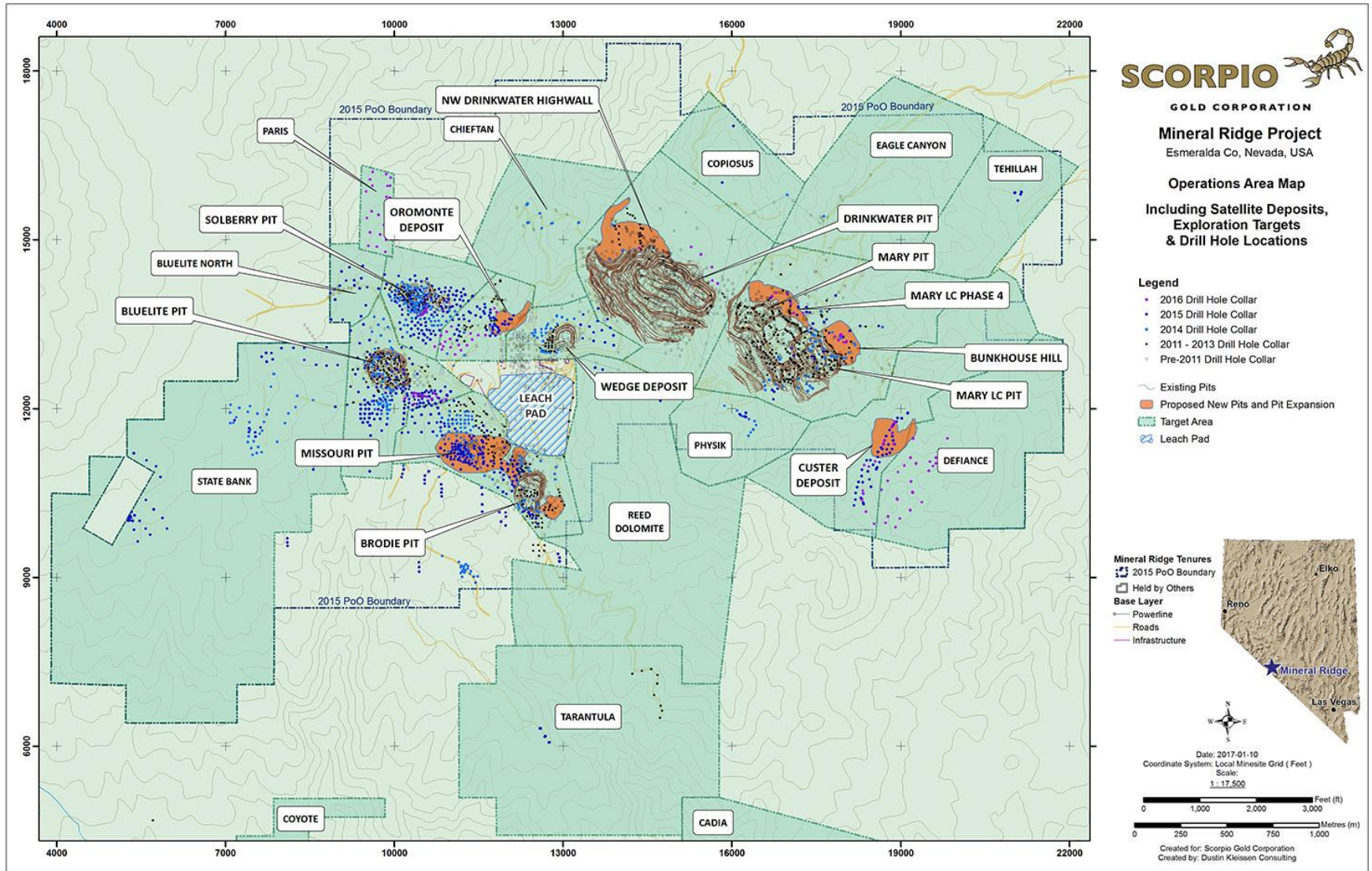


# Mineral Ridge Property – 13,879 Acres



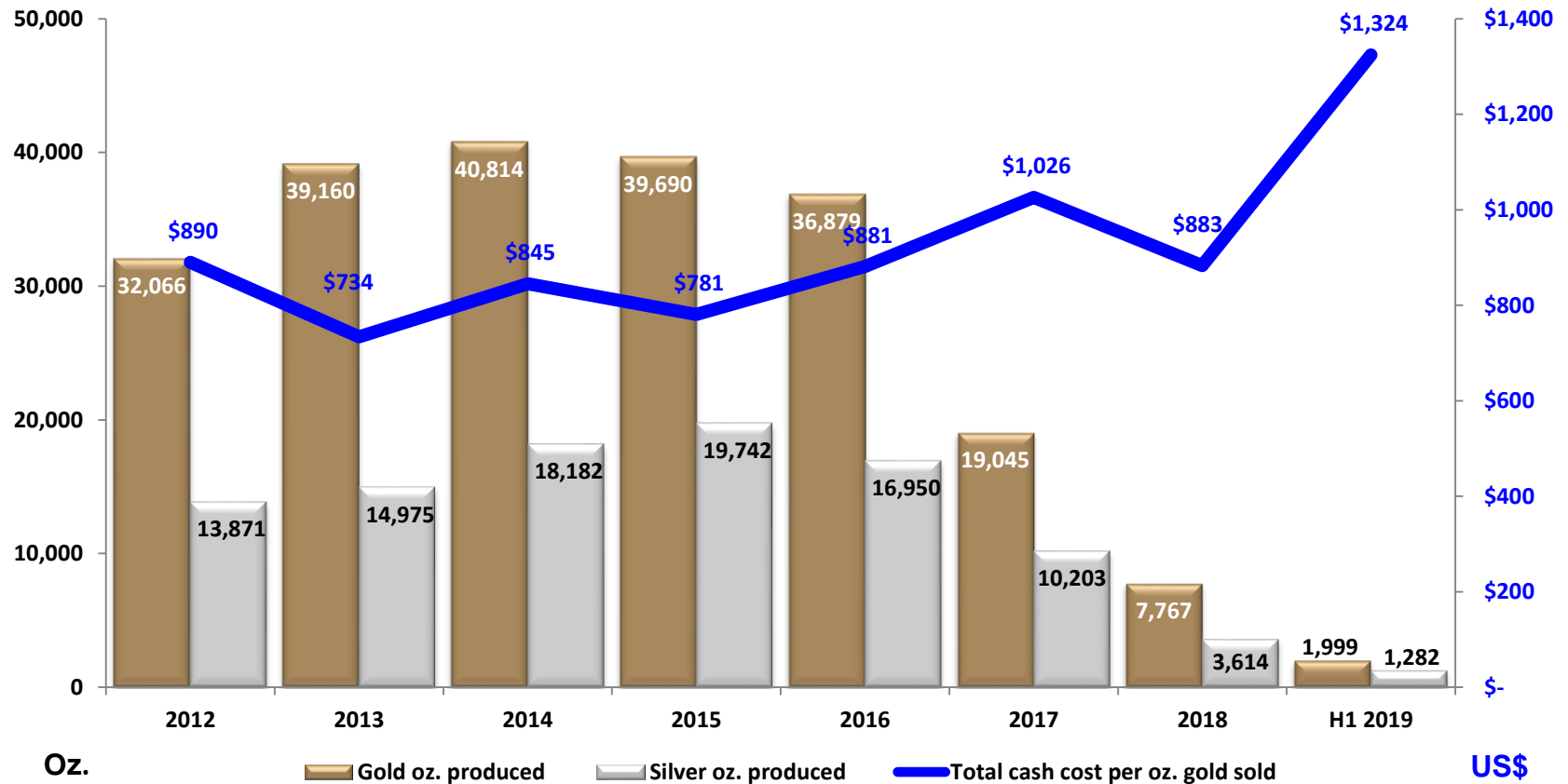


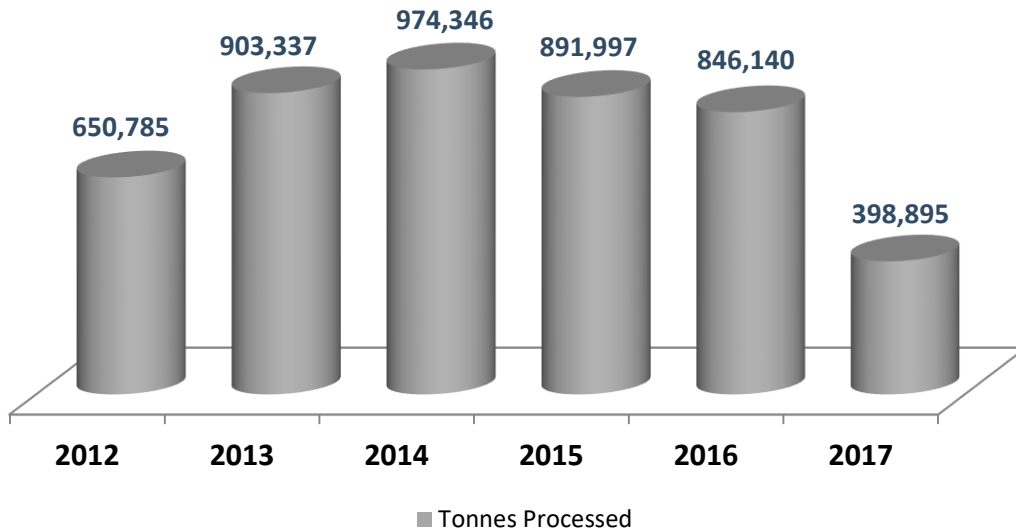
# Operations Area Deposits & Exploration Targets





# Production by Metal & Cost

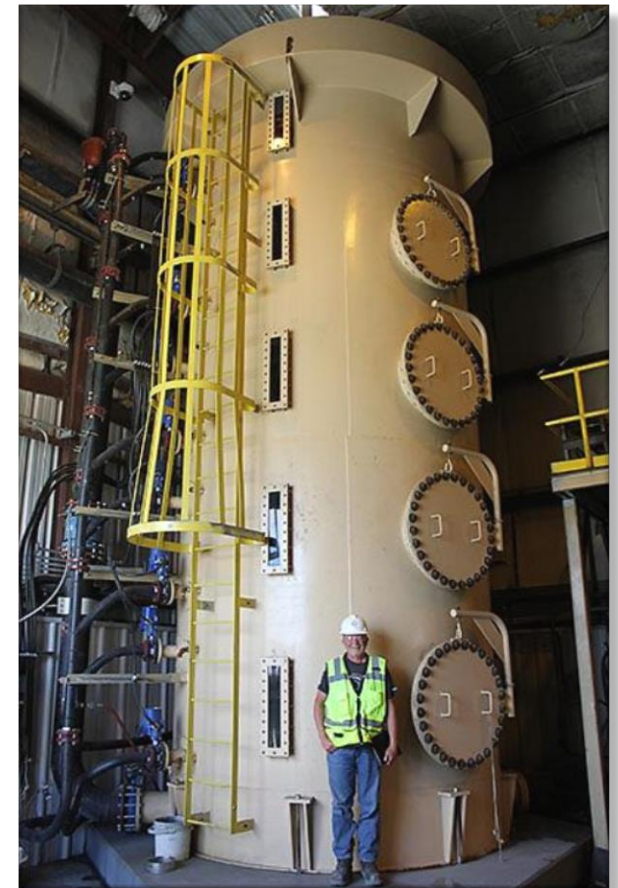




**Custom designed crushing facility commissioned in 2013**



**High capacity carbon column commissioned in 2014**





# 2018 & 2019 YTD Financial Highlights

Financial Results	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Total 2018	H1 2019
Revenue (000's)	\$3,026	\$2,492	\$2,211	\$2,095	\$9,824	\$2,471
Mine operating earnings (loss) (000's)	\$1,111	\$895	\$916	\$114	\$3,038	\$(151)
Net earnings (loss) (000's)	\$144	\$246	\$415	\$(382)	\$423	\$2,564
Basic & diluted earnings (loss) per share	\$(0.00)	\$0.00	\$0.00	\$(0.01)	\$(0.00)	\$0.04
Adjusted net earnings (000's)	\$435	\$291	\$420	\$321	\$1,467	\$44
Adjusted basic & diluted net earnings per share <sup>1</sup>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	\$(0.00)
Adjusted EBITDA <sup>1</sup> (000's)	\$690	\$537	\$644	\$532	\$2,403	\$372
Adjusted basic & diluted EBITDA per share <sup>1</sup>	\$0.01	\$0.00	\$0.01	\$0.00	\$0.02	\$0.00
Cash flow from operating activities (000's)	\$828	\$363	\$662	\$644	\$2,498	\$(1,122)
Total cash cost per oz. of gold sold <sup>1</sup>	\$832	\$849	\$721	\$1,159	\$883	\$1,324

All monetary figures presented in US dollars.

On April 15, 2019, the Company completed a 2 for 1 consolidation of its outstanding share capital. All share and per share amounts are shown on a post-consolidated basis retroactively throughout this document.

<sup>(1)</sup> This is a non-IFRS measure; please see Non-IFRS Performance Measures section in the Company's Management Discussion & Analysis.

# 2018 Updated Feasibility Study

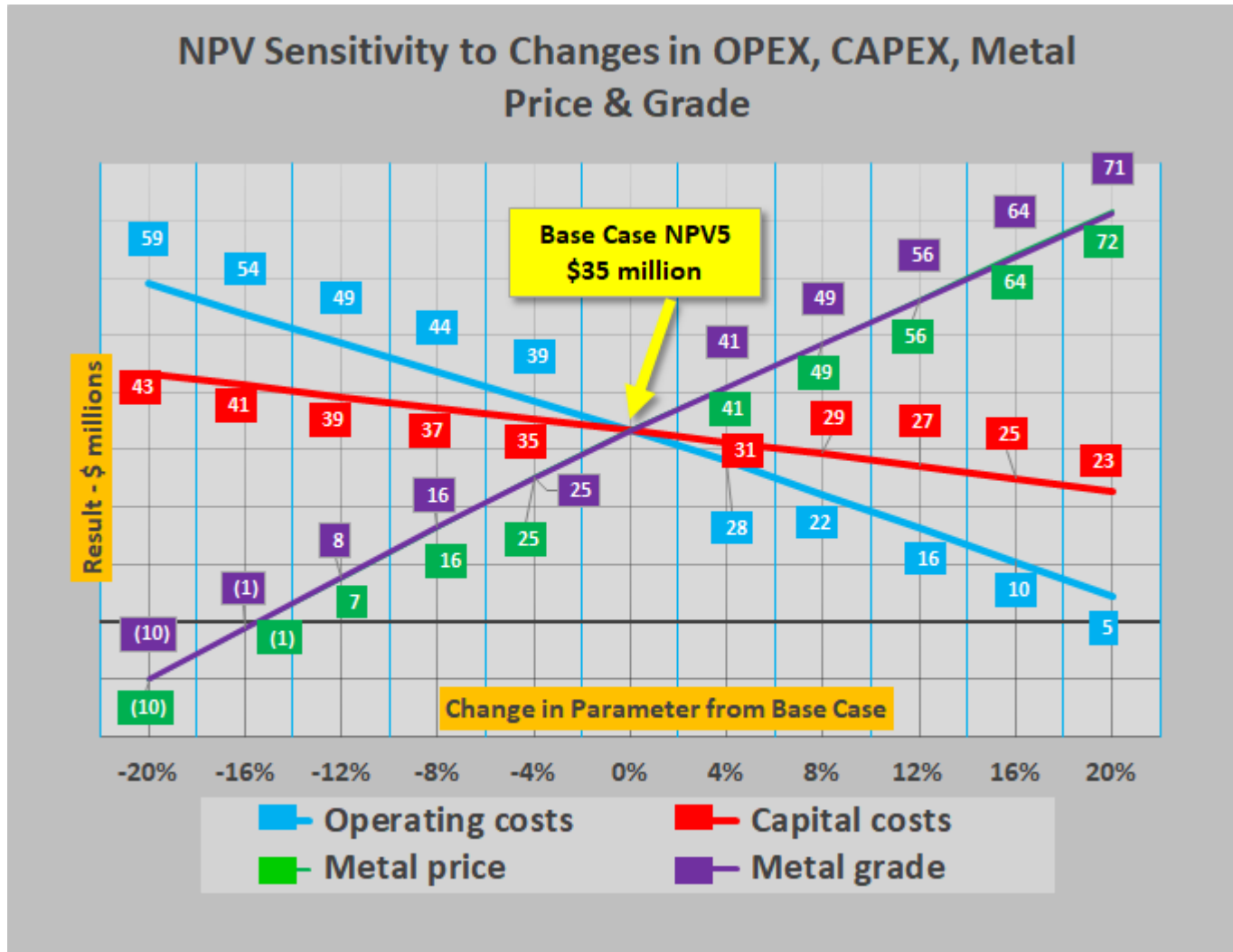
Economic Parameters	Total/Average
Construction Period	1 year
Operating Period	7.5 years
Leach Pad Material Milled	6,855 kilotons
Average Leach Pad Gold Grade	0.0171 oz/ton
ROM Material Milled	3,712 kilotons
ROM Material Gold Grade	0.042 oz/ton
Recovery After Process & Refining	91.6 %
Life of Project Gold Sold	250.5 koz
Average Annual Gold Sold	33.4 koz/year
Average Silver Grade	0.017 oz/ton
Average Annual Silver Sold	3.7 koz/year
Total Cash Cost	\$805 /oz
Initial Capital Expenditures	\$34.9 million
Open-Pit Capital Expenditures (Ops Yr 6)	\$32.6 million
Total After-tax Net Cash Flow	\$53.5 million
Net Salvage Value	\$13.1 million
<b>NPV of Net Cash Flow Discounted at 5%</b>	<b>\$35.1 million</b>
<b>IRR</b>	<b>30.0 %</b>
<b>Payback from End of Construction</b>	<b>2.9 years</b>

- Positive feasibility study to recover 250,500 oz. gold over 7.5 years utilizing 4,000 tpd ball mill and CIL cyanidation:
  - 106,000 oz. from reprocessing heap leach material
  - 144,500 oz. from run-of-mine (“ROM”) ore
  - Overall recovery 91.6%
- Opportunities to reduce upfront capex thereby increasing NPV and IRR, including:
  - Purchase and refurbishment of used milling equipment
  - Internal management of construction phase

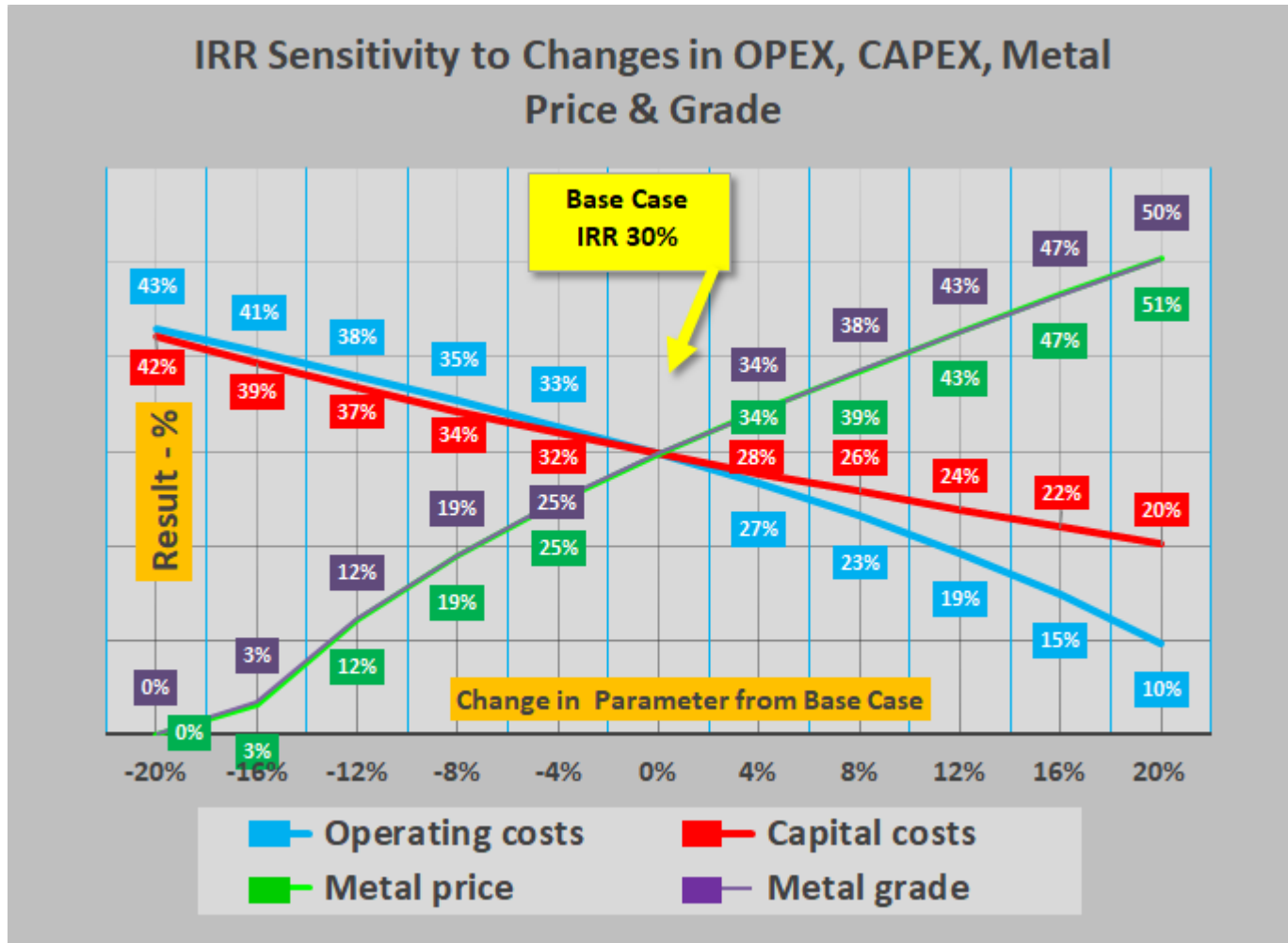
The feasibility study was completed by Novus Engineering Inc., Mine Technical Services, NewFields and Hard Rock Consulting. A NI 43-101 compliant technical report in support of the feasibility study was filed on SEDAR on Jan 9, 2018.



# Updated Feasibility Study – NPV Sensitivity



# Updated Feasibility Study – IRR Sensitivity





# Mineral Ridge Leach Pad Reserve Estimate

## Heap Leach Pad Mineral Reserve Estimate – Jun 29, 2017

Reserve Category	Tons ('000)	Au (oz/t)	Ag (oz/t)	Contained Au ('000 oz)	Contained Ag ('000 oz)
Proven	2,895	0.017	0.016	48.5	46.4
Probable	4,220	0.017	0.018	73.2	74.1
<i>Less material remaining in place</i>	<i>(260)</i>	<i>0.017</i>	<i>0.017</i>	<i>(4.5)</i>	<i>(4.6)</i>
Total Proven & Probable	6,855	0.017	0.017	117.2	115.9

### Notes:

1. The effective date of the mineral reserve estimate is June 29, 2017.
2. Mineral reserves are contained within the Mineral Ridge leach pad facility with the following assumptions:
  - a) A long-term gold price of US\$1,216/oz;
  - b) Assumed process costs are US\$11.0/ton;
  - c) Metallurgical recovery for gold is 91%.
3. Rounding may result in apparent differences between when summing tons, grade and contained metal content.
4. Tonnage and grade measurements are in imperial units; grades are reported in oz/ton.
5. The resource estimate was prepared by qualified person, Ian Crundwell, BSc, PGeo of Mine Technical Services Ltd.
6. A NI 43-101 compliant technical report in support of the reserve estimate was filed on SEDAR on Nov 6, 2017
7. This estimate does not include material added to the leach pad between Jun 29, 2017 and Nov 2017, estimated at ~150 kt of production material.

# Mineral Ridge Run-of-Mine Reserve Estimate

Pit Area	Reserve Category	Tons ('000)	Au (oz/t)	Contained Au ('000 oz)
Brodie	Proven	51	0.042	2.1
	Probable	12	0.027	0.3
	<b>Subtotal Proven &amp; Probable</b>	<b>63</b>	<b>0.039</b>	<b>2.5</b>
Custer	Proven	314	0.047	14.8
	Probable	144	0.032	4.6
	<b>Subtotal Proven &amp; Probable</b>	<b>459</b>	<b>0.042</b>	<b>19.4</b>
Drinkwater	Proven	836	0.038	32.1
	Probable	352	0.033	11.7
	<b>Subtotal Proven &amp; Probable</b>	<b>1,189</b>	<b>0.037</b>	<b>43.7</b>
Mary LC	Proven	470	0.035	16.3
	Probable	276	0.035	9.7
	<b>Subtotal Proven &amp; Probable</b>	<b>746</b>	<b>0.035</b>	<b>26.0</b>
Bunkhouse	Proven	239	0.047	11.1
	Probable	4	0.021	0.1
	<b>Subtotal Proven &amp; Probable</b>	<b>243</b>	<b>0.046</b>	<b>11.2</b>
Oromonte	Proven	563	0.071	39.8
	Probable	449	0.030	13.7
	<b>Subtotal Proven &amp; Probable</b>	<b>1,012</b>	<b>0.053</b>	<b>53.5</b>
<b>Total Combined</b>	Proven	2,474	0.047	116.2
	Probable	1,239	0.032	40.1
	<b>Total Proven &amp; Probable</b>	<b>3,713</b>	<b>0.042</b>	<b>156.3</b>

**Notes:** The effective date of the mineral reserve estimate is Nov 30, 2017. The Qualified Person for the estimate is Mr. Jeffery Choquette, P.E., of Hard Rock Consulting LLC. Mineral Reserves are reported within the pit designs at a 0.01 opt gold cut-off grade. Pit designs incorporate the following considerations: base case gold price of \$1,300/oz; pit slope angles that range from 38–47°; average life-of-mine metallurgical recovery assumption of 93%; crushing costs of \$1.81/t, process cost of \$5.79/t, general and administrative and tax costs of \$2.90/t; and average mining costs of \$1.42/t mined. Rounding as required by reporting guidelines may result in summation differences. A NI 43-101 compliant technical report in support of the reserve estimate was filed on SEDAR on Jan 9, 2018.

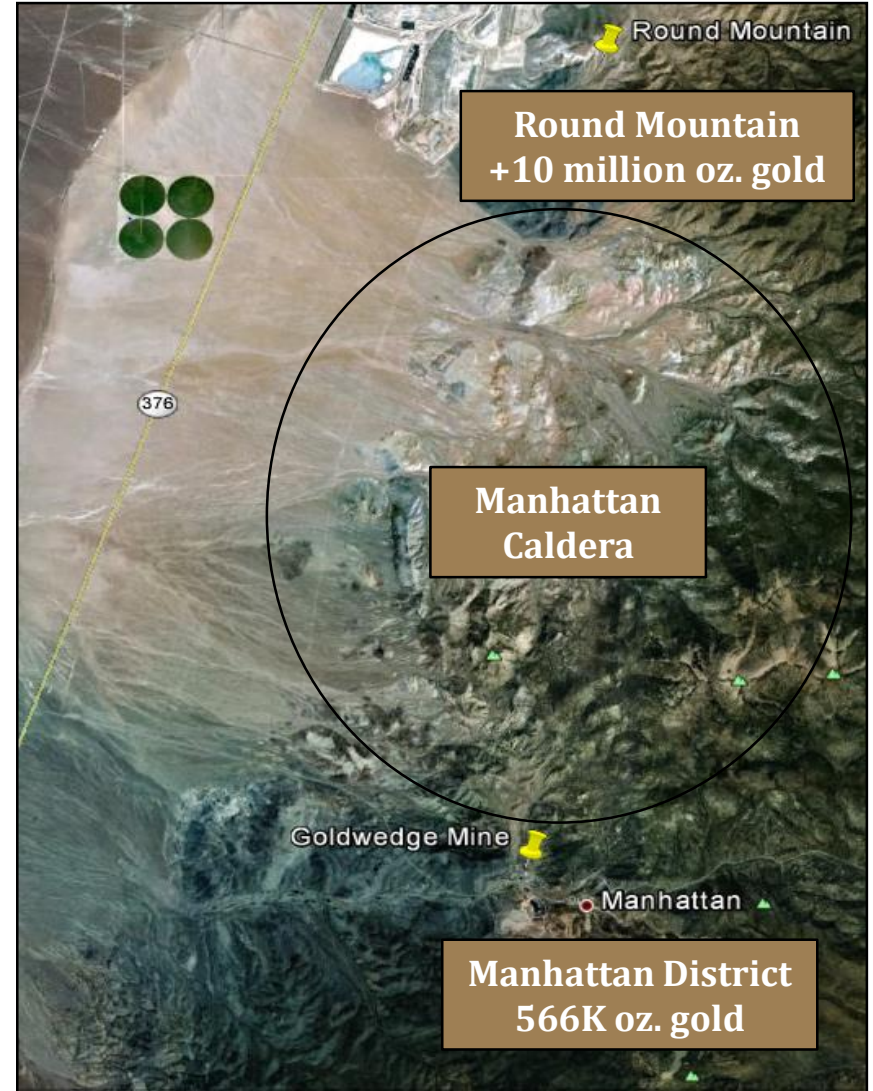
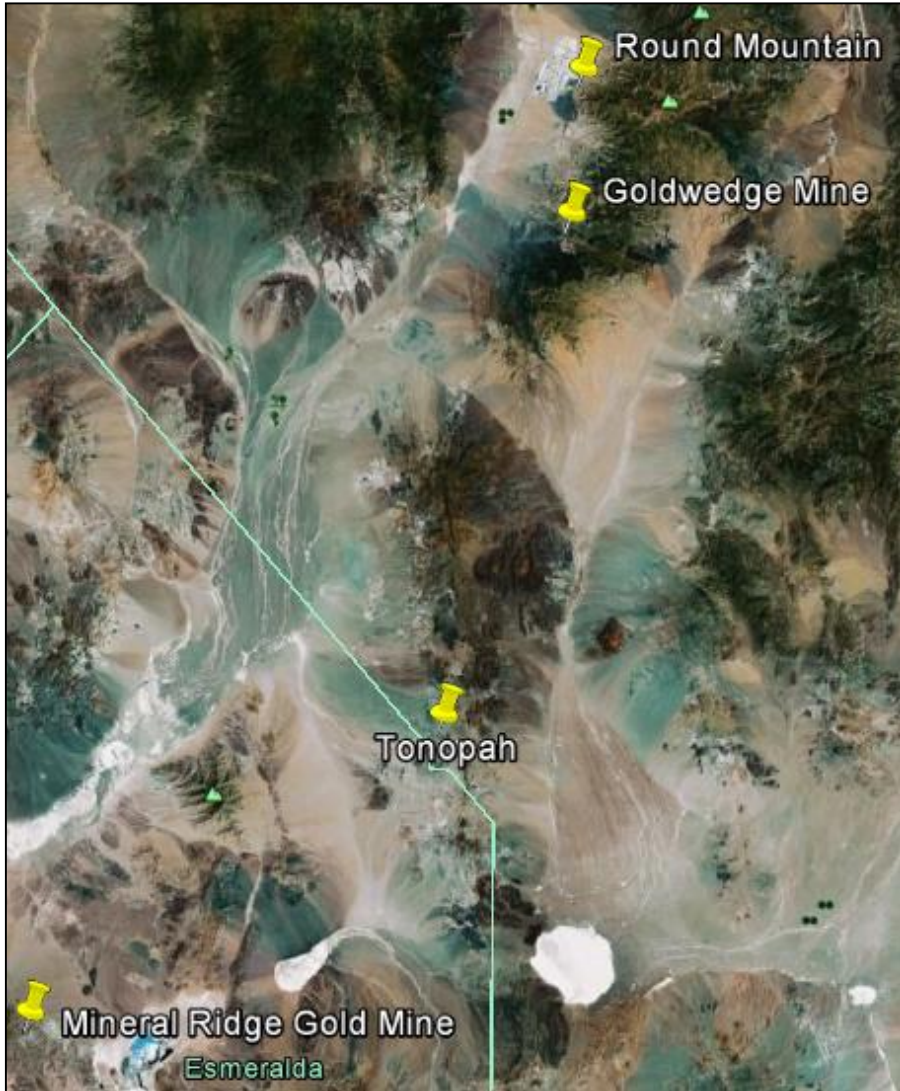
# Goldwedge Property



- Located within the Manhattan Mining District, 50 km north-northeast of Tonopah
- Situated on the southern periphery of the Manhattan Caldera, approximately 16 km south of the +10 M oz. Round Mountain Mine
- Fully permitted/bonded underground mine with over 600 m of development
- Mill facility with gravity circuit permitted for 400 tpd; currently on care and maintenance and available for toll milling
- Historical resource estimate
- Property covers three separate claim blocks encompassing the Goldwedge, Keystone and Jumbo gold deposits



# Goldwedge Property – Manhattan District





# Manhattan District, Nevada



- Mining in the Manhattan District dates back to the 19th century. Combined placer and underground production is estimated at 566K oz. gold
- The Reliance Mine produced ~59K tons grading 0.435 oz./ton Au from 1932-1941
- ~236K oz. was mined from the Manhattan Mine East & West pits from 1974 to 1990

# Goldwedge Mill Facility



- Scorpio Gold completed extensive refurbishment and modifications to the 400 tpd Goldwedge plant and surrounding infrastructure in 2013
- Batch processing of high-grade ore from Mineral Ridge was undertaken in 2014 to optimize the milling circuit for recovery of coarse gold
- 1,392 tonnes of Mineral Ridge ore grading 8.87 g/t gold were processed at Goldwedge in Q1 2015



# Keystone & Jumbo Deposits

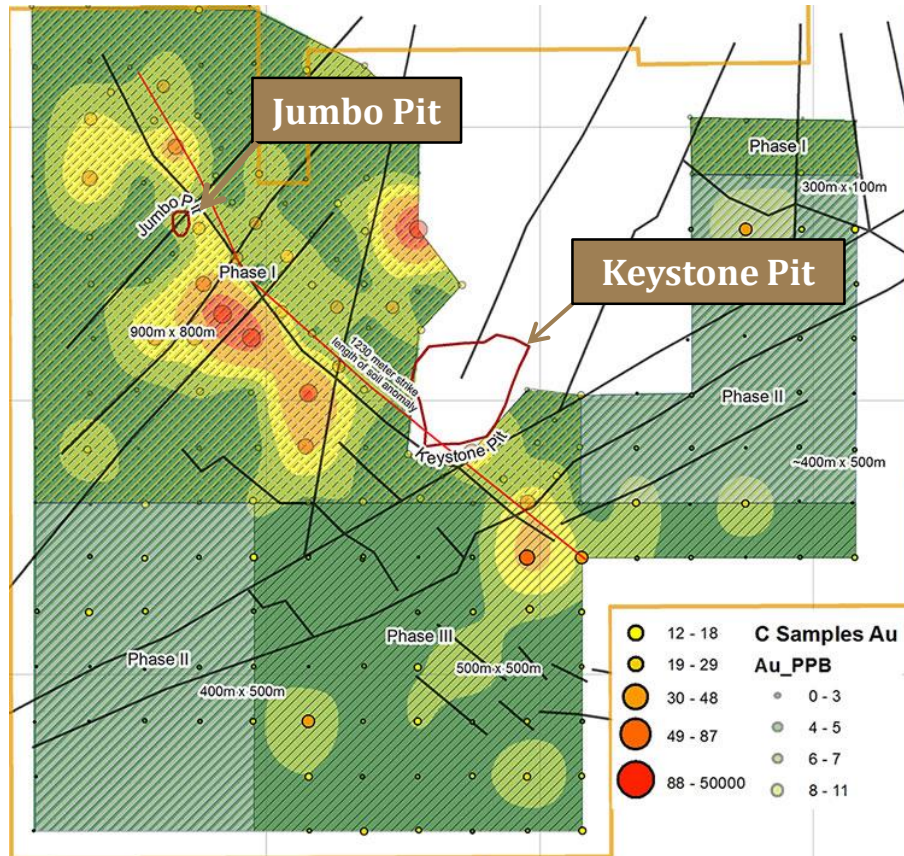
- Jumbo and Keystone are located 3.7 and 4.3 km SE of the Goldwedge mine, along strike of the N30W trending Reliance fault zone
- High-grade mineralization is controlled by the intersections of high-angle N30W faults with weaker N30E and N80E structures
- Limited historic surface drilling at Keystone reported substantial downhole widths and grades (see following slide), leading Nevada Goldfields to undertake a small open pit excavation in 1990 that recovered 5,750 ounces of gold grading 0.32 oz/t
- New Concept Mining reported in-situ geological resource estimates for both deposits in May '97; neither estimate is compliant with NI 43-101 and is subject to future verification by Scorpio Gold



# Keystone – Historic High-Grade Drill Results

Hole No.	From (ft)	To (ft)	Width (ft)	From (m)	To (m)	Width (m)	Gold (oz/t)	Gold (g/t)
L4H6	30	65	<b>35</b>	9.14	19.81	6.10	<b>0.180</b>	8.78
	105	150	<b>45</b>	32.00	45.72	13.72	<b>0.332</b>	11.38
L5H07	5	20	<b>15</b>	1.52	6.10	4.57	<b>0.149</b>	5.11
L5H10	15	95	<b>80</b>	4.57	28.96	24.38	<b>0.457</b>	16.18
WC-50	145	155	<b>10</b>	44.20	47.24	3.05	<b>0.330</b>	11.31
KYPX1	65	115	<b>50</b>	19.81	35.05	15.24	<b>0.257</b>	8.81
KYPX2	0	145	<b>145</b>	0.00	44.20	44.20	<b>0.410</b>	14.06
L4H10	130	175	<b>45</b>	39.62	53.34	13.70	<b>0.109</b>	3.74
L4H11	40	70	<b>30</b>	12.19	21.34	9.14	<b>0.160</b>	5.49
L35H1	60	95	<b>35</b>	18.29	28.96	10.67	<b>0.125</b>	4.29
	115	185	<b>30</b>	47.24	56.39	9.14	<b>0.060</b>	2.06
K4PY5	120	180	<b>60</b>	36.58	54.86	18.29	<b>0.165</b>	5.66

# Goldwedge-Keystone-Jumbo Exploration

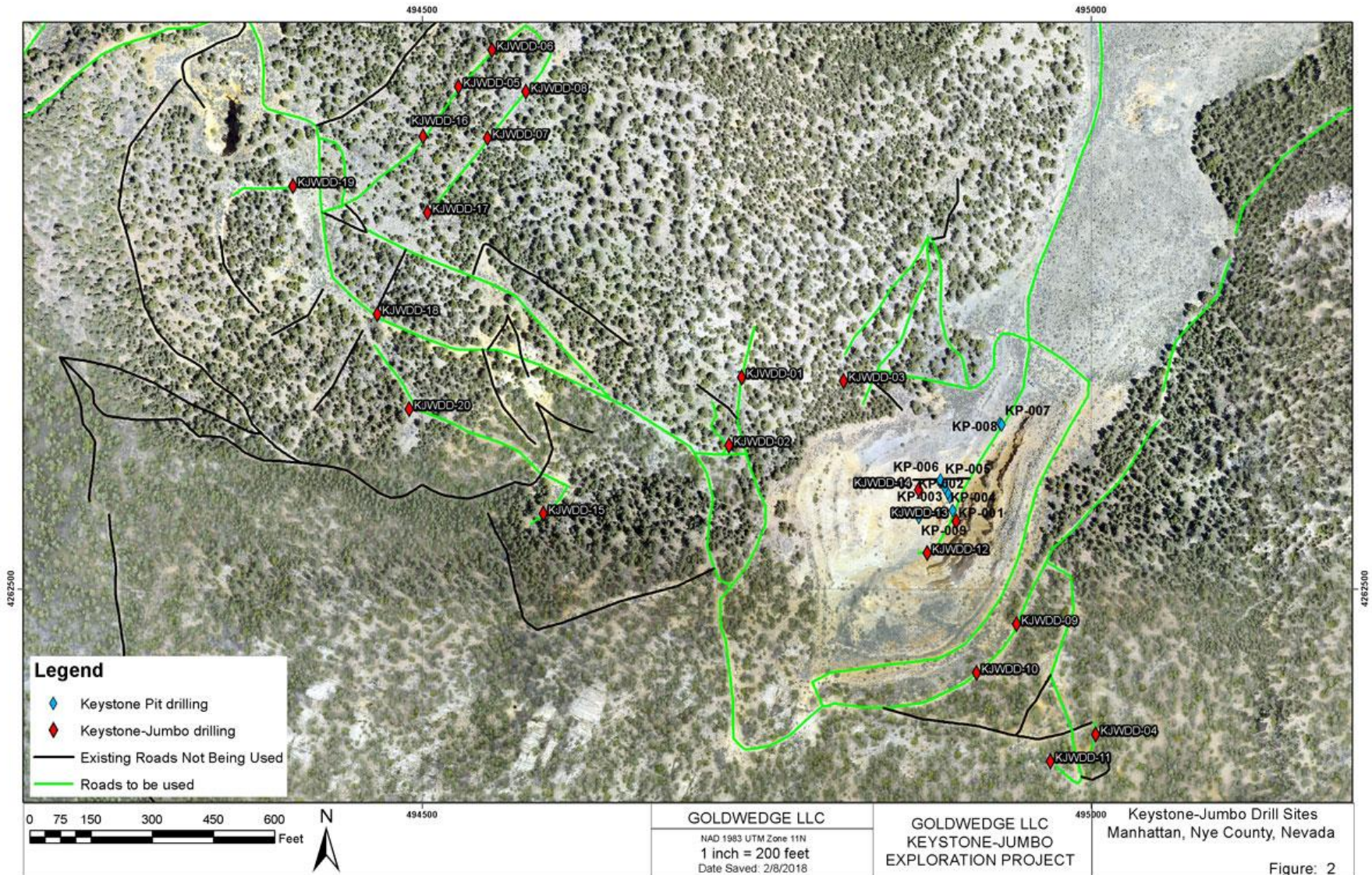


**2016 soil sampling program outlined a 1.2 km soil anomaly in the Keystone-Jumbo area**

- Surface and underground core drilling has provided new information on styles and structural controls to mineralization in the Goldwedge deposit area
- Detailed geological mapping and ground geophysics has also added to the structural interpretation in the Keystone-Jumbo area, identifying previously unknown NW trending structures
- A highly successful soil sampling program in the Keystone-Jumbo area has outlined a 1.2 km anomaly that sub-parallel the main structural control to mineralization in the area
- Prior exploration did not recognize these significant NW structures and they have yet to be tested by drilling
- Exploration diamond drilling at Keystone-Jumbo conducted in summer 2019 – results pending



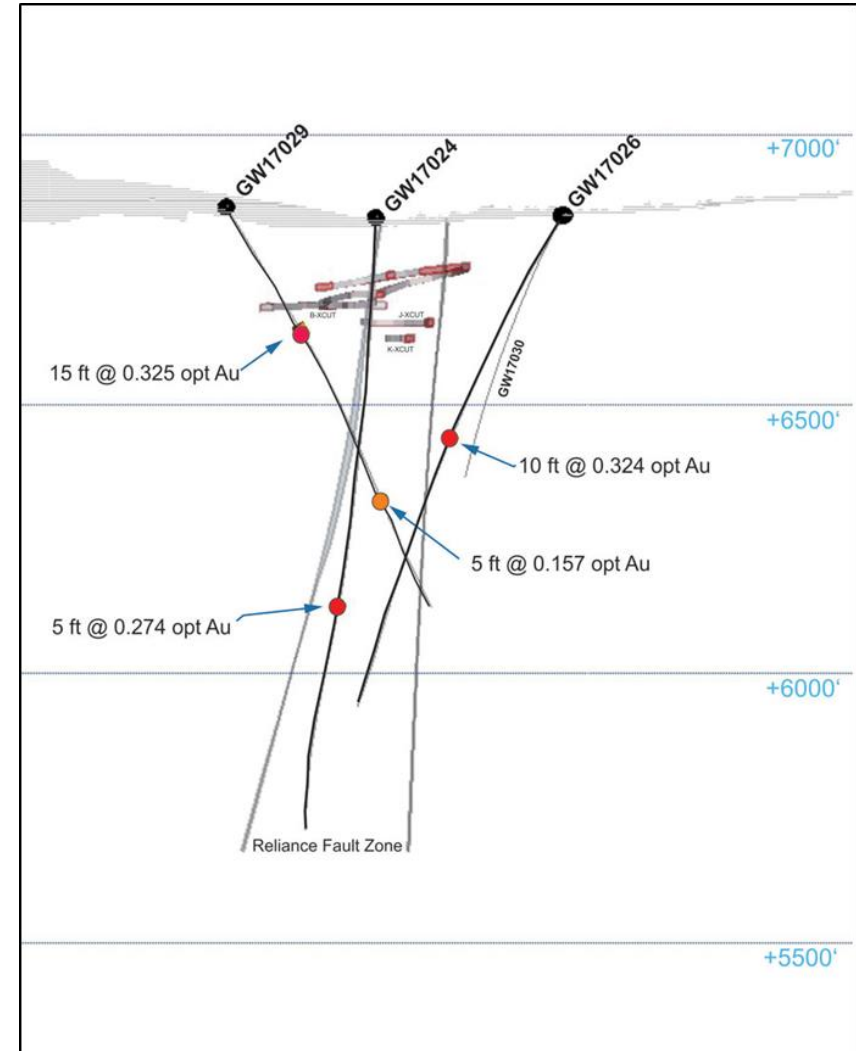
# Keystone-Jumbo 2019 Drill Sites



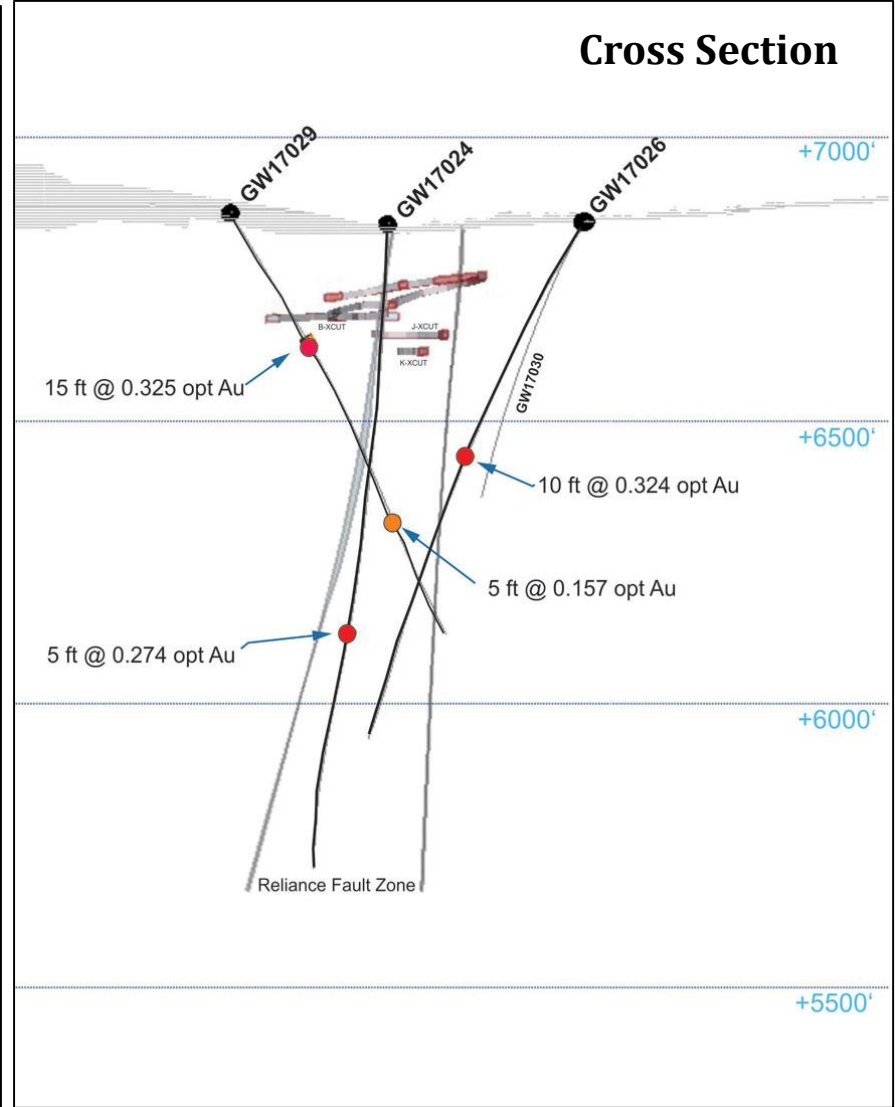
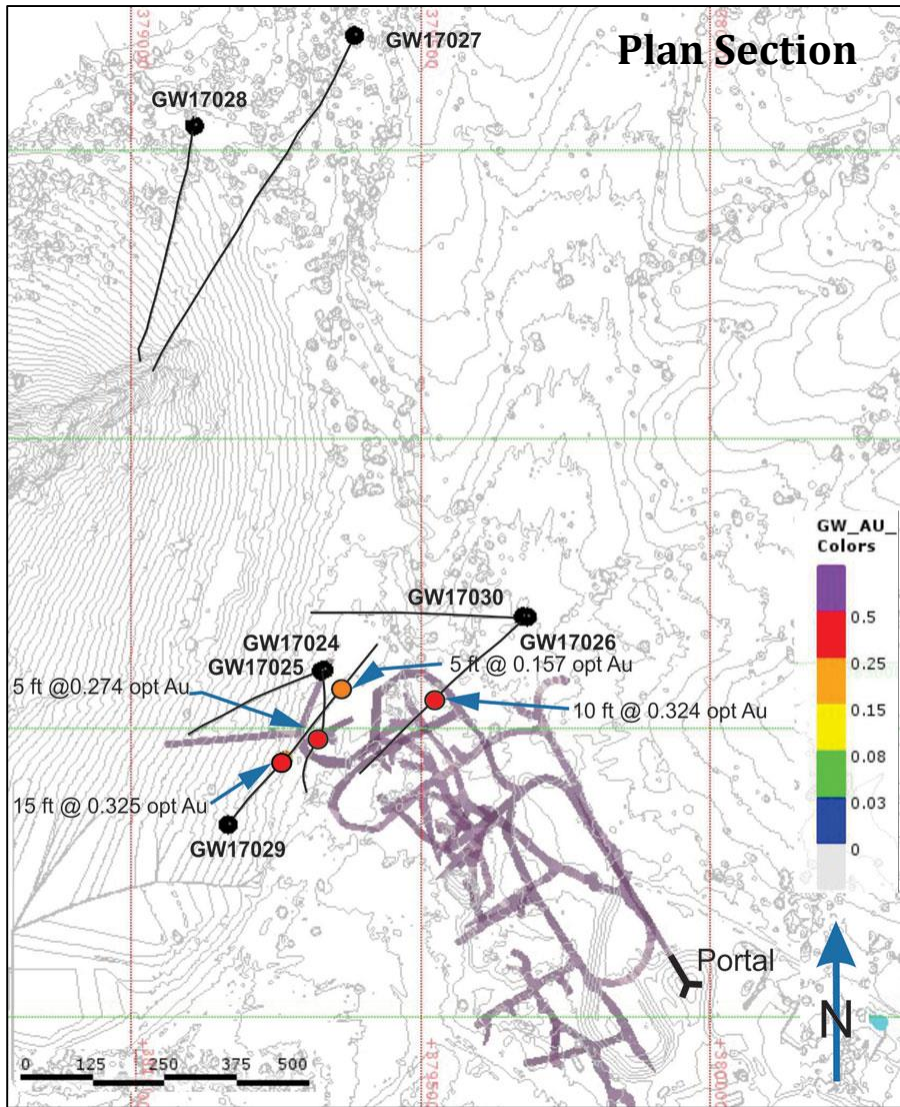


## Phase 1 RC Drilling Program

- Designed to test the extension of the favorable lithologic unit in the Goldwedge Mine and its down trend potential
- Significant mineralization was encountered in 3 holes that intersected the targeted unit, including:
  - 9.39 g/t Au over 1.52 m (0.274 oz/t over 5 ft)
  - 11.11 g/t Au over 3.05 m (0.324 oz/t over 10 ft)
  - 11.14 g/t Au over 4.57 m (0.325 oz/t over 15 ft)
  - 5.38 g/t Au over 1.52 m (0.157 oz/t over 5 ft)
- Planned geological mapping and soil sampling to generate new targets outside the mine area
- Planned scout drilling (12 holes; 450 m) at Keystone-Jumbo to test for mineralized structures



# Goldwedge – 2017 Phase 1 Drilling



## **Brian Lock – Interim CEO**

- 40+ years' experience in operations, feasibility, design engineering and construction of global mining projects

## **Dan O'Brien, CPA, CA – CFO**

- CFO for a number of companies on the TSX/TSXV; previously a senior manager at a leading Canadian accounting firm

## **Chris Zerga – President**

- 30+ years' mining experience in Nevada with Freeport McMoran, Anglo Gold, Minorco, Newmont and Queenstake

## **Doris Meyer – Corporate Secretary**

- Founder of Golden Oak Corporate Services Ltd. providing administrative, financial reporting and compliance services

## **David LaCount, BS – Mine Controller**

- 20+ years' experience with Yukon-Nevada Gold, Queenstake and Titanium Metals

**Peter Hawley, BEng, BSc, PGeo** – Chairman; Founder and Director of Scorpio Mining (Americas Silver Corporation)

**Peter A. Brieger, HBA, CFA** – Chairman & Managing Director of GlobeInvest Capital Management

**Brian Lock** – Interim CEO of Scorpio Gold

**Luc Pelchat** – Founder and President of the Chamber of Commerce of Canada in Northern Mexico

**Peter Tegart, BSc, PGeo** – 45+ years' experience as a geologist and mining executive



- Proven, highly experienced management and operations team
- Since entering commercial production in 2012, Scorpio gold had a successful +6 year operating performance at Mineral Ridge with production totalling 217,420 oz. gold and 98,819 oz. of silver
- Updated feasibility study completed in Jan 2018 outlines positive economics for processing the residual heap leach material and mining of higher-grade mineralization in the existing pits. The study provides ~7.5 years of additional mine life at Mineral Ridge and 250,500 oz. life of project gold sold at a total cash cost of US\$805/oz.
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- Opportunities to reduce upfront capex thereby increasing NPV and IRR
- Significant exploration potential remains on the 13,879 acre Mineral Ridge property
- The 100% owned Goldwedge property has a fully permitted mine and mill facility currently on care and maintenance and available for toll milling
- Significant exploration potential exists in the Goldwedge mine and Keystone-Jumbo areas; exploration drilling at Keystone-Jumbo conducted in summer 2019 – results pending

# Share Structure & 12 Month Stock History

<b>Shares Outstanding</b>	<b>• 62.5 M</b>
<b>Options<sup>1</sup></b>	<b>• 5.3 M</b>
<b>Convertible Debentures</b>	<b>• 89.7 M</b>
<b>Market Cap<sup>2</sup></b>	<b>• C\$6.3 M</b>



<sup>1</sup> As of Aug 27, 2019; avg. C\$0.31

<sup>2</sup> At C\$0.10 share price

On April 15, 2019, the Company completed a 2 for 1 consolidation of its outstanding share capital. All share and per share amounts are shown on a post-consolidated basis retroactively throughout this document.

[scorpio@scorpiogold.com](mailto:scorpio@scorpiogold.com)

(604) 536-2711

[www.scorpiogold.com](http://www.scorpiogold.com)