

Sirocco Mining Inc. Releases Q2 2013 Financials

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - Aug 14, 2013) - [Sirocco Mining Inc.](#) ("Sirocco" or "the Company") (TSX:SIM) is pleased to report financial and operating results for the three and six month periods ended June 30, 2013. The consolidated financial statements together with Management's Discussion and Analysis will be available on the Company's web site (www.siroccomining.com) and on SEDAR (www.sedar.com).

Iodine production in the three months ended June 30, 2013 ("Q2 2013") was 387 tonnes, a 14% increase over the same period in 2012 ("Q2 2012") and a 7% increase over the Q1 2013. Sirocco remains on target to produce approximately 1,600 tonnes of iodine for the year. Operating costs are relatively fixed and with increasing production Q2 2013 unit cash costs were lower compared to Q2 2012 and Q1 2013.

In Q2 2013, the Company introduced a new iodine marketing strategy in anticipation of increased production associated with the commissioning of a SAG Mill in the Agitated Leach Plant ("ALP") in Q1 2014. The Company will now hold consignment stocks in key geographical markets. The effect on revenues of this new initiative is the curtailment of iodine sales in the second half of Q2 2013 to allow for the buildup of inventory and delivery of consignment stock to warehouses outside of Chile. While this strategy will impact/defer sales of iodine for up to six months in 2013, it will allow the Company to be more flexible in meeting customer demand by reducing the delivery time of product from the historic 12 to 14 weeks to 1 to 2 weeks. During this transition period of deferred revenues, the Company's on-going production costs will be reflected in increased iodine inventory.

Key operating statistics and financial results for Q2 2013 and Q2 2012 are provided in the table below.

| Three Months Ended | Jun-13 | Jun-12 |
|--|---------|---------|
| Tonnes mined ('000t) | 1,133 | 1,180 |
| Average grade of ore mined (ppm) | 478 | 542 |
| Iodine produced (t) | 387 | 338 |
| Iodine sold (t) | 259 | 367 |
| Iodine avg. price (\$/kg) | 51 | 59 |
| Cash operating cost (\$/kg) (Note 1) | 34 | 37 |
| Total revenues (\$000's) (Note 2) | 13,130 | 21,701 |
| Gross profits (\$000's) (Note 2) | 2,910 | 6,392 |
| Net income (Loss) (\$000's) (Note 2) | (1,366) | 3,237 |
| Income (loss) per share basic and diluted (\$) | (0.01) | 0.01 |
| Total assets (\$000's) | 207,683 | 190,577 |
| Long-term liabilities (\$000's) | 22,014 | 8,323 |

Note 1: this is a non-GAAP measure. It was calculated by dividing cost of sales, adjusted for related depreciation and stock-based compensation, by quantities of iodine sold in the period.

Note 2: compared to Q2 2012, Q2 2013 financial results were negatively affected by the curtailment of sales as part of a new marketing strategy, lower iodine prices, the write-down of the historical equity investment in Amssega (Mauritania) and exploration costs. See Q2 2013 financial statements and MD&A for complete details.

The installation of the slurry plant in the ALP to treat fines was completed as planned in Q2 2013. The slurry plant will facilitate increased throughput and production from the ALP during the balance of 2013. The decrease in grade was largely due to the area being mined.

The capital expansion projects for 2013 are continuing on schedule and on budget. The installation of a SAG mill, due to be commissioned in Q1 2014, will enable the ALP to operate at a throughput of 400 tonnes of ore per hour, increasing total production rates to over 2,000 tonnes of iodine per annum. The SAG mill project is being financed by four-year term credit facilities totaling \$15 million.

Commenting on the results, Rick Clark, CEO, stated: "Production in 2013 continues to increase and the Company remains on target to produce approximately 1,600 tonnes in the year on a declining cash cost basis. In anticipation of production increasing to over 2,000 tonnes of iodine per annum by the end of Q1

2014, we have launched a marketing strategy aimed at improving the delivery time of our finished iodine product to our customers. We expect that this initiative, once fully implemented, will increase demand and broaden our customer base".

Sirocco stands at June 30, 2013 with a strong balance sheet that includes \$64 million in cash, working capital of \$87 million and existing credit lines. Accordingly, the Company is in a strong financial position to satisfy its short-term cash flow requirements while implementing its new marketing initiative.

A conference call to discuss the financial and operating results will be held at 11 am EDT on Thursday August 15, 2013. Participants should dial in on 1 416 644 3417 or Toll Free 1 877 974 0446 and follow the prompts. A replay of the call will be available until midnight on August 21, 2013 by dialing 1 416 640 1917 or Toll Free 1 877 289 8525, Passcode: 4634525#.

About the Company

[Sirocco Mining Inc.](#) is a Canadian company which produces iodine from its Aguas Blancas mine in northern Chile. In addition, the Company has exploration interests in West Africa and is actively assessing other opportunities in the resource sector.

Cautionary Statements

This news release contains forward-looking statements concerning the Company's plans for its business and properties,. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to political risks involving the Company's exploration and development of its properties, the inherent uncertainty of cost estimates and the potential for unexpected costs and expenses, commodity price fluctuations, the inability or failure to obtain adequate financing on a timely basis and other risks and uncertainties, including those described in the Company's periodic filings with the British Columbia Securities Commission. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The Company does not intend to update this information, except as required by law, and disclaims any legal liability to the contrary.

On behalf of the Board,

Rick Clark
President and CEO

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