

Scorpio Gold Options Caribou Gold Property to Harmony Gold

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VANCOUVER, BRITISH COLUMBIA -- ([Marketwire](#) - Oct. 1, 2010) - [Scorpio Gold Corporation](#) ("Scorpio", or the "Company") (TSX VENTURE: SGN) is pleased to announce that it has entered into a preliminary option agreement with Harmony Gold Corp. ("Harmony") to option a 100% interest in its Caribou Gold Property located in Halifax County, Nova Scotia.

Subject to due diligence, definitive documentation and regulatory approval, the binding preliminary agreement (the "Agreement") gives Harmony the right to acquire a 100% interest in the Caribou Gold Property located in Halifax County, Nova Scotia, including certain equipment and other mining assets held by Scorpio and located on the Caribou Gold Property (the "Option"). Scorpio holds an option to acquire a 100% registered and beneficial interest in the Caribou Gold Property, subject to a net smelter return royalty of 2.5% held by the underlying owner, John Logan Enterprises Ltd.

Terms of the Option

In consideration for the acquisition of the Option, Harmony paid Scorpio \$25,000 on execution of the Agreement. In addition, Harmony is required to pay Scorpio a further \$225,000 within 5 business days of receipt of TSX Venture Exchange approval of the transaction (the "Acceptance Date") and an additional \$250,000 within 12 months from the Acceptance Date.

Harmony may exercise the Option by: (a) making the option payments described above; (b) incurring not less than an aggregate sum of \$1,000,000 in exploration and development costs and expenditures on the Caribou Gold Property no later than 12 months from the Acceptance Date, of which not less than \$800,000 must be incurred prior to March 1, 2011; (c) issuing 3,000,000 common shares in the capital of Harmony ("Harmony Shares") to Scorpio within 5 business days of the Acceptance Date; and (d) paying all claim renewals or advance royalty payments to John Logan Enterprises Ltd. in respect of the net smelter return royalty, in particular, a \$250,000 advance royalty payment to be made by April 25, 2011.

Harmony has also agreed to: (a) issue to Scorpio an additional 1,000,000 common shares in the capital of Harmony for every 100,000 ounces of additional gold resources defined under National Instrument 43-101 above a base of 100,000 ounces of gold resources; (b) either issue to Scorpio an additional 500,000 Harmony Shares once a mine located on the Caribou Gold Property produces 30,000 ounces of gold or pay to Scorpio a cash amount equivalent to 500,000 Harmony Shares; (c) either issue to Scorpio an additional 750,000 Harmony Shares once a mine located on the Caribou Gold Property produces 60,000 ounces of gold or pay to Scorpio an amount equivalent to 750,000 Harmony Shares; and (d) either issue to Scorpio an additional 1,000,000 Harmony Shares once a mine located on the Caribou Gold Property produces 150,000 ounces of gold or pay to Scorpio an amount equivalent to 1,000,000 Harmony Shares.

The Caribou Gold Property

The Caribou Gold Property is located 80 kilometres northwest of the City of Halifax, Halifax County, Nova Scotia. The Caribou Gold Property is comprised of 16 contiguous claims covering approximately 256 hectares.

Underground production from the Caribou district was first recorded in 1869. Since then approximately 108,250 ounces of historical gold production has been documented from the property in production records and reports. Mining and milling records indicate gold grades as high as 68 g/t locally, and an average mined grade of approximately 12 g/t. These estimates are from historical records, do not meet NI 43-101 standards, and are included here for informational purposes only.

Lode gold mineralization is interpreted to be controlled by a north-northwest striking low angle axial structure that cuts the 35 km-long Caribou-Cochrane Hill Anticline. Gold deposits are characterized by pipe shaped deposits of mineralization within bedding parallel quartz veins and quartz stockwork zones and have been described as saddle reefs.

W.G. Shaw and Associates Ltd. completed an independent National Instrument 43-101 compliant Resource

Estimation on the Caribou Gold Property in 2006. The Inferred Resource estimate using uncapped gold assays is 350,305 tonnes grading 8.41 g/t gold, or 94,763 ounces of gold. Using a statistical grade cap for gold of 47 g/t (to compensate for nugget effect) the Inferred Resource for the Caribou Gold Property is 350,305 tonnes grading 5.83 g/t gold, or 67,425 ounces of gold.

A National Instrument 43-101 compliant technical report dated October 8, 2008 on the Caribou Gold Property was prepared by Guy Mac Gillivray, P.Geo. of W.G. Shaw and Associates Limited, and has been filed on SEDAR under Scorpio's profile at www.sedar.com.

For additional information please see the Company's website at www.scorpiogold.com.

CEO, Mr. Peter J. Hawley, PGeo, is the Company's Qualified Person for the various Company projects and has reviewed the content of this release.

ON BEHALF OF THE BOARD SCORPIO GOLD CORPORATION

Peter J. Hawley,
Chief Executive Officer and Director

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 limitation, statements regarding the Company's plans with respect to the exploration and development of its projects. 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. 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 therein.

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.

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