

# Scorpio Gold Announces update to court proceedings re Mineral Ridge LLC

**Scorpio Gold Corp. {TSX.V: SGN}** announces an update to the court proceedings involving its 70% indirectly owned subsidiary **Mineral Ridge LLC**, the operator of the Company's Mineral Ridge gold operation.

## **Scorpio Gold Announces Update to Court Proceedings Relating to a Subsidiary**

Vancouver, December 8, 2016 – **Scorpio Gold Corp. {TSX.V: SGN}** announces an update to the court proceedings involving its 70% indirectly owned subsidiary **Mineral Ridge LLC**, the operator of the Company's Mineral Ridge gold operation.

On August 3, 2016, the Second Judicial District Court of Washoe County, Nevada issued an oral ruling for summary judgment awarding a drilling company, National EWP, Inc. ("National"), US\$2.3 million in its lawsuit against MRG. The dispute centers on a 2012 contract in which National agreed to drill a water production well for the Mineral Ridge mine at an original contract price of US\$1.145 million.

National was ultimately paid more than US\$1.2 million based on the contract and three approved change orders. At the conclusion of drilling, National sent a letter requesting additional compensation for the well and proposing that MRG pay US\$2.3 million for the well. The District Court concluded that the letter constituted a change order request which, based on the Court's interpretation of Nevada's Prompt Payment Act, automatically became part of the contract because, the Court concluded, MRG's responses to the request were insufficient to reject the request. A formal judgment was

entered by the Court on September 22, 2016.

In October 2016, the Company filed a motion to alter, vacate or amend the judgment. On November 29, 2016, the Court issued a Corrected Order, correcting a scrivener's error in its earlier judgment. And on December 2, 2016, the Court formally denied the Company's motion to alter, vacate or amend the judgment.

The Company and its legal advisors still strongly disagree with both the Court's legal conclusions and its factual findings. The Company has, accordingly, made the decision to seek to stay execution of the judgment pending an appeal of the judgment to the Supreme Court of Nevada. The Company's litigation counsel believes that the Company has good grounds to appeal the judgment.

### **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 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 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.

**ON BEHALF OF THE BOARD**

**SCORPIO GOLD CORPORATION**

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