

Scorpio Gold exceeds production guidance

Scorpio Gold Corporation {TSX.V: SGN} announced its operating results for the full year and the fourth quarter ("Q4") of 2016 at its 70% owned Mineral Ridge project, located in Nevada.

Total gold production in 2016 was 36,879 ounces, exceeding the Company's high end guidance of 35,000 by 1,879 ounces, or 5%

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

Vancouver, January 11, 2017 – **Scorpio Gold Corporation {TSX.V: SGN}** announces its operating results for the full year and the fourth quarter ("Q4") of 2016 at its 70% owned Mineral Ridge project, located in Nevada.

Total gold production in 2016 was 36,879 ounces, exceeding the Company's high end guidance of 35,000 by 1,879 ounces, or 5%. The annual production for 2016 of 36,879 ounces represented a decrease of 7% over the prior year.

Gold production in Q4 2016 totalled 8,301 ounces representing a decrease of 13% from Q4 2015. Mine production decreased in 2016 due to mining 24% fewer ore tonnes at 5% lower grades in the Mary LC and satellite pits, as compared to the prior year. Ore tonnes crushed and placed on the pad were 5% lower in 2016 compared to 2015 as a result of fewer tonnes mined which was offset by a larger initial ore stockpile inventory at the

beginning of 2016.

Chris Zerga, President, comments, "We are proud to report that we have exceeded the high end of our production guidance of 30,000-35,000 ounces for 2016 with 36,879 gold ounces produced at Mineral Ridge in 2016. Scorpio Gold has now completed five years of production at Mineral Ridge, consistently meeting or exceeding annual guidance, while maintaining a safe working environment for our employees and contractors. I would like to thank the entire production team who continue to make the Mineral Ridge operation a success."

Key Operating Statistics

		Three Months Ending Dec 31			Twelve Months Ending Dec 31		
		2016	2015	Change	2016	2015	Change
Mining operations							
Mary LC pit							
	Ore tonnes mined	148,161	119,891	23.6%	553,402	203,468	172.0%
	Waste tonnes mined	977,246	743,394	31.5%	3,519,285	1,684,728	108.9%
	Total mined	1,125,407	863,285	30.4%	4,072,687	1,888,196	115.7%
	Strip Ratio	6.6	6.2	6.5%	6.4	8.3	-22.9%
Satellite pits							
	Ore tonnes mined	6,028	245,569	-97.5%	196,802	487,234	-59.6%
	Waste tonnes mined	5,888	769,186	-99.2%	525,491	2,045,787	-74.3%
	Total mined	11,916	1,014,755	-98.8%	722,293	2,533,021	-71.5%
	Strip Ratio	1.0	3.1	-67.7%	2.7	4.2	-35.7%
Mary pit							
	Ore tonnes mined	—	—	0.0%	—	202,002	-100.0%
	Waste tonnes mined	—	—	0.0%	—	1,053,992	-100.0%
	Total mined	—	—	0.0%	—	1,255,994	-100.0%

	Strip Ratio	—	—	0.0%	—	5.2	-100.0%
	Total producing pits						
	Ore tonnes mined	154,189	365,460	-57.8%	750,204	892,704	-16.0%
	Waste tonnes mined	983,134	1,512,580	-35.0%	4,044,776	4,784,507	-15.5%
	Total mined	1,137,323	1,878,040	-39.4%	4,794,980	5,677,211	-15.5%
	Strip Ratio	6.4	4.1	56.1%	5.4	5.4	0.0%
	Pits under development						
	Ore tonnes mined	—	—	0.0%	—	92,146	-100.0%
	Waste tonnes mined (pre-stripping)	160,672	—	100.0%	309,902	1,995,432	-84.5%
	Total mined	160,672	—	100.0%	309,902	2,087,578	-85.2%
	Total mining operations						
	Ore tonnes mined	154,189	365,460	-57.8%	750,204	984,850	-23.8%
	Waste tonnes mined	1,143,806	1,512,580	-24.4%	4,354,678	6,779,939	-35.8%
	Total mined	1,297,995	1,878,040	-30.9%	5,104,882	7,764,789	-34.3%
	Processing						
	Tonnes processed	142,101	265,017	-46.4%	846,140	891,997	-5.1%
	Gold head grade (g/t)	1.37	1.66	-17.5%	1.44	1.52	-5.3%
	Ounces produced						
	Gold	8,301	9,503	-12.6%	36,879	39,690	-7.1%
	Silver	4,074	4,905	-16.9%	16,950	19,742	-14.1%
	Crusher throughput (tonnes per day)	1,545	2,881	-46.4%	2,312	2,444	-5.4%
	Recoverable ⁽¹⁾ gold (ounces) placed on pad	4,301	9,434	-54.4%	26,549	29,189	-9.0%

⁽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 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.

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 release.

ON BEHALF OF THE BOARD SCORPIO GOLD CORPORATION

Chris Zerga,
President