Scorpio Gold Initiates a NI 43-101 BFS Report for Processing the Heap Leach Resource at Mineral Ridge

Scorpio Gold Corporation {TSX.V: SGN} announced its decision to proceed to prepare a NI 43-101 compliant Bankable Feasibility Study, ("BFS") based on an internal economic assessment and the Mine Technical Services resource confirmation report released on July 12, 2017.



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Vancouver, August 14, 2017 – **Scorpio Gold Corporation {TSX.V: SGN}** is pleased to announce its decision to proceed to prepare a NI 43-101 compliant Bankable Feasibility Study, ("BFS") based on an internal economic assessment and the Mine Technical Services resource confirmation report released on July 12, 2017, which confirmed the Mineral Ridge heap leach pad mineral resource as indicated in the following table:

Resource Category	Tons (kt)	Au (oz/ton)	Ag (oz/ton)	Contained Au (koz)	Contained Ag (koz)
Measured	2,895	0.017	0.016	48.5	46.4
Indicated	4,220	0.017	0.018	73.2	74.1
Measured & Indicated	7,115	0.017	0.017	121.7	120.4
Inferred	76	0.016	0.027	1.2	2.0

Notes:

1. The effective date of the mineral resource estimates is Jun 29, 2017.
2. Mineral resources are reported at or above a 0.0002 oz/ton Au cut-off grade.
3. Mineral resources are contained within the Mineral Ridge leach pad facility with the following assumptions: A long-term gold price of US$1,216/oz; assumed process

costs are US$11.0/ton; metallurgical recovery for gold is 93%.

4. Rounding may result in apparent differences between when summing tons, grade and contained metal content.
5. Tonnage and grade measurements are in imperial units; grades are reported in oz/ton.
6. The resource estimate was prepared with reference to CIM Definition Standards for Mineral Resources and Mineral Reserves (2014) and CIM Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines (2003).
7. The resource estimate was prepared by qualified persons, Todd Wakefield, MSc, SME, Ian Crundwell, BSc, PGeo and Mike Drozd, PhD, SME of Mine Technical Services Ltd.
8. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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Scorpio Gold has selected three firms to complete the NI 43-101 BFS, Novus Engineering Inc. (“NEI”) based in Vancouver, B.C.; Mine Technical Services (“MTS”) and NewFields both based in Reno, Nevada. In 2014, SNC Lavalin (“SNC”) was commissioned by Scorpio Gold to perform a scoping study for a mill design to process the leach pad material. The fact that NEI’s personnel were formerly senior engineers at SNC was a key factor in NEI’s selection. Scorpio has also had previous working relationships with MTS personnel who have significant familiarity with the Mineral Ridge property and in the past worked for AMEC Engineering who wrote a NI 43-101 Life of Mine Plan Study for the Company in 2012.

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The BFS, when complete will provide the mill facility design and related economics for processing the leach pad material. It is anticipated that the BFS will also provide the basis for the Company to raise the capital required for the project. It is estimated that the BFS study will be complete by mid

September 2017.

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Brian Lock, interim CEO comments, "*This is another positive step towards unlocking the value of the Mineral Ridge property and we look forward to working with these qualified contractors.*"

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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 on short notice.

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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.

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ON BEHALF OF THE BOARD
SCORPIO GOLD CORPORATION

Brian Lock,
Interim CEO

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