

Scorpio Gold Produces 10,089 Ounces Of Gold In Q2 2016 at Mineral Ridge

Scorpio Gold Corp. {TSX.V: SGN} announced its operating results for Q2 2016 at Mineral Ridge, Nevada, USA.

Production totalled 10,089 ounces of gold and 4,235 ounces of silver, representing increases of 16% and 20% respectively over the same quarter in 2015.

SCORPIO GOLD PRODUCES 10,089 OUNCES OF GOLD IN SECOND QUARTER 2016 AT THE MINERAL RIDGE OPERATION, NEVADA AND ANNOUNCES CHANGE IN CASH FLOW DISTRIBUTIONS FROM THE MINERAL RIDGE PROJECT

Vancouver, July 14, 2016 – **Scorpio Gold Corp. {TSX.V: SGN}** announced its operating results for Q2 of 2016 at its 70% owned Mineral Ridge project, located in Nevada.

Production at Mineral Ridge in Q2 of 2016 totalled 10,089 ounces of gold and 4,325 ounces of silver, representing increases of 16% and 20% respectively over Q2 2015 production levels.

The increased metal production is primarily attributed to higher crusher throughput, resulting in increased recoverable ounces placed on the heap leach pad and expected improvement in leach pad recoveries, as previously reported. Total gold production for the first half of 2016 now stands at 18,597

ounces, a decrease of 10% from H1 of 2015.

The Company's 2016 production forecast remains unchanged at 30,000 to 35,000 ounces of gold (as reported in the Company's March 23, 2016 news release).

Peter J. Hawley, President & CEO, comments, *"The Company is pleased to report another solid quarter of production at Mineral Ridge. We continue to focus on operational excellence while meeting our production forecast for 2016. The Company continues to evaluate ways to enhance the economics of the Mineral Ridge project without affecting safety and overall performance."*

Production in the second half of 2016 is scheduled from the Mary LC pit and from the Missouri satellite pit.

Key Operating Statistics

Three Months Ending Jun 30 Six Months Ending Jun 30

2016 2015 Change 2016 2015 Change

Mining operations

Mary LC pit

Ore tonnes mined 138,795 – 100.0% 285,667 – 100.0%

Waste tonnes mined 919,453 – 100.0% 1,622,483 – 100.0%

Total mined 1,058,248 – 100.0% 1,908,150 – 100.0%

Strip Ratio 6.6 – 100.0% 5.7 – 100.0%

Satellite pits

Ore tonnes mined 39,493 56,046 -29.5% 142,745 114,119 25.1%

Waste tonnes mined 139,664 113,521 23.0% 366,720 285,873 28.3%

Total mined 179,157 169,567 5.7% 509,465 399,992 27.4%

Strip Ratio 3.5 2.0 75.0% 2.6 2.5 4.0%

Mary pit

Ore tonnes mined – 78,343 -100.0% – 196,307 -100.0%
Waste tonnes mined – 298,704 -100.0% – 1,043,681 -100.0%
Total mined – 377,047 -100.0% – 1,239,988 -100.0%
Strip Ratio – 3.8 -100.0% – 5.3 -100.0%

Total producing pits

Ore tonnes mined 178,288 134,389 32.7% 428,412 310,426 38.0%
Waste tonnes mined 1,059,117 412,225 156.9% 1,989,203
1,329,554 49.6%
Total mined 1,237,405 546,614 126.4% 2,417,615 1,639,980 47.4%
Strip Ratio 5.9 3.1 90.3% 4.6 4.3 7.0%

Pits under development

Ore tonnes mined – 53,264 -100.0% – 92,146 -100.0%
Waste tonnes mined 67,732 1,190,883 -94.3% 123,354 1,995,432
-93.8%
Total mined 67,732 1,244,147 -94.6% 123,354 2,087,578 -94.1%

Total mining operations

Ore tonnes mined 178,288 187,653 -5.0% 428,412 402,572 6.4%
Waste tonnes mined 1,126,849 1,603,108 -29.7% 2,112,557
3,324,986 -36.5%
Total mined 1,305,137 1,790,761 -27.1% 2,540,969 3,727,558
-31.8%

Processing

Tonnes processed 275,551 194,651 41.6% 527,138 413,023 27.6%
Gold head grade (g/t) 1.33 1.37 -2.9% 1.48 1.39 6.5%
Tonnes milled at Goldwedge facility – – – – 1,392 -100.0%
Gold head grade (g/t) – – – – 8.87 -100.0%
Ounces produced
Gold 10,089 8,738 15.5% 18,597 20,690 -10.1%
Silver 4,325 3,591 20.4% 8,246 9,910 -16.8%
Recoverable(1) gold (ounces) placed on pad 8,002 5,769 38.7%
17,034 12,428 37.1%

(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.

Change to cash flow distributions from the Mineral Ridge project

On July 4, 2016, the settlement price of gold on the LBMA PM fix exceeded \$1,350, and as such under the terms of the Mineral Ridge operating agreement, the Company's entitlement to cash flows distributed from the Mineral Ridge mine reverted to 70% from the previous 80% entitlement.

Under the terms of the operating agreement, the 10% additional amount distributed to Scorpio, representing an amount of \$35,714, from distributions made after the operating agreement amendment in August, 2015, was repaid in full to Elevon, LLC. For more information, see the Company's news release dated August 17, 2015.

About Scorpio Gold

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Elevon, LLC (30%). Mineral Ridge is 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 President & CEO, 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

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