

Scorpio Gold release Q4 and year end 2015 financial results

Scorpio Gold Corp. {TSX.V: SGN} have released their financial results for the fourth quarter and year ended December 31, 2015.

CEO Peter Hawley declared 2016 would be a “transitional year for the company”.

VANCOUVER, B.C. – Scorpio Gold Corp. {TSX.V: SGN} is pleased to announce its financial results for the fourth quarter and year ended December 31, 2015.

This press release should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2015 and Management’s Discussion & Analysis (“MD&A”) for the same period, available on the Company’s website at www.scorpiogold.com and under the Company’s name on SEDAR at www.sedar.com

All monetary amounts are expressed in US dollars unless otherwise specified.

	Q4 2015	Q4 2014	2015	2014
	\$	\$	\$	\$
Revenue (000’s)	10,828	13,377	44,587	52,026

Mine operating earnings (loss) (000's)	1,452		(515)	7,691		3,055	
Net loss (000's)	(4,665)		(28,675)	(17,986)		(27,414)	
Basic and diluted loss per share	(0.03)		(0.16)	(0.13)		(0.16)	
Adjusted net earnings (loss) ⁽¹⁾ (000's)	712		(1,073)	4,591		294	
Adjusted basic and diluted net earnings (loss) per share ⁽¹⁾	0.00		(0.01)	0.02		(0.00)	
Adjusted EBITDA ⁽¹⁾ (000's)	2,665		1,521	10,611		12,313	
Adjusted basic and diluted EBITDA per share ⁽¹⁾	0.01		0.01	0.05		0.06	
Cash flow from operating activities (000's)	(31)		5,819	11,192		16,187	
Total cash cost per ounce of gold sold(1)	786		898	781		845	
Gold ounces produced	9,503		10,258	39,690		40,814	
(1)	This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and the Company's Management Discussion & Analysis for a complete definition and reconciliation to the Company's financial statements.						

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Peter Hawley, President and CEO comments, *"In its fourth year of commercial production, the Mineral Ridge operation produced 39,690 ounces of gold and generated \$11.2 million of cash flow from operating activities. As with many other companies in the industry, a continued decline in gold prices during 2015 contributed to Scorpio Gold recording a non-cash impairment. The Company maintains its emphasis on operational excellence along with safe mining practices and reducing total cash costs without jeopardizing gold output.*

Scorpio Gold's aggressive drilling program in 2015 successfully outlined two new production pits targeted for extraction in 2017. 2016 will be a transition year for the Company, with its focus on increasing life of mine and building towards the future mining at Mineral Ridge.

The Company remains on target to meet its recently announced 2016 production guidance of 30,000-35,000 ounces of gold at a total cash cost of \$850-\$900 per ounce of gold sold."

2015 HIGHLIGHTS

39,690 ounces of gold produced at the Mineral Ridge mine compared to 40,814 ounces during 2014.

Revenue of \$44.6 million compared to \$52.0 million during 2014.

Total cash cost per ounce of gold sold (1) of \$781 compared to \$845 during 2014.

Mine operating earnings of \$7.7 million compared to \$3.1 million during 2014.

Net loss of \$18.0 million (\$0.13 basic and diluted per share) after non-cash impairment charges of \$21.9 million, compared to a net loss of \$27.4 million (\$0.16 basic and diluted per share) after non-cash impairment charges of \$28.2 million during 2014.

Adjusted net earnings(1) of \$4.6 million (\$0.02 basic and diluted per share) compared to \$0.3 million (\$0.00 basic and diluted per share) during 2014.

Adjusted EBITDA(1) of \$10.6 million (\$0.05 basic and diluted per share) compared to \$12.3 million (\$0.06 basic and diluted per share) during 2014.

Cash flow from operating activities of \$11.2 million compared to \$16.2 million during 2014.

During Q1 of 2015, the Company received proceeds of \$3.3 million from the sale of all the common shares of Gold Standard Ventures Corp. ("Gold Standard") it owned and also received payment from Gold Standard of the debt represented by the CAD\$2.5 million promissory note received as part of the sale to Gold Standard of the Pinon property.

On March 11, 2015, the Company's long-term debt owing to Waterton Global Value L.P. was fully repaid.

On March 6, 2015, the Company announced a strategic financing to raise \$15 million from the issuance of equity to Coral Reef Capital LLC. This financing was subsequently cancelled and as such the Company was obligated to pay a break fee of \$0.5 million along with approximately \$0.3 million of related due diligence and legal costs.

Effective July 28, 2015, the Goldwedge property was put on care and maintenance.

On August 14, 2015, the Company closed a \$6 million debt financing with Waterton Precious Metals Fund II Cayman, LP.

(1) This is a non-IFRS measure; please see Non-IFRS performance measures section.

FOURTH QUARTER 2015 ("Q4") HIGHLIGHTS

9,503 ounces of gold produced at the Mineral Ridge mine compared to 10,258 ounces in Q4 of 2014.

Revenue of \$10.8 million in Q4 of 2015 compared to \$13.4 million during Q4 of 2014.

Total cash cost per ounce of gold sold(1) of \$786 in Q4 of 2015 compared to \$898 during Q4 of 2014.

Mine operating earnings of \$1.5 million compared to mine operating loss(1) of \$0.5 million during Q4 of 2014.

Net loss of \$4.7 million (\$0.03 basic and diluted per share), compared to \$28.7 million (\$0.16 basic and diluted per share) during Q4 of 2014. During Q4 of 2015, impairments of \$4.9 million were recorded on the mining assets. During Q4 of 2014, impairments of \$26.9 million and \$1.3 million, respectively, were recorded on the mining assets and available-for-sale investments.

Adjusted net earnings(1) of \$0.7 million (\$0.00 basic and diluted per share) compared to adjusted net loss(1) of \$1.1 million (\$0.01 basic and diluted per share) during Q4 of 2014.

Adjusted EBITDA(1) of \$2.7 million (\$0.01 basic and diluted per share) compared to \$1.5 million (\$0.01 basic and diluted per share) during Q4 of 2014.

Cash flow from operating activities of close to nil compared to \$5.8 million in Q4 of 2014.

(1) This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and the Company's Management Discussion & Analysis for a complete definition and reconciliation to the Company's financial statements.

NON-IFRS MEASURES

The discussion of financial results in this press release includes reference to Adjusted net earnings (loss), Adjusted EBITDA, Total cash cost per ounce of gold sold which are non-IFRS measures. The Company provides these measures as additional information regarding the Company's financial results and performance.

Please refer to the Company's MD&A for the year ended December 31, 2015 for definitions of these terms and a reconciliation of these measures to reported International Financial Reporting Standards ("IFRS") results.

About Scorpio Gold Corporation

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 and CEO, Peter J. Hawley, P.Geo., is a Qualified Person as defined in National Instrument 43-101 and has reviewed and approved the content of this release.

ON BEHALF OF THE BOARD

SCORPIO GOLD CORPORATION

Peter J. Hawley, President & CEO

Website: www.scorpiogold.com

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.

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, development and exploitation of its Mineral Ridge mine, including any forecasts regarding future production or costs related thereto. 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, including risks relating to operation of a gold mine, including unanticipated changes in the mineral content of materials being mined; unanticipated changes in recovery rates; changes in project parameters; failure of equipment or processes to operate as anticipated; the failure of contracted parties to perform; availability of skilled labour and the impact of labour disputes; obtaining the required permits to expand and extend mining activities; delays in obtaining governmental approvals; changes in metals prices; the availability of cash flows or financing to meet the Company’s ongoing financial obligations; unanticipated changes in key management personnel; changes in general economic conditions; other risks of the mining industry and those risk factors outlined in the Company’s Management Discussion and Analysis as filed on SEDAR. 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 thereof.

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