

Scorpio Gold Reports Financial Results for Second Quarter of 2017

Scorpio Gold Corp. {TSX.V: SGN} announced its financial results for the second quarter ended June 30, 2017 ("Q2").

The results are disappointing as they are a 50% reduction in revenue compared to the same period last year.

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Vancouver, August 29, 2017 – Scorpio Gold Corp. {TSX.V: SGN} announce its financial results for the second quarter ended June 30, 2017 ("Q2").

This press release should be read in conjunction with the Company's condensed interim consolidated financial statements for Q2 and Management Discussion & Analysis 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.

PERFORMANCE HIGHLIGHTS: Q2 2017 Q2 2016 H1 2017 H1 2016 \$ \$ \$
 \$Revenue (000's) 6,299 12,434 16,174 21,862 Mine operating
 earnings (000's) 1,142 3,067 3,520 4,932 Net (loss) earnings
 (000's) (285) 1,199 (245) 2,278 Basic and diluted (loss)
 earnings per share (0.00) 0.01(2) (0.00) 0.01 Adjusted net
 earnings(1) (000's) 464 2,183 1,925 3,299 Adjusted basic and
 diluted net earnings per share(1) 0.00 0.01 0.01 0.02 Adjusted
 EBIDTA(1) (000's) 957 2,816 3,032 4,385 Adjusted basic and
 diluted EBIDTA per share(1) 0.00 0.02 0.02 0.02 Cash flow (used
 in) from operating activities (000's) (885) 4,878 2,574
 4,512 Total cash cost per ounce of gold sold(1) 968 879 911
 844 Gold ounces sold 5,025 10,015 13,127 18,315 Gold ounces
 produced 4,660 10,089 10,401 18,597

Brian Lock, Interim CEO, comments, "The lower amount of gold ounces produced in Q2 2017 compared to Q2 of 2016 is attributed to fewer tons being mined and processed from the existing pits, due to smaller benches being mined in lower pit elevations. This situation affected the number of gold ounces sold and revenues for Q2 of 2017. The net loss of \$0.3 million reported for Q2 of 2017 includes a \$0.7 million non-cash impairment charge recorded in that quarter.

"The net loss of \$0.2 million reported for H1 of 2017 includes a \$2.3 million non-cash impairment charge recorded during the period.

"The Company's annual production forecast for 2017 is now currently expected to be at the low end of the previous production guidance provided of 20,000 to 25,000 ounces of gold.

“Based on the Company’s updated mine plan, the Company currently anticipates mining of gold at Mineral Ridge through October 2017, after which there will be residual but diminishing gold recoveries from the leach pads. One of the initiatives undertaken by the Company to address the going concern issue is the engagement of three firms to complete a NI 43-101 compliant Bankable Feasibility Study, (“BFS”) based on an internal economic assessment and the Mine Technical Services resource confirmation. 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 will be complete by mid September 2017. This is a positive step towards unlocking the value of the Mineral Ridge property.”

HIGHLIGHTS FOR THE SECOND QUARTER (“Q2”) ENDED JUNE 30, 2017 AND SUBSEQUENT EVENTS

4,660 ounces of gold were produced at the Mineral Ridge mine during Q2 of 2017, compared to 10,089 ounces during Q2 of 2016.

Revenue of \$6.3 million, compared to \$12.4 million during Q2 of 2016.

Total cash cost per ounce of gold sold(1) of \$968 compared to \$879 during Q2 of 2016.

Mine operating earnings of \$1.1 million compared to \$3.1 million during Q2 of 2016.

Net loss of \$0.3 million (\$0.00 basic and diluted per share), compared to net earnings of \$1.2 million (\$0.01(2) basic and diluted per share) during Q2 of 2016.

Adjusted net earnings(1) of \$0.5 million (\$0.00 basic and diluted per share) compared to \$2.2 million (\$0.01 basic and diluted per share) for Q2 of 2016.

Adjusted EBITDA(1) of \$1.0 million (\$0.00 basic and diluted per share) compared to \$2.8 million (\$0.02 basic and diluted per share) during Q2 of 2016.

On July 12, the Company reported a measured and indicated mineral resource estimation of 121,700 ounces of gold contained on the heap leach pads at the Mineral Ridge Mine. August, the Company announced the initiation of a bankable feasibility study with the objective to support the proposed financing and construction of a mill facility at Mineral Ridge to process the heap leach material and potentially mineralised material mined in the future.

HIGHLIGHTS FOR THE SIX MONTHS ENDED JUNE 30, 2017

10,401 ounces of gold were produced at the Mineral Ridge mine, compared to 18,597 ounces produced during the six months ended June 30, 2016.

Revenue of \$16.2 million, compared to \$21.9 million during the six months ended June 30, 2016.

Total cash cost per ounce of gold sold(1) of \$911, compared to \$844 during the six months ended June 30, 2016.

Mine operating earnings of \$3.5 million, compared to \$4.9 million during the six months ended June 30, 2016.

Net loss of \$0.2 million (\$0.00 basic and diluted per share), compared to net earnings of \$2.3 million (\$0.01 basic and diluted per share) during the six months ended June 30, 2016.

Adjusted net earnings(1) of \$1.9 million (\$0.01 basic and diluted per share), compared to \$3.3 million (\$0.02 basic and diluted per share) during the six months ended June 30, 2016.

Adjusted EBITDA(1) of \$3.0 million (\$0.02 basic and diluted per share), compared to \$4.4 million (\$0.02 basic and diluted per share) million during the six months ended June 30, 2016.

(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 Q2 of 2016 for a complete definition and reconciliation to the IFRS results reported in the Company's financial statements for Q2 of 2016. (2) Please see Equity section of the MD&A.

Non-IFRS Measures.

The discussion of financial results in this press release includes reference to Adjusted EBITDA, Total cash cost per ounce of gold sold and Adjusted Net Earnings, 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 six months ended June 30, 2017 for definitions of these terms and a reconciliation of these measures to reported International Financial Reporting Standards ("IFRS") results.

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.

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

Brian Lock, Interim CEO