

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 11, 2016) - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX VENTURE:SGN) announces a recent oral ruling from court proceedings involving its 70% indirectly owned subsidiary Mineral Ridge LLC ("MRG"), the operator of the Company's Mineral Ridge gold operation.

On August 3, 2016, the Second Judicial District Court of Washoe County, Nevada issued an oral ruling for summary judgment awarding a drilling company, National EWP, Inc. ("National"), US\$2.3 million in its lawsuit against MRG. The dispute centers on a 2012 contract in which National agreed to drill a water production well for the Mineral Ridge mine at an original contract price of US\$1.145 million. National was ultimately paid more than US\$1.2 million based on the contract and three approved change orders. At the conclusion of drilling, National sent a letter requesting additional compensation for the well and proposing that MRG pay US\$2.3 million for the well. The District Court concluded that the letter constituted a change order request which, based on the Court's interpretation of Nevada's Prompt Payment Act, automatically became part of the contract because, the Court concluded, MRG's responses to the request were insufficient to reject the request. The Court did not directly address the fact that MRG had already paid National US\$1.2 million under the contract.

National has been tasked with preparing a written judgment consistent with the District Court's oral ruling, which has not yet been done, and thus no formal judgment has been entered by the Court. The Company and its legal advisors strongly disagree with both the Court's legal conclusions and its factual findings, and it is currently evaluating its options to contest the ruling and stay execution of the judgment, once entered. The Company remains confident that it has satisfied its obligations under the contract with National.

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.

ON BEHALF OF THE BOARD

SCORPIO GOLD CORPORATION

Peter J. Hawley, CEO

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 outcome of the litigation. 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 the outcome of the litigation 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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