

VANCOUVER, British Columbia, Aug. 29, 2017 (GLOBE NEWSWIRE) -- [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (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](http://www.scorpiogold.com) and under the Company's name on SEDAR at [www.sedar.com](http://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 <sup>(2)</sup>	(0.00 )	0.01
Adjusted net earnings <sup>(1)</sup> (000's)	464	2,183	1,925	3,299
Adjusted basic and diluted net earnings per share <sup>(1)</sup>	0.00	0.01	0.01	0.02
Adjusted EBITDA <sup>(1)</sup> (000's)	957	2,816	3,032	4,385
Adjusted basic and diluted EBITDA per share <sup>(1)</sup>	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 <sup>(1)</sup>	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

(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.

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<sup>(1)</sup> 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<sup>(2)</sup> basic and diluted per share) during Q2 of 2016.
- Adjusted net earnings<sup>(1)</sup> 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<sup>(1)</sup> 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.
- In 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 mineralized material mined in the future.

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

(2) Please see Equity section of the MD&A.

#### 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<sup>(1)</sup> 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<sup>(1)</sup> 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<sup>(1)</sup> 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.

#### 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 (&ldquo;IFRS&rdquo;) 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 chairman, 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

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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 production at Mineral Ridge, the exploration, development and exploitation of its Mineral Ridge project, 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 the operation of a gold mine, including unanticipated changes in the mineral content of materials being mined; unanticipated changes in recovery rates; the short life of mine at Mineral Ridge; the preparation of the BFS; the raising of financing to facilitate capital expenditures for a mill facility at Mineral Ridge; 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; 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; obtaining the required permits to expand and extend mining activities and 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.