



Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020

(Unaudited – Expressed in US dollars)

NOTICE TO READER

These condensed interim consolidated financial statements of Scorpio Gold Corporation have been prepared by management and approved by the Board of Directors of the Company. In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to the financial statements or the related Management's Discussion and Analysis.

Scorpio Gold Corporation

Condensed interim consolidated statements of net earnings (loss) and comprehensive income (loss)

(Unaudited – Expressed in thousands of US dollars except for share and per share amounts)

	Note	Three months ended June 30,		Six months ended June 30,	
		2020	2019	2020	2019
REVENUE					
Revenue		\$ 1,441	\$ 985	\$ 2,480	\$ 2,471
Cost of sales excluding inventory write-down	4	(398)	(573)	(652)	(1,490)
Inventory write-down	7	(611)	(674)	(1,481)	(1,132)
Mine operating earnings (loss)		432	(262)	347	(151)
EXPENSES					
General and administration	5	(116)	(321)	(313)	(518)
Care and maintenance - Goldwedge		(210)	(155)	(421)	(303)
Impairment of mining assets	9	(4)	-	(4)	(40)
Loss on disposal of assets	8	-	-	(4)	-
		(330)	(476)	(742)	(861)
Operating earnings (loss)		102	(738)	(395)	(1,012)
Other income (expense)					
Finance costs	6	(213)	(169)	(422)	(319)
Finance income		1	40	16	70
Foreign exchange		-	2	(4)	5
Gain on debt settlement		-	-	-	3,789
		(212)	(127)	(410)	3,545
Net earnings (loss) before income taxes		(110)	(865)	(805)	2,533
Income tax expense		-	4	-	31
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (110)	\$ (861)	\$ (805)	\$ 2,564
Net earnings (loss) and comprehensive income (loss) attributable to:					
Shareholders of the Company		\$ (110)	\$ (861)	\$ (805)	\$ 2,551
Non-controlling interest		-	-	-	13
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (110)	\$ (861)	\$ (805)	\$ 2,564
Basic and diluted earnings (loss) per common share		\$ (0.00)	\$ (0.01)	\$ (0.01)	\$ 0.04
Basic and diluted weighted average number of common shares outstanding		67,149,090	62,474,118	64,811,604	62,474,118

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Scorpio Gold Corporation

Condensed interim consolidated statements of financial position
(Unaudited – Expressed in thousands of US dollars)

		As at	
	Note	June 30, 2020	December 31, 2019
ASSETS			
Current assets			
Cash		\$ 1,014	\$ 2,243
Receivables		6	389
Prepaid expenses		473	434
Inventories	7	1,111	973
Total current assets		2,604	4,039
Producing mining assets	8	4,977	5,011
Non-producing mining assets	9	339	224
Reclamation bonds		7,141	6,186
TOTAL ASSETS		\$ 15,061	\$ 15,460
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		\$ 529	\$ 524
Income tax payable		-	5
Total current liabilities		529	529
Provision for environmental rehabilitation		5,322	5,278
Total liabilities		5,851	5,807
Equity			
Share capital	10	51,811	51,449
Equity reserve	10	6,688	6,688
Convertible debentures		6,847	6,847
Investment valuation reserve		(2)	(2)
Foreign currency translation reserve		(194)	(194)
Deficit		(55,940)	(55,135)
Total equity		9,210	9,653
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 15,061	\$ 15,460
Nature of operations and going concern	1		
Subsequent events	14		

APPROVED BY THE BOARD

"Peter Hawley"
Director

"Brian Lock"
Director

Scorpio Gold Corporation

Condensed interim consolidated statements of changes in equity
(Unaudited – Expressed in thousands of US dollars, shares in thousands)

	Number of shares	Share capital	Equity reserve	Convertible debentures	Investment valuation reserve	Foreign currency translation reserve	Deficit	Non-controlling interest	Total equity
Balance, December 31, 2019	62,474	\$ 51,449	\$ 6,688	\$ 6,847	\$ (2)	\$ (194)	\$ (55,135)	\$ -	\$ 9,653
Issuance of common shares for convertible debenture interest	6,793	362	-	-	-	-	-	-	362
Net loss and comprehensive loss	-	-	-	-	-	-	(805)	-	(805)
Balance, June 30, 2020	69,267	\$ 51,811	\$ 6,688	\$ 6,847	\$ (2)	\$ (194)	\$ (55,940)	\$ -	\$ 9,210

	Number of shares	Share capital	Equity reserve	Convertible debentures	Investment valuation reserve	Foreign currency translation reserve	Deficit	Non-controlling interest	Total equity
Balance, December 31, 2018	62,474	\$ 51,449	\$ 6,555	\$ -	\$ (2)	\$ (194)	\$ (48,802)	\$ (4,105)	\$ 4,901
Convertible debentures	-	-	-	6,847	-	-	-	-	6,847
Share-based compensation	-	-	133	-	-	-	-	-	133
Net earnings and comprehensive income	-	-	-	-	-	-	2,551	13	2,564
Loss on acquisition of non-controlling interest	-	-	-	-	-	-	(4,780)	4,092	(688)
Balance, June 30, 2019	62,474	\$ 51,449	\$ 6,688	\$ 6,847	\$ (2)	\$ (194)	\$ (51,031)	\$ -	\$ 13,757

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Scorpio Gold Corporation

Condensed interim consolidated statements of cash flows (Unaudited – Expressed in thousands of US dollars)

	Six months ended June 30,	
	2020	2019
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Net earnings (loss) before income taxes	\$ (805)	\$ 2,533
Adjustment for:		
Income tax paid	(5)	(149)
Items not affecting cash:		
Share-based compensation	-	133
Financing costs	422	319
Finance income	(16)	(60)
Gain on debt settlement	-	(3,789)
Impairment of mining assets	4	40
Loss on disposal of assets	4	-
Inventory write-down	1,481	1,132
Depletion and amortization	5	9
Change in non-cash working capital items:		
Receivables	383	(6)
Prepaid expenses	(39)	(4)
Inventories	(1,619)	(975)
Trade and other payables	(7)	(305)
	(192)	(1,122)
INVESTING ACTIVITIES:		
Additions to producing mining assets	(10)	-
Additions to non-producing mining assets	(114)	(65)
Proceeds from disposal of assets	26	-
Reclamation bonds	(939)	-
Acquisition of non-controlling interest	-	(685)
	(1,037)	(750)
FINANCING ACTIVITIES:		
Proceeds from issuance of convertible debentures, net	-	6,847
Promissory notes	-	3,000
Repayment of promissory notes	-	(3,030)
Repayment of secured debt and financing lease	-	(2,365)
	-	4,452
CHANGE IN CASH FOR THE PERIOD	(1,229)	2,580
CASH, BEGINNING OF THE PERIOD	2,243	1,100
CASH, END OF PERIOD	\$ 1,014	\$ 3,680
Non-cash investing and financing activities		
Issuance of common shares for convertible debenture interest	\$ 362	\$ -
Non-producing mining assets included in trade and other payables	8	55
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	-

The accompanying notes form an integral part of these condensed interim consolidated financial statements

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

1. Nature of operations and going concern

Scorpio Gold Corporation (the "Company") is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company's shares are listed on the TSX Venture Exchange ("TSX-V") and trade under the symbol SGN. The corporate office of the Company is located at Unit 1 - 15782 Marine Drive, White Rock, B.C., V4B 1E6. The Company and its subsidiaries conduct mineral exploitation, exploration and development activities in the United States of America ("USA").

The Company suspended mining operations of its Mineral Ridge mine in November 2017 as the Company had mined all of its economical mineral reserves based on gold pricing and heap leach recovery parameters. Management expects to generate limited revenues from Mineral Ridge until approximately Q4 of 2020 from residual but diminishing gold recoveries from the leach pads and will use cash flow from the operation of the Mineral Ridge along with current cash on hand to fund the Company's operations until further financing is raised.

These condensed interim consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at June 30, 2020, the Company had working capital of \$2,075,000. Management estimates that these funds may not provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company's ability to continue as a going concern.

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of the adverse impacts of the outbreak and its effects on the Company's business or ability to raise funds.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

2. Basis of presentation

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using the accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements do not include all disclosures required for annual financial statements, and accordingly should be read in conjunction with the Company's annual audited consolidated financial statements for the year ended December 31, 2019.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on August 25, 2020.

Basis of measurement

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Functional and presentation currency

These condensed interim consolidated financial statements are presented in United States dollars, which is the functional currency of the parent company and its subsidiaries.

Management judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the condensed interim consolidated financial statements are consistent with those disclosed in the audited consolidated financial statements as at December 31, 2019.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

3. Significant accounting policies

The accounting policies applied by the Company in these condensed consolidated interim financial statements are the same as those applied by the Company as at and for the year ended December 31, 2019.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of June 30, 2020 and have not been applied in preparing these condensed interim consolidated financial statements. In addition, none of these standards are applicable to the Company.

4. Cost of sales

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Contractor charges	\$ 82	\$ 58	\$ 149	\$ 98
Labour	439	549	920	1,073
Fuel and reagents	190	151	471	450
Mechanical parts	16	39	46	68
Change in ore stockpile, metals in process, and finished goods inventories	(688)	(588)	(1,621)	(909)
Utilities, permits and other	359	364	687	710
	\$ 398	\$ 573	\$ 652	\$ 1,490

5. General and administrative

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Salaries and benefits	\$ 35	\$ 121	\$ 104	\$ 229
Consultants	18	20	56	22
Directors' fees	-	30	41	56
Insurance, travel and office related	14	12	33	25
Investor relations	17	3	21	7
Professional fees	18	21	19	50
Share-based compensation	-	110	-	110
Transfer agent and listing fees	14	4	39	19
	\$ 116	\$ 321	\$ 313	\$ 518

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

6. Finance costs

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Interest on convertible debentures	\$ 191	\$ 125	\$ 378	\$ 125
Interest on secured debt	-	-	-	104
Interest on promissory notes	-	14	-	30
Unwinding of discount of provision for environmental rehabilitation	22	30	44	60
	\$ 213	\$ 169	\$ 422	\$ 319

7. Inventories

	June 30, 2020	December 31, 2019
Supplies	\$ 742	\$ 745
Metals in process	344	217
Finished goods	25	11
	\$ 1,111	\$ 973

During the six months ended June 30, 2020, inventory included as cost of sales is \$2,133,000 (2019 - \$2,600,000).

During the six months ended June 30, 2020, the Company recognized an inventory write-down of \$1,481,000 (2019 - \$1,132,000).

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

8. Producing mining assets

		Mining interest	Plant and Equipment	Mobile equipment	Furniture and office equipment	Total
Cost						
December 31, 2018	\$	74,292	\$ 23,372	\$ 2,186	\$ 816	\$ 100,666
Additions		-	-	-	10	10
Change in provision for environmental rehabilitation		267	-	-	-	267
December 31, 2019		74,559	23,372	2,186	826	100,943
Disposals		-	(81)	-	-	(81)
June 30, 2020	\$	74,559	\$ 23,291	\$ 2,186	\$ 826	\$ 100,862
Accumulated impairment, depletion and amortization						
December 31, 2018	\$	74,261	\$ 19,151	\$ 1,264	\$ 808	\$ 95,484
Impairment		298	128	-	10	436
Depletion and amortization		-	8	1	3	12
December 31, 2019		74,559	19,287	1,265	821	95,932
Disposals		-	(51)	-	-	(51)
Depletion and amortization		-	4	-	-	4
June 30, 2020	\$	74,559	\$ 19,240	\$ 1,265	\$ 821	\$ 95,885
Net book value						
December 31, 2019	\$	-	\$ 4,085	\$ 921	\$ 5	\$ 5,011
June 30, 2020	\$	-	\$ 4,051	\$ 921	\$ 5	\$ 4,977

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

8. Producing mining assets (Continued)

	Mineral Ridge	Goldwedge	Total
Cost			
December 31, 2018	\$ 97,877	\$ 2,789	\$ 100,666
Additions	10	-	10
Change in provision for environmental rehabilitation	267	-	267
December 31, 2019	98,154	2,789	100,943
Disposals	(81)	-	(81)
June 30, 2020	\$ 98,073	\$ 2,789	\$ 100,862
Accumulated impairment, depletion and amortization			
December 31, 2018	\$ 93,303	\$ 2,181	\$ 95,484
Impairment	436	-	436
Depletion and amortization	-	12	12
December 31, 2019	93,739	2,193	95,932
Disposals	(51)	-	(51)
Depletion and amortization	-	4	4
June 30, 2020	\$ 93,688	\$ 2,197	\$ 95,885
Net book value			
December 31, 2019	\$ 4,415	\$ 596	\$ 5,011
June 30, 2020	\$ 4,385	\$ 592	\$ 4,977

During the six months ended June 30, 2020, the Company sold equipment with a net book value of \$30,000 for gross proceeds of \$26,000, and accordingly recorded a loss on disposal of assets of \$4,000.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

9. Non-producing mining assets and other

	Mining interest	Plant and Equipment	Mobile equipment	Furniture and office equipment	Construction in progress	Total
Cost						
December 31, 2018	\$ 16,283	\$ 689	\$ 604	\$ 26	\$ 1,644	\$ 19,246
Additions	383	-	-	-	31	414
Disposals	-	-	-	(26)	-	(26)
Change in provision for environmental rehabilitation	50	-	-	-	-	50
December 31, 2019	16,716	689	604	-	1,675	19,684
Additions	107	-	-	-	13	120
June 30, 2020	\$ 16,823	\$ 689	\$ 604	\$ -	\$ 1,688	\$ 19,804
Accumulated impairment, depletion and amortization						
December 31, 2018	\$ 13,824	\$ 528	\$ 537	\$ 26	\$ 1,644	\$ 16,559
Impairment	2,892	-	-	-	31	2,923
Depletion and amortization	-	4	-	-	-	4
Disposals	-	-	-	(26)	-	(26)
December 31, 2019	16,716	532	537	-	1,675	19,460
Impairment	4	-	-	-	-	4
Depletion and amortization	-	1	-	-	-	1
June 30, 2020	\$ 16,720	\$ 533	\$ 537	\$ -	\$ 1,675	\$ 19,465
Net book value						
December 31, 2019	\$ -	\$ 157	\$ 67	\$ -	\$ -	\$ 224
June 30, 2020	\$ 103	\$ 156	\$ 67	\$ -	\$ 13	\$ 339

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

9. Non-producing mining assets and other (Continued)

	Mineral			
	Ridge	Goldwedge	Other	Total
Cost				
December 31, 2018	\$ 7,549	\$ 11,653	\$ 44	\$ 19,246
Additions	34	380	-	414
Disposal	-	-	(26)	(26)
Change in provision for environmental rehabilitation	-	50	-	50
December 31, 2019	7,583	12,083	18	19,684
Additions	17	103	-	120
June 30, 2020	\$ 7,600	\$ 12,186	\$ 18	\$ 19,804
Accumulated impairment, depletion and amortization				
December 31, 2018	\$ 7,549	\$ 8,986	\$ 24	\$ 16,559
Impairment	34	2,869	20	2,923
Depletion and amortization	-	4	-	4
Disposal	-	-	(26)	(26)
December 31, 2019	7,583	11,859	18	19,460
Impairment	4	-	-	4
Depletion and amortization	-	1	-	1
June 30, 2020	\$ 7,587	\$ 11,860	\$ 18	\$ 19,465
Net book value				
December 31, 2019	\$ -	\$ 224	\$ -	\$ 224
June 30, 2020	\$ 13	\$ 326	\$ -	\$ 339

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

10. Share capital

(a) Authorized

Authorized share capital consists of an unlimited number of common shares without par value.

(b) Issued and outstanding

In April and May 2020, the Company issued 6,793,173 common shares valued at \$362,000 to settle its semi-annual interest payment on its convertible debentures.

(c) Stock options

The Company has a shareholder approved rolling stock option plan ("the Plan") which is applicable to directors, officers, employees and consultants. Under the Plan, the total outstanding stock options that may be granted are limited to 10% of the outstanding common shares of the Company at any one time. The exercise price of an option shall not be less than the discounted market price at the time of granting as prescribed by the policies of the TSX-V. The maximum term of stock options is ten years from the grant date. Vesting terms are at the discretion of the directors.

The continuity of stock options for the six months ended June 30, 2020 is as follows:

Expiry date	Exercise price C\$	Balance, December 31, 2019	Granted	Exercised	Expired	Balance, June 30, 2020
January 14, 2020	\$ 0.29	875,000	-	-	(875,000)	-
August 30, 2021	\$ 0.17	1,095,000	-	-	-	1,095,000
June 6, 2023	\$ 0.55	720,000	-	-	-	720,000
June 5, 2024	\$ 0.10	2,500,000	-	-	-	2,500,000
		5,190,000	-	-	(875,000)	4,315,000
Weighted average exercise price (C\$)	\$ 0.21	\$ -	\$ -	\$ -	\$ 0.29	\$ 0.19

As at June 30, 2020, all of the outstanding stock options were exercisable.

As at June 30, 2020, the weighted average remaining contractual life of the stock options outstanding was 3.07 years.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

11. Related party transactions and balances

Compensation of key management personnel and directors

Key management includes members of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the three and six months ended June 30, 2020 and 2019 were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Salaries* and director fees	\$ 92	\$ 171	\$ 271	\$ 351
Share-based compensation	-	133	-	133
	\$ 92	\$ 304	\$ 271	\$ 484

* certain salaries have been allocated to cost of sales and care and maintenance

Amounts due to related parties

Included in trade and other payables as at June 30, 2020, is \$18,000 (December 31, 2019 - \$3,000) due to key management for director fees and for the reimbursement of expenditures.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

12. Segmented information

Industry information

The Company is engaged in mining exploitation, exploration and development and has one operating mine and a toll milling facility. The Company has two reportable segments being Mineral Ridge and Goldwedge. The Other category is composed of head office and Scorpio Gold (US) Corporation. Segments are operations reviewed by the CEO who is considered to be the chief operating decision maker.

Operating segment details are as follows:

Three months ended June 30, 2020	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 1,441	\$ -	\$ -	\$ 1,441
Cost of sales excluding inventory write-down	(398)	-	-	(398)
Inventory write-down	(611)	-	-	(611)
Mine operating earnings	432	-	-	432
EXPENSES				
General and administration	-	-	(116)	(116)
Care and maintenance - Goldwedge	-	(210)	-	(210)
Impairment of mining assets	(4)	-	-	(4)
Loss on disposal of assets	-	-	-	-
	(4)	(210)	(116)	(330)
Operating earnings (loss)	428	(210)	(116)	102
Other income (expense)				
Finance costs	(20)	(2)	(191)	(213)
Finance income	-	1	-	1
Foreign exchange	-	-	-	-
	(20)	(1)	(191)	(212)
Net earnings (loss) before income taxes	408	(211)	(307)	(110)
Income tax expense	-	-	-	-
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 408	\$ (211)	\$ (307)	\$ (110)

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

12. Segmented information (Continued)

Industry information (Continued)

Three months ended June 30, 2019	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 985	\$ -	\$ -	\$ 985
Cost of sales excluding inventory write-down	(573)	-	-	(573)
Inventory write-down	(674)	-	-	(674)
Mine operating loss	(262)	-	-	(262)
EXPENSES				
General and administration	-	-	(321)	(321)
Care and maintenance - Goldwedge	-	(155)	-	(155)
Impairment of mining assets	-	-	-	-
	-	(155)	(321)	(476)
Operating loss	(262)	(155)	(321)	(738)
Other income (expense)				
Finance costs	(28)	(2)	(139)	(169)
Finance income	29	1	10	40
Foreign exchange	-	-	2	2
	1	(1)	(127)	(127)
Net loss before income taxes	(261)	(156)	(448)	(865)
Income tax expense	4	-	-	4
NET LOSS AND COMPREHENSIVE LOSS	\$ (257)	\$ (156)	\$ (448)	\$ (861)

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

12. Segmented information (Continued)

Industry information (Continued)

Six months ended June 30, 2020	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 2,480	\$ -	\$ -	\$ 2,480
Cost of sales excluding inventory write-down	(652)	-	-	(652)
Inventory write-down	(1,481)	-	-	(1,481)
Mine operating earnings	347	-	-	347
EXPENSES				
General and administration	-	-	(313)	(313)
Care and maintenance - Goldwedge	-	(421)	-	(421)
Impairment of mining assets	(4)	-	-	(4)
Loss on disposal of assets	(4)	-	-	(4)
	(8)	(421)	(313)	(742)
Operating earnings (loss)	339	(421)	(313)	(395)
Other income (expense)				
Finance costs	(41)	(3)	(378)	(422)
Finance income	15	1	-	16
Foreign exchange	-	-	(4)	(4)
	(26)	(2)	(382)	(410)
Net earnings (loss) before income taxes	313	(423)	(695)	(805)
Income tax expense	-	-	-	-
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 313	\$ (423)	\$ (695)	\$ (805)

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

12. Segmented information (Continued)

Industry information (Continued)

Six months ended June 30, 2019	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 2,471	\$ -	\$ -	\$ 2,471
Inter-segment (expense) - management fees	(27)	-	27	-
Cost of sales excluding inventory write-down	(1,490)	-	-	(1,490)
Inventory write-down	(1,132)	-	-	(1,132)
Mine operating earnings (loss)	(178)	-	27	(151)
EXPENSES				
General and administration	-	-	(518)	(518)
Care and maintenance - Goldwedge	-	(303)	-	(303)
Impairment of mining assets	(40)	-	-	(40)
	(40)	(303)	(518)	(861)
Operating loss	(218)	(303)	(491)	(1,012)
Other income (expense)				
Finance costs	(57)	(4)	(258)	(319)
Finance income	58	2	10	70
Foreign exchange	-	-	5	5
Gain on debt settlement	-	-	3,789	3,789
	1	(2)	3,546	3,545
Net earnings (loss) before income taxes	(217)	(305)	3,055	2,533
Income tax expense	31	-	-	31
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ (186)	\$ (305)	\$ 3,055	\$ 2,564

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

12. Segmented information (Continued)

Industry information (Continued)

As at June 30, 2020	Mineral			Total
	Ridge	Goldwedge	Other	
TOTAL ASSETS	\$ 13,267	\$ 1,180	\$ 614	\$ 15,061
TOTAL LIABILITIES	\$ 5,170	\$ 418	\$ 263	\$ 5,851

As at December 31, 2019	Mineral			Total
	Ridge	Goldwedge	Other	
TOTAL ASSETS	\$ 12,362	\$ 1,122	\$ 1,976	\$ 15,460
TOTAL LIABILITIES	\$ 5,170	\$ 414	\$ 223	\$ 5,807

Geographic information

All revenue from the sale of precious metals for the six months ended June 30, 2020 were earned in the USA. Substantially all of the Company's revenues were from two customers.

All of the Company's non-current assets are located in the USA.

13. Financial instruments and risk management

Financial instruments

Financial instruments are classified into one of the following categories: fair value through profit or loss ("FVTPL"); fair value through other comprehensive income ("FVTOCI"); or at amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instruments	Category	June 30, 2020	December 31, 2019
Cash	FVTPL	\$ 1,014	\$ 2,243
Receivables	Amortized cost	6	389
Reclamation bonds	Amortized cost	7,141	6,186
Trade and other payables	Amortized cost	(529)	(524)

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

13. Financial instruments (Continued)

Financial instruments (Continued)

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The carrying values of receivables, reclamation bonds, and trade and other payables approximate their fair value due to their short-term nature. Cash is recorded at fair value using Level 1 of the fair value hierarchy.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2019.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the six months ended June 30, 2020

(Unaudited - Tabular amounts expressed in thousands of US dollars unless otherwise noted)

14. Subsequent events

Subsequent to June 30, 2020, the Company completed the following transactions:

- In July 2020, the Company entered into a letter of intent (the "LOI") with Round Mountain Gold Corporation ("RMGC") and KG Mining (Round Mountain) Inc. ("KGM"), collectively the "Sellers", to acquire 100% interest in the Manhattan Project Properties (the "Property") in Nye County, Nevada (the "Transaction").

Consideration for the Transaction is \$250,000 as follows payable at closing:

- (i) \$100,000 cash; and
- (ii) \$150,000 in common shares priced at a 10% discount to the 10-day volume weighted average price on the TSX-V

Among the terms and conditions as outlined in the LOI, the Transaction is subject to an existing 1.0% net smelter returns royalty covering the patented and unpatented claims and a reserved 2% net smelter returns royalty on all minerals produced and sold from the unpatented claims.

- In July 2020, the Company granted 200,000 stock options to two investor relations companies at an exercise price of \$0.155 and to vest 25% on grant and 25% each quarter thereafter for a term of two years.
- In July 2020, the Company granted 150,000 stock options to officers of the Company at an exercise price of \$0.155 for a term of five years.