



Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 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)

		Three months ended March 31,	
	Note	2020	2019
REVENUE			
Revenue		\$ 1,039	\$ 1,486
Cost of sales excluding inventory write-down	4	(254)	(917)
Inventory write-down	7	(870)	(458)
Mine operating loss		(85)	111
EXPENSES			
General and administration	5	(197)	(197)
Care and maintenance - Goldwedge		(211)	(148)
Impairment of mining assets		-	(40)
Loss on disposal of assets	8	(4)	-
		(412)	(385)
Operating loss		(497)	(274)
Other income (expense)			
Finance costs	6	(209)	(150)
Finance income		15	30
Foreign exchange		(4)	3
Gain on debt settlement		-	3,789
		(198)	3,672
Net earnings (loss) before income taxes		(695)	3,398
Income tax expense		-	27
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (695)	\$ 3,425
Net earnings (loss) and comprehensive income (loss) attributable to:			
Shareholders of the Company		\$ (695)	\$ 3,412
Non-controlling interest		-	13
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)		\$ (695)	\$ 3,425
Basic and diluted earnings (loss) per common share		\$ (0.01)	\$ 0.05
Basic and diluted weighted average number of common shares outstanding		62,474,118	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	March 31, 2020	December 31, 2019
ASSETS			
Current assets			
Cash		\$ 1,796	\$ 2,243
Receivables		148	389
Prepaid expenses		519	434
Inventories	7	1,055	973
Total current assets		3,518	4,039
Producing mining assets	8	4,979	5,011
Non-producing mining assets	9	233	224
Reclamation bonds		6,201	6,186
TOTAL ASSETS		\$ 14,931	\$ 15,460
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		\$ 668	\$ 524
Income tax payable		5	5
Total current liabilities		673	529
Provision for environmental rehabilitation		5,300	5,278
Total liabilities		5,973	5,807
Equity			
Share capital	10	51,449	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		(55,830)	(55,135)
Total equity		8,958	9,653
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 14,931	\$ 15,460
Nature of operations and going concern	1		
Subsequent event	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
Net loss and comprehensive loss	-	-	-	-	-	-	(695)	-	(695)
Balance, March 31, 2020	62,474	\$ 51,449	\$ 6,688	\$ 6,847	\$ (2)	\$ (194)	\$ (55,830)	\$ -	\$ 8,958

	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
Net earnings and comprehensive income	-	-	-	-	-	-	3,412	13	3,425
Loss on acquisition of non-controlling interest	-	-	-	-	-	-	(4,780)	4,092	(688)
Balance, March 31, 2019	62,474	\$ 51,449	\$ 6,555	\$ -	\$ (2)	\$ (194)	\$ (50,170)	\$ -	\$ 7,638

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)

	Three months ended March 31,	
	2020	2019
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Net earnings (loss) before income taxes	\$ (695)	\$ 3,398
Items not affecting cash:		
Financing costs	209	134
Finance income	(15)	(30)
Gain on debt settlement	-	(3,789)
Impairment of mining assets	-	40
Loss on disposal of assets	4	-
Inventory write-down	870	458
Depletion and amortization	2	5
Change in non-cash working capital items:		
Receivables	241	(29)
Prepaid expenses	(85)	(111)
Inventories	(952)	(351)
Trade and other payables	(31)	70
	(452)	(205)
INVESTING ACTIVITIES:		
Additions to producing mining assets	(10)	-
Additions to non-producing mining assets	(11)	(24)
Proceeds from disposal of assets	26	-
Acquisition of non-controlling interest	-	(685)
	5	(709)
FINANCING ACTIVITIES:		
Promissory notes	-	3,000
Repayment of secured debt and financing lease	-	(2,345)
	-	655
DECREASE IN CASH FOR THE PERIOD	(447)	(259)
CASH, BEGINNING OF THE PERIOD	2,243	1,100
CASH, END OF PERIOD	\$ 1,796	\$ 841
Non-cash investing and financing activities		
Non-producing mining assets included in trade and other payables	\$ -	\$ 6
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 three months ended March 31, 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 March 31, 2020, the Company had working capital of \$2,845,000. 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 three months ended March 31, 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 May 27, 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 three months ended March 31, 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 March 31, 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 March 31,	
	2020	2019
Contractor charges	\$ 67	\$ 40
Labour	481	524
Fuel and reagents	281	299
Mechanical parts	30	29
Change in ore stockpile, metals in process, and finished goods inventories	(933)	(321)
Utilities, permits and other	328	346
	\$ 254	\$ 917

5. General and administrative

	Three months ended March 31,	
	2020	2019
Salaries and benefits	\$ 69	\$ 108
Consultants	38	2
Directors' fees	41	26
Insurance, travel and office related	19	13
Investor relations	4	4
Professional fees	1	29
Transfer agent and listing fees	25	15
	\$ 197	\$ 197

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 2020

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

6. Finance costs

	Year ended December 31,	
	2019	2018
Interest on convertible debentures	\$ 187	\$ -
Interest on secured debt	-	104
Interest on promissory notes	-	16
Unwinding of discount of provision for environmental rehabilitation	22	30
	\$ 209	\$ 150

7. Inventories

	March 31,	December 31,
	2020	2019
Supplies	\$ 763	\$ 745
Metals in process	174	217
Finished goods	118	11
	\$ 1,055	\$ 973

During the three months ended March 31, 2020, inventory included as cost of sales is \$1,124,000 (2019 - \$1,375,000).

During the three months ended March 31, 2020, the Company recognized an inventory write-down of \$870,000 (2019 - \$458,000).

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 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)
March 31, 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	-	2	-	-	2
March 31, 2020	\$ 74,559	\$ 19,238	\$ 1,265	\$ 821	\$ 95,883
Net book value					
December 31, 2019	\$ -	\$ 4,085	\$ 921	\$ 5	\$ 5,011
March 31, 2020	\$ -	\$ 4,053	\$ 921	\$ 5	\$ 4,979

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 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)
March 31, 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	-	2	2
March 31, 2020	\$ 93,688	\$ 2,195	\$ 95,883
Net book value			
December 31, 2019	\$ 4,415	\$ 596	\$ 5,011
March 31, 2020	\$ 4,385	\$ 594	\$ 4,979

During the three months ended March 31, 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 three months ended March 31, 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	3	-	-	-	6	9
March 31, 2020	\$ 16,719	\$ 689	\$ 604	\$ -	\$ 1,681	\$ 19,693
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
Depletion and amortization	-	-	-	-	-	-
March 31, 2020	\$ 16,716	\$ 532	\$ 537	\$ -	\$ 1,675	\$ 19,460
Net book value						
December 31, 2019	\$ -	\$ 157	\$ 67	\$ -	\$ -	\$ 224
March 31, 2020	\$ 3	\$ 157	\$ 67	\$ -	\$ 6	\$ 233

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 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	6	3	-	9
March 31, 2020	\$ 7,589	\$ 12,086	\$ 18	\$ 19,693
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
Depletion and amortization	-	-	-	-
March 31, 2020	\$ 7,583	\$ 11,859	\$ 18	\$ 19,460
Net book value				
December 31, 2019	\$ -	\$ 224	\$ -	\$ 224
March 31, 2020	\$ 6	\$ 227	\$ -	\$ 233

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 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

During the three months ended March 31, 2020, the Company did not issue any common shares.

(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 three months ended March 31, 2020 is as follows:

Expiry date	Exercise price C\$	Balance, December 31, 2019	Granted	Exercised	Expired	Balance, March 31, 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 March 31, 2020, all of the outstanding stock options were exercisable.

As at March 31, 2020, the weighted average remaining contractual life of the stock options outstanding was 3.31 years.

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 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 months ended March 31, 2020 and 2019 were as follows:

	Three months ended March 31,	
	2020	2019
Salaries* and director fees	\$ 179	\$ 189
	\$ 179	\$ 189

* 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 March 31, 2020, is \$21,000 (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 three months ended March 31, 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 March 31, 2020	Mineral Ridge	Goldwedge	Other	Total
REVENUE				
Revenue	\$ 1,039	\$ -	\$ -	\$ 1,039
Cost of sales excluding inventory write-down	(254)	-	-	(254)
Inventory write-down	(870)	-	-	(870)
Mine operating loss	(85)	-	-	(85)
EXPENSES				
General and administration	-	-	(197)	(197)
Care and maintenance - Goldwedge	-	(211)	-	(211)
Loss on disposal of assets	(4)	-	-	(4)
	(4)	(211)	(197)	(412)
Operating loss	(89)	(211)	(197)	(497)
Other income (expense)				
Finance costs	(20)	(2)	(187)	(209)
Finance income	15	-	-	15
Foreign exchange	-	-	(4)	(4)
	(5)	(2)	(191)	(198)
Net loss before income taxes	(94)	(213)	(388)	(695)
Income tax expense	-	-	-	-
NET LOSS AND COMPREHENSIVE LOSS	\$ (94)	\$ (213)	\$ (388)	\$ (695)

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 2020

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

12. Segmented information (Continued)

Industry information (Continued)

Three months ended March 31, 2019	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 1,486	\$ -	\$ -	\$ 1,486
Inter-segment (expense) - management fees	(27)	-	27	-
Cost of sales excluding inventory write-down	(917)	-	-	(917)
Inventory write-down	(458)	-	-	(458)
Mine operating earnings	84	-	27	111
EXPENSES				
General and administration	-	-	(197)	(197)
Care and maintenance - Goldwedge	-	(148)	-	(148)
Impairment of mining assets	(40)	-	-	(40)
	(40)	(148)	(197)	(385)
Operating earning (loss)	44	(148)	(170)	(274)
Other income (expense)				
Finance costs	(29)	(2)	(119)	(150)
Finance income	29	1	-	30
Foreign exchange	-	-	3	3
Gain on debt settlement	-	-	3,789	3,789
	-	(1)	3,673	3,672
Net earnings (loss) before income taxes	44	(149)	3,503	3,398
Income tax expense	27	-	-	27
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME	\$ 71	\$ (149)	\$ 3,503	\$ 3,425

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 2020

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

12. Segmented information (Continued)

Industry information (Continued)

As at March 31, 2020	Mineral			Total
	Ridge	Goldwedge	Other	
TOTAL ASSETS	\$ 12,209	\$ 1,094	\$ 1,628	\$ 14,931
TOTAL LIABILITIES	\$ 5,131	\$ 390	\$ 452	\$ 5,973

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 three months ended March 31, 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	March 31, 2020	December 31, 2019
Cash	FVTPL	\$ 1,796	\$ 2,243
Receivables	Amortized cost	148	389
Reclamation bonds	Amortized cost	6,201	6,186
Trade and other payables	Amortized cost	(668)	(524)

Scorpio Gold Corporation

Notes to the condensed interim consolidated financial statements

For the three months ended March 31, 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.

14. Subsequent event

In April 2020, the Company elected to settle its semi-annual interest payment on its convertible debenture by the issue of 6,793,173 common shares calculated at \$0.075 per share (initially calculated at \$0.08 per share for 6,368,600 common shares) to settle its semi-annual interest payment of \$362,000.