



Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

(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 Loss and Comprehensive Loss

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

	Note	Three months ended September 30,		Nine months ended September 30,	
		2021	2020	2021	2020
REVENUE					
Revenue		\$ 698	\$ 1,434	\$ 2,397	\$ 3,914
Cost of sales excluding inventory write-down	4	(707)	(627)	(1,529)	(1,279)
Depreciation and amortization	8 & 9	(12)	-	(34)	-
Inventory write-down	7	(386)	(797)	(1,599)	(2,278)
Mine operating earnings (loss)		(407)	10	(765)	357
EXPENSES					
General and administration	5	(160)	(629)	(591)	(942)
Care and maintenance - Goldwedge		(193)	(129)	(556)	(550)
Depreciation and amortization	8 & 9	(11)	-	(33)	-
Impairment of mining assets		-	-	-	(4)
Gain on disposal of assets	8	11	28	51	24
		(353)	(730)	(1,129)	(1,472)
Operating loss		(760)	(720)	(1,894)	(1,115)
Other income (expense)					
Finance costs	6	(186)	(220)	(557)	(642)
Finance income		1	-	6	16
Foreign exchange		(21)	(28)	12	(32)
Gain (loss) on warrant liability	10	(125)	-	1,616	-
		(331)	(248)	1,077	(658)
NET LOSS AND COMPREHENSIVE LOSS		\$ (1,091)	\$ (968)	\$ (817)	\$ (1,773)
Basic and diluted loss per common share		\$ (0.01)	\$ (0.01)	\$ (0.01)	\$ (0.03)
Basic and diluted weighted average number of common shares outstanding		112,100,106	74,096,639	111,427,829	67,929,207

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	September 30, 2021	December 31, 2020
ASSETS			
Current assets			
Cash		\$ 712	\$ 4,147
Receivables		5	23
Prepaid expenses		379	490
Inventories	7	1,093	1,122
Total current assets		2,189	5,782
Producing mining assets	8	4,842	4,841
Non-producing mining assets	9	2,280	725
Reclamation bonds		7,723	7,611
TOTAL ASSETS		\$ 17,034	\$ 18,959
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Trade and other payables		\$ 883	\$ 635
Total current liabilities		883	635
Provision for environmental rehabilitation		5,497	5,474
Warrant liability	10	725	2,305
Total liabilities		7,105	8,414
Equity			
Share capital	12	53,555	53,336
Equity reserve	12	7,143	7,141
Convertible debentures	11	6,797	6,817
Investment valuation reserve		(2)	(2)
Foreign currency translation reserve		(194)	(194)
Deficit		(57,370)	(56,553)
Total equity		9,929	10,545
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		\$ 17,034	\$ 18,959
Nature of operations and going concern	1		
Subsequent events	16		

APPROVED BY THE BOARD*“Peter Brieger”*

Director

“Brian Lock”

Director

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

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	Total equity
Balance, December 31, 2020	109,759	\$ 53,336	\$ 7,141	\$ 6,817	\$ (2)	\$ (194)	\$ (56,553)	\$ 10,545
Issuance of common shares on conversion of convertible debentures	250	20	-	(20)	-	-	-	-
Issuance of common shares for non-producing mining assets	2,091	199	-	-	-	-	-	199
Share-based compensation	-	-	2	-	-	-	-	2
Net loss and comprehensive loss	-	-	-	-	-	-	(817)	(817)
Balance, September 30, 2021	112,100	\$ 53,555	\$ 7,143	\$ 6,797	\$ (2)	\$ (194)	\$ (57,370)	\$ 9,929

	Number of shares	Share capital	Equity reserve	Convertible debentures	Investment valuation reserve	Foreign currency translation reserve	Deficit	Total equity
Balance, December 31, 2019	62,474	\$ 51,449	\$ 6,688	\$ 6,847	\$ (2)	\$ (194)	\$ (55,135)	\$ 9,653
Private placement	27,769	1,063	2,237	-	-	-	-	3,300
Issuance of common shares for convertible debenture interest	6,793	362	-	-	-	-	-	362
Share-based compensation	-	-	449	-	-	-	-	449
Net loss and comprehensive loss	-	-	-	-	-	-	(1,773)	(1,773)
Balance, September 30, 2020	97,036	\$ 52,874	\$ 9,374	\$ 6,847	\$ (2)	\$ (194)	\$ (56,908)	\$ 11,991

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)

	Nine months ended September 30,	
	2021	2020
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES:		
Net loss for the period	\$ (817)	\$ (1,773)
Adjustment for:		
Income tax paid	-	(5)
Items not affecting cash:		
Share-based compensation	2	449
Financing costs	557	642
Finance income	(1)	(16)
Gain on warrant liability	(1,616)	-
Impairment of mining assets	-	4
(Gain) loss on disposal of assets	(51)	(24)
Inventory write-down	1,599	2,278
Depletion and amortization	67	8
Foreign exchange on warrant liability	36	-
Change in non-cash working capital items:		
Receivables	18	380
Prepaid expenses	111	(164)
Inventories	(1,570)	(2,367)
Trade and other payables	(504)	56
	(2,169)	(532)
INVESTING ACTIVITIES:		
Additions to producing mining assets	(75)	(10)
Additions to non-producing mining assets	(1,143)	(216)
Proceeds from disposal of assets	63	109
Reclamation bonds	(111)	(939)
	(1,266)	(1,056)
FINANCING ACTIVITIES:		
Private placement	-	3,360
Share issue costs	-	(60)
	-	3,300
CHANGE IN CASH FOR THE PERIOD	(3,435)	1,712
CASH, BEGINNING OF THE PERIOD	4,147	2,243
CASH, END OF PERIOD	\$ 712	\$ 3,955
Non-cash investing and financing activities		
Issuance of common shares on conversion of convertible debentures	\$ 20	\$ 362
Issuance of common shares for non-producing mining assets	199	-
Non-producing mining assets included in trade and other payables	259	29
Supplemental cash flow information		
Cash paid for interest	-	-
Cash paid for income taxes	-	5

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 nine months ended September 30, 2021

(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”).

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 September 30, 2021, the Company had working capital of \$1,306,000. 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 may 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 condensed interim consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

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, 2020.

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 23, 2021.

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

2. Basis of presentation (Continued)

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, 2020.

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, 2020.

New standards, interpretations and amendments not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective as of September 30, 2021 and have not been applied in preparing these consolidated financial statements. In addition, none of these standards are applicable to the Company.

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

4. Cost of sales

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Contractor charges	\$ 80	\$ 136	\$ 190	\$ 285
Labour	358	431	1,081	1,351
Fuel and reagents	348	235	1,073	706
Mechanical parts	31	155	80	201
Change in ore stockpile, metals in process, and finished goods inventories	(411)	(764)	(1,662)	(2,385)
Utilities, permits and other	301	434	767	1,121
	\$ 707	\$ 627	\$ 1,529	\$ 1,279

5. General and administrative

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and benefits	\$ 53	\$ 14	\$ 163	\$ 118
Consultants	46	24	141	80
Directors' fees	-	-	-	41
Insurance, travel and office related	15	15	43	48
Investor relations	41	59	183	80
Professional fees	2	53	36	72
Share-based compensation (Note 12)	-	449	2	449
Transfer agent and listing fees	3	15	23	54
	\$ 160	\$ 629	\$ 591	\$ 942

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

6. Finance costs

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Interest on convertible debentures	\$ 179	\$ 198	\$ 534	\$ 576
Unwinding of discount of provision for environmental rehabilitation	7	22	23	66
	\$ 186	\$ 220	\$ 557	\$ 642

7. Inventories

	September 30, 2021	December 31, 2020
Supplies	\$ 694	\$ 792
Metals in process	384	315
Finished goods	15	15
	\$ 1,093	\$ 1,122

During the nine months ended September 30, 2021, inventory included as cost of sales is \$3,128,000 (2020 - \$3,557,000).

During the nine months ended September 30, 2021, the Company recognized an inventory write-down of \$1,599,000 (2020 - \$2,278,000).

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

8. Producing mining assets

In August 2020, the Company granted an option to Titan Mining Corporation (“Titan”) to earn an 80% interest in the Mineral Ridge property by spending \$35,000,000 on exploration over five years. In June 2021, Titan terminated the agreement.

	Mining interest	Plant and Equipment	Mobile equipment	Furniture and office equipment	Total
Cost					
December 31, 2019	\$ 74,261	\$ 23,244	\$ 2,186	\$ 816	\$ 100,507
Change in provision for environmental rehabilitation	80	-	-	-	80
Disposals	-	(345)	-	-	(345)
Impairment	(80)	-	-	-	(80)
December 31, 2020	74,261	22,899	2,186	816	100,162
Additions	-	73	-	2	75
Disposals	-	(350)	-	-	(350)
September 30, 2021	\$ 74,261	\$ 22,622	\$ 2,186	\$ 818	\$ 99,887
Accumulated impairment, depletion and amortization					
December 31, 2019	\$ 74,261	\$ 19,159	\$ 1,265	\$ 811	\$ 95,496
Depreciation and amortization	-	34	47	4	85
Disposals	-	(260)	-	-	(260)
December 31, 2020	74,261	18,933	1,312	815	95,321
Depreciation and amortization	-	27	34	3	64
Disposals	-	(340)	-	-	(340)
September 30, 2021	\$ 74,261	\$ 18,620	\$ 1,346	\$ 818	\$ 95,045
Net book value					
December 31, 2020	\$ -	\$ 3,966	\$ 874	\$ 1	\$ 4,841
September 30, 2021	\$ -	\$ 4,002	\$ 840	\$ -	\$ 4,842

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

*(Tabular amounts expressed in thousands of US dollars unless otherwise noted)***8. Producing mining assets (Continued)**

	Mineral Ridge	Goldwedge	Total
Cost			
December 31, 2019	\$ 97,718	\$ 2,789	\$ 100,507
Change in provision for environmental rehabilitation	80	-	80
Disposals	(345)	-	(345)
Impairment	(80)	-	(80)
December 31, 2020	97,373	2,789	100,162
Additions	48	27	75
Disposals	(350)	-	(350)
September 30, 2021	\$ 97,071	\$ 2,816	\$ 99,887
Accumulated impairment, depletion and amortization			
December 31, 2019	\$ 93,303	\$ 2,193	\$ 95,496
Depreciation and amortization	47	38	85
Disposals	(260)	-	(260)
December 31, 2020	93,090	2,231	95,321
Depreciation and amortization	34	30	64
Disposals	(340)	-	(340)
September 30, 2021	\$ 92,784	\$ 2,261	\$ 95,045
Net book value			
December 31, 2020	\$ 4,283	\$ 558	\$ 4,841
September 30, 2021	\$ 4,287	\$ 555	\$ 4,842

During the nine months ended September 30, 2021, the Company sold equipment with a net book value of \$10,000 for gross proceeds of \$49,000, and accordingly recorded a gain on disposal of assets of \$39,000.

During the nine months ended September 30, 2020, the Company sold equipment with a net book value of \$85,000 for gross proceeds of \$109,000, and accordingly recorded a loss on disposal of assets of \$24,000.

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

9. Non-producing mining assets

In March 2021, the Company completed an acquisition of the Manhattan project located in Nye County, Nevada and situated adjacent and proximal to the Company's Goldwedge property. In consideration, the Company paid \$100,000 cash and issued 2,091,149 common shares valued at \$199,000 (Note 12). The property is subject to a 2.0% net smelter returns royalty and certain reserved water rights.

	Mining interest	Plant and Equipment	Mobile equipment	Construction in progress	Total
Cost					
December 31, 2019	\$ 13,824	\$ 689	\$ 604	\$ 1,644	\$ 16,761
Additions	390	-	-	113	503
Change in provision for environmental rehabilitation	28	-	-	-	28
Impairment	(10)	-	-	(16)	(26)
December 31, 2020	14,232	689	604	1,741	17,266
Additions	1,222	-	-	39	1,261
Additions - Manhattan Gap	299	-	-	-	299
Disposals	-	(9)	-	-	(9)
September 30, 2021	\$ 15,753	\$ 680	\$ 604	\$ 1,780	\$ 18,817
Accumulated impairment, depletion and amortization					
December 31, 2019	\$ 13,824	\$ 532	\$ 537	\$ 1,644	\$ 16,537
Depreciation and amortization	-	4	-	-	4
December 31, 2020	13,824	536	537	1,644	16,541
Depreciation and amortization	-	3	-	-	3
Disposals	-	(7)	-	-	(7)
September 30, 2021	\$ 13,824	\$ 532	\$ 537	\$ 1,644	\$ 16,537
Net book value					
December 31, 2020	\$ 408	\$ 153	\$ 67	\$ 97	\$ 725
September 30, 2021	\$ 1,929	\$ 148	\$ 67	\$ 136	\$ 2,280

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

*(Tabular amounts expressed in thousands of US dollars unless otherwise noted)***9. Non-producing mining assets (Continued)**

	Mineral		
	Ridge	Goldwedge	Total
Cost			
December 31, 2019	\$ 7,547	\$ 9,214	\$ 16,761
Additions	26	477	503
Change in provision for environmental rehabilitation	-	28	28
Impairment	(26)	-	(26)
December 31, 2020	7,547	9,719	17,266
Additions	-	1,261	1,261
Additions - Manhattan Gap	-	299	299
Disposals	-	(9)	(9)
September 30, 2021	\$ 7,547	\$ 11,270	\$ 18,817
Accumulated impairment, depletion and amortization			
December 31, 2019	\$ 7,547	\$ 8,990	\$ 16,537
Depreciation and amortization	-	4	4
December 31, 2020	7,547	8,994	16,541
Depreciation and amortization	-	3	3
Disposals	-	(7)	(7)
September 30, 2021	\$ 7,547	\$ 8,990	\$ 16,537
Net book value			
December 31, 2020	\$ -	\$ 725	\$ 725
September 30, 2021	\$ -	\$ 2,280	\$ 2,280

During the nine months ended September 30, 2021, the Company sold equipment with a net book value of \$2,000 for gross proceeds of \$14,000, and accordingly recorded a gain on disposal of assets of \$12,000.

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

10. Warrant liability

	September 30, 2021	December 31, 2020
Beginning balance	\$ 2,305	\$ -
Issuance of warrants	-	3,337
Gain on revaluation	(1,616)	(1,148)
Currency translation effect	36	116
Ending balance	\$ 725	\$ 2,305

Share purchase warrants are considered a derivative liability, as the currency denomination of the exercise price is different from the functional currency of the Company.

The warrant liability was revalued as at September 30, 2021 using the Black-Scholes option pricing model with the following assumptions: a stock price of C\$0.10; a risk free interest rate of 0.52%; an expected volatility of 88%; an expected life of 1.96 years; a forfeiture rate of zero; an expected dividend of zero; and an exchange rate of 1.2741.

11. Convertible debentures

	September 30, 2021	December 31, 2020
Beginning balance	\$ 6,817	\$ 6,847
Conversion to common shares	(20)	(30)
Ending balance	\$ 6,797	\$ 6,817

On April 26, 2019, the Company closed a non-brokered private placement offering of secured subordinated convertible debentures (each, a "Debenture") for gross proceeds of \$7,000,000.

Each Debenture has an issue price of \$1,000, bears interest at a rate of 10% per annum, payable semi-annually, and matures April 26, 2022. Interest may be paid in common shares of the Company at the option of the Company or the holder of the Debenture, subject to regulatory approval. Each Debenture is convertible into common shares at the option of the holder at any time prior to maturity at a conversion price of \$0.08 per share (the "Conversion Price"), which is equivalent to 12,500 common shares for each \$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. The Company will have the option on maturity, subject to regulatory approval and there being no default to the terms of the Debentures, to repay any portion of the principal amount of the Debentures in cash or by issuing and delivering to the holders of the Debentures such number of common shares equal to the principal amount of the Debenture divided by the Conversion Price.

The Debentures are secured by a security interest subordinate to all existing and future senior indebtedness of the Company as approved by the Company's board of directors, subject to certain board composition requirements.

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

11. Convertible debentures (Continued)

In January and February 2021, the Company issued 250,000 common shares on conversion of \$20,000 of Debentures (Note 12).

In April 2021, the Company paid \$355,000 cash to settle its semi-annual interest payment on the Debentures.

During the nine months ended September 30, 2021, the Company recorded interest expense of \$534,000 (2020 - \$576,000) on the Debentures.

As at September 30, 2021, interest payable on the Debentures totalled \$307,000 (December 31, 2020 - \$170,000) and is included in trade and other payables.

12. Share capital

(a) Authorized

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

(b) Issued and outstanding

In January and February 2021, the Company issued 250,000 common shares on conversion of \$20,000 of Debentures (Note 11).

In March 2021, the Company issued 2,091,149 common shares valued at \$199,000 as part of the acquisition of the Manhattan project (Note 9).

(c) Warrants

The continuity of warrants for the nine months ended September 30, 2021 is as follows:

Expiry date	Exercise price C\$	Balance, December 31, 2020	Granted	Exercised	Expired	Balance, September 30, 2021		
September 14, 2023	\$ 0.24	37,500,000	-	-	-	37,500,000		
		37,500,000	-	-	-	37,500,000		
Weighted average exercise price (C\$)	\$	0.24	\$	-	\$	-	\$	0.24

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

12. Share capital (Continued)

(d) 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 nine months ended September 30, 2021 is as follows:

Expiry date	Exercise price C\$	Balance, December 31, 2020	Granted	Exercised	Expired	Balance, September 30, 2021		
August 30, 2021	\$ 0.17	1,095,000	-	-	(1,095,000)	-		
July 23, 2022	\$ 0.155	200,000	-	-	-	200,000		
June 6, 2023	\$ 0.55	720,000	-	-	-	720,000		
June 5, 2024	\$ 0.10	2,500,000	-	-	-	2,500,000		
July 23, 2025	\$ 0.155	150,000	-	-	-	150,000		
September 14, 2025	\$ 0.165	3,785,000	-	-	-	3,785,000		
		8,450,000	-	-	(1,095,000)	7,355,000		
Weighted average exercise price (C\$)	\$	0.18	\$	-	\$	0.17	\$	0.18

As at September 30, 2021, all stock options were exercisable.

As at September 30, 2021, the weighted average remaining contractual life of the stock options outstanding was 3.21 years.

(e) Share-based compensation

During the nine months ended September 30, 2021, the Company recognized share-based compensation expense of \$2,000 (2020 - \$449,000) for options that vested during the period.

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

13. 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 Chief Financial Officer, and the Corporate Secretary. The aggregate compensation paid or accrued to key management personnel during the three and nine months ended September 30, 2021 and 2020 were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
Salaries and benefits				
Chief Executive Officer	\$ 53	\$ 23	\$ 159	\$ 99
Chief Financial Officer & Corporate Secretary	40	22	120	77
Former President *	-	17	-	117
	93	62	279	293
Director fees	-	-	-	40
Share-based compensation	-	270	-	270
	\$ 93	\$ 332	\$ 279	\$ 603

* allocated to cost of sales and care and maintenance

Amounts due to related parties

Included in trade and other payables as at September 30, 2021, is \$18,000 (December 31, 2020 - \$18,000) due to key management for director fees and the reimbursement of expenditures.

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Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

14. 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 September 30, 2021	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 698	\$ -	\$ -	\$ 698
Cost of sales excluding inventory write-down	(707)	-	-	(707)
Depreciation and amortization	(12)	-	-	(12)
Inventory write-down	(386)	-	-	(386)
Mine operating loss	(407)	-	-	(407)
EXPENSES				
General and administration	-	-	(160)	(160)
Care and maintenance - Goldwedge	-	(193)	-	(193)
Depreciation and amortization	-	(11)	-	(11)
Gain on disposal of assets	-	11	-	11
	-	(193)	(160)	(353)
Operating loss	(407)	(193)	(160)	(760)
Other income (expense)				
Finance costs	(7)	(1)	(178)	(186)
Finance income	-	-	1	1
Foreign exchange	-	-	(21)	(21)
Loss on warrant liability	-	-	(125)	(125)
	(7)	(1)	(323)	(331)
NET LOSS AND COMPREHENSIVE LOSS	\$ (414)	\$ (194)	\$ (483)	\$ (1,091)

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

*(Tabular amounts expressed in thousands of US dollars unless otherwise noted)***14. Segmented information (Continued)****Industry information (Continued)**

Three months ended September 30, 2020	Mineral			Total
	Ridge	Goldwedge	Other	
REVENUE				
Revenue	\$ 1,434	\$ -	\$ -	\$ 1,434
Cost of sales excluding inventory write-down	(627)	-	-	(627)
Inventory write-down	(797)	-	-	(797)
Mine operating earnings	10	-	-	10
EXPENSES				
General and administration	-	-	(629)	(629)
Care and maintenance - Goldwedge	-	(129)	-	(129)
Gain on disposal of assets	28	-	-	28
	28	(129)	(629)	(730)
Operating earnings (loss)	38	(129)	(629)	(720)
Other income (expense)				
Finance costs	(20)	(2)	(198)	(220)
Foreign exchange	-	-	(28)	(28)
	(20)	(2)	(226)	(248)
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 18	\$ (131)	\$ (855)	\$ (968)

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

*(Tabular amounts expressed in thousands of US dollars unless otherwise noted)***14. Segmented information (Continued)****Industry information (Continued)**

Nine months ended September 30, 2021	Mineral			
	Ridge	Goldwedge	Other	Total
REVENUE				
Revenue	\$ 2,397	\$ -	\$ -	\$ 2,397
Cost of sales excluding inventory write-down	(1,529)	-	-	(1,529)
Depreciation and amortization	(34)	-	-	(34)
Inventory write-down	(1,599)	-	-	(1,599)
Mine operating loss	(765)	-	-	(765)
EXPENSES				
General and administration	-	-	(591)	(591)
Care and maintenance - Goldwedge	-	(556)	-	(556)
Depreciation and amortization	-	(33)	-	(33)
Gain on disposal of assets	40	11	-	51
	40	(578)	(591)	(1,129)
Operating loss	(725)	(578)	(591)	(1,894)
Other income (expense)				
Finance costs	(21)	(2)	(534)	(557)
Finance income	1	-	5	6
Foreign exchange	-	-	12	12
Gain on warrant liability	-	-	1,616	1,616
	(20)	(2)	1,099	1,077
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ (745)	\$ (580)	\$ 508	\$ (817)

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

*(Tabular amounts expressed in thousands of US dollars unless otherwise noted)***14. Segmented information (Continued)****Industry information (Continued)**

Nine months ended September 30, 2020	Mineral			
	Ridge	Goldwedge	Other	Total
REVENUE				
Revenue	\$ 3,914	\$ -	\$ -	\$ 3,914
Cost of sales excluding inventory write-down	(1,279)	-	-	(1,279)
Inventory write-down	(2,278)	-	-	(2,278)
Mine operating earnings	357	-	-	357
EXPENSES				
General and administration	-	-	(942)	(942)
Care and maintenance - Goldwedge	-	(550)	-	(550)
Impairment of mining assets	(4)	-	-	(4)
Gain on disposal of assets	24	-	-	24
	20	(550)	(942)	(1,472)
Operating earnings (loss)	377	(550)	(942)	(1,115)
Other income (expense)				
Finance costs	(61)	(5)	(576)	(642)
Finance income	15	1	-	16
Foreign exchange	-	-	(32)	(32)
	(46)	(4)	(608)	(658)
NET EARNINGS (LOSS) AND COMPREHENSIVE INCOME (LOSS)	\$ 331	\$ (554)	\$ (1,550)	\$ (1,773)

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

14. Segmented information (Continued)

Industry information (Continued)

As at September 30, 2021	Mineral			Total
	Ridge	Goldwedge	Other	
TOTAL ASSETS	\$ 13,210	\$ 3,188	\$ 636	\$ 17,034
TOTAL LIABILITIES	\$ 5,354	\$ 683	\$ 1,068	\$ 7,105

As at December 31, 2020	Mineral			Total
	Ridge	Goldwedge	Other	
TOTAL ASSETS	\$ 13,323	\$ 1,583	\$ 4,053	\$ 18,959
TOTAL LIABILITIES	\$ 5,436	\$ 462	\$ 2,516	\$ 8,414

Geographic information

All revenue from the sale of precious metals for the nine months ended September 30, 2021 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.

15. 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	September 30, December 31,	
		2021	2020
Cash	FVTPL	\$ 712	\$ 4,147
Receivables	Amortized cost	5	23
Reclamation bonds	Amortized cost	7,723	7,611
Trade and other payables	Amortized cost	(883)	(635)
Warrant liability	FVTPL	(725)	(2,305)

Scorpio Gold Corporation

Notes to the Condensed Interim Consolidated Financial Statements

For the nine months ended September 30, 2021

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

15. 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. The fair value of the Company's warrant liability is recorded at fair value using Level 3 of the fair value hierarchy. The carrying value of the warrant liability is determined using the Black-Scholes option pricing model.

Risk management

The Company's risk management objectives and policies are consistent with those disclosed by the Company for the year ended December 31, 2020.

16. Subsequent events

Subsequent to September 30, 2021, the Company completed the following transactions:

- In October 2021, the Company issued 4,579,083 common shares valued at \$357,000 to settle its semi-annual interest payment on its convertible debentures.
- In October 2021, the Company entered into a credit facility agreement with certain directors of the Company. The credit facility is unsecured and interest free. Pursuant to the agreement, the Company may draw advances up to \$500,000 at a minimum of \$100,000 increments. All advances must be repaid within the earlier of the Company closing a private placement more than C\$1,000,000 and January 1, 2022. The Company has received total advances of \$400,000 to date.