

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 12, 2015) - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX VENTURE:SGN) announces that the Company has entered into a binding letter agreement with Coral Reef Capital LLC ("Coral Reef") for the issuance of Senior Secured Convertible Notes (the "Notes") in the principal amount of US\$3,370,000 the proceeds of which will be used for the purposes of funding exploration, development and mining of the Mineral Ridge property and exploration at the Goldwedge property, for general working capital purposes, and to fund fees and expenses incurred in connection with the Notes transaction, as well as fees and expenses from the previous cancelled Coral Reef financing (see news release of April 28, 2015).

The Notes will bear interest at 12% per annum and mature 13 months after their issue date, subject to a right of the Company to extend maturity for six months if the Notes are not in default. The Notes will be convertible into common shares of Scorpio Gold at the option of Coral Reef based on a conversion price of US\$0.108, per share, being the current US\$ equivalent market price of the Company's shares. In addition, the Company will pay a 2% arrangement fee to Coral Reef and will issue to Coral Reef 31,217,529 common share purchase warrants (the "Warrants"). The Warrants will have an exercise price of US\$0.108 and will expire upon maturity of the Notes. However, should the Notes be prepaid in advance of one year, the exercise period of the Warrants will be one year from the date of issuance. The Notes and Warrants will contain a restriction that they may not be converted or exercised to acquire more than an aggregate of 19.99% of the outstanding common shares of the Company unless shareholder approval is first obtained. Coral Reef will be granted two board of director observer positions on closing and, if Coral Reef holds at least 19.99% of Scorpio Gold's outstanding shares as a result of the conversion of the Notes or the exercise of the Warrants, Coral Reef's appointed observers will become directors of Scorpio Gold.

The Notes will be subject to customary default/acceleration provisions as well as customary financial covenants including a restriction on maximum capital expenditures and a minimum required level of earnings before interest, tax, depreciation and amortization (EBITDA). The Notes will be secured by the Company's interest in the Mineral Ridge Mine as well as the Goldwedge property. The issue of the Notes remains subject to definitive documentation, regulatory approvals and other customary conditions.

ON BEHALF OF THE BOARD

SCORPIO GOLD CORPORATION

Peter J. Hawley, CEO

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

The Company relies on litigation protection for forward-looking statements. This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur, and include, without restriction, any statements regarding the Company plans with respect to the closing of the Notes financing and Scorpio Gold's planned use of the proceeds thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements, including risks related to the ability of the parties to agree on definitive documentation, and receipt of regulatory approval, and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty thereof.

Contact

[Scorpio Gold Corp.](#)

Peter J. Hawley

CEO

(819) 825-7618

phawley@scorpiogold.com

www.scorpiogold.com