

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 29, 2015) - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX VENTURE:SGN) is pleased to announce its financial results for the first quarter ended March 31, 2015 ("Q1"). This press release should be read in conjunction with the Company's condensed consolidated interim financial statements for the three-month period ended March 31, 2015 and Management Discussion & Analysis for the same period, available on the Company's website at www.scorpogold.com and under the Company's name on SEDAR at www.sedar.com. All monetary amounts are expressed in US dollars unless otherwise specified.

PERFORMANCE HIGHLIGHTS:

	Q1 2015	Q1 2014
	\$	\$
Revenue (\$000's)	12,343	13,249
Mine operating earnings (\$000's)	2,055	1,330
Net earnings (\$000's)	755	378
Basic and diluted earnings per share	0.00	0.00
Adjusted net earnings ⁽¹⁾ (\$000's)	979	386
Adjusted basic and diluted net earnings per share ⁽¹⁾	0.00	0.00
Adjusted EBITDA ⁽¹⁾ (\$000's)	1,871	3,933
Adjusted basic and diluted EBITDA per share ⁽¹⁾	0.01	0.02
Cash flow from operating activities(\$000's)	4,344	3,138
Total cash cost per ounce of gold sold ⁽¹⁾	797	794
Gold ounces produced	11,952	10,294

⁽¹⁾ This is a non-IFRS measure; refer to Non-IFRS Measures section of this press release and the Company's Management Discussion & Analysis for Q1 of 2015 for a complete definition and reconciliation to the IFRS results reported in the Company's financial statements for Q1 of 2015.

Peter Hawley, CEO, comments, "The Mineral Ridge operation has posted another strong quarter, producing 11,952 ounces of gold at a total cash cost of \$797 per ounce of gold sold, and is well on track to meet the Company's 2014 production forecast of 40,000 to 45,000 ounces gold at a cash cost of \$800 to \$850 per ounce of gold sold. Our focus remains on operational excellence, and I am very proud of the team's continued ability to deliver solid results despite a lower average gold price."

Highlights for the First Quarter Ended March 31, 2015 and Subsequent Events:

- 11,952 ounces of gold were produced at the Mineral Ridge mine during Q1 of 2015, compared to 10,294 ounces during Q1 of 2014. This 16% increase was primarily caused by increased leach solution flow to the heap leach pad, beginning in July 2014, which has increased ounce recoveries and reduced pad inventory levels.
- Revenue of \$12.3 million, compared to \$13.2 million during Q1 of 2014, due mainly to a lower average realized gold price during Q1 of 2015 compared to Q1 of 2014.
- Total cash cost per ounce of gold sold⁽¹⁾ of \$797, compared to \$794 during Q1 of 2014.
- Mine operating earnings ⁽¹⁾ of \$2.1 million, compared to \$1.3 million during Q1 of 2014.
- Net earnings of \$0.8 million (\$0.00 basic and diluted per share), compared to \$0.4 million (\$0.00 basic and diluted per share) during Q1 of 2014.
- Adjusted net earnings⁽¹⁾ of \$1.0 million (\$0.00 basic and diluted per share), compared to \$0.4 million (\$0.00 basic and diluted per share) during Q1 of 2014.
- Adjusted EBITDA ⁽¹⁾ of \$1.9 million (\$0.01 basic and diluted per share), compared to \$3.9 million (\$0.02 basic and diluted per share) during Q1 of 2014.
- During Q1 of 2015, the Company received proceeds of \$3.3 million from the sale of all of the common shares of Gold Standard held by it and also received payment from Gold Standard of the debt represented by the CAD\$2.5 million promissory note received as part of the sale of the Pinon property.
- On March 11, 2015, the Company fully repaid its long-term debt owing to Waterton Global Value L.P. ("Waterton").
- On March 6, 2015, the Company announced a strategic financing to raise gross proceeds of \$15 million from the issuance of equity to an affiliate of Coral Reef Capital LLC ("Coral Reef"). This financing was thereafter terminated and as such the Company is obligated to pay a break fee of \$0.5 million along with approximately \$0.1 million of related due diligence and legal costs incurred by Coral Reef.

- On May 12, 2015, the Company entered into a commitment letter with Coral Reef for the issuance of senior secured convertible notes (the "Notes") in the principal amount of approximately US\$3.4 million, 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 referenced above.

The Notes will bear interest at a rate of 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. 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 more than 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. Under the terms of the commitment letter, the issue of the Notes remains subject to definitive documentation, regulatory approvals and other customary conditions, and therefore there can be no assurance that the foregoing financing will be completed.

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

Non-IFRS Measures

The discussion of financial results in this press release includes reference to Adjusted EBITDA, Total cash cost per ounce of gold sold and Adjusted Net Earnings, which are non-IFRS measures. The Company provides these measures as additional information regarding the Company's financial results and performance. Please refer to the Company's MD&A for the three months ended March 31, 2015 for definitions of these terms and a reconciliation of these measures to reported IFRS results.

About Scorpio Gold Corporation

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Waterton Global Value L.P. (30%), and Scorpio Gold is currently entitled to receive 80% of cash flow generated. Mineral Ridge is a conventional open pit mining and heap leach operation. The Mineral Ridge property is host to multiple gold-bearing structures, veins and lenses at exploration, development and production stages. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property and processing facility in Manhattan, Nevada. The Company has commenced its 2015 exploration program for the Goldwedge property and is currently processing high-grade Mineral Ridge ore at the Goldwedge plant, which is permitted to process 400 tons per day.

Scorpio Gold's President & CEO, Peter J. Hawley, P.Geol., is a Qualified Person as defined in National Instrument 43-101 and has reviewed and approved the content of this release.

ON BEHALF OF THE BOARD

SCORPIO GOLD CORPORATION

Peter J. Hawley, President & 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 limitation, statements regarding the Company's plans with respect to the exploration, development and exploitation of its Mineral Ridge project, including any forecasts regarding future production or costs related thereto. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements, including risks relating to operation of a gold mine, including unanticipated changes in the mineral content of materials being mined; unanticipated changes in recovery rates; changes in project parameters; failure of equipment or processes to operate as anticipated; the

failure of contracted parties to perform; availability of skilled labour and the impact of labour disputes; delays in obtaining governmental approvals; changes in metals prices; the availability of cash flows or financing to meet the Company's ongoing financial obligations; unanticipated changes in key management personnel; changes in general economic conditions; other risks of the mining industry and those risk factors outlined in the Company's Management Discussion and Analysis as filed on SEDAR. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty thereof.

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