

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Aug 17, 2015) - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX VENTURE:SGN) announces that it has executed definitive agreements with Waterton Precious Metals Fund II Cayman, LP ("Waterton"), an affiliate of the Company's joint venture partner at the Mineral Ridge project, for a loan in the principal amount of US\$6,000,000 (the "Loan"). The Loan provides non-dilutive financing to the Company, and has a term of 36 months. The Loan bears interest at a rate of 10% per annum, payable quarterly, and is secured by a first priority security interest over all of the Company's assets. The Company paid Waterton a US\$120,000 structuring fee upon the advancement of the Loan, together with reimbursement of certain expenses. The Loan may be voluntarily prepaid by the Company at any time, provided that upon such prepayment the Company shall pay the lesser of 24 months of interest on the principal amount, or such interest as would be payable between the date of such prepayment and the maturity date of the loan. The Loan is also subject to mandatory prepayment in certain circumstances, including upon a change of control of the Company. The definitive documentation for the Loan includes customary representations, warranties and covenants, including restrictive covenants that are within industry standards for a secured debt financing.

The proceeds of the Loan will be mainly used to finance exploration and development at the Company's Mineral Ridge project, for general working capital purposes and to pay the break fee and other costs associated with the Company's other recently terminated financing activities.

In connection with the Loan, the Company has modified the Mineral Ridge operating agreement so that the Company's wholly owned subsidiary that holds the interest in Mineral Ridge will now owe and accrue to its joint venture partner at the Mineral Ridge project an amount equal to 10% of amounts actually distributed to the joint venture partners in the Mineral Ridge project (the "Accrued Distribution Amount"). The Accrued Distribution Amount shall become due and payable upon a change of control of the Company, or if the settlement price of gold on the LBMA PM fix is equal to or exceeds US\$1,350 per ounce (the "Accrual Payment Date"). The Company holds a 70% interest in the Mineral Ridge project, but is currently entitled to 80% of cash distributions from the project. As a result of the foregoing amendment, the Company has effectively reverted to being entitled to 70% of cash flows distributed from the Mineral Ridge project, but this change does not affect its cash position until the Accrual Payment Date, at which time the Accrued Distribution Amount must be paid. The accrual of the Accrued Distribution Amount will terminate in certain circumstances, including in the event of a sale by Scorpio or its joint venture partner of their respective ownership interests in Mineral Ridge, however those events will not change the ongoing 70% / 30% distribution of project cash flows.

"We are pleased to have reached an agreement with Waterton on an innovative, flexible and non-dilutive financing solution. Waterton is a valued partner in Scorpio's efforts to advance the Mineral Ridge project", said Peter J. Hawley, President & CEO.

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.

Contact

Peter J. Hawley, President & CEO
(819) 825-7618
phawley@scorpiogold.com
www.scorpiogold.com