Scorpio Gold Completes US$7 Million Convertible Debenture Private Placement Financing

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VANCOUVER, April 29, 2019 - Scorpio Gold Corp. (“Scorpio Gold” or the “Company”) (TSX-V: SGN) is pleased to announce the closing of its non-brokered private placement offering (the “Private Placement”) of secured subordinated convertible debentures (each, a “Debenture”) for gross proceeds of up to US$7,000,000. The Company intends to use the net proceeds of the Private Placement for the repayment of a bridge loan in the principal amount of US$3,000,000 in connection with the completion of the buyout transaction, as announced in the Company’s press release dated March 6, 2018, and for general working capital purposes. Prior to the completion of the Private Placement, the Company also completed a consolidation of its common shares, as more particularly described below.

Private Placement

Brian Lock, the interim CEO and a director of the Company, states “The Company is extremely pleased that the investors participating in the Private Placement are supporting Scorpio Gold with a view on future developments and operations at our two gold mines in Nevada. Scorpio Gold is now debt free, owns 100% of all its assets, has over C$6 million in working capital and has definitive plans to return to full precious metal production once project financing for the new process plant at its Mineral Ridge Mine is obtained.”

Each Debenture has an issue price of US$1,000, a term of three years from the date of issuance and will bear interest at a rate of 10% per annum, payable semi-annually, which, subject to regulatory approval, may be paid in common shares of the Company (“Shares”) at the option of the Company or the holder of the Debenture. The Debentures will be secured by a security interest subordinate to all existing and future senior indebtedness of the Company, including any future senior indebtedness in connection with the construction of a new processing plant at the Mineral Ridge Project.

Each Debenture is convertible into Shares at the option of the holder at any time prior to maturity at a conversion price of US$0.08 per Share (the “Conversion Price”), which is equivalent to 12,500 Shares for each US$1,000 principal amount of Debentures, subject to adjustment in certain circumstances. Debentures must be converted in minimum amounts of US$1,000. The Company will have the option on maturity, subject to regulatory approval, to repay any portion of the principal amount of the Debentures in cash, if there is no default under the terms of the Debentures, or by issuing and delivering to the holders of the Debentures such number of Shares equal to the principal amount of the Debenture divided by the Conversion Price.

The Debentures and Shares issued upon conversion thereof will be subject to a four month hold period from the date of issuance of the Debentures in accordance with applicable securities laws and, if required, the policies of the Exchange. A finder’s fee equal to 2.5% of the principal amount of Debentures issued to subscribers introduced to the Company by an arm’s length finder has been paid in Debentures to such finder in connection with the Private Placement.

The securities being offered have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any applicable securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent of such registration or an applicable exemption from such registration requirements. This press release does not constitute an offer for sale of, or a solicitation of an offer to buy, the securities, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale is not permitted, including, but not limited to, the United States (“United

States” and “U.S. person” are defined in Regulation S under the U.S. Securities Act).

Consolidation

The Company announced that further to its press release dated January 28, 2019, the Company’s consolidation (the “Consolidation”) of its common shares was completed effective April 15, 2019 (the “Effective Date”) on the basis of one (1) new post-Consolidation common share for every two (2) pre-Consolidation common shares (the “Ratio”). As a result of the Consolidation, the number of issued and outstanding common shares of the Company was reduced from 124,948,235 pre-Consolidation common shares to 62,474,118 post-Consolidation common shares. The Company’s name and trading symbol remain unchanged.

No fractional post-Consolidation common shares will be issued pursuant to the Consolidation. Where the Consolidation would otherwise result in a shareholder of the Company being entitled to a fractional common share, the number of post-Consolidation common shares issued to such shareholder shall be rounded up to the next greater whole number of common shares if the fractional entitlement is equal to or greater than 0.5 and shall be rounded down to the lesser whole number if the fractional entitlement is less than 0.5. In calculating such fractional common shares, all common shares held by a beneficial holder shall be aggregated. The number of common shares issuable under any of the Company’s outstanding warrants or stock options will be adjusted proportionately upon completion of the Consolidation.

Registered shareholders must submit their respective share certificate(s) representing pre-Consolidation common shares to the Company’s transfer agent, Computershare Trust Company of Canada, 510 Burrard Street, Vancouver, BC V6C 3A8, to receive share certificates representing their post-Consolidation common shares. Until so surrendered, each share certificate representing pre-Consolidation common shares will represent the number of whole post-Consolidation common shares to which the holder is entitled as a result of the Consolidation. Shareholders holding their common shares through a bank, broker or other nominee should note that banks, brokers or other nominees may have different procedures for processing the Consolidation than those put in place by the Company and Computershare Trust Company of Canada. Accordingly, shareholders who hold common shares with banks, brokers or other nominees and have questions in this regard are encouraged to contact such persons. Pre-Consolidation common shares held under DRS Advices will be automatically adjusted, in accordance with the Ratio, to reflect the number of post-Consolidated common shares.

About Scorpio Gold Corporation

Scorpio Gold holds a 100% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada. Mineral Ridge is a conventional open pit mining and heap leach operation. Mining at Mineral Ridge was suspended in November 2017; however, the Company continues to generate limited revenues from residual but diminishing recoveries from the leach pads. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property in Manhattan, Nevada with a fully permitted underground mine and 400 ton per day mill facility. The Goldwedge mill facility has been placed on a care and maintenance basis and can be restarted immediately when needed.

ON BEHALF OF THE BOARD
SCORPIO GOLD CORPORATION

Brian Lock,
Interim CEO

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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 use of proceeds of the Private Placement, future project financing of a process plant for Mineral Ridge and the Company producing precious metals in the future. 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 the availability of cash flows or financing to meet the Company’s ongoing financial obligations; the inability of the Company to re-finance its long-term debt obligations; 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; obtaining the required permits to expand and extend mining activities; delays in obtaining governmental approvals; changes in metals prices; 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.