

Scorpio Gold - Convertible Loans in Principal Amount of up to US\$2,450,000

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VANCOUVER, May 30, 2022 - [Scorpio Gold Corp.](#) ("Scorpio Gold" or the "Company") (TSX-V:SGN) announces that it has entered into two convertible loan agreements dated May 24, 2022 (the "Convertible Loan Agreements") with Ianco Holdings Ltd. and Matco Holdings Ltd. (collectively, the "Lenders") pursuant to which the Company may borrow the aggregate principal amount of up to US\$2,450,000 under two loans to be advanced by the Lenders (the "Loans"), subject to the completion of certain conditions precedent described in the Convertible Loan Agreements including the approval of the TSX Venture Exchange (the "Exchange"). The Company intends to use the proceeds of the Loans to advance its Goldwedge property and for general working capital purposes.

Terms of the Convertible Loans

Subject to the terms and conditions in the Convertible Loan Agreements, the Lenders will advance the Loans to the Company in draws from the closing date (the "Closing Date") until the maturity date of December 31, 2022 (the "Maturity Date"), in such amounts as agreed to between the Lenders and the Company, provided that the principal amount of each Loan advanced does not exceed in aggregate US\$1,225,000.

The outstanding principal amount of each Loan will be convertible, at the election of the applicable Lender, into common shares in the capital of the Company (each, a "Common Share") at a conversion price of US\$0.06 per Common Share, subject to adjustment, from the Closing Date until the earlier of: (i) the Maturity Date, and (ii) the date the entire outstanding principal amount of the applicable Loan has been repaid.

The outstanding principal amount of each drawdown under the Loans will bear interest at a rate of 12³/₈% per annum, compounding monthly, not in advance, for the period commencing from the date the applicable Lender advances the draw to the Company until the outstanding principal amount and accrued interest has been repaid or converted into Common Shares, as applicable. Interest shall be due and payable by the Company in cash upon the earlier of: (i) the Maturity Date, and (ii) the date the entire outstanding principal amount of the applicable Loan has been repaid or converted into Common Shares.

For each drawdown under the Loans, the Company will pay to the applicable Lender a facility fee of US\$3,250, which will be deducted from the amount of the drawdown and retained by the applicable Lender.

The Loans will be equally secured on a pari passu basis by certain security documents in favour of the Lenders to be provided by the Company and its subsidiaries pursuant to which the Company will provide the Lenders with a security interest in all present and after-acquired personal property of the Company and its subsidiaries.

The Loans and the Common Shares issuable on conversion of the principal amount of the Loans will be subject to a four-month hold period expiring on September 25, 2022, in accordance with applicable securities laws and the policies of the Exchange.

Bridge Loans

As disclosed in the press release of the Company dated April 28, 2022, Ian Dawson and Bruce Dawson, directors of the Company, previously advanced two bridge loans (the "April Loans") to the Company on behalf of the Lenders in the aggregate principal amount of US\$450,000.

The Company announces that it has also obtained two additional bridge loans (the "May Loans") on May 18,

2022 and May 20, 2022 from the Lenders in the aggregate principal amount of US\$700,000.

The April Loans and the May Loans are payable on demand, accrue interest at a rate of 12³/₈% per annum compounding monthly, and were evidenced by promissory notes delivered by the Company to the Lenders.

On the Closing Date, the April Loans and May Loans and any interest outstanding thereunder will be incorporated into the Loans as the first and second drawdowns, respectively.

Related Party Transaction Disclosure

The Lenders are related parties of the Company by virtue of the fact that that they are companies wholly-owned by directors of the Company, and as a result, the Loans constitute a "related party transaction" for the purposes of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Ianco Holdings Ltd. is wholly-owned by Ian Dawson and Matco Holdings Ltd. is wholly-owned by Bruce Dawson.

The Company anticipates that there will be a material change in the percentage of the outstanding securities of the Company that are owned by Ian Dawson and Bruce Dawson as a result of the Loans. On the Closing Date, it is anticipated that Ian Dawson will beneficially own, or exercise control or direction over 22,275,977 Common Shares or approximately 10.56% of the issued and outstanding Common Shares on a non-diluted basis (or approximately 18.69% of the issued and outstanding Common Shares on a partially-diluted basis including all convertible securities of the Company owned or controlled by Ian Dawson). On the Closing Date, it is anticipated that Bruce Dawson will beneficially own, or exercise control or direction over 24,165,637 Common Shares or approximately 11.46% of the issued and outstanding Common Shares on a non-diluted basis (or approximately 19.50% of the issued and outstanding Common Shares on a partially-diluted basis including all convertible securities of the Company owned or controlled by Bruce Dawson).

The Company is relying upon exemptions from the formal valuation and minority shareholder approval requirements under MI 61-101 in respect of the Loans, in reliance on Sections 5.5(b) and 5.7(1)(a) of MI 61-101, respectively, as no securities of the Company are listed on a specified market under MI 61-101 and the fair market value of the Loans does not exceed 25% of the Company's market capitalization as determined in accordance with MI 61-101. The board of directors of the Company approved the Loans, with Ian Dawson and Bruce Dawson declaring their interest and abstaining from voting on the consent resolutions. No materially contrary view or abstention was expressed or made by any director of the Company in relation thereto.

ON BEHALF OF THE BOARD

[Scorpio Gold Corp.](#)

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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.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements with respect to the Company. By their nature, forward-looking statements are subject to a variety of factors that could cause actual results to differ materially from the results suggested by the forward-looking statements. In addition, the forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties,

including, but not limited, the ability of the Company to obtain Exchange approval for the Loans. There is significant risk that the forward-looking statements will not prove to be accurate, that the management's assumptions may not be correct and that actual results may differ materially from such forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking statements.

Generally forward-looking statements can be identified by the use of terminology such as "anticipate", "will", "expect", "may", "continue", "could", "estimate", "forecast", "plan", "potential" and similar expressions. Forward-looking statements contained in this press release may include, but are not limited to, the completion of the conditions precedent to the Loans including the approval of the Exchange to the Loans, the completion of the transactions under the Convertible Loan Agreements, the anticipated effect on the securities of the Company held by Ian Dawson and Bruce Dawson and the anticipated use of funds for the Loans. These forward-looking statements are based on a number of assumptions which may prove to be incorrect.

The forward-looking statements contained in this press release are made as of the date hereof or the dates specifically referenced in this press release, where applicable. Except as required by law, the Company does not undertake any obligation to update publicly or to revise any forward-looking statements that are contained or incorporated in this press release. All forward-looking statements contained in this press release are expressly qualified by this cautionary statement.

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