

Scorpio Gold Announces Amended and Restated Letter of Intent to Acquire Altus Gold and Private Placement

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Vancouver, November 8, 2023 - [Scorpio Gold Corp.](#) (TSXV: SGN) ("Scorpio Gold" or the "Company") is pleased to announce that, further to its press releases dated May 25, 2023 and August 16, 2023, it has entered into an amended and restated letter of intent dated November 8, 2023 (the "Amended LOI") with Altus Gold Corp. ("Altus Gold") to restructure the terms of a proposed arm's length acquisition (the "Transaction") by the Company of all the issued and outstanding shares of Altus Gold, a private mining issuer with a mineral exploration program in Esmeralda County, Nevada referred to as the Northstar property, adjacent to Scorpio Gold's Mineral Ridge Mine. Altus Gold does not hold any interest in the Vanderbilt project. The Company initially announced the Transaction in its press release dated May 25, 2023, and announced an update on August 16, 2023. The Amended LOI replaces and supersedes the letter of intent entered into between the Company and Altus Gold dated May 18, 2023, and amended on June 15, 2023 and August 8, 2023.

Initial Financing

The Company also announces that it proposes to complete a non-brokered private placement (the "Initial Financing") to raise gross proceeds to the Company of up to \$200,000 by the issuance of units of the Company at a price to be determined in the context of the market. Each unit will be comprised of one pre-Consolidation (as defined below) common share of the Company and one common share purchase warrant of the Company, with each warrant exercisable for one pre-Consolidation common share of the Company at an exercise price to be determined in the context of the market for a period of two years from the date of issuance. The Company intends to use the proceeds of the Initial Financing for general working capital purposes. The securities issued in the Initial Financing will be subject to a four-month hold period from the date of issuance in accordance with applicable securities laws. The Initial Financing is subject to the approval of the TSX Venture Exchange (the "Exchange").

Terms of Acquisition

Under the terms of the Amended LOI, Scorpio Gold proposes to acquire all the outstanding shares of Altus Gold in exchange for issuing to the shareholders of Altus Gold up to 21,000,000 post-Consolidation Scorpio Gold common shares. The Amended LOI also contemplates that, upon completion of the Transaction, the board of Scorpio Gold will be restructured to be comprised of five directors, two being Altus Gold nominees and three being Scorpio Gold nominees, and Michael Townsend, current CEO of Altus Gold, will be appointed CEO of the combined entity, while Chris Zerga will become the Company's COO. The parties intend to enter into a definitive agreement that will replace and supersede the Amended LOI. The outside date for the Transaction is December 31, 2023, which may be extended by the mutual consent of the parties.

Consolidation

Prior to the completion of the Transaction, the Company intends to complete a 9:1 consolidation of its common shares (the "Consolidation"). The Company currently has 210,936,665 common shares outstanding, and following completion of the Initial Financing and the Consolidation but before completion of the Transaction, the Company will have approximately 24,298,518 common shares outstanding. No fractional post-Consolidation shares will be issued pursuant to the Consolidation. Any fractional shares equal to or greater than one-half resulting from the Consolidation will be rounded up to the next whole number of shares, and any fractional shares less than one-half resulting from the Consolidation will be rounded down to the nearest whole number. The Company will announce the effective date of the Consolidation, as well as the new CUSIP/ISIN numbers for the post-Consolidation shares by way of a future news release. The post-Consolidation shares will continue to trade on the Exchange under the Company's existing name and

trading symbol. The Consolidation is subject to the approval of the Exchange, but is not subject to approval by the Company's shareholders.

The Consolidation will not materially affect the percentage ownership in the Company of shareholders even though such ownership will be represented by a smaller number of shares. The Consolidation will merely proportionally reduce the number of shares held by shareholders.

Shareholders with physical certificates will receive a letter of transmittal from Computershare Trust Company of Canada, the Company's transfer agent. All registered shareholders will be required to send their certificate(s) representing pre-Consolidation shares, along with a properly executed letter of transmittal, to the Company's transfer agent, in accordance with the instructions provided in the letter of transmittal. Shareholders who hold their shares through a broker, investment dealer, bank or trust company should contact that nominee or intermediary on the procedures for processing the Consolidation of their shares, and for determining their post-Consolidation positions.

Interim Financing

Pursuant to the Amended LOI, Scorpio Gold proposes to complete a private placement (the "CD Financing") of convertible debentures of Scorpio Gold (each, a "Debenture") in the aggregate principal amount of not less than \$1,200,000. The Debentures will bear interest at 10% per annum and will have a term of one year. The principal amount of the Debentures, including all accrued but unpaid interest will be convertible, subject to the approval of the Exchange, at the election of Scorpio Gold, into units, each to be comprised of one post-Consolidation common share of Scorpio Gold and one common share purchase warrant of Scorpio Gold, at a conversion price to be determined in the context of the market. The completion of the CD Financing is conditional on (i) the approval of the Exchange, (ii) the definitive agreement for the Transaction having been executed, and (iii) completion of the Consolidation and two business days having passed thereafter. The Company intends to use the proceeds of the CD Financing towards the Transaction and for general working capital purposes.

Concurrent Financing

Pursuant to the Amended LOI, the Company also proposes to complete a concurrent private placement (the "Concurrent Financing") to raise aggregate gross proceeds to the Company of at least \$2,000,000 by the issuance of post-Consolidation units of Scorpio Gold at a purchase price of \$0.20 per unit, each unit to be comprised of one post-Consolidation common share of Scorpio Gold and one-half of one common share purchase warrant, each whole warrant being exercisable into one post-Consolidation common share of Scorpio Gold at an exercise price of \$0.40 per share for a period of two years from the date of issuance. The Company intends to use the proceeds of the Concurrent Financing towards the Transaction and for general working capital purposes.

Bridge Loan

Altus Gold has provided a non-interest bearing, secured loan (the "Bridge Loan") to the Company in the aggregate principal amount of \$845,000 in connection with the Transaction.

The Bridge Loan will be forgiven if the Company completes the Transaction with Altus Gold. If the Transaction does not complete, the Bridge Loan will be repayable in cash on demand by Altus Gold, or in certain circumstances, the Bridge Loan may be settled in common shares of the Company, subject to the approval of the Exchange. In the event that the settlement of the Bridge Loan in common shares is not acceptable to the Exchange, it would remain payable in cash. If the Bridge Loan is settled in common shares, for so long as Altus Gold holds at least 5% of the Company issued and outstanding common shares (calculated on an undiluted basis), Altus Gold would have the right to appoint one nominee to the board of directors of the Company.

The Company provided a grid promissory note to Altus Gold dated May 23, 2023 to evidence the Bridge Loan. As a security for the Bridge Loan, Altus Gold entered into two general security agreements dated May 23, 2023 with the Company and its subsidiaries Scorpio Gold (US) Corporation, Mineral Ridge Gold LLC and Goldwedge LLC, pursuant to which the Company and its subsidiaries granted Altus Gold a security interest

in all the present and after acquired personal property of the Company and its subsidiaries.

The Company has used the proceeds of the Bridge Loan for the Transaction and working capital purposes.

Conditions and Other Matters

Closing of the Transaction is subject to a number of conditions precedent, including, without limitation:

- (a) execution of a definitive agreement between the parties;
- (b) receipt of all required regulatory and corporate approvals, including Exchange approval, and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
- (c) completion of satisfactory results from due diligence investigations for each of the parties;
- (d) completion of the Consolidation, the CD Financing and the Concurrent Financing; and
- (e) other mutual conditions precedent customary for a transaction such as the Transaction.

The securities of the Company that may be issued under the Initial Financing, the CD Financing, the Concurrent Financing and the Bridge Loan will be subject to a four-month hold period from the date of issuance in accordance with applicable securities laws. The pricing of the securities that may be issued under the Initial Financing, the CD Financing, the Concurrent Financing and the Bridge Loan are subject to the price reservation rules of the Exchange. The Initial Financing, the Transaction, the Consolidation, the CD Financing, the Concurrent Financing and the Bridge Loan are all subject to the approval of the Exchange.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the 1933 Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

ON BEHALF OF THE BOARD OF [Scorpio Gold Corp.](#)

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

Forward-Looking Statements

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 terms and completion of the Initial Financing, the Transaction, the Consolidation, the CD Financing, the Concurrent Financing and the Bridge Loan, capital structure of the Company, use of proceeds, and satisfying closing conditions for the Transaction. 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. 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 financial markets generally, the inability to complete the Transaction and related transactions, receipt of all regulatory approvals required for the Transaction and related transactions, 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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