

Scorpio Gold Announces Increase in Private Placement and Restructure of Outstanding Loans

Vancouver, British Columbia--(Newsfile Corp. - January 30, 2024) - **Scorpio Gold Corporation** (TSXV: SGN) ("**Scorpio Gold**" or the "**Company**") is pleased to announce that due to investor interest, it has increased the size of its non-brokered private placement described in the press release dated January 12, 2024 ("**Private Placement**") by an additional \$1,000,000, for the issuance of an aggregate of up to 33,333,333 units of the Company at a price of \$0.15 per unit for gross proceeds to the Company of up to \$5,000,000. Each unit is comprised of one common share of the Company and one common share purchase warrant, with each warrant exercisable to acquire one common share of the Company at an exercise price of \$0.20 for a period of two years from the date of issuance. To date, the Company has closed two tranches of the Private Placement, issuing an aggregate of 9,584,966 units for aggregate gross proceeds of \$1,437,745. The Private Placement remains subject to the final approval of the TSX Venture Exchange (the "**Exchange**").

The Company and Altus Gold Corp. have agreed to extend the outside date for the completion of the Company's acquisition of all the issued and outstanding shares of Altus Gold Corp. by way of a three-cornered amalgamation (the "**Transaction**") to February 14, 2024. For further information on the Transaction, see the Company's press release dated January 18, 2024.

Restructure and Extension of Outstanding Loans

The Company also announces that, subject to the approval of the Exchange, the Company intends to restructure its outstanding loans owing to the Ianco Holdings Ltd. and Matco Holdings Ltd. (collectively, the "**Lenders**") in the aggregate principal amount of \$3,100,000 together with accrued interest (collectively, the "**Debt**") by: (i) settling \$750,000 of the principal amount of the Debt through the issuance of 5,000,000 common shares in the capital of the Company (the "**Common Shares**") at a deemed issue price of \$0.15 per Common Share to the Lenders, and (ii) restructuring the remaining Debt (the "**Loans**") into two amended and restated convertible loan agreements (the "**Amended and Restated Loan Agreements**") to be entered into between the Company and each Lender.

Under the terms of the Loans, up to \$1,000,000 of the outstanding principal amount of the Loans will be convertible, at the election of the applicable Lender, from July 1, 2024 until the maturity date into Common Shares at a conversion price of \$0.40 per Common Share, subject to adjustment in certain circumstances. The maturity date of the Loans will be two years from the date of the Amended and Restated Loan Agreements. The Loans will bear interest at a rate of 10% per annum. If the Company raises gross proceeds of more than \$20,000,000 in one or more financings prior to the maturity date of the Loans, the Company will pay all remaining debt under the Loans in cash at the option of the applicable Lender.

Similar to the outstanding Debt, the Loans will be secured in favour of the Lenders on a pari passu basis by the present and after-acquired personal property of the Company and each of the following subsidiaries of the Company: Scorpio Gold (US) Corporation, Mineral Ridge Gold, LLC, Goldwedge, LLC and Pinon LLC (collectively, the "**Subsidiaries**"), as well as a pledge over each of the outstanding shares and membership interests of the Subsidiaries, and guarantees provided by each of the Subsidiaries.

The Debt restructure is a condition precedent to the completion of the Transaction. The Common Shares issuable in settlement of a portion of the Debt will be subject to a hold period expiring four months from the date of issuance, in accordance with applicable securities laws and the policies of the Exchange. The Loans and the Common Shares issuable on conversion of the principal amount of the Loans will be

subject to a hold period expiring four months from the date of the Amended and Restated Loan Agreements, in accordance with applicable securities laws and the policies of the Exchange.

Related Party Transaction Disclosure

lanco Holdings Ltd. is a related party of the Company by virtue of the fact that it is a company wholly-owned by Ian Dawson, a director of the Company, and as a result, the issuance of 2,500,000 Common Shares to lanco Holdings Ltd. and the restructure of the remaining Debt owing to lanco Holdings Ltd. into an Amended and Restated Loan Agreement constitutes a "related party transaction" (the "**Related Party Transaction**") for the purposes of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

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 as a result of the Related Party Transaction. Currently, Ian Dawson beneficially owns, or exercises control or direction over 2,493,310 Common Shares, representing approximately 7.55% of the issued and outstanding Common Shares on a non-diluted basis (or approximately 7.98% 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). Upon the completion of the Debt restructure, it is anticipated that Ian Dawson will beneficially own, or exercise control or direction over 4,993,310 Common Shares, representing approximately 13.13% of the issued and outstanding Common Shares on a non-diluted basis (or approximately 16.22% 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).

The Company is relying upon exemptions from the formal valuation and minority shareholder approval requirements under MI 61-101 in respect of the Related Party Transaction, in reliance on Sections 5.5(b) and 5.7(1)(b) 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 Related Party Transaction does not exceed \$2,500,000 as determined in accordance with MI 61-101. Neither the Company, nor, to the knowledge of the Company after reasonable inquiry, Ian Dawson has knowledge of any material information concerning the Company or its securities that has not been generally disclosed.

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 CORPORATION

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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 Private Placement and Debt restructure, 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 the inability to complete the Transaction, the Private Placement, the Debt restructure and related transactions, receipt of all regulatory approvals required for the Transaction, the Private Placement, the Debt restructure 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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