

Scorpio Gold increases size of financing on improved terms

Scorpio Gold (TSX.V: SGN} announced to the market that it had altered the terms of the original convertible loan financing, and increased the size of same.

Now SGN are going to receive \$6 million, and the notes are convertible in 15 months time.

Vancouver, June 12, 2015 – **Scorpio Gold Corp. {TSX-V: SGN}** announces that the Company has entered into a binding letter of intent with an affiliate of Coral Reef Capital LLC to increase the size and amend the terms of the convertible note financing (the “Financing”) originally announced in the Company’s news release dated May 12, 2015.

Under the new terms of the Financing, Scorpio Gold will raise aggregate gross proceeds of US\$6,000,000 through the issuance of senior secured convertible notes (the “Senior Secured Notes”) in the principal amount of approximately US\$5,000,000 to Coral Reef, and unsecured convertible notes (the “Unsecured Notes”, collectively with the Senior Secured Notes, the “Notes”) in the principal amount of approximately US\$1,000,000 to certain existing shareholders and directors and officers of Scorpio Gold.

The Notes will mature and be payable fifteen months after issuance, and will accrue interest at a rate of 10% per annum, to be paid monthly. The Notes will be convertible, at the option of the holders thereof, into common shares of Scorpio

Gold at conversion price of US\$0.12 per share. Commencing six months after issuance, Scorpio Gold will have the right to prepay the Notes without penalty. The Senior Secured Notes will be secured against all of the present and future property of Scorpio Gold and certain of its subsidiaries. The Unsecured Notes will be unsecured, and will be subordinate to the Senior Secured Notes. The Notes will be subject to customary default/acceleration provisions as well as a minimum US\$1,500,000 restricted cash requirement.

The net proceeds of the Financing will be used for the purposes of funding exploration, development and mining of the Mineral Ridge property, for general working capital purposes, and to fund fees and expenses incurred in connection with the Notes transaction, as well as fees and expenses from the previous cancelled Coral Reef financing (see the Company's news release of April 28, 2015). The Company will pay a 1% arrangement fee to Coral Reef in respect of the Senior Secured Notes.

The Senior Secured Notes will contain a restriction that they may not be converted to acquire more than an aggregate of 19.99% of the outstanding common shares of the Company unless shareholder approval is first obtained. The transaction has the support of management, directors, officers and institutional shareholders of Scorpio Gold, including the Company's largest shareholder Sentry Investments. These stakeholders have agreed to vote in favour at a coming meeting of Scorpio Gold shareholders of the conversion by Coral Reef at their option of all of their Senior Secured Notes.

Coral Reef will be granted two board of director observer positions on closing and, if Coral Reef holds at least 19.99%

of Scorpio Gold's outstanding common shares as a result of the conversion of the Senior Secured Notes, Coral Reef's appointed observers will become directors of Scorpio Gold.

The issue of the Notes remains subject to definitive documentation, regulatory approvals and other customary conditions.

About Scorpio Gold

Scorpio Gold holds a 70% interest in the producing Mineral Ridge gold mining operation located in Esmeralda County, Nevada with joint venture partner Waterton Global Value L.P. (30%), and Scorpio Gold is currently entitled to receive 80% of cash flow generated.

Mineral Ridge is a conventional open pit mining and heap leach operation. The Mineral Ridge property is host to multiple gold-bearing structures, veins and lenses at exploration, development and production stages. Scorpio Gold also holds a 100% interest in the advanced exploration-stage Goldwedge property and processing facility in Manhattan, Nevada. The Company has commenced its 2015 exploration program for the Goldwedge property and is currently processing high-grade Mineral Ridge ore at the Goldwedge plant, which is permitted to process 400 tons per day.

Scorpio Gold's President & CEO, Peter J. Hawley, PGeo, is a Qualified Person as defined by National Instrument 43-101 and has reviewed and approved the content of this release.

ON BEHALF OF THE BOARD
SCORPIO GOLD CORPORATION

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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 restriction, any statements regarding the Company plans with respect to the closing of the Financing and Scorpio Gold's planned use of the proceeds thereof. 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 related to the ability of the parties to agree on definitive documentation, and receipt of regulatory approval, 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

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