



Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2025

(UNAUDITED)

(Expressed in US dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of Scorpio Gold Corporation for the six months ended June 30, 2025 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

Scorpio Gold Corporation

Condensed Consolidated Interim Statements of Financial Position (unaudited)

(Expressed in United States Dollars)

	As at	June 30,	December 31,
	Note(s)	2025	2024
		\$	\$
ASSETS			
Current assets			
Cash		584,968	-
Receivables		82,329	11,103
Prepaid expenses		168,287	311,075
		835,584	322,178
Non-current assets			
Reclamation deposits	6	10,046,852	9,839,371
Investments		764	764
Property, plant and equipment	7	4,491,362	4,433,580
Mineral properties	8	4,071,380	2,532,184
		18,610,358	16,805,899
TOTAL ASSETS		19,445,942	17,128,077
LIABILITIES			
Current liabilities			
Bank overdraft		-	5,042
Accounts payable and accrued liabilities		1,252,208	1,603,149
Loans payables	9	522,041	1,014,918
		1,774,249	2,623,109
Non-current liabilities			
Provision for environmental rehabilitation	11	14,461,152	14,155,881
		14,461,152	14,155,881
TOTAL LIABILITIES		16,235,401	16,778,990
SHAREHOLDERS' EQUITY			
Share capital	12	77,034,334	72,069,324
Restricted share units	12	57,509	10,085
Reserves	12	7,974,130	7,866,118
Warrants	12	1,137,443	1,080,208
Foreign currency translation reserve		326,643	287,262
Accumulated deficit		(83,319,518)	(80,963,910)
TOTAL SHAREHOLDERS' EQUITY		3,210,541	349,087
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		19,445,942	17,128,077
Nature of operations and going concern			
	1		
Events subsequent to the reporting period			
	20		

These unaudited condensed consolidated interim financial statements were approved for issue by the Board of Directors and signed on its behalf by:

/s/ Ian Dawson Director

/s/ Zayn Kalyan Director

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Scorpio Gold Corporation

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)

(Expressed in United States Dollars)

		For the three months ended		For the six months ended	
		June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	Note(s)	\$	\$	\$	\$
Expenses					
Care and maintenance	13	658,535	508,753	1,024,468	1,011,341
Depreciation		-	8,546	-	17,440
Finance income	6	(104,355)	(107,398)	(207,480)	(213,889)
Finance costs	11	154,293	205,308	305,271	458,221
Foreign exchange loss (gain)		(15,094)	3,035	(14,132)	(2,457)
Gain on remeasurement of warrant liability		-	(2,868,428)	-	(448,402)
General and administrative expenses	14	529,152	690,303	1,171,970	936,743
Share-based compensation	12	69,843	-	154,761	-
Gain on disposal of fixed assets	7	(500)	-	(79,250)	-
Net income (loss) for the period		(1,291,874)	1,559,881	(2,355,608)	(1,758,997)
Exchange difference on translating foreign operations		67,504	-	39,381	-
Comprehensive income (loss) for the period		(1,224,370)	1,559,881	(2,316,227)	(1,758,997)
Basic and diluted income (loss) per common share for the period		(0.01)	0.02	(0.01)	(0.02)
Basic and diluted Weighted average number of common shares outstanding		215,447,320	89,967,718	173,374,023	71,882,914

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Scorpio Gold Corporation

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (unaudited)
(Expressed in United States Dollars)

	Share capital		Equity portion of convertible notes	Foreign currency translation reserve	Other reserves	Reserves	Accumulated deficit	TOTAL
	#	\$	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2023	26,637,406	61,242,411	72,630	(194,204)	(1,729)	7,363,623	(65,712,393)	2,770,338
Shares issued for cash - private placement	36,800,000	4,091,027						4,091,027
Share issue costs		(90,277)						(90,277)
Fair value of finders' warrants		(37,760)				92,257		54,497
Shares issued on Altus Gold amalgamation	22,839,611	2,539,856						2,539,856
Warrants issued on Altus Gold amalgamation						662,450		662,450
Shares issued on exercise of warrants	50,000	5,885				(2,177)		3,708
Classification of the grant-date fair value of warrant liabilities		(1,660,879)						(1,660,879)
Option Agreement share issuance	4,000,000	704,890						704,890
Shares issued for debt settlement	132,150	19,250						19,250
Net and comprehensive income	-	-	-	-	-	-	(1,758,997)	(1,758,997)
Balance as of June 30, 2024	90,459,167	66,814,403	72,630	(194,204)	(1,729)	8,116,153	(67,471,390)	7,335,863

	Share capital		Restricted share units	Warrant reserve	Reserves	Foreign currency translation reserve	Accumulated deficit	TOTAL
	#	\$	\$	\$	\$	\$	\$	\$
Balance as of December 31, 2024	130,833,244	72,069,324	10,085	1,080,208	7,866,118	287,262	(80,963,910)	349,087
Shares issued for cash - private placement	88,375,000	4,968,222	-	-	-	-	-	4,968,222
Share issue costs	-	(87,405)	-	-	-	-	-	(87,405)
Fair value of finders' warrants	-	(65,750)	-	65,750	-	-	-	-
Shares issued on exercise of warrants	100,000	15,825	-	(8,515)	-	-	-	7,310
Shares issued for debt settlement	2,149,174	134,118	-	-	-	-	-	134,118
Share-based compensation	-	-	47,424	-	108,012	-	-	155,436
Loss and comprehensive loss	-	-	-	-	-	39,381	(2,355,608)	(2,316,227)
Balance as of June 30, 2025	221,457,418	72,034,334	57,509	1,137,443	7,974,130	326,643	(83,319,518)	3,210,541

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Scorpio Gold Corporation

Condensed Consolidated Interim Statements of Cash Flows (unaudited)

(Expressed in United States Dollars)

		For the six months ended	
		June 30, 2025	June 30, 2024
	Note(s)	\$	\$
OPERATING ACTIVITIES			
Net loss		(2,355,608)	(1,758,997)
Accretion of interest of convertible notes	10	-	280,681
Depreciation		-	17,440
Finance income	6	(207,481)	(213,889)
Gain on remeasurement of the warrant liability		-	(448,402)
Non-cash finance costs		-	54,497
Effects of currency exchange rate changes		-	(36,895)
Unwinding of discount of provision for environmental rehabilitation	11	305,271	123,043
Share-based compensation	12	155,436	-
Write-down of assets	7	(79,750)	-
Net changes in non-cash working capital items:			
Accounts receivable		(68,311)	(20,190)
Prepaid expenses		146,306	71,000
Accounts payable and accrued liabilities		(484,688)	(535,129)
Cash flow used in operating activities		(2,588,825)	(2,466,841)
INVESTING ACTIVITIES			
Bank overdraft acquired on Altus Gold Transaction	5	-	(28)
Acquisition costs on exploration and evaluation assets	8	(1,337,892)	(608,889)
Purchase of capital assets	7	(57,782)	-
Proceeds from disposal of property, plant and equipment	7	79,750	-
Cash flow used in investing activities		(1,315,924)	(608,917)
FINANCING ACTIVITIES			
Proceeds on issuance of shares, net of cash issuance costs	12	4,929,842	-
Proceeds on issuance of convertible notes, net of cash issuance costs	10, 12	-	4,000,750
Proceeds on warrants exercised	12	7,097	3,708
Repayment on loan payable, net of transaction costs	9	(532,268)	(112,288)
Cash flow provided by financing activities		4,404,671	3,892,170
Increase (decrease) in cash		499,922	816,412
Cash, beginning of period		(5,042)	294,846
Foreign exchange on translation		90,088	-
Cash, end of period		584,968	1,111,258
Supplemental cash flow information	16		

See accompanying notes to these unaudited condensed consolidated interim financial statements.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Scorpio Gold Corporation (the “Company” or “Scorpio”) is a publicly traded company incorporated under the laws of the Province of British Columbia. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) and trade under the symbol SGN. The corporate office of the Company is located at Suite 750 – 1095 West Pender Street Vancouver, British Columbia V6E 2M6. The Company and its subsidiaries conduct mineral exploitation, exploration and development activities in the United States of America (“USA”).

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business in the foreseeable future. As at June 30, 2025, the Company had a working capital deficiency of \$938,665 (December 31, 2024 - deficiency of \$2,300,931). Management estimates that these funds will not provide the Company with sufficient financial resources to carry out currently planned operations through the next twelve months. Additional financing will be required by the Company to complete its strategic objectives and continue as a going concern. While the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company. These material uncertainties may cast significant doubt upon the Company’s ability to continue as a going concern.

These unaudited condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate.

The unaudited condensed consolidated interim financial statements of the Company for the six months ended June 30, 2025 were approved by the Board of Directors on August 25, 2025.

2. MATERIAL ACCOUNTING POLICIES AND BASIS OF PREPARATION

These consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

The policies set out below were consistently applied to all periods presented unless otherwise noted below.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Basis of preparation

These consolidated financial statements, including comparatives, have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective on June 30, 2025.

These consolidated financial statements include the accounts of the Company and its Canadian subsidiary, Scorpio Gold BC Holding Corp. (formerly “Altus Gold Corp.” “Altus”), and its USA based wholly-owned subsidiaries, Scorpio Gold (US) Corporation (“Scorpio US”), Mineral Ridge Gold LLC (“MRG”), and Goldwedge LLC (“Goldwedge”).

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

2. BASIS OF PREPARATION (CONTINUED)

Basis of consolidation

Control exists when the Company has the power over its investees, is exposed or has rights to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Profit and loss and each component of other comprehensive income are attributed to the shareholders of the Company and to the non-controlling interest.

All intercompany accounts, revenues and expenses transactions have been eliminated.

All subsidiaries have a reporting date of December 31.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in United States dollar (“\$”). The functional currency of the parent company, Scorpio and its Canadian subsidiary, Altus, are measured using the currency of the primary economic environment in which Scorpio and Altus operate (“the functional currency”), which is the Canadian dollar (“C\$”). These consolidated financial statements have been translated to the US\$ in accordance with IAS 21 *The Effects of Changes in Foreign Exchange Rates*. This standard requires that assets and liabilities be translated using the exchange rate at period end, and income, expenses and cash flow items are translated using the rate that approximates the exchange rates at the dates of the transactions (i.e. the average rate for the period).

Transactions and balances

In preparing the financial statements of the individual entities, transactions in currencies other than the entity’s functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary assets and liabilities are translated using the period end foreign exchange rate. Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction. Non-monetary assets and liabilities that are stated at fair value are translated using the historical rate on the date that the fair value was determined. All gains and losses on translation of these foreign currency transactions are included in profit or loss.

3. SIGNIFICANT MANAGEMENT JUDGEMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates.

Information about critical judgments and estimates in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- **Critical judgments**

Capitalization of exploration and evaluation costs and determination of economic viability of a project

Management has determined that exploration, development and evaluation costs incurred which were capitalized have future economic benefits. Management uses several criteria in its assessment of economic recoverability and probability of future economic benefit including geological and metallurgical information, accessible facilities, existing permits and life of mine plans.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

3. SIGNIFICANT MANAGEMENT JUDGEMENTS AND ESTIMATES (CONTINUED)

- **Critical judgments (continued)**

Determination of functional currency

The functional currency of the Company and its US subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined that its functional currency and that of its US subsidiaries is the US dollar, and the functional currency of the parent company and its Canadian subsidiary, Altus, is the Canadian dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment in which the entity operates and the Company reconsiders functional currency if there is a change in events and conditions which determined the primary economic environment.

The Company made the judgment that the parent company's functional currency changed from US dollars to Canadian dollars on January 1, 2024 due to the change of the parent company's primary economic environment including, but not limited to its equity and debt financing conditions and increased operation costs as a public company. This change has been accounted for prospectively. The resulting translated amounts for non-monetary items measured at historical costs are not adjusted retrospectively. The comparative amounts presented in the consolidated financial statements are not restated.

- **Estimates**

Asset carrying values and impairment

The Company performs impairment testing when impairment indicators are present. In the determination of carrying values and impairment charges, management considers the recoverable amount which is the greater of fair value less costs of disposal and value in use in the case of mining assets. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Mineral reserve estimates

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operations.

Share-based compensation

Estimating the fair value of granted stock options requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected rate of forfeitures, expected life, price volatility, interest rate and dividend yield. Changes in the input assumptions can significantly affect the fair value estimate of the Company's earnings and reserves.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

3. SIGNIFICANT MANAGEMENT JUDGEMENTS AND ESTIMATES (CONTINUED)

- **Estimates (continued)**

Recognition of deferred taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed and reviewed by management. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates may occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses unrecognized deferred income tax assets.

Estimation of environmental rehabilitation and the timing of expenditure and related accretion

The Company's provision for environmental rehabilitation represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of mine's life. The provision reflects estimates of future costs, inflation and assumptions of risks associated with the future cash outflows, and the applicable interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to the provision for environmental rehabilitation are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

4. MATERIAL ACCOUNTING POLICY INFORMATION

These Condensed Interim Consolidated Financial Statements have been prepared using accounting policies consistent with those used in the Company's audited consolidated financial statements for the year ended December 31, 2024.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

5. ACQUISITION OF ALTUS

On February 23, 2024, the Company completed the acquisition of all the issued and outstanding shares of Altus Gold Corp. ("Altus") by way of a three-cornered amalgamation (the "Transaction") in which the Company's wholly-owned subsidiary, 1455812 B.C. Ltd. ("Subco") amalgamated with Altus to form the entity Scorpio Gold BC Holding Corp. ("Amalco"), a wholly-owned subsidiary of the Company, and the Company issued to the former shareholders of Altus an aggregate of 22,839,611 common shares of the Company in exchange for their common shares of Altus. In addition, 10,523,605 warrants with an exercise price ranging from CA\$0.10 to \$0.25 issued by Altus (the "Altus Warrants") prior to the Transaction were exchanged for the Company's warrants on a 1:1 basis.

As a result of the Transaction, Amalco now holds an option to acquire a 90% interest in the mineral exploration project in Esmeralda County, Nevada referred to as the Northstar property, adjacent to the Company's Mineral Ridge Project (Note 8).

The bridge loan advanced by Altus to the Company was forgiven by Altus Gold in connection with the Transaction, with no obligation or liability for the Company to convert the bridge loan into common shares of the Company (Note 9). In connection with closing of the Transaction, the Company issued an aggregate of 36,800,000 units in a private placement for aggregate gross proceeds of C\$5,520,000 (Note 12).

The Transaction has been accounted for by the Company as a purchase of assets and assumption of liabilities. The Transaction did not qualify as a business combination under IFRS 3 - Business Combinations, as the significant inputs, processes and outputs, that together constitute a business, did not exist in Altus Gold at the time of the Transaction.

The following table summarizes the preliminary purchase price allocation:

	\$
Purchase price:	
22,839,611 Scorpio Gold common shares issued (Note 12)	2,536,684
10,523,605 Scorpio warrants issued (Note 12)	811,168
Loan forgiven by Altus (Note 9)	(713,165)
Total consideration	2,634,687
Purchase price allocation:	
Bank overdraft	(28)
Receivables	18,792
Mineral properties (Note 8)	2,976,548
Accounts payable and accrued liabilities	(360,625)
Total net assets acquired	2,634,687

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

6. RECLAMATION DEPOSITS

	\$
Balance as of December 31, 2023	8,180,549
Additions	1,212,960
Finance income	445,863
Balance as of December 31, 2024	9,839,371
Finance income	207,481
Balance as of June 30, 2025	10,046,852

The Company has reclamation bonds of \$17,575,323 and entered into an agreement with a surety under which the cash collateral is \$10,046,852 (December 31, 2024 – \$9,839,371) of which \$9,776,989 (December 31, 2024 – \$9,569,508) is for Mineral Ridge and \$269,863 (December 31, 202 – \$269,863) is for Goldwedge.

During the year ended December 31, 2024, the Nevada Division of Environmental Protection (NDEP) reviewed and revised their estimate of reclamation costs at Mineral Ridge which is used to determine the required surety in place. This revised estimate required the Company to increase the surety by \$2,885,806. During the year ended December 31, 2024, the Company added \$1,212,959 to the cash collateral with Sompco, the Company's surety partner, to meet NDEP's requirement (the remainder is covered by a bond with Sompco).

7. PROPERTY, PLANT AND EQUIPMENT

The Company's property, plant and equipment is broken down as follows:

	Buildings \$	Equipment \$	Vehicles \$	Computer \$	Total \$
COST					
As of December 31, 2023 and 2024	3,078,725	18,902,656	277,802	821,743	23,080,926
Addition	-	57,782	-	-	57,782
Recovery	-	79,750	-	-	-
Disposal	-	(79,750)	-	-	-
As of June 30, 2025	3,078,725	18,960,438	277,802	821,743	23,138,708
ACCUMULATED DEPRECIATION					
As of December 31, 2023	(2,456,662)	(14,898,006)	(244,866)	(797,700)	(18,409,349)
Addition	(8,516)	(15,086)	-	(1,698)	(25,300)
(Impairment) recovery	(247,991)	76,325	(32,936)	(18,269)	(222,871)
As of December 31, 2024	(2,724,525)	(14,823,276)	(277,802)	(821,743)	(18,647,346)
Addition	-	-	-	-	-
As of June 30, 2025	(2,724,525)	(14,823,276)	(277,802)	(821,743)	(18,647,346)
Net book value as of December 31, 2024	354,200	4,079,380	-	-	4,433,580
Net book value as of June 30, 2025	354,200	4,137,162	-	-	4,491,362

During the year ended December 31, 2024, the Company recorded impairment/recovery of property, plant and equipment of \$222,871 based on a valuation report completed in April 2025. The valuation is based on an orderly liquidation value of the assets. The orderly liquidation value is an opinion of the gross amount, expressed in terms of money, that typically could be realized from a liquidation sale, given a reasonable period of time to find a purchaser (or purchasers), with the seller being compelled to sell on an as-is where-is basis as of a specific date.

During the six months ended June 30, 2025, the Company sold equipment with a net book value of \$Nil for gross proceeds of \$79,750, and accordingly recorded a gain on sale of scrap of \$79,750.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

8. MINERAL PROPERTIES

The Company's mineral properties are broken down as follows:

	\$	\$	\$	\$
	Goldwedge	Mineral ridge	Northstar	Total
Balance as of December 31, 2023	1,160,301	-	-	1,160,301
Acquisition of Altus Gold (Note 5)	-	-	2,976,548	2,976,548
Exploration expenditure	1,371,883	-	16,658	1,388,541
Cash payments under option agreement	-	-	79,546	79,546
Shares issued pursuant to option agreement (Note 12)	-	-	701,213	701,213
Change of estimation of environmental rehabilitation liabilities (Note 11)		8,071,144		8,071,144
Write-off of mineral properties		(8,071,144)	(3,730,033)	(11,801,178)
Foreign exchange		-	(43,931)	(43,931)
Balance as of December 31, 2024	2,532,184	-	-	2,532,184
Staking costs	146,159	-	-	146,159
Exploration expenditure	1,393,037	-	-	1,393,037
Balance as of June 30, 2025	4,071,380	-	-	4,071,380

Goldwedge property and mill

In March 2021, the Company completed an acquisition of the Manhattan project located in Nye County, Nevada and situated adjacent and proximal to the Company's Goldwedge property. In consideration, the Company paid \$100,000 cash and issued 2,091,149 common shares valued at \$199,062. The property is subject to a 2.0% net smelter returns royalty and certain reserved water rights.

Northstar property

The Company acquired the Northstar property in connection with Transaction discussed in Note 5.

Altus entered into a property option agreement (the "Northstar Agreement") with Guardian Angel LLC and Silver Spartan LLC (collectively the "Northstar Optionors"), and Altus Capital Partners Inc. (the "Altus Capital") granted an exclusive option to acquire a 90% undivided interest in unpatented lode mining claims located in Esmeralda County (the "Esmeralda Property") and right of first offer to acquire the claims located in Esmeralda County, Nevada (the "ROFR Claims").

Pursuant to the Northstar Agreement, the Company is required to make:

- A total cash payment of \$60,000, which was paid by Altus prior to the Transaction;
- Cash payments in amounts equal to the gold price for 599.5 oz of gold;
- Issue 12,000,000 common shares of Altus Gold or the Company of which 3,000,000 common shares were issued by Altus prior to the Transaction and 4,000,000 common shares were issued by the Company on April 10, 2024 (Note 14); and
- Incur \$1,900,000 in exploration expenditures on the project.

The agreement is subject to a 2% net smelter royalty to the Northstar Optionors.

The Company is default on cash payment under the option agreement. As a result, the option agreement was terminated and the Company wrote off the Northstar property as of December 31, 2024.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

8. MINERAL PROPERTIES (CONTINUED)

Mineral ridge property

The Company suspended mining operations of its Mineral Ridge mine in November 2017 as the Company had mined all of its economical mineral reserves based on gold pricing and heap leach recovery parameters. In December 2021, the Company determined that operating the heap leach pads was not economic and so ceased operations at Mineral Ridge.

During the year ended December 31, 2024, the Company reassessed the environmental rehabilitation liability and increased its estimation by \$8,071,144. (Note 11)

On July 16, 2025, the Company, through its wholly-owned subsidiary, Scorpio Gold (US) Corporation ("Scorpio US"), entered into a definitive agreement (the "Agreement") with an arm-length third party (the "Purchaser"), for the sale of Mineral Ridge Gold, LLC ("MRG"), for gross proceeds of \$7,500,000. (Note 20)

9. LOANS PAYABLES

	June 30, 2025	December 31, 2024
	\$	\$
Balance, opening	1,014,918	1,456,107
Additions	-	992,790
Forgiven on Acquisition of Altus Gold (Note 5)	-	(713,165)
Repayments – common shares issued (Note 12)	-	(16,396)
Repayments – cash	(532,268)	(519,101)
Gain on loan settlement	-	(2,892)
Effect of movements on exchange rates	39,391	(182,425)
Balance, closing	522,041	1,014,918

a) In October 2021, the Company entered into an unsecured non-interest-bearing credit facility agreement with certain directors of the Company. Pursuant to the agreement, the Company may draw advances up to \$500,000. In February 2022, the Company amended its credit facility agreement with certain directors of the Company to increase the facility from up to \$500,000 to up to \$750,000 and to extend the repayment date to December 31, 2022.

During the year ended December 31, 2024, the Company repaid \$57,750 and issued 132,150 shares valued at \$16,396 to one director to settle his \$77,000 debts. A gain on loan settlement of \$2,892 was recorded in the consolidated statement of loss and comprehensive loss. As of June 30, 2025, the loan balance was \$495,055 (December 31, 2024 - \$468,576).

b) During the year ended December 31, 2023, the Company received a Bridge Loan of \$736,828 (C\$1,000,000) from Altus. On February 23, 2024, the Company acquired 100% of Altus (Note 5). In connection with the Transaction, the Bridge Loan balance of \$736,828 was forgiven by Altus Gold, with no obligation or liability for the Company to convert the bridge loan into common shares of the Company.

c) On August 2, 2024, the Company entered into a short-term loan with an arm's length third party for proceeds of C\$1,150,000 at an interest rate of 5% per annum, due for repayment on December 31, 2024. The Company repaid C\$400,000 in October 2024 and C\$750,000 in April 2025. The accrued interest is waived. As of June 30, 2025, the loan balance was \$Nil (December 31, 2024 - \$520,787).

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

9. LOAN PAYABLES (CONTINUED)

d) During the year ended December 31, 2023, the Company received a short-term non-interest-bearing loan from the directors of the Company for an amount of \$38,646. The Company made partial payment. As of June 30, 2025, the loan balance was \$15,581 (December 31, 2024 - \$14,778).

e) During the year ended December 31, 2024, the Company received \$10,763 from the CEO of the Company. As of June 30, 2025, the loan balance was \$11,371 (December 31, 2024 - \$10,763).

10. CONVERTIBLE NOTES

	December 31, 2024
	\$
Balance, opening	3,012,393
Interest	387,714
Equity portion of convertible loan	(1,601,989)
Settlement with share issuance	(405,713)
Foreign exchange	(1,392,405)
Gain on debt settlement	-
Balance, ending	

On May 26, 2022 (the "2022 Closing Date"), the Company entered into two convertible debentures agreements (the "2022 Debentures") which provides for a credit facility for up to a total of \$2,450,000 (the "2022 Credit Facility") until the maturity date of December 31, 2022 (the "2022 Maturity Date") with companies owned by a director of the Company, and a former director of the Company (collectively the "Lenders"). The 2022 Debentures bear interest of 12.375% per annum compounding monthly. Using a risk-adjusted discount rate of 18%, the Company calculated and recorded the equity portion of the notes to be \$72,630.

The 2022 Debentures were convertible into common shares at the option of the holder at any time prior to the 2022 Maturity Date at a conversion price of \$0.54 per share (the "2022 Conversion Price").

On July 16, 2024, the parties agreed to partial debt settlement through the issuance of shares of the Company, and to restructure the remaining balance owed. C\$750,000 of the amount owed is to be repaid via the issuance of 5,000,000 common shares of the Company at a fair value of C\$0.12 per share, subject to the approval of the TSXV.

On August 26, 2024, the parties agreed to settle the remaining amounts C\$3,348,099 owed through the issuance of 13,950,411 common shares of the Company at a fair value of C\$0.12 share, subject to the approval of the TSXV.

On September 11, 2024, TSXV approval of the debt settlement was received, and a total of 18,950,411 common shares were issued (Note 14).

The Company recorded the share issuance at C\$0.12 per share, which is the market price of the share issuance date. The 18,950,411 shares were valued at \$1,601,989. The Company also recorded a gain on the settlement of \$1,392,405.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

11. PROVISION FOR ENVIRONMENTAL REHABILITATION

The provision for environmental rehabilitation consists of mine closure, reclamation and retirement obligations for mine facilities and infrastructure. The Company has recorded the following provision for environmental rehabilitation.

	June 30, 2025	December 31, 2024
	\$	\$
Opening	14,155,881	5,804,374
Unwinding discount	305,271	242,495
Change in estimate	-	8,109,012
Ending	14,461,152	14,155,881
Current	-	-
Non-current	14,461,152	14,155,881
Ending	14,461,152	14,155,881

The total undiscounted amount of estimated cash flows required to settle the provision for environmental rehabilitation at Mineral Ridge is approximately \$14,783,848 (December 31, 2024 – \$14,783,848). The total undiscounted amount of estimated cash flows required to settle the provisions for environmental rehabilitation at Goldwedge is approximately \$475,176 (December 31, 2024 – \$475,176). The present value of the obligation was determined using a weighted average discount rate of 4.4% (December 31, 2024 – 4.4%) and an average inflation rate of 2.0% (December 31, 2024 – 2.0%). The settlement of the obligations is estimated to occur through to 2035, for Mineral Ridge and Goldwedge, respectively. All environmental rehabilitation obligations are intended to be funded from cash balances at the time of the rehabilitation and from reclamation bonds once related rehabilitation work has been approved by the relevant authorities and related funds returned to the Company (Note 6).

12. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At June 30, 2025, the Company had 221,357,418 common shares (December 31, 2024 – 130,833,244) issued and outstanding with a value of \$77,034,334 (December 31, 2024 – \$72,069,324).

During the six months ended June 30, 2025

- In April 2025, the Company completed a non-brokered private placement for a total of 88,375,000 shares at a price of C\$0.08 for gross proceeds of C\$7,070,000. The Company paid finders' fees of \$47,235 and issued a total of 2,864,850 non-transferable finders' warrants valued at \$65,750. Each finder's warrant entitles the holder to purchase one common share at an exercise price of C\$0.08 for a period of one year following the closing of the private placement.
- On April 2, 2025, the Company issued 2,149,174 shares to a creditor at a deemed price of C\$0.09 per share to settle debts of \$134,118.
- During the six months ended June 30, 2025, the Company issued 100,000 shares pursuant to warrant exercise for a total proceed of \$7,309 (C\$10,000). The Company also transferred the fair value of the exercised warrants of \$8,516 (C\$11,650) from warrant reserves to share capital.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

12. SHARE CAPITAL (CONTINUED)

During the year ended December 31, 2024

- On January 22, 2024 and February 23, 2024, the Company completed two tranches of a private placement for a total of 36,800,000 units at a price of C\$0.15 for gross proceeds of \$4,089,873 (C\$5,520,000). Each units consisted of one common share and one share purchase warrants. Each share purchase warrants entitles its holder to purchase one additional common share at an exercise price of C\$0.20 for a period of two years following the closing of the private placement.

The Company paid finders' fees of \$77,403 and issued a total of 613,226 non-transferable finders' warrants valued at \$46,224. Each finder's warrant entitles the holder to purchase one common share at an exercise price of C\$0.20 for a period of two years following the closing of the private placement.

- On February 23, 2024, the Company issued 22,839,611 shares to acquire Altus (Note 5). The shares were valued at C\$0.15 per share which is the price of the shares issued at the concurring private placement. The total value of the shares is \$2,536,684 (C\$3,425,942).
- On September 11, 2024, 18,950,411 common shares were issued to extinguish the convertible notes owed by the Company (Note 11). The shares were valued at \$0.12 per share which is the market price as of the issuance date. The total value of the shares is \$1,601,989 (C\$2,274,049).
- On October 3, 2024, the Company completed a private placement for a total of 20,858,666 shares at a price of C\$0.12 for gross proceeds of \$1,849,178 (C\$2,503,040).

The Company paid finders' fees of \$7,677 and issued a total of 64,750 non-transferable finders' warrants valued at \$3,409. Each finder's warrant entitles the holder to purchase one common share at an exercise price of C\$0.12 for a period of one year following the closing of the private placement.

- During the year ended December 31, 2024, the Company issued 615,000 shares pursuant to warrant exercise for a total proceed of \$43,758 (C\$61,500). The Company also transferred the fair value of the exercised warrants of \$49,902 (C\$70,128) from warrant reserves to share capital.

Warrant reserves

The changes in warrants during the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows:

	June 30, 2025		December 31, 2024	
	Number outstanding	Weighted average exercise price (C\$)	Number outstanding	Weighted average exercise price (C\$)
Balance, opening	50,626,581	0.20	3,240,000	0.20
Issued in private placement units	-	-	36,800,000	0.20
Finders' warrants	2,864,850	0.08	677,976	0.20
Issued for acquisition of Altus Gold (Note 3)	-	-	10,523,605	0.20
Exercised	(100,000)	0.10	(615,000)	0.10
Expired	(2,374,299)	0.25	-	-
Balance, closing	51,017,332	0.19	50,626,581	0.20

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

12. SHARE CAPITAL (CONTINUED)**Warrant reserves (continued)**

The fair value of the warrants issued in the six months ended June 30, 2025 was determined using the Black-Scholes option price modelling with the following assumptions:

Six months ended June 30, 2025	Finder's warrants
Average stock price (C\$)	0.08
Average exercise price (C\$)	0.08
Average risk-free interest rate (%)	2.44
Expected life (years)	1.00
Expected volatility (%)	105.99
Expected dividends (C\$)	Nil

The fair value of the warrants issued in the year ended December 31, 2024 was determined using the Black-Scholes option price modelling with the following assumptions:

Year ended December 31, 2024	Finder's warrants	Altus warrants
Average stock price (C\$)	0.15	0.15
Average exercise price (C\$)	0.19	0.25
Average risk-free interest rate (%)	4.16	4.28
Expected life (years)	1.90	2.07
Expected volatility (%)	150.66	149.15
Expected dividends (C\$)	Nil	Nil

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

12. SHARE CAPITAL (CONTINUED)**Warrant reserves (continued)**

The following summarizes information about warrants outstanding and exercisable at June 30, 2025:

Expiry date	Exercise price (C\$)	Warrants outstanding and exercisable
December 13, 2025	0.20	3,240,000
January 22, 2026	0.20	6,337,766
February 23, 2026	0.20	30,975,460
October 3, 2025	0.12	64,750
November 30, 2025	0.10	1,200,000
March 1, 2026	0.10	2,205,000
May 15, 2026	0.25	250,000
May 29, 2026	0.25	612,500
August 4, 2025	0.25	73,806
October 30, 2026	0.25	300,000
December 13, 2026	0.25	2,775,000
August 4, 2025	0.25	8,000
October 30, 2026	0.25	10,000
April 1, 2026	0.08	2,667,850
April 22, 2026	0.08	197,000
		51,017,332
Weighted average exercise price (C\$)		0.19
Weighted average remaining contractual life		0.68

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

12. SHARE CAPITAL (CONTINUED)

Equity incentive plan

The Company adopted an Equity Incentive Plan (the “Plan”) on May 20, 2024. Under the Plan, the Company can grant options, deferred share units, performance share units, restricted share units, securities for services, stock appreciation right, stock purchase plan, and other stock-based awards, which may be denominated or settled in shares, cash, or in other forms. The maximum number of shares available for issuance under the Plan shall not exceed 10% of the issued and outstanding shares from time to time when taken together with all other stock-based compensation arrangements of the Company.

Options

Under the Plan, the Company may, from time to time, grant options to directors, officers, employees and consultants. The term of the option grants is up to ten years. The vesting terms are at the discretion of the board of directors. The maximum number of common shares reserved for issue shall not exceed 10% of the total number of common shares issued and outstanding as at the grant date.

Restricted share units (“RSUs”)

RSUs may be granted to directors, officers and employees to acquire shares or the cash equivalent, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established performance goals and objectives.

Performance share units (“PSUs”)

PSUs may be granted to directors, officers and employees to receive payment in shares or cash equivalent once such award is earned and has vested, subject to such restrictions and conditions as the Board may determine at the time of grant. Conditions shall be based upon the achievement of pre-established performance criteria over the performance period as well as continuing employment or engagement with the Company.

Stock options

The changes in options during the six months ended June 30, 2025 and the year ended December 31, 2024 are as follows:

	June 30, 2025		December 31, 2024	
	Number outstanding	Weighted average exercise price (C\$)	Number outstanding	Weighted average exercise price (C\$)
Balance, opening	9,178,892	0.19	1,100,003	0.70
Granted	-	-	8,300,000	0.14
Expired or cancelled	(1,563,329)	0.30	(221,111)	0.99
Balance, closing	7,615,563	0.17	9,178,892	0.19

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

12. SHARE CAPITAL (CONTINUED)

Stock options (continued)

On July 16, 2024, the Company issued 2,650,000 incentive stock options to directors, officers, and consultants of the Company. The options are exercisable at a price of C\$0.15 per share with an expiry date of July 16, 2029, and vest on a quarterly basis over two years. The Company also issued 1,000,000 stock options at C\$0.15 per share to an officer of the Company with an expiry date of July 16, 2030, and vest on an annual basis over five years. The fair value of the stock options granted was C\$451,304. During the six months ended June 30, 2025, \$84,961 (C\$119,195) (December 31, 2024 - \$136,201 (C\$196,147)) was amortized and recorded in the consolidated statements of loss and comprehensive loss.

On October 28, 2024, the Company issued 4,300,000 incentive stock options to directors, officers, and consultants of the Company. The options are exercisable at a price of C\$0.135 per share with an expiry date of October 28, 2028, and vest immediately. The fair value of the stock options granted was \$362,915 (C\$504,361) was recorded in the consolidated statements of loss and comprehensive loss.

On October 28, 2024, the Company issued 350,000 incentive stock options to directors, officers, and consultants of the Company. The options are exercisable at a price of C\$0.15 per share with an expiry date of October 28, 2028, and vest on a quarterly basis over two years. The fair value of the stock options granted was C\$40,514. During the six months ended June 30, 2025, \$23,051 (C\$32,396) (December 31, 2024 - \$5,108 (C\$7,355)) was amortized and recorded in the consolidated statements of loss and comprehensive loss.

The fair value of the stock options granted was determined using the Black-Scholes option price modelling with the following assumptions:

	Year ended December 31, 2024
Average stock price (C\$)	0.15
Average exercise price (C\$)	0.14
Average risk-free interest rate (%)	3.16
Expected life (years)	4.44
Expected volatility (%)	125.75
Expected dividends (C\$)	Nil

The following summarizes information about stock options outstanding and exercisable at June 30, 2025:

Expiry date	Exercise price (CA\$)	Options outstanding	Options exercisable
September 14, 2025	1.49	87,223	87,223
November 10, 2027	0.41	278,341	278,341
July 16, 2029	0.15	1,600,000	600,000
July 16, 2030	0.15	1,000,000	-
October 28, 2028	0.135	4,300,000	4,300,000
October 28, 2028	0.15	350,000	87,500
		7,615,564	5,353,064
Weighted average exercise price (C\$)		0.17	0.16
Weighted average remaining contractual life		3.51	3.51

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

12. SHARE CAPITAL (CONTINUED)

Restricted share units ("RSUs")

On October 30, 2024, the Company issued 900,000 RSUs to directors, officers, and consultants of the Company. The options will be 100% vested on October 30, 2025, on which the recipients will receive 900,000 common shares of the Company. As of December 31, 2024, RSUs were valued at C\$0.095 per RSU.

During the six months ended June 30, 2025, \$47,424 (C\$66,476) (December 31, 2024 - \$10,085 (C\$14,523)) was amortized and recorded in the consolidated statements of loss and comprehensive loss.

13. CARE AND MAINTENANCE

	For the six months ended	
	June 30, 2025	June 30, 2024
	\$	\$
Contractor	23,281	44,286
Equipment	-	1,958
Fuel and reagents	12,141	8,499
Insurance	227,804	83,986
Labour	240,908	270,214
Maintenance	80,533	200,628
Mechanical parts	1,390	4,130
Other	110,071	138,692
Permits and licenses	130,398	132,031
Supplies	32,635	6,520
Utilities	138,585	120,397
Travel	26,722	-
	1,024,468	1,011,341

14. GENERAL AND ADMINISTRATIVE EXPENSES

	For the six months ended	
	June 30, 2025	June 30, 2024
	\$	\$
Salaries and benefits (Note 16)	-	17,439
Consultants	557,633	444,963
Insurance, travel and office related	146,005	72,523
Investor relations	194,174	172,914
Professional fees	255,437	167,294
Transfer agent and filing fees	18,721	61,610
	1,171,970	936,743

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

15. RELATED PARTY TRANSACTIONS AND BALANCES

Compensation of key management personnel and directors

Key management includes members of the Board of Directors, the Chief Executive Officer and the Chief Financial Officer.

During the six months ended June 30, 2025, the salaries and benefits incurred to the key management are as follows:

- Chief Executive Officer – \$44,001 (2024 – \$29,341);
- Chief Financial Officer – \$50,211 (2024 – \$Nil);
- Former Chief Financial Officer – \$3,229 (2024 – \$14,984); and
- General Manager, the spouse of the Company's COO – \$Nil (2024 – \$62,504).

Amounts due to related parties

Included in trade and other payables as of June 30, 2025 is \$8,434 (December 31, 2024 – \$12,037) due to key management for director fees and the reimbursement of expenditures.

16. SUPPLEMENTAL CASH FLOW INFORMATION

Supplemental cash flow information		
	June 30, 2025	June 30, 2024
Fair value of finders' warrants	65,750	37,760
Shares issued for debt settlement	134,118	-
Fair value of warrants exercised	8,516	-
Mineral properties included in accounts payable	578,874	-
Reclassification of the grant-date fair value of warrants liabilities	-	1,660,879
Cash paid for income taxes	-	-
Cash paid for interest	-	-

17. SEGMENTED INFORMATION

The Company operates in one reportable segment being the exploration and evaluation of mineral properties. The Company's non-current assets are located are as follows:

	June 30, 2025	Canada	United States
	\$	\$	\$
Non-current assets			
Reclamation deposits	10,046,852	-	10,046,852
Investments	764	764	-
Property, plant and equipment	4,491,362	-	4,491,362
Mineral properties	4,071,380	-	4,071,380

	December 31, 2024	Canada	United States
	\$	\$	\$
Non-current assets			
Reclamation deposits	9,839,371	-	9,839,371
Investments	764	764	-
Property, plant and equipment	4,433,580	-	4,335,580
Mineral properties	2,532,183	-	2,532,183

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

18. CAPITAL MANAGEMENT

Capital is defined as equity attributable to shareholders' equity. The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern and to maximize the value for its shareholders.

The Company's activities have been primarily funded so far through cash flows from operating activities and equity and debt financing based on cash needs. The Company typically sells its shares by way of private placement.

The Company manages its capital structure and determines its capital requirements in light of the changing economic conditions and the risk characteristics of its assets. To reach its objectives, the Company may need to maintain or adjust its capital structure by issuing new share capital or new debt.

At this stage of its development, it is the Company's policy to preserve cash to fund its operations and not to pay dividends.

19. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, receivables, reclamation deposits, accounts payable and accrued liabilities, loans payable and convertible notes approximate their fair value due to their short-term nature. The fair value of the Company's investments and warrant liability is recorded at fair value using Level 1 and Level 3 of the fair value hierarchy, respectively. The carrying value of the warrant liability is determined using the Black-Scholes option pricing model.

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

- Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.
- Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the market place.
- Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

19. FINANCIAL INSTRUMENTS (CONTINUED)**Fair value (continued)**

Set out below are the Company's financial assets and financial liabilities by category:

	June 30, 2025		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
FINANCIAL ASSETS					
ASSETS					
Cash	584,968	-	584,968	-	-
Receivables	82,329	-	82,329	-	-
Reclamation deposits	10,046,852	-	10,046,852	-	-
Investments	764	764	-	-	-
FINANCIAL LIABILITIES					
LIABILITIES					
Accounts payable and accrued liabilities	(1,252,208)	-	(1,252,208)	-	-
Loans payable	(522,041)	-	(522,041)	-	-

	December 31, 2024		FVTPL	Amortized costs	FVTOCI
	\$		\$	\$	\$
FINANCIAL ASSETS					
ASSETS					
Cash	694,356	-	694,356	-	-
Receivables	37,091	-	37,091	-	-
Reclamation deposits	9,942,496	-	9,942,496	-	-
Investments	764	764	-	-	-
FINANCIAL LIABILITIES					
LIABILITIES					
Accounts payable and accrued liabilities	(1,855,241)	-	(1,855,241)	-	-
Loans payable	(1,017,047)	-	(1,017,047)	-	-

Financial risk management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is attributable to cash, receivables and reclamation bonds. The credit risk on cash, as well as reclamation bonds is limited because the Company invests its cash and reclamation bonds in deposits with well capitalized financial institutions with strong credit ratings. Receivables on regular precious metal sales are generally received within a week after delivery. The Company has no past due accounts and has not recorded a provision for doubtful accounts.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's current policy to manage liquidity risk is to keep cash in bank accounts.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

19. FINANCIAL INSTRUMENTS (CONTINUED)**Financial risk management (continued)**

The following table outlines the expected maturity of the Company's significant financial liabilities into relevant maturity grouping based on the remaining period from the date of the statement of financial position to the contractual maturity date:

	Total	Less than 1 year	1 to 3 years	4 to 5 years	More than 5 years
	\$	\$	\$	\$	\$
Accounts payable and accrued liabilities	1,252,208	1,252,208	-	-	-
Loans payable	522,041	522,041	-	-	-
	1,744,249	1,744,249	-	-	-

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The 2022 Credit Facility are fixed at an interest rate of 12.375% per annum and accordingly are not subject to cash flow interest rate risk due to changes in the market rate of interest. The Company does not use financial derivatives to manage its exposure to interest rate risk.

Currency risk

The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in US Dollars ("US\$"). The Company has not entered into any foreign currency contracts to mitigate this risk. The Company's financial assets and liabilities are held in US\$ and Canadian Dollars ("CA\$"); therefore, CA\$ accounts are subject to fluctuation against the US Dollars.

The Company had the following balances in foreign currency as at June 30, 2025:

	US\$	CA\$
Cash	7,954	786,527
Receivables	-	112,223
Reclamation deposits	10,046,852	-
Investments	-	960
Accounts payable and accrued liabilities	(830,626)	(574,659)
Loans payable	-	(711,593)
	9,224,180	(386,542)
Rate to convert to \$1.00 US\$	1.00000	0.733622
Equivalent to US\$	9,224,180	(283,576)

Based on the above net exposures as at June 30, 2025, and assuming that all other variables remain constant, a 10% appreciation or depreciation of the US\$ against the CA\$ would increase/decrease comprehensive loss by \$28,358.

Scorpio Gold Corporation

Notes to the Condensed Consolidated Interim Financial Statements (unaudited)

For the Six Months Ended June 30, 2025

(Expressed in United States Dollars)

20. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

Sales of Mineral Ridge Gold, LLC

On July 16, 2025, the Company, through its wholly-owned subsidiary, Scorpio Gold (US) Corporation ("Scorpio US"), entered into a definitive agreement (the "Agreement") with an arm-length third party (the "Purchaser"), for the sale of Mineral Ridge Gold, LLC ("MRG"), a wholly-owned subsidiary of Scorpio US (the "Transaction").

Under the terms of the Agreement, the Purchaser will acquire all membership interests in MRG, along with the related unpatented mining claims comprising MRG's Mineral Ridge project located in Esmeralda County, Nevada (the "Project"), for an aggregate cash purchase price of \$7,500,000. \$700,000 of the purchase price will be advanced by the Purchaser as a non-refundable deposit to the Company by August 7, 2025 (received). \$4,300,000 is due upon closing, which is expected to occur no later than August 25, 2025 (received). On completion of the Transaction, \$1,500,000 of the purchase price will be retained in escrow as an indemnification holdback, with such funds being released to the Company on the 3-month (as to 50%) and 9-month (as to 50%) anniversaries of the closing date, as well as an additional \$1,000,000 to be paid on the 12-month anniversary of the closing date, by the Purchaser to the Company. The Purchaser will also replace or assume the reclamation bond obligations of the Company and Scorpio US related to the Project. Certain assets associated with the Project will be retained by the Company and transferred to its subsidiary, Scorpio US, in advance of closing. The Agreement also provides for a \$300,000 break fee payable by Scorpio US to the Purchaser in the event Scorpio US terminates the Agreement other than for a breach by the Purchaser.

Grant of stock options

On July 25, 2025, the Company issued 8,600,000 incentive stock options to directors, officers, employees and consultants of the Company. The options are exercisable at a price of C\$0.25 per share with an expiry date of July 25, 2030, and vest on a quarterly basis over two years.

Issuance of restricted share units

On July 25, 2025, the Company issued 7,930,000 RSUs to directors, officers, and employees of the Company. The options will be vested 25% at each anniversary until July 25, 2029. The recipients will receive 1,982,500 common shares of the Company at each anniversary.

Exercise of warrants

Subsequent to June 30, 2025, the Company issued 2,014,371 shares pursuant to exercise of 2,014,371 warrants for total proceeds of \$389,058.