



Management's Discussion and Analysis
Quarterly Highlights

For the three months ended March 31, 2022

(Expressed in US dollars)

INTRODUCTION

The following is management's discussion and analysis – quarterly highlights (“MD&A”) of the results of operations and financial condition of Scorpio Gold Corporation (the “Company” or “Scorpio Gold”) for the three months ended March 31, 2022 and up to the date of this MD&A, and has been prepared to provide material updates to the business operations, financial condition, liquidity and capital resources of the Company since its last management's discussion and analysis for the fiscal year ended December 31, 2021 (the “Annual MD&A”).

This MD&A should be read in conjunction with the Annual MD&A and the audited consolidated financial statements for the year ended December 31, 2021, together with the notes thereto, and the accompanying unaudited condensed interim consolidated financial statements and related notes thereto for the three months ended December 31, 2021 (the “Financial Report”).

All financial information in this MD&A is derived from the Company's financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and all dollar amounts are expressed in US dollars unless otherwise indicated.

The effective date of this MD&A is May 26, 2022.

DESCRIPTION OF BUSINESS

Scorpio Gold was incorporated under the Business Corporations Act (British Columbia). The Company is a reporting issuer in the provinces of British Columbia and Alberta. Scorpio Gold is listed on the TSX Venture Exchange (the “TSX-V”) under the trading symbol SGN. The Company and its subsidiaries conduct mining exploitation, exploration and development activities in the United States of America (“USA”).

QUARTERLY HIGHLIGHTS

During the three months ended March 31, 2022, and up to the date of this MD&A, the Company completed the following:

- In January 2022, the Company announced the final results of its phase I drill program at the Goldwedge property.
- In March 2022, the Company issued 950,000 common shares on conversion of \$76,000 of convertible debentures (“Debentures”).
- In April 2022, the Company issued 5,194,976 common shares to settle its semi-annual interest payment of \$350,000 on the Debentures.
- In April 2022, the Company issued 87,687,500 common shares on maturity of the remaining Debentures of \$7,015,000.
- In May 2022, the Company announced the first results of a phase II drill program begun at the end of March 2022 at the Goldwedge property.
- In May 2022, the Company entered into two convertible loan agreements with two directors of the Company pursuant to which the Company may borrow the principal amount of \$2,450,000 (the “Convertible Loans”). In April and May 2022, the Company received \$1,150,000 which amount plus accrued interest will be incorporated in the Convertible Loans as the first and second draws.

EXPLORATION

On January 4, 2022, the Company announced the final results of phase 1 of its surface reverse circulation ("RC") drilling program at the Manhattan West and East pits at the Goldwedge property in Manhattan, Nevada. Thirty-one holes (6907m) were completed in this phase I program, including 19 holes in the West Pit area and 12 holes in the East Pit area. Assay results for 12 holes drilled in the West Pit and 5 holes in the East Pit area were reported in the Company's July 20, September 7, November 2 and December 9, 2021 news releases. Scorpio Gold's geological staff are in the process of compiling and reviewing the analytical and geological data in context with historical results to build a better understanding of the controls to mineralization and structural complexity of the East and West pit areas. Planning for a phase II drilling program is in progress and will focus on defining the extent and continuity of the multiple mineralized zones intersected to date.

On May 12, 2022, the Company announced the first results of a phase II RC drilling program at its Goldwedge property located in Manhattan, Nevada. Boart Longyear was selected to conduct the phase II RC drilling program which commenced on March 29, 2022. The planned program consists of 59 RC drill holes with a total of 10,800m and drilling is expected to continue for the next 6-7 months. The program was designed around results encountered in the 2021 phase I program. The target areas are situated around the Manhattan West and East pits, and between the Goldwedge underground and the open pits. The proposed drill holes on section will be targeting the lateral extent and continuity of the mineralization trending toward NW strike direction of the West Pit. The drilling will also be used to confirm the underground continuity potential in down dip direction of the Reliance Fault zone which is host to high-grade gold mineralization targets. Additional prospective areas expected to be tested during this campaign of drilling, include the SE continuity of the mineralization structure from the West Pit towards East Pit area and identified new parallel structures at both NE and SW sections of West Pit. Additional planning to confirm structural continuity for some areas with a diamond drill holes (DDH) have been designed and consist of 33 holes with total of 7400m of core drilling. A total of 12 RC drill holes have been completed to date, which represents 22% (2,350 m) of the planned RC drill program.

QUALIFIED PERSON

The technical information contained within this MD&A has been reviewed and approved by independent geological consultant, Peter Hawley, B. Eng., BSc., P.Geo., a Qualified Person as defined by NI 43-101.

COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, has adversely affected workforces, economies, and financial markets globally. It is not possible for the Company to predict the duration or magnitude of any potential adverse impacts of the outbreak and its effects on the Company's business or ability to raise funds. The Company's programs have not been impacted to date.

RESULTS OF OPERATIONS

The Company reported a net loss of \$538,000 for the three months ended March 31, 2022 compared to a net loss of \$112,000 in the comparative period.

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. Since then, the Company generated limited revenues from Mineral Ridge from residual but diminishing gold recoveries from the leach pads. In December 2021, the Company determined that operating the heap leach pads was no longer economic and so ceased operations at Mineral Ridge.

The mine operating loss was \$Nil for the three months ended March 31, 2022 compared to earnings of \$202,000 for the comparative year of 2021.

During the three months ended March 31, 2022, both the Mineral Ridge and Goldwedge projects were in care and maintenance. Expenditures on Mineral Ridge totalled \$352,000 and Goldwedge totalled \$215,000.

General and administrative expenses totaled \$56,000 for the three months ended March 31, 2022 compared to \$233,000 during 2021. The decrease is primarily due to decreased salaries and benefits, investor relations, and professional fees during the period.

Finance costs totaled \$192,000 for the three months ended March 31, 2022 compared to \$184,000 during 2021 and primarily consist of \$175,000 (2021 - \$176,000) in interest on the convertible debentures.

LIQUIDITY AND CAPITAL RESOURCES

The Company began the fiscal quarter with \$279,000 cash. During the three months ended March 31, 2022, the Company spent \$313,000 on operating activities, net of working capital changes, received \$18,000 from investing activities, and received \$81,000 from financing activities to end at March 31, 2022 with \$65,000 cash.

As at March 31, 2022, the Company had a working capital deficiency of \$1,094,000.

In May 2022, the Company entered into two convertible loan agreements with two directors of the Company (the "Lenders") pursuant to which the Company may borrow the principal amount of \$2,450,000. The Convertible Loans mature December 31, 2022 and bear interest at a rate of 12.375% per annum, compounding monthly, payable at maturity. The Convertible Loans may be converted, at the election of the applicable Lender into common shares of the Company at a conversion price of \$0.06 per share, subject to adjustment until the earlier of: (i) December 31, 2022; and (ii) the date the entire outstanding principal amount of the applicable Loan has been repaid. In April and May 2022, the Company received \$1,150,000 from the Lenders, which amount plus accrued interest will be incorporated in the Convertible Loans as the first and second draws.

The Company does not have sufficient financial resources to carry out currently planned operations through the next twelve months. Additional financing may 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.

TRANSACTIONS WITH RELATED PARTIES

Other than as disclosed below, the Company had no other related party transactions other than those incurred in the normal course of business as disclosed in the Financial Report.

In February 2022, the Company amended the 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 from January 1, 2022 to December 31, 2022. In February 2022, the Company received further advances of \$81,000.

In April and May 2022, the Company received \$1,150,000 from two directors of the Company pursuant to promissory notes bearing interest at 12.375%. The promissory notes are unsecured and have no specific terms of repayment.

DISCLOSURE OF OUTSTANDING SECURITIES AS AT THE DATE OF THIS MD&A

Authorized: an unlimited number of common shares without par value

	Common Shares Issued and Outstanding	Warrants	Stock Options	Common Shares underlying the conversion of the principal amount of the convertible debentures
Balance as at March 31, 2022	118,054,189	37,500,000	4,072,500	88,637,500
Options cancelled	-	-	(20,000)	-
Issuance of shares for debenture interest	5,194,976	-	-	-
Maturity of debentures	87,687,500	-	-	(87,687,500)
Balance as at the date of this MD&A	210,936,665	37,500,000	4,052,500	-

FORWARD LOOKING STATEMENTS

This MD&A may include or incorporate by reference certain statements or disclosures that constitute "forward-looking information" under applicable securities laws. All information, other than statements of historical fact, included or incorporated by reference in this MD&A that addresses activities, events or developments that Scorpio Gold or its management expects or anticipates will or may occur in the future constitute forward-looking information. Forward-looking information is provided through statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or that events or conditions "will", "would", "may", "could" or "should" occur or continue. These forward-looking statements are based on certain assumptions and analyses made by Scorpio Gold and its management in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances.

Although Scorpio Gold believes such forward-looking information and the expectations expressed in them are based on reasonable assumptions, investors are cautioned that any such information and statements are not guarantees of future realities and actual realities or developments may differ materially from those projected in forward-looking information and statements. Whether actual results will conform to the expectations of Scorpio Gold is subject to a number of risks and uncertainties, including those risk factors discussed under "Risk Management" in the above documents incorporated herein by reference. In particular, if any of the risk factors materialize, the expectations and the predictions based on them may need to be re-evaluated. Consequently, all of the forward-looking information in this MD&A and the documents incorporated herein by reference is expressly qualified by these cautionary statements and other cautionary statements or factors contained herein or in documents incorporated by reference herein, and there can be no assurance that the actual results or developments anticipated by Scorpio Gold will be realized or, even if substantially realized, that they will have the expected consequences for Scorpio Gold.

Forward-looking statements are based on the beliefs, estimates and opinions of Scorpio's management on the date the statements are made. Unless otherwise required by law, Scorpio Gold expressly disclaims any intention and assumes no obligation to update or revise any forward-looking statements in the event that management's beliefs, estimates or opinions, or other factors, should change, whether as a result of new information, future events or otherwise, and Scorpio Gold does not have any policies or procedures in place concerning the updating of forward-looking information other than those required under applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements or forward-looking information.

OTHER INFORMATION

Additional information relating to the Company is available for viewing on SEDAR at www.sedar.com and at the Company's web site www.scorpiogold.com.