# Scorpio Gold Signs LOI with Lode Star-Mining for toll milling at Goldwedge

**Scorpio Gold Corp. {TSX.V: SGN}** announced the signing of a letter of intent (the "LOI") with **Lode-Star Mining Inc.{OTCQB}** for a custom milling agreement  to provide custom milling of mineralised material at the Company's Goldwedge processing facility, located 75 miles north of Goldfield in Manhattan, Nevada.

## Scorpio Gold Signs Letter of Intent with Lode-Star Mining Inc. for a Custom Toll Milling Agreement

Vancouver, February 21, 2017 – **Scorpio Gold Corp. {TSX.V: SGN}** is pleased to announce the signing of a letter of intent (the "LOI") with Lode-Star Mining Inc. ("Lode-Star") for a custom milling agreement (the "Agreement") to provide custom milling of mineralized material at the Company's Goldwedge processing facility, located 75 miles north of Goldfield in Manhattan, Nevada.

The Goldwedge mill is a 400 ton per day facility with an associated gravity recovery circuit. Testing of Lode-Star's mineralised material is expected to commence in Q1 2017 and is pending receipt of approval from the Nevada Division of Environmental Protection ("NDEP"). This testing will provide the baselines for metallurgical recoveries and mill throughput data to support Lode Star's mine permitting with the NDEP.

The coarse gold component of Lode-Star's material will be

recovered by the gravity circuit. Further testing will be conducted on the tailings to determine the potential economics of shipping tailings to Scorpio Gold's 70% owned Mineral Ridge heap leach operation for final recovery of cyanide-leachable precious metals. Assaying services can be provided to Lode Star at Mineral Ridge.
The companies are moving forward with permitting requirements associated with the Agreement. The Agreement requires completion of a cost analysis and other operational details which are expected to be concluded upon completion of the testing. The parties believe this arrangement can be mutually economical and operationally beneficial for their respective operations.

**Lode-Star President, Mark Walmesley,** comments, "*Lode-Star has been working steadily with Scorpio Gold on this milling solution for well over a year. The results of our metallurgy work through Kappes Cassiday indicate positive compatibility with Scorpio Gold's existing processes. Utilisation of the Mineral Ridge assaying lab is a key benefit that speeds up our overall production and milling timeline. We look forward to working with the Scorpio Gold team and believe this is a great pairing between our operations.*"

**Chris Zerga, President of Scorpio Gold Corporation**, comments, *"We hope to develop a long-term relationship with the Lode-Star team and we continue to look for other synergistic opportunities within our surrounding area."*

**About Lode-Star Mining Inc.**
**Lode-Star Mining Inc. (OTCQB:LSMG)** is a U.S. based junior-tier mining company focused on the exploration, development, and production of North American mineral assets.

Lode-Star is the operator of the Goldfield Bonanza property, acquired under an option for development on December 11, 2014 from Lode-Star Gold, Inc., a private Nevada corporation. The property is located in the historic gold producing district of Goldfield, NV, which at one time was Nevada's largest gold

producing district. Historic production totaled better than 4 million ounces of gold.

## 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 Elevon, LLC (30%). 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 in Manhattan, Nevada with a fully permitted underground mine and 400 ton per day mill facility. The Goldwedge mill facility has been placed on a care and maintenance basis and can be restarted upon short notice.

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

**ON BEHALF OF THE BOARD**
**SCORPIO GOLD CORPORATION**

Chris Zerga,
President

**For further information contact:**
Chris Zerga, President
Tel: +1 819 825 7618