

## SCORPIO MINING REPORTS FIRST QUARTER 2015 FINANCIAL RESULTS

**TORONTO, ONTARIO**—May 13, 2015—Scorpio Mining Corporation (TSX: SPM)(OTCQX: SMNPF) (“Scorpio Mining” or “the Company”) today reported financial and operational results for the first quarter of 2015.

*This earnings release should be read in conjunction with the Company’s MD&A, Financial Statements and Notes to Financial Statements for the corresponding period, which have been posted on SEDAR at [www.sedar.com](http://www.sedar.com) and are also available on the Company’s website at [www.scorpiomining.com](http://www.scorpiomining.com). All figures are in U.S. dollars unless otherwise noted.*

### **First Quarter Highlights**

- Revenues of \$13.9 million and a net loss of \$5.9 million compared with revenues of \$8.2 million and a net loss of \$1.1 million in Q1, 2014. The increase in net loss is attributable to lower realized metal prices, higher care and maintenance costs, transaction-related corporate, general and administrative expenses, exploration, interest and financing expenses, lower income tax recovery and a loss on mining concession sales. Adjusting for non-recurring items primarily relating to the transaction and shutdown of the El Cajón Project the net loss would have been \$3.8 million<sup>1</sup>.
- Consolidated silver production increased 4% to approximately 708,000 silver ounces and silver equivalent<sup>2</sup> production rose 25% to 1.25 million ounces compared with Q1, 2014.
- Consolidated cash costs were approximately \$12.45 per silver ounce, a reduction of 13% compared with Q4, 2014 and 25% year-over-year; while all-in sustaining costs were approximately \$17.15 per ounce<sup>3</sup>, down 26% compared with the previous quarter and 24% year-over-year.
- Consolidated guidance for 2015 remains at 2.6 - 3.0 million silver ounces and 4.6 - 5.2 million silver equivalent ounces at cash costs of \$11.50 - \$12.50 per ounce and all-in sustaining cash costs of \$16.50 - \$17.50 per ounce.
- A third party pre-feasibility study to be completed in late Q3 2015 was initiated on the high grade zinc-lead-silver San Rafael Project.
- At March 31, 2015, the Company had working capital of \$14.3 million.

“The first quarter provided a solid operating start to the year,” said President and CEO, Darren Blasutti. “We made a decision to place the El Cajón Project on care and maintenance and began the process of fast-tracking the high grade zinc-lead-silver San Rafael project. We maintained productivity at both our operating mines and reduced the workforce at the Cosalá Operations to achieve sustainable cost savings. In the second quarter, we will continue to focus on development of a third major silver-lead area and maximizing use of the installed milling capacity at the Galena Complex, while starting the pre-feasibility study on San Rafael which we expect to be completed late in the third quarter.”

### **Production and Operating Costs**

As reported in the April 20, 2015 press release, consolidated production for Q1, 2015 totalled 708,241 silver ounces at a grade of 149 grams per tonne and cash costs of \$12.46 per ounce. Silver equivalent totalled approximately 1.25 million ounces at an all-in sustaining cost of \$17.15 per ounce. These results compare to

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<sup>1</sup> Non-recurring items for the period include closure and care and maintenance costs of El Cajón, severance expenses, loss on sale of mining concessions, and settlement of outstanding foreign exchange forward contracts.

<sup>2</sup> Silver equivalent figures are based on prices of \$17 per ounce silver, \$0.90 per pound lead, \$0.95 per pound zinc and \$2.90 per pound copper.

<sup>3</sup> Silver industry cash cost plus all development, capital expenditures, exploration spending and mine-based general and administrative costs.

consolidated production of 679,452 silver ounces at a grade of 137 grams per tonne and cash costs of \$16.51 per ounce in Q1, 2014, along with approximately 995,000 silver equivalent ounces at an all-in sustaining cost of \$22.65 per ounce.

A net loss of \$5.9 million was recorded for the quarter, compared with a net loss of \$1.1 million for the first quarter of 2014. The increased loss was due to higher care and maintenance, exploration, corporate, general and administrative, interest and financing expenses along with lower realized metal prices, lower income tax recovery and a loss on mining concession sales. Adjusting for non-recurring items primarily relating to the transaction and the shutdown of El Cajón Project, the net loss would have been \$3.8 million.

### Cosalá Operations

The Cosalá Operations processed 126,425 tonnes of ore at an average grade of 92 grams per tonne to produce 316,616 ounces of silver at a cash cost of \$9.83 per ounce, and approximately 650,010 ounces of silver equivalent at an all-in sustaining cost of \$14.16 per ounce. This compares to 137,317 tonnes of ore processed in Q1, 2014 at an average grade of 81 grams per tonne to produce 293,949 ounces of silver at a cash cost of \$13.71 per ounce and 534,386 ounces of silver equivalent at an all-in sustaining cost of \$20.94 per ounce. Higher average silver head grades resulted in an 8% increase in silver production and contributed to a 28% decrease in cash costs for the quarter.

<b>Table 1</b>		
<b>Production Details - Cosalá Operations</b>		
	<b>Q1 2015</b>	<b>Q1 2014</b>
Total Ore Processed (tonnes milled)	126,425	137,317
Silver produced (ounces)	316,616	293,949
Zinc produced (pounds)	3,253,739	2,986,626
Lead produced (pounds)	1,200,286	1,197,664
Copper produced (pounds)	515,994	327,664
Silver Equivalent produced (ounces) <sup>1</sup>	650,010	534,386
Silver recovery (percent)	84.5	82.6
Zinc recovery (percent)	81.0	71.5
Lead recovery (percent)	73.9	62.8
Copper recovery (percent)	61.7	51.5
Silver head grade (grams per tonne)	92	81
Zinc head grade (percent)	1.7	1.4
Lead head grade (percent)	0.7	0.6
Copper head grade (percent)	0.3	0.2
Silver sold (ounces)	318,349	307,273
Zinc sold (pounds)	3,213,597	2,857,884
Lead sold (pounds)	1,416,546	1,261,458
Copper sold (pounds)	475,837	333,928
Realized silver price (\$ per ounce)	\$16.53	\$20.45
Realized zinc price (\$ per pound)	\$0.94	\$0.93
Realized lead price (\$ per pound)	\$0.82	\$0.95
Realized copper price (\$ per pound)	\$2.63	\$3.08
Silver cash cost (\$ per ounce silver) <sup>2</sup>	\$9.83	\$13.71
All-in sustaining cost (\$ per ounce silver) <sup>2</sup>	\$14.16	\$20.94

<sup>1</sup> Silver equivalent ounces are based on prices of \$17 per ounce silver, \$0.95 per pound zinc, \$0.90 per pound lead, and \$2.90 per pound copper for fiscal 2015, and \$20 per ounce silver, \$0.90 per pound zinc, \$0.95 per pound lead, and \$3.00 per pound copper for fiscal 2014.

<sup>2</sup> Please refer to "Non-IFRS Measures: Cash Cost per Ounce" section in the Company's Management Discussion and Analysis (MD&A).

## Galena Complex

The Galena Complex processed 37,517 tonnes of ore at an average grade of 340 grams per tonne to produce 391,625 ounces of silver at a cash cost of \$14.59 per ounce, and 596,089 ounces of silver equivalent at an all-in sustaining cost of \$19.57 per ounce. This compares to 35,059 tonnes of ore mined in Q1, 2014 at an average grade of 358 grams per tonne to produce 385,503 ounces of silver at cash costs of \$18.64 per ounce, and 460,490 ounces of silver equivalent at an all-in sustaining cost of \$23.95 per ounce.

Production of lead increased 238% year-over-year as silver-lead ore milling was moved to the Galena Mill in July 2014 to accommodate a higher volume of silver-lead tonnage. A reduction in direct mining costs per silver ounce (labour, supplies, utilities etc.) combined with an increase in by-product credits from higher lead production resulted in lower cash costs for the quarter.

<b>Table 2</b>		
<b>Production Details – Galena Complex</b>		
	<b>Q1 2015</b>	<b>Q1 2014</b>
Total Ore Processed (tonnes milled)	37,517	35,059
Silver produced (ounces)	391,625	385,503
Lead produced (pounds) <sup>1</sup>	3,446,659	1,020,285
Copper produced (pounds) <sup>1</sup>	128,929	176,825
Silver Equivalent produced (ounces) <sup>2</sup>	596,089	460,490
Silver recoveries (percent)	95.6	95.5
Lead recoveries (percent)	90.7	93.6
Copper recoveries (percent)	98.0	94.7
Silver head grade (grams per tonne)	340	358
Lead head grade (percent)	6.4	4.3
Copper head grade (percent)	0.6	0.4
Silver sold (ounces)	363,963	345,874
Lead sold (pounds)	3,380,121	915,027
Copper sold (pounds)	102,455	182,464
Realized silver price (\$ per ounce)	\$16.78	\$20.98
Realized lead price (\$ per pound)	\$0.82	\$0.95
Realized copper price (\$ per pound)	\$2.63	\$3.18
Silver cash cost (\$ per ounce) <sup>3</sup>	\$14.59	\$18.64
All-in sustaining cost (\$ per ounce silver) <sup>3</sup>	\$19.57	\$23.95

<sup>1</sup> Lead and silver grades only refer to grades in silver-lead and silver-copper ores, respectively.

<sup>2</sup> Silver equivalent ounces are based on prices of \$17 per ounce silver, \$0.90 per pound lead, and \$2.90 per pound copper for fiscal 2015, and \$20 per ounce silver, \$0.95 per pound lead, and \$3.00 per pound copper for fiscal 2014.

<sup>3</sup> Please refer to "Non-IFRS Measures: Cash Cost per Ounce" section in the Company's Management Discussion and Analysis (MD&A).

## Development and Exploration Update

### **Cosalá Operations**

A review of existing data and recent drilling confirmed the extent of mineralized material in the upper levels of the Nuestra Señora mine. This material is outside the current resource estimate, but readily accessible from existing underground infrastructure. This discovery will be added to the near-term production plan which could benefit operating performance beginning in the second half of 2015. In addition, the pace of backfilling of historic stope voids at Nuestra Señora picked up through the first quarter in support of future mine operations.

### **San Rafael Project**

The Company engaged Mine Development Associates to prepare a pre-feasibility study for completion in late Q3, 2015 which will consider development of an underground mine at San Rafael. Required work includes confirmatory metallurgical testing with sample material to be provided through a surface drill program that began in early May. Although a potential underground mine is permitted already, activities are underway to permit a minor additional surface disturbance to allow rapid construction of mine infrastructure in the event of a positive development decision later in the year.

### **Galena Complex**

The Galena Hoist was taken out of service as planned in early April to allow for maintenance to be completed on the drive. Until the hoist is returned to service in early Q3, 2015, staff and material will be moved from surface primarily through the #3 Shaft. Adjustments in operating practices have been made to provide continued availability of a secondary escapeway. Silver-lead ore production will continue to grow over the course of the year with the advancement of underground development into new areas on the 3000 and 4900 Levels. Site personnel are presently considering alternatives for increasing lead concentrate dewatering capacity. The Galena Mill is being prepared for a higher, consistent volume of silver-lead tonnage and maintenance work is being done in the second quarter.

### **About Scorpio Mining**

Scorpio Mining Corporation is a silver mining company focused on growth in precious metals from its existing asset base and execution of targeted accretive acquisitions. Scorpio owns and operates the Cosalá Operations in Sinaloa, Mexico and the Galena Mine Complex in Idaho, USA.

Mr. Daren Dell, Senior Vice-President Technical Services and a Qualified Person under Canadian Securities Administrators guidelines, has approved the applicable contents of this news release.

### **Quality Assurance / Quality Control ("QA/QC")**

The Company maintains a QA/QC Program for assays, including the use of standards, blanks and duplicates. All QA/QC results are routinely evaluated using a program of QA/QC monitoring. Details of the program are provided in the Company's NI 43-101 compliant Technical Report on the Galena Complex and Cosalá Operations which are available at [sedar.com](http://sedar.com)

For further information please see SEDAR or [scorpiomining.com](http://scorpiomining.com).

### **Cautionary Statement on Forward-Looking Information:**

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information includes, but is not limited to, the Company's expectations intentions, plans, assumptions and beliefs with respect to, among other things, the Cosalá Operations and Galena Complex. Often, but not always, forward-looking information can be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may", "assume" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions, or statements about future events or performance. Forward-looking information is based on the opinions and estimates of the Company as of the date such information is provided and is subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward looking information. This includes the ability to develop and operate the Cosalá and Galena properties, risks associated with the mining industry such as economic factors (including future commodity prices, currency fluctuations and energy prices), failure of plant, equipment, processes and transportation services to operate as anticipated, environmental risks, government regulation, actual results of current exploration activities, possible variations in ore grade or recovery rates, permitting timelines, capital

expenditures, reclamation activities, social and political developments and other risks of the mining industry. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. Readers are cautioned not to place undue reliance on such information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific that contribute to the possibility that the predictions, forecasts, and projections of various future events will not occur. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

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