

**SCORPIO MINING ANNOUNCES FOURTH QUARTER AND YEAR END 2014 RESULTS
AND 2015 GUIDANCE**

TORONTO, ONTARIO—February 5, 2015—Scorpio Mining Corporation (TSX: SPM)(OTCQX: SMNPF) (“Scorpio Mining” or “the Company”) today announced production and preliminary cash costs for the fourth quarter and full year ending December 31, 2014 and provided guidance for 2015 for its Cosalá Operations and Galena Complex. Please note: the merger with U.S. Silver & Gold Inc. closed on December 23, 2014 and the results that follow reflect U.S. Silver & Gold operations for the full fourth quarter and all of 2014. All figures in \$USD unless otherwise indicated.

Highlights

- Consolidated production of approximately 647,000 silver ounces and 1.11 million silver equivalent¹ ounces for the quarter, and approximately 2.80 million silver ounces and 4.37 million silver equivalent ounces for the year.
- Consolidated cash costs of \$14.00 per silver ounce for the quarter and \$13.75 per silver ounce for the year, and all-in sustaining costs of \$22.75² per silver ounce for the quarter and \$21.05 per silver ounce for the year (including capital spending on the El Cajón project in 2014).
- Forecasted 2015 consolidated silver production is 2.6 – 3.0 million ounces and silver equivalent production is 4.6 – 5.2 million ounces with projected cash costs of \$11.50 - \$12.50 per ounce and all-in sustaining cash costs of \$16.50 - \$17.50 per ounce.
- Post-merger Management Team and Board of Directors in place and focused on improving margins and transitioning the Company into a leading junior silver producer in the Americas.
- El Cajón deposit put on care and maintenance pending an improvement in silver prices.
- San Rafael development project to be brought forward in the development pipeline.
- Cash of \$15.2 million as at December 31, 2014.

Year-end financial statements for Scorpio Mining are scheduled to be released by March 27, 2015.

References to cash, cash costs and all-in sustaining costs for both the quarter and full year are unaudited and may change based on final audited results.

“With our merger transaction complete, we’ve been working hard to develop plans that will transition Scorpio Mining into a leading junior silver producer,” said President & CEO Darren Blasutti. “The first step was to assess each of our operating mines and identify opportunities for productivity improvements, cost reductions and organic growth. This focused approach will enable us to achieve our production and cost guidance for 2015 and our long term goals. El Cajón has been placed on care and maintenance effective immediately resulting in a staffing reduction of approximately 90 jobs representing almost 25% of the workforce at the Cosalá Operations. While this was a difficult decision, it is necessary. We are optimistic about the exploration potential in the Cosalá District, and are particularly focused on bringing forward development of the highly attractive San Rafael deposit.”

¹ Silver equivalent figures are based on prices of \$20 per ounce silver, \$0.95 per pound lead, \$0.90 per pound zinc and \$3.00 per pound copper.

² Silver industry cash cost plus all development, capital expenditures, exploration spending and mine general and administrative costs.

Consolidated Production

Consolidated silver production totaled 647,043 ounces compared with 712,032 ounces in the prior year's fourth quarter, while silver equivalent production increased 5% year-over-year to 1,106,074 ounces. Annual silver production totaled 2.80 million ounces and silver equivalent production was 4.37 million ounces. Cost and capital controls led to reductions in cash costs and all-in sustaining costs of 15% and 11% respectively which were offset by capital spending on El Cajón underground development. Further productivity improvements are expected in 2015 while systematic cost controls are being implemented at the Cosalá Operations. Lead production increased almost 80% in the fourth quarter and 16% for the year as the Galena mine continued its focus on silver-lead ore.

Table 1						
Consolidated Production Highlights						
	Q4 2014	Q4 2013	Change	YTD 2014	YTD 2013	Change
Processed ore (tonnes milled)	173,023	163,809	6%	681,109	710,522	-4%
Silver Production (ounces)	647,043	712,032	-9%	2,799,404	3,089,849	-9%
Silver Equivalent Production (ounces)	1,106,074	1,052,665	5%	4,367,649	4,571,694	-4%
Grade (grams per tonne)	130	150	-13%	142	149	-4%
Cash Costs (\$ per ounce silver)	\$ 14.02	\$ 15.86	-12%	\$ 13.75	\$ 16.13	-15%
All-in Sustaining Costs (\$ per ounce silver)	\$ 22.74	\$ 20.73	10%	\$ 21.07	\$ 23.70	-11%
Zinc Produced (pounds)	3,329,584	3,406,341	-2%	12,625,526	14,535,952	-13%
Lead Produced (pounds)	5,185,966	2,897,766	79%	15,442,648	13,330,165	16%
Copper Produced (pounds)	419,108	560,070	-25%	1,777,137	2,314,182	-23%

Galena Complex Production

During the fourth quarter of 2014, the Galena Complex produced 357,870 ounces of silver and 542,114 ounces of silver equivalent at a cash cost of \$16.58 per ounce and an all-in sustaining cost of \$21.04 per ounce. Production for the full year totaled 1.62 million silver ounces and 2.14 million silver equivalent ounces. This production was delivered at a cash cost of \$15.67 per ounce and an all-in sustaining cost of \$19.91 per ounce which represent year-over-year cost reductions of 12% and 18% respectively. Increased lead production during 2014 reduced cash and all-in sustaining costs, but transitioning our focus to silver-lead production also reduced silver production. With capital spent in 2014, more working faces will facilitate a ramp up silver and lead production throughout 2015.

Table 2						
Galena Complex Highlights						
	Q4 2014	Q4 2013	Change	YTD 2014	YTD 2013	Change
Processed Ore (tonnes milled)	37,976	29,372	29%	144,773	176,479	-18%
Silver Production (ounces)	357,870	449,652	-20%	1,621,765	2,120,824	-24%
Silver Equivalent Production (ounces)	542,114	542,667	0%	2,144,022	2,537,487	-16%
Grade (grams per tonne)	307	493	-38%	365	388	-6%
Cash Costs (\$ per ounce silver)	\$ 16.58	\$ 16.26	2%	\$ 15.67	\$ 17.76	-12%
All-in Sustaining Costs (\$ per ounce silver)	\$ 21.04	\$ 21.02	0%	\$ 19.91	\$ 24.24	-18%
Lead Produced (pounds)	3,604,229	1,453,811	148%	9,143,751	6,567,821	39%
Copper Produced (pounds)	86,951	227,047	-62%	586,190	1,001,710	-41%

Cosalá Operations Production

The Cosalá Operations produced 289,173 ounces of silver during the fourth quarter of 2014 and 563,960 ounces of silver equivalent during the same period at a cash cost of \$10.84 per ounce and an all-in sustaining cost of \$24.85 per ounce. Full year production totaled 1.18 million silver ounces and 2.22 million silver equivalent ounces at a cash cost of \$11.12 per ounce and an all-in sustaining cost of \$22.67 per ounce. All-in sustaining cost was affected by \$6.9 million in capital spending at El Cajón, and would have been \$16.83 per ounce without this spending.

Table 3						
Cosalá Operations Highlights						
	Q4 2014	Q4 2013	Change	YTD 2014	YTD 2013	Change
Processed Ore (tonnes milled)	135,047	134,437	0%	536,043	534,043	0%
Silver Production (ounces)	289,173	262,380	10%	1,177,639	969,025	22%
Silver Equivalent Production (ounces)	563,960	509,998	11%	2,223,627	2,034,207	9%
Grade (grams per tonne)	80	75	7%	82	70	18%
Cash Costs (\$ per ounce silver)	\$ 10.84	\$ 15.18	-29%	\$ 11.12	\$ 12.55	-11%
All-in Sustaining Costs (\$ per ounce silver)	\$ 24.85	\$ 20.22	23%	\$ 22.67	\$ 22.54	1%
Zinc (pounds)	3,329,584	3,406,341	-2%	12,625,526	14,535,952	-13%
Lead Produced (pounds)	1,581,737	1,443,955	10%	6,298,897	6,762,344	-7%
Copper Produced (pounds)	332,157	333,023	0%	1,190,947	1,312,472	-9%

2015 Consolidated Guidance

Consolidated production of 2.6 - 3.0 million silver ounces and 4.6 - 5.2 million silver equivalent ounces is expected for 2015. Although silver production will be flat year-over-year despite the decision to put El Cajón on care and maintenance, silver equivalent production is expected to increase by 5 - 20%. Increased silver equivalent production will be driven by increased silver-lead ore tonnage from the Galena Complex. Cash costs are projected to fall approximately 15% to between \$11.50 - \$12.50 per silver ounce, and all-in sustaining cash costs are projected to drop approximately 20% to \$16.50 - \$17.50 per silver ounce compared with 2014.

Exploration Update

Galena Complex

The 2014 exploration mandate at the Galena Complex was to develop near-term resources, define the highest grade areas close to existing infrastructure and complete block modeling on priority veins. Drilling for the year totaled 7,550 meters and focused mainly on the 2400, 4600, 4900 and 5500 levels in support of the Company's transition to silver-lead dominant production.

As anticipated, drilling on the 4900 level successfully intersected the upward extension of the 175 Vein, and test mining is currently taking place between the 5200 and 5500 levels to fully define the resource in this area. Drilling in the 171 Vein resulted in good intercepts ranging in depth from approximately 4 - 20 meters below track elevation. This new information is being incorporated into current development activities in the area. Block-modeling of the newly re-evaluated Upper Country Silver Lead (UCSL) Veins is continuing and additional silver-lead resources have been defined between the 2400 and 3700 levels.

While drilling focused on defining silver-lead resources, silver-copper intersections were also encountered. Please see Table 4 below for further selected silver-lead and silver-copper intersections. Additional results are available at scorpiomining.com.

Table 4 Recent Exploration Drill Results - Galena Complex								
Hole No.	From (m)	To (m)	Width (m)	True Thickness	Ag (g/t)	Cu (%)	Pb (%)	Ag Equivalent (g/t)
49-348	14.8	16.8	1.9	1.68	3,059	2.47	--	3,312
	39.6	42.3	2.7	1.34	551	0.34	--	586
	53.3	55.3	2.1	1.95	1,137	0.51	--	1,190
55-106	34.9	38.3	3.3	2.71	320	--	10.77	689
	53.3	54.8	1.5	0.94	574	--	28.77	1,560
	32.3	35.1	2.8	2.74	201	--	11.78	603

Cosalá Operations

Although the Cosalá exploration budget was limited in 2014, field work was completed in several areas and the entire region was re-mapped using satellite-based structural analysis to provide a clearer understanding of the geology.

In the La Verde Mine, approximately 84 holes and 10,800 meters of previous drilling were re-logged and sampled and a model of the mineralization was developed. Several zones of mineralization were found to be faulted extensions or repetitions of the two principle zones and 2,000 meters of drilling was completed to follow up where previous intersections had been detected. Potential extensions of these known zones were investigated and explored. One of these areas, the South Zone, was tested and preliminary indications are that this area could yield as much as 300,000 tonnes of silver-copper mineralization. Further definition of this area will be completed by February 2015. Please see Table 5 below for selected details. Additional results are available at scorpiomining.com.

Table 5 Recent Exploration Drill Results - Cosalá Operations							
Deposit	Hole No.	From (m)	To (m)	Width (m)	Ag (g/t)	Cu (%)	Ag Equivalent (g/t)
C-12	LVUG 012 54	59.4	67.1	7.7	146	0.44	191
	LVUG 004 14	40.3	43.5	3.2	108	0.39	148
	LVUG 005 14	42.0	44.8	2.8	462	0.96	560
	LVUG 003 14	47.0	54.6	7.6	131	0.52	184
C-15	LVUG 007 14	114.5	120.1	5.6	115	0.39	155
	LVUG 001 14	141.6	143.2	1.6	280	0.52	336
C-15A	LVUG 007 14	129.6	131.1	2.2	414	1.13	530
	LVUG 001 14	148.1	149.1	1.0	241	0.70	315
C-19	LVUG 007 14	175.8	185.1	9.3	295	0.38	334

True thickness of these intersections is being determined but is anticipated to be 90 – 100% of the intersected thickness.

At the San Rafael project, 1,000 meters of geotechnical drilling was completed to assess and better define the characteristics of the host rocks and mineralization. The deposit hosts a large resource and current efforts are focused on updating geological models, confirming metallurgy and establishing preliminary mine design. The Company expects that this work will be completed in the second half of 2015. The El Cajón mine was placed on care and maintenance in January 2015. Prior to suspension, several milling campaigns were completed which allowed metallurgical performance to be confirmed. The decision to halt development was made in light of prevailing metal prices. With considerable underground infrastructure already in place, the project can be reactivated on short notice when silver prices turn upward.

About Scorpio Mining

Scorpio Mining Corporation is a silver and gold mining company focused on growth from its existing asset base and execution of targeted accretive acquisitions. It owns and operates the Cosalá Operations in Sinaloa, Mexico, the Galena Mine Complex in the Silver Valley/Coeur d'Alene Mining District, Shoshone County, Idaho and the Drumlummon Mine Complex in Lewis and Clark County, Montana.

Mr. Jim Atkinson, Vice-President Exploration and a Qualified Person under Canadian Securities Administrators guidelines, has approved the applicable contents of this news release.

For further information please see SEDAR or scorpiomining.com.

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 Project dated March 22, 2013 and at 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 Complex, Galena Complex and the Drumlummon Mine. 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, Galena and Drumlummon 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 those 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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