

TORONTO, April 20, 2015 /CNW/ - [Scorpio Mining Corp.](#) (TSX: SPM)(OTCQX: SMNPF) ("Scorpio Mining" or "the Company") today announced production for the first quarter of 2015 for its Cosalá Operations and Galena Complex. All figures in \$USD unless otherwise indicated.

Highlights

- Consolidated silver production for the quarter of approximately 708,000 silver ounces and 1.25 million silver equivalent¹ ounces, representing increases of 4% and 25% respectively compared with Q1, 2014. Cash costs for the quarter were approximately \$12.45 per silver ounce, a reduction of 13% over the previous quarter and 25% over the first quarter of 2014; while all-in sustaining costs were approximately \$17.15², down 26% compared with the previous quarter and 24% year-over-year.
- Quarterly production at the Cosalá Operations of approximately 316,600 silver ounces and 650,000 silver equivalent ounces, representing increases of 8% and 22% compared with Q1, 2014. Cash costs were approximately \$9.85 and all-in sustaining costs were \$14.15, down 28% and 32% respectively year-over-year.
- Galena Complex silver production for the quarter of approximately 391,600 ounces and 596,000 silver equivalent ounces, increases of 2% and 29% respectively compared with Q1, 2014. Cash costs of approximately \$14.60 and all-in sustaining costs of \$19.60, down 22% and 18% year-over-year.
- Guidance for 2015 remains unchanged at 2.6–3.0 million ounces in silver production and 4.6–5.2 million ounces in silver equivalent production with projected cash costs of \$11.50–\$12.50 per ounce and all-in sustaining cash costs of \$16.50–\$17.50 per ounce.

"Despite the integration and some difficult restructuring in Mexico, we had a very solid operational quarter as both mines performed at or above budget," said Scorpio Mining President & CEO Darren Blasutti. "For the remainder of the year, we will stay focused on further reducing costs and improving productivity across the organization while continuing to ramp up silver-lead production at the Galena Complex."

The company expects to release its first quarter financial results on or before May 13, 2015.

Consolidated First Quarter Production Details

Consolidated silver production was 708,241 ounces for the first quarter of 2015 which represents an increase of 9% over the previous quarter and 4% year-over-year. Silver equivalent production was approximately 1.25 million ounces, up 13% over the previous quarter and 25% year-over-year; while, grade rose 14% and 9% respectively. Consolidated cash costs fell 13% to \$12.46 compared with the fourth quarter of 2014 and 25% year-over-year; while all-in sustaining costs dropped 26% to \$17.15 compared with the prior quarter and 24% year-over-year. In addition, lead production increased 110% year-over-year, as the Galena Complex continued its focus on increasing silver-lead ore production.

First quarter cash costs were within the Company's projected annual guidance of \$11.50–\$12.50 per silver ounce and \$16.50–\$17.50 per all-in silver equivalent ounce. As silver-lead production from the Galena Complex continues to ramp up over the course of the year, the Company expects costs to be lower than the first quarter. Further productivity enhancements and cost control initiatives are underway to protect the Company's cash balance given low silver prices.

Table 1

Consolidated Production Highlights

	Q1 2015	Q4 2014	Change	Q1 2014	Change
Processed Ore (tonnes milled)	163,942	173,023	-5%	172,376	-5%
Silver Production (ounces)	708,241	647,043	9%	679,452	4%
Silver Equivalent Production (ounces)	1,246,099	1,106,074	13%	994,876	25%
Grade (grams per tonne)	149	130	14%	137	9%
Cash Costs (\$ per ounce silver)	\$12.46	\$14.32	-13%	\$16.51	-25%
All-in Sustaining Costs (\$ per ounce silver)	\$17.15	\$ 23.05	-26%	\$22.65	-24%
Zinc (pounds)	3,253,739	3,329,584	-2%	2,986,626	9%
Lead (pounds)	4,646,945	5,185,966	-10%	2,217,949	110%
Copper (pounds)	644,923	419,108	54%	504,489	28%

Cosalá Operations Production Details

The Cosalá Operations produced 316,616 ounces of silver during the first quarter of 2015 and 650,010 ounces of silver equivalent during the same period at cash costs of \$9.83 per ounce and all-in sustaining costs of \$14.16 per ounce. Silver production increased 9% compared with the previous quarter, while silver equivalent production rose 15% during the same period and 22% compared with the first quarter of 2014. Cash costs decreased by 9% to \$9.83 compared with the previous quarter and fell 28% year-over-year; while all-in sustaining costs dropped 43% to \$14.16 compared with the prior quarter and 32% year-over-year. These reductions were achieved as a result of an expedient decision by the Company's new management to put the El Cajón mine on care and maintenance and reduce the staff at the Cosalá Operations by 25% in January 2015.

Table 2

Cosalá Operations Highlights

	Q1 2015	Q4 2014	Change	Q1 2014	Change
Processed Ore (tonnes milled)	126,425	135,047	-6%	137,317	-8%
Silver Production (ounces)	316,616	289,173	9%	293,949	8%
Silver Equivalent Production (ounces)	650,010	563,960	15%	534,386	22%
Grade (grams per tonne)	92	80	15%	81	14%
Cash Costs (\$ per ounce silver)	\$ 9.83	\$ 10.84	-9%	\$ 13.71	-28%
All-in Sustaining Costs (\$ per ounce silver)	\$ 14.16	\$ 24.85	-43%	\$ 20.94	-32%
Zinc (pounds)	3,253,739	3,329,584	-2%	2,986,626	9%
Lead (pounds)	1,200,286	1,581,737	-24%	1,197,664	0%
Copper (pounds)	515,994	332,157	55%	327,664	57%

Galena Complex Production Details

The Galena Complex produced 391,625 ounces of silver during the first quarter of 2015 and 596,089 ounces of silver equivalent during the same period at a cash cost of \$14.59 per ounce and an all-in sustaining cost of \$19.57 per ounce. Silver production was up 9% compared with the previous quarter, while silver equivalent production rose 10% over the same period and 29% compared with the first quarter of 2014. Cash costs were down 15% compared with the previous quarter and 22% year-over-year and all-in sustaining costs fell 9% and 18% respectively. Increased silver and lead production will continue throughout 2015, as more developed working faces will facilitate a ramp up of throughput after planned capital expenditures last year and in the first half of 2015.

Table 3					
Galena Complex Highlights					
	Q1 2015	Q4 2014	Change	Q1 2014	Change
Processed Ore (tonnes milled)	37,517	37,976	-1%	35,059	7%
Silver Production (ounces)	391,625	357,870	9%	385,503	2%
Silver Equivalent Production (ounces)	596,089	542,114	10%	460,490	29%
Grade (grams per tonne)	340	307	11%	358	-5%
Cash Costs (\$ per ounce silver)	\$ 14.59	\$ 17.14	-15%	\$ 18.64	-22%
All-in Sustaining Costs (\$ per ounce silver)	\$ 19.57	\$ 21.60	-9%	\$ 23.95	-18%
Lead (pounds)	3,446,659	3,604,229	-4%	1,020,285	238%
Copper (pounds)	128,929	86,951	48%	176,825	-27%

About Scorpio Mining

[Scorpio Mining Corp.](#) 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.

For further information please see SEDAR or scorpiomining.com

Cautionary Statement on Forward-Looking Information:

This news release contains "forwardlooking information" within the meaning of applicable securities laws. Forwardlooking 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, forwardlooking information can be identified by forwardlooking 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. Forwardlooking 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 forwardlooking 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, forwardlooking 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 forwardlooking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

¹ 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.

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

SOURCE [Scorpio Mining Corp.](#)

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