



Growing Silver Zinc Copper Lead Producer in Mexico

TSX:SPM
September 2011



- Silver and Base Metal producer
- 100% owned assets
- No Hedging - No Royalties
- Large Resource Base
- Excellent Infrastructure: Road, power and water to site

Performance

- Strong Operational Cash Flow; **no debt**
- Record Financial Performance
- Strong 2011 Production Forecast: Estimated to exceed 3.0 million Ag Eq. oz.

Growth & Expansion

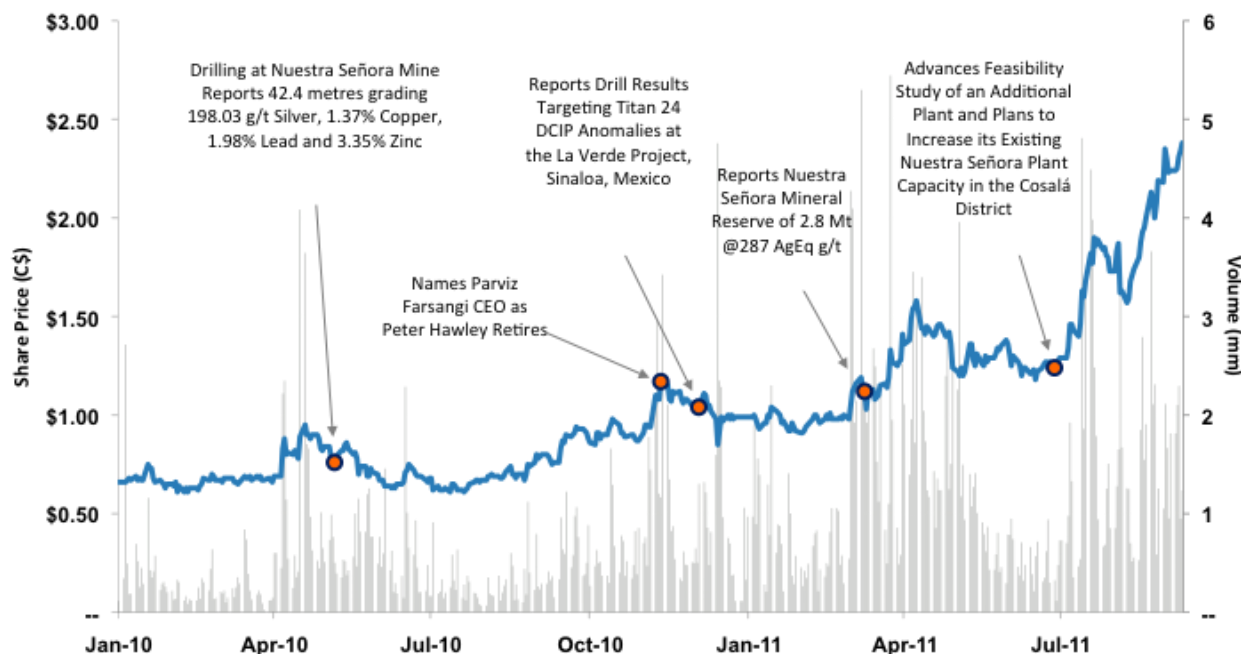
- Organic Production and Resource Growth
- Potential to Increase Overall Production Capacity by **~300% within 4 years**
- Opportunity for Further Growth through Development

Longevity

- Estimated 20-year Life with Known Reserves/Resources at Current Processing Capacity
- High-grades and Low Operating Cost – Cost Competitive Moving into the Future
- Substantial Development & Exploration Opportunities

Driving Growth by Creating Value

TSX: SPM



Major Shareholders

- Tocqueville Asset Management
- JP Morgan Asset X Management
- GR Management
- Global Asset Management
- Canada Pension Plan

Analyst Coverage

- Mackie Research
- Casimir Capital Ltd.
- MLV
- Clarus Securities Inc.

194.6 M

Shares Outstanding

17.4 M⁽¹⁾

Options

(CAD\$1.21 strike)

1.1 M⁽¹⁾

Warrants

(US\$0.57 strike)

CAD\$415 M

Market Cap

(CAD\$2.14 price)

CAD\$16.8 M⁽²⁾

Cash Position

15.5 M⁽¹⁾

**Shares in
Scorpio Gold
(TSXV:SGN)**

- (1) As of August 31, 2011
(2) As of June 30, 2011



Management Team

Parviz Farsangi, President, CEO & Director

MEng, MBA, PhD, PEng.

- Extensive international operations background
- Executive Vice-President and Chief Operating Officer, Vale Inco
- President, Gramercy Alumina and St. Ann Bauxite Mines (Falconbridge)
- General Manager, Falconbridge Sudbury Mines/Mill Business Unit

John A. Sadek, Mexico Country Manager

BEng (Mining), MAusIMM

- Extensive international mining experience
- Vice President Operations San Gregorio Project (Uruguay)
- Mining Manager, Ernest Henry Mine (Australia)
- Operations Analyst/Sr. Mining Engineer, Minera Alumbrera (Argentina)
- Mine Superintendent - West Operations, Minera Yanacocha (Peru)

Hemdat Sawh, Chief Financial Officer

BSc, MBA, CA

- Over 20 years experience with publicly listed junior mining companies
- CFO, Crystallex International Corporation
- CFO, Goldbelt Resources Ltd.
- Principal, Grant Thornton LLP

Victoria Vargas, V.P. Investor Relations Corporate Communications

HB Econ. , MBA

- Over 20 years experience with public listed mining companies
- VP Investor Relations Corporate Communications , Greystar Resources
- VP Investor Relations, Romarco
- Investor Relations Alamos Gold Inc.

Directors

Peter J. Hawley, Non-Executive Chairman of the Board, Director - BSc, PGeo

Jonathan Berg, Director - BS, MBA

Pierre Lacombe, Director - BEng, Eng

Ewan Mason, Director - HBSc, MBA

Mineral reserves at Nuestra Señora support approximately **6 years*** of production at current processing capacity

Mineral Resources Below the 4750 Level

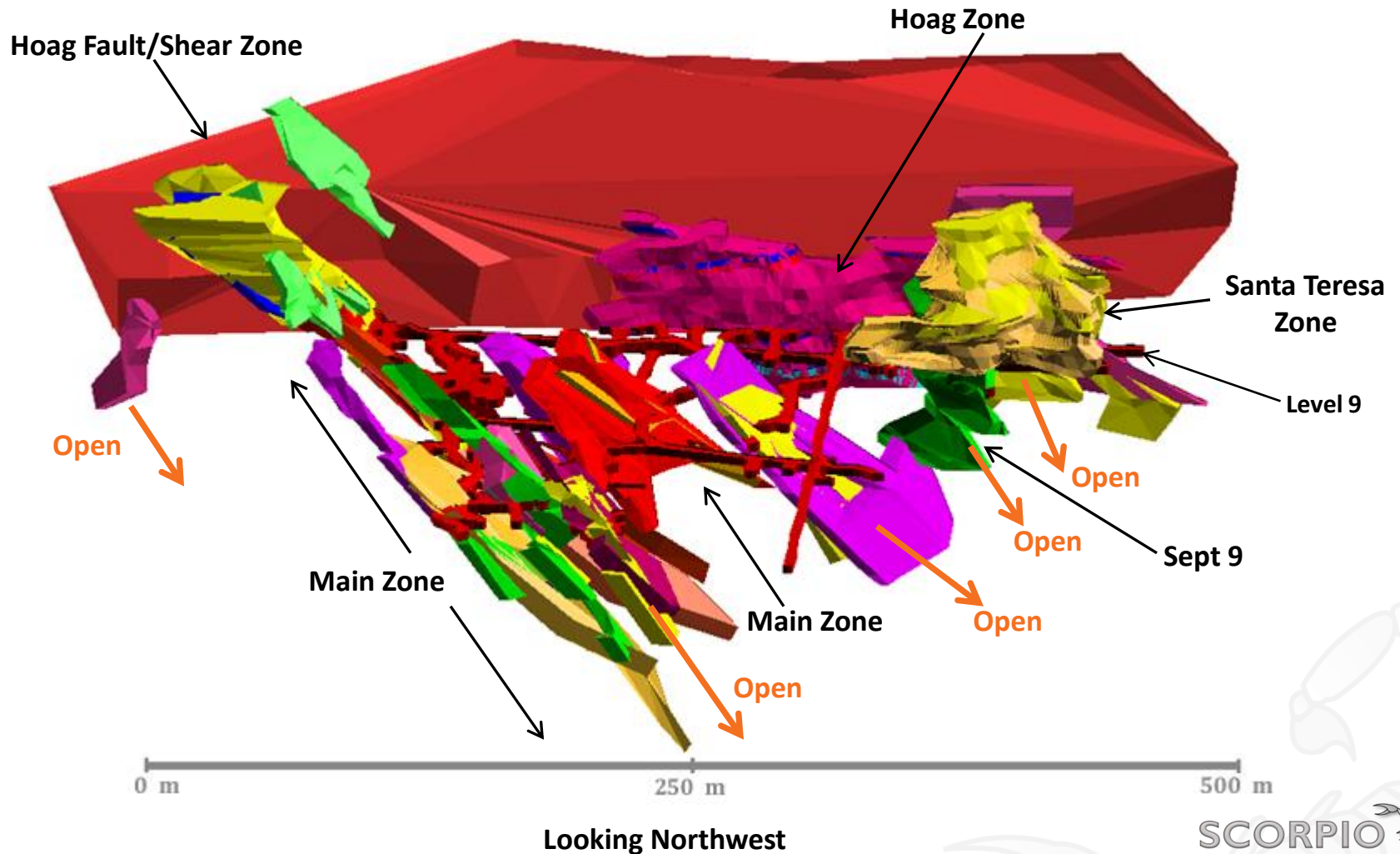
Category	Cut-off Value US\$/t	Tonnes t x 1,000	Silver (g/t)	Zinc (%)	Copper (%)	Lead (%)	Gold (g/t)	Silver Equivalent (g/t)
Measured	>\$85	1,890	114	3.41	0.46	1.60	0.16	349
Indicated	>\$85	1,181	115	3.42	0.49	1.50	0.14	348
Measured + Indicated	>\$85	3,071	114	3.41	0.47	1.56	0.15	349
Inferred	>\$85	446	123	3.97	0.53	1.68	0.17	388

Mineral Reserves Below the 4750 Level

Category	Cut-off Value US\$/t	Tonnes t x 1,000	Value US\$/t	Silver (g/t)	Zinc (%)	Copper (%)	Lead (%)	Gold (g/t)	Silver Equivalent (g/t)
Proven	>\$85	1,701	148	94	2.81	0.38	1.32	0.13	288
Probable	>\$85	1,063	148	95	2.82	0.40	1.23	0.12	287
Proven + Probable	>\$85	2,764	148	95	2.81	0.39	1.28	0.12	287

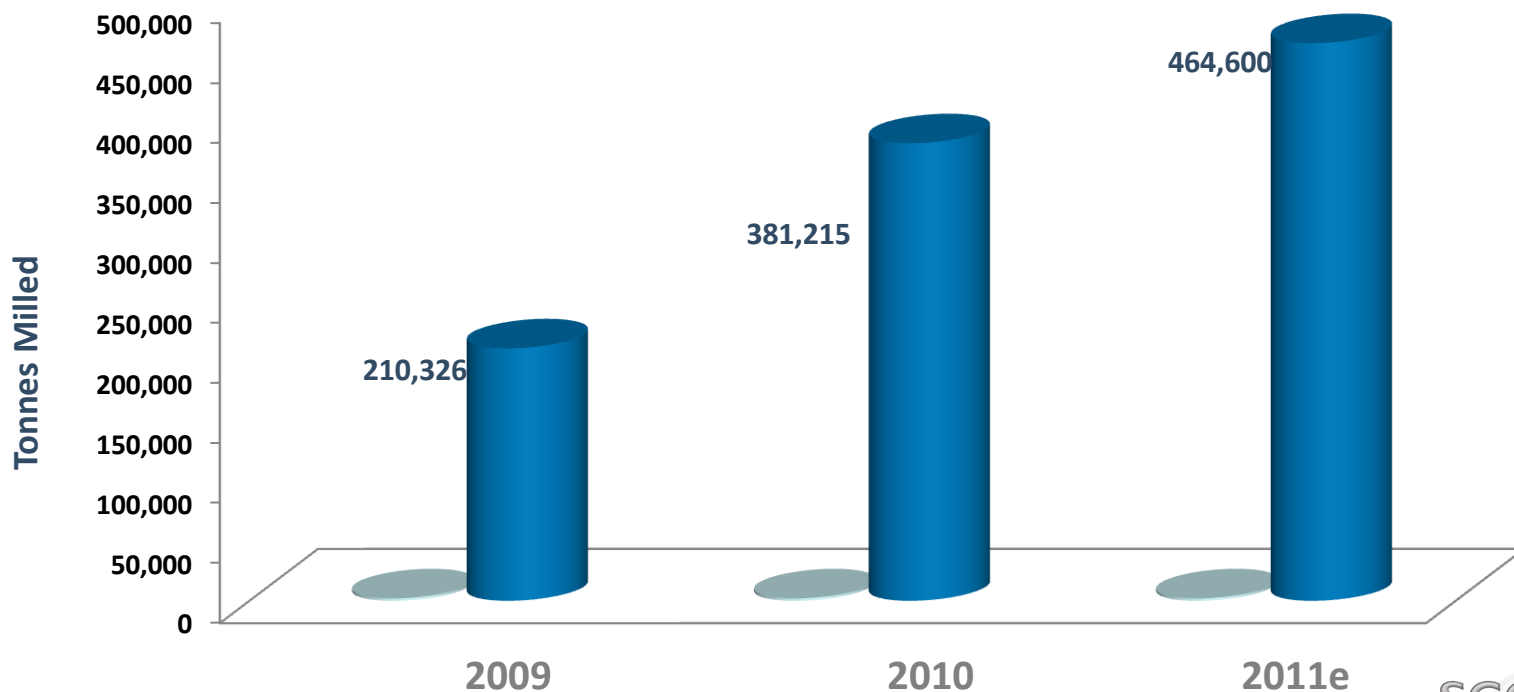
* As of October 31, 2010; NI 43-101 technical report to support this estimate filed on SEDAR March 30, 2011.

Mineralized Zones Open for Resource Expansion

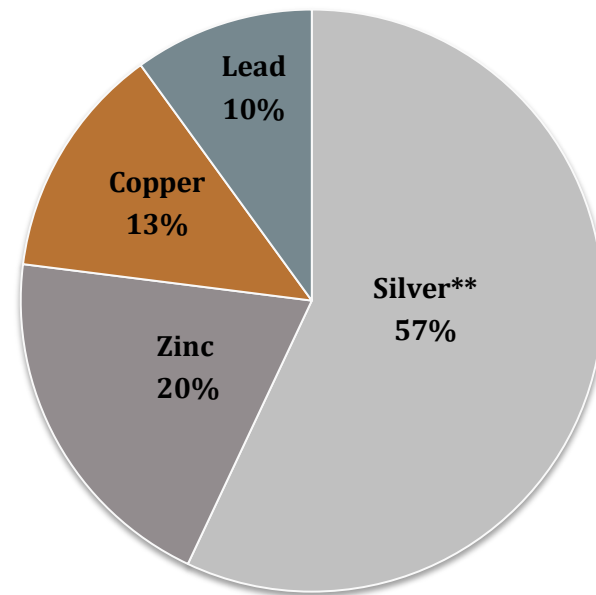


Annual Growth:

- **81% ↑** in plant throughput in second year of commercial operation
- **22% ↑** estimated for 2011



22% ↑ Average Daily Throughput	1,273 TPD
51% ↑ Recovered Silver in all concentrates	1.4 M oz.
33% ↑ Recovered Zinc in Zinc concentrate	18.7 M lbs.
86% ↑ Recovered Copper in Copper concentrate	3.1 M lbs.
39% ↑ Recovered Lead in Lead concentrate	8.6 M lbs.
48% ↑ Silver Equivalent Oz. * Recovered in all concentrates	3.2 M oz.



Forecast Revenue Breakdown

Using Q1 (actual) and Q2 (forecast) revenues by metal and average March 2011 metal prices:

Ag \$35.81/oz.

Zn \$1.12/lb.

Pb \$1.16/lb.

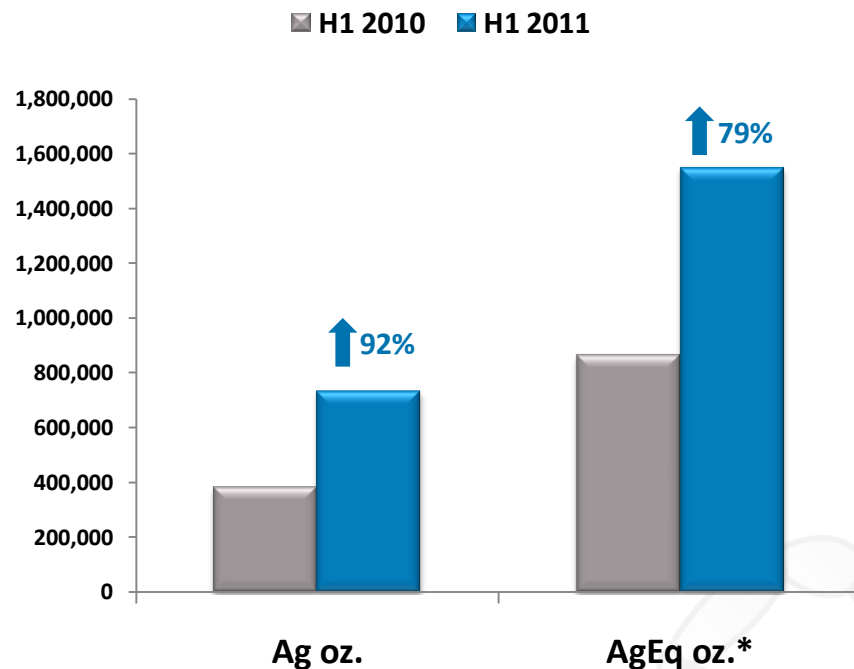
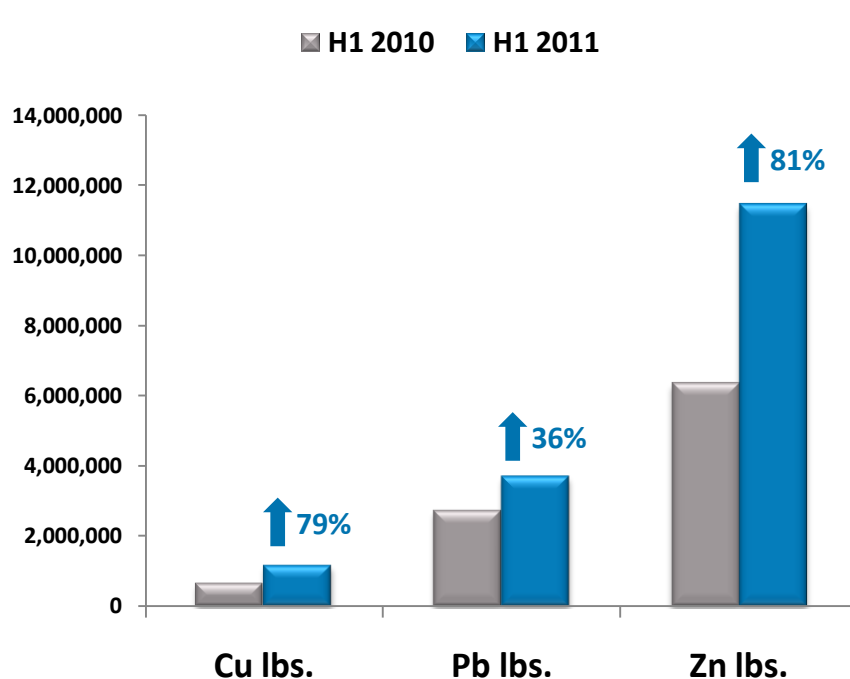
Cu \$4.47/lb.

** Silver includes gold credit.

* Silver equivalent ounces are based on 2010 averages: Ag US\$20/oz., Zn US\$0.96/lb., Pb US\$0.96/lb., Cu US\$3.40/lb.

Increases from H1 2010:

- **55% ↑** in plant throughput
- **Significant increases in recovered metal in all concentrates**



* Silver equivalent ounces are based on 2011 budgeted prices: Ag US\$24/oz., Zn US\$1.01/lb., Pb US\$1.02/lb., Cu US\$3.58/lb.

2011 Financial Highlights Y-T-D

TSX: SPM

	H1 2011	H1 2010
Revenue from Metal Payable ('000 of \$CAD)	40,784	15,988
Mine operating earnings ('000 of \$CAD)	22,844	2,280
Net earnings ('000 of \$CAD)	9,817	17,468
Earnings per share (\$CAD)	0.05	0.12
Adjusted EBITDA ('000 of \$CAD)	23,555	3,180
Cash flow from operating activities	22,790	2,558
Cash operating cost per tonne (USD)	44.36	41.04
Cash operating (recovery) cost per silver payable ounce net of base metal credits (USD)	(3.51)	3.89
Silver equivalent ounces produced*	1,548,174	863,492

Increase of
902%
Over Mine Operating
Earnings in H1 2010

H1 2011 Mine Operating
Earnings
\$22.8M

Increase of
791%
Over Cash Flow from
Operating activities
in H1 2010

H1 2011 Cash Flow
from Operating activities
\$22.8 M

H1 2011 Revenue from
Metal Payable
\$40.8M

H1 2011 Revenue Distribution
56% Ag 23% Zn
9% Pb 12% Cu

H1 2010 Revenue from
Metal Payable
\$16.0M

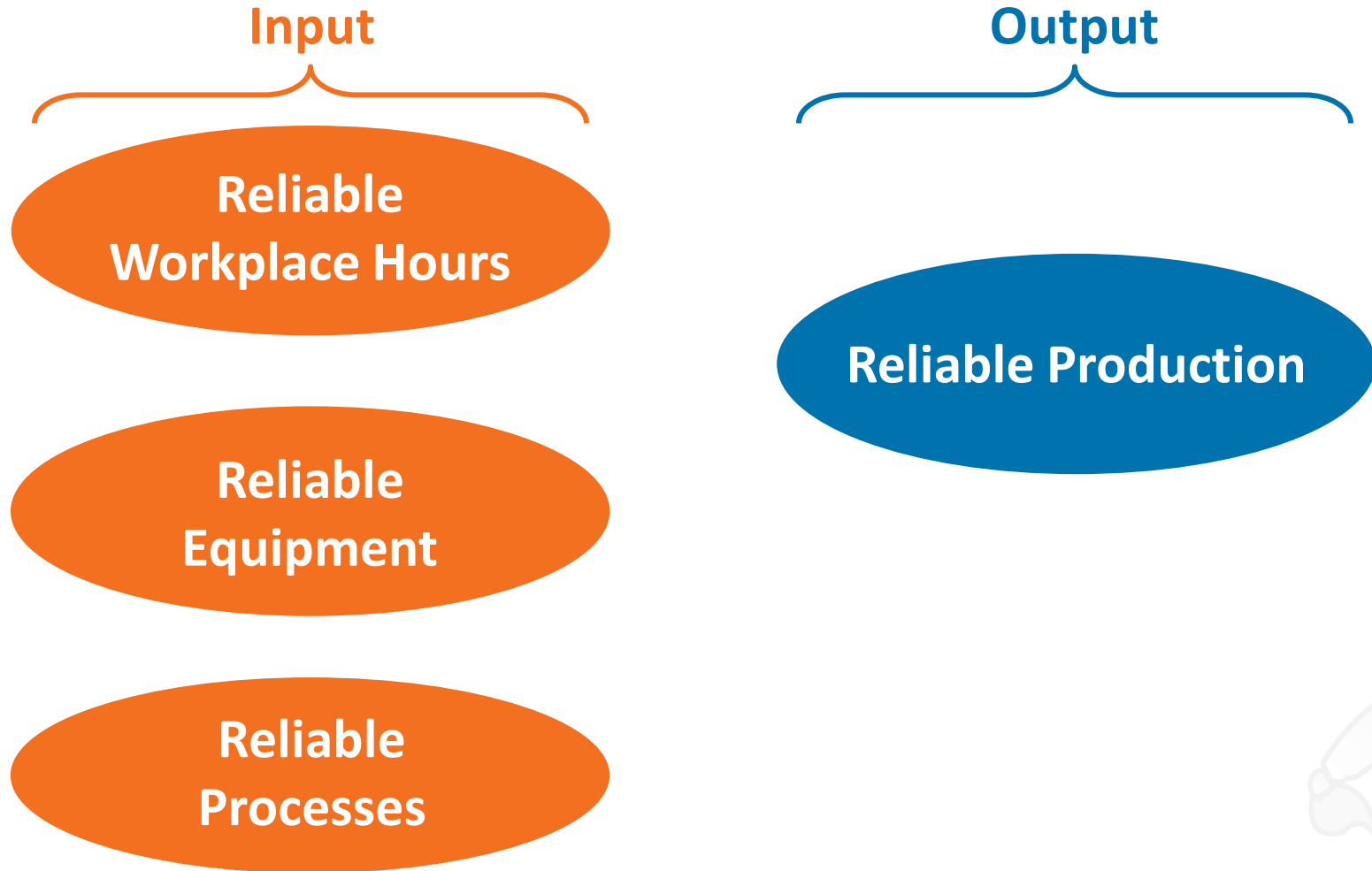
H1 2010 Revenue Distribution
43% Ag 30% Zn
16% Pb 11% Cu

Earnings in H2 2010 include a \$20.2 million gain on dilution and deconsolidation of Scorpio Gold Corporation.

While comparisons to H1 2010 show large increases, it should be noted that Q2 2010 suffered from a significant throughput reduction due to a ball mill failure. Further details of Q2 2011 financial highlights are presented in the Corporation's [July 29, 2011 news release](#).

(*) Silver equivalent ounces are based on 2011 budgeted prices: Ag US\$24/oz., Zn US\$1.01/lb., Pb US\$1.02/lb., Cu US\$3.58/lb.





Major Landholder

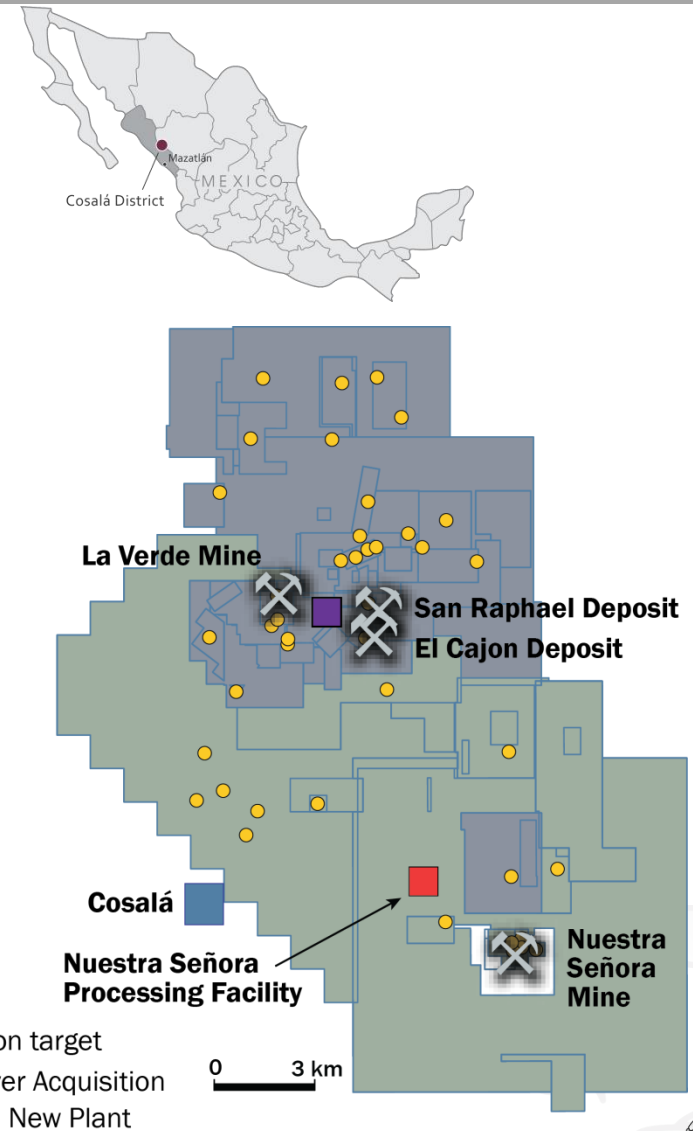
- The Platte River Acquisition increased Scorpio's holdings in the Cosalá District by >10,000 hectares.
- Land position encompasses 29,161 hectares spanning ~19 km x 23 km.
- **Over 40 known exploration targets including historically producing mines.**

Advanced Deposits

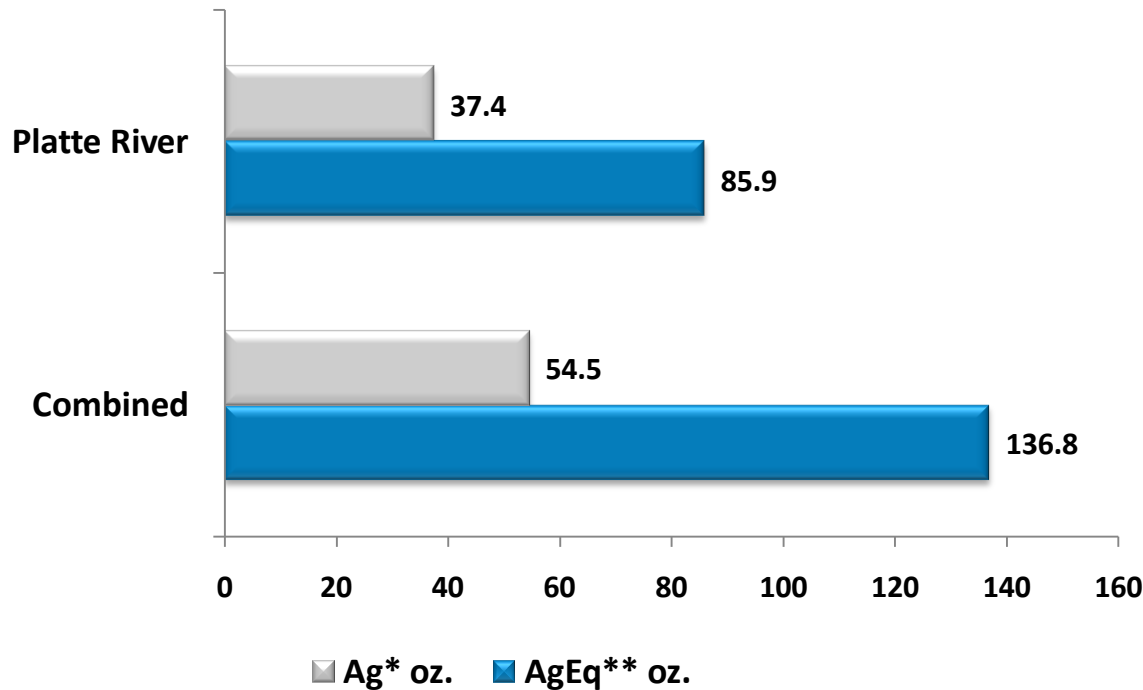
- **El Cajón and San Rafael Deposits** with NI 43-101 compliant mineral resources.
- **La Verde Mine.**

Mineralization

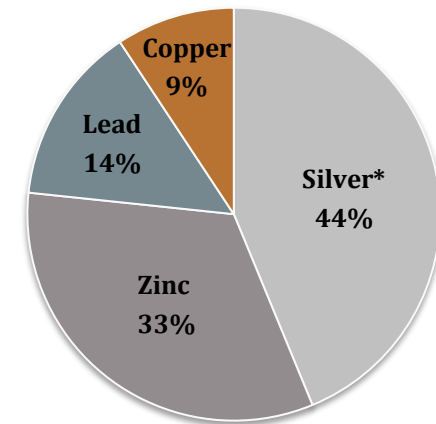
- Silver-zinc-copper-lead-gold.
- Silver-gold stockwork.
- Porphyry copper.



Relative Metal Content in Assets from Platte River Acquisition and Combined Assets of Platte River & Nuestra Señora Deposit



Proportion of Contained Metal in Combined AgEq oz.



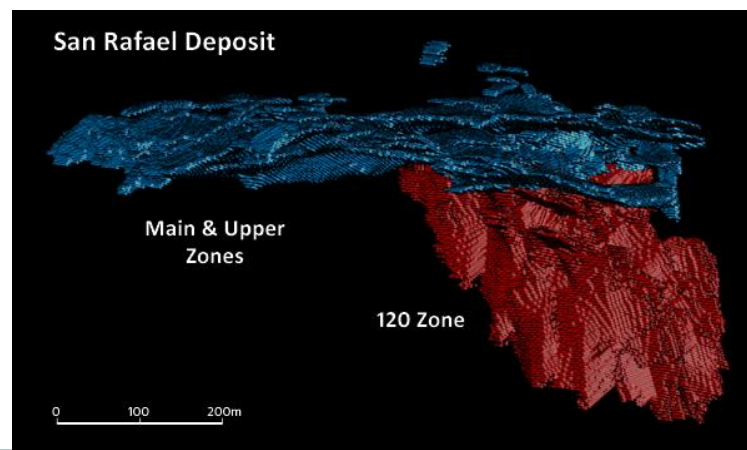
* Silver includes gold credit.

** Based on **US\$16.00/oz. Ag**, US\$1,015/oz. Au, US\$0.85/lb. Zn, US\$0.80/lb. Pb and US\$2.30/lb. Cu.

Metal contents based on NI 43-101 compliant measured & indicated resources as of October 30, 2010.

San Rafael Deposit

- **Main, Upper & 120 Zones:** Silver-lead-zinc, silver-copper-gold and silver-gold dominant mineralized zones
- Deposit open for expansion.
- Preliminary Economic Assessment and initial metallurgical studies completed



Main & Upper Zones – Mineral Resource Estimate ¹

Measured & Indicated

5,997,000 tonnes grading 89.5 g/t Ag, 3.42% Zn, 1.46% Pb, 0.06% Cu, 0.12 g/t Au

Inferred

14,000 tonnes grading 64.1 g/t Ag, 1.46% Zn, 1.45% Pb, 0.04% Cu, 0.11 g/t Au

120 Zone – Mineral Resource Estimate ²

Indicated

1,916,000 tonnes grading 130.6 g/t Ag, 0.48% Zn, 0.13% Pb, 0.34% Cu, 0.168 g/t Au

Inferred

195,000 tonnes grading 130.8 g/t Ag, 0.05% Zn, 0.28% Cu, 0.160 g/t Au

¹ 3.5% ZnEq cut-off applied.

² 100 g/t AgEq cut-off applied. NI 43-101 technical report to support the resource estimates filed on SEDAR December 4, 2009.

El Cajón Deposit

- Silver-copper-gold dominated mineralization, similar to San Rafael 120 zone.
- Deposit open for expansion.
- Preliminary Economic Assessment and initial metallurgical studies completed.

El Cajón - Mineral Resource Estimate

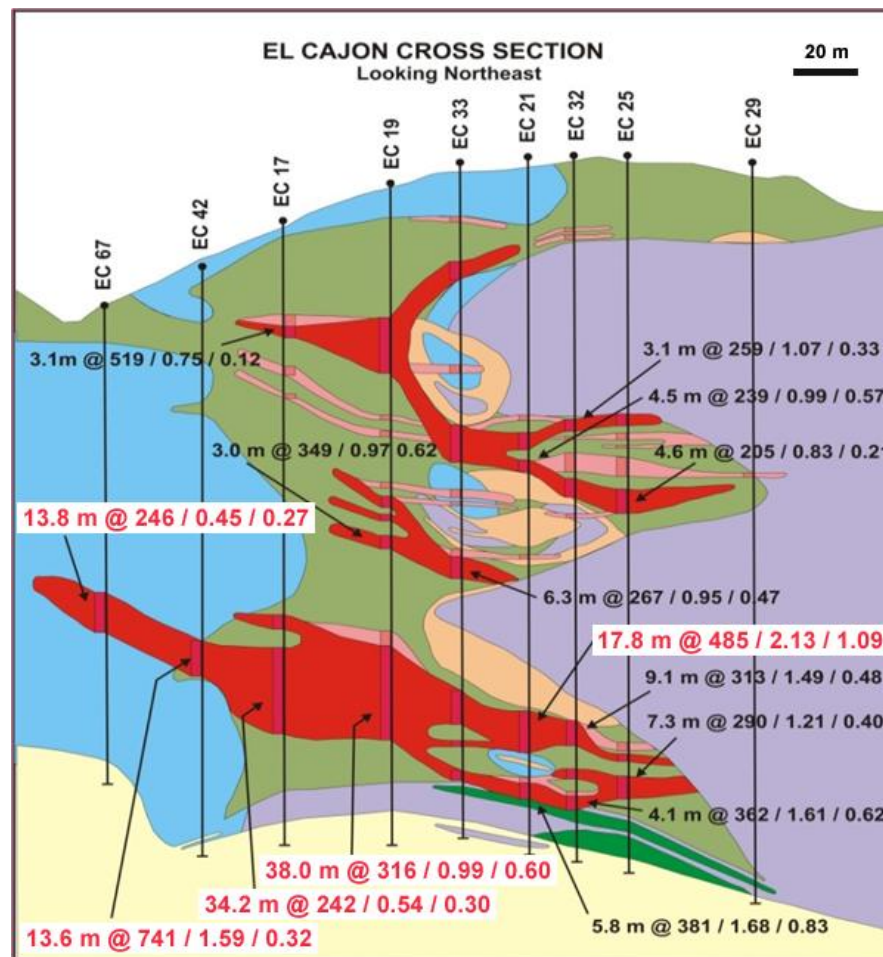
Indicated

2,442,000 tonnes grading 129.4 g/t Ag, 0.44% Cu, 0.19 g/t Au

Inferred

996,000 tonnes grading 97.2 g/t Ag, 0.34% Cu, 0.13 g/t Au

(50 g/t Ag cut-off applied; NI 43-101 technical report to support this resource estimate filed on SEDAR December 4, 2009).

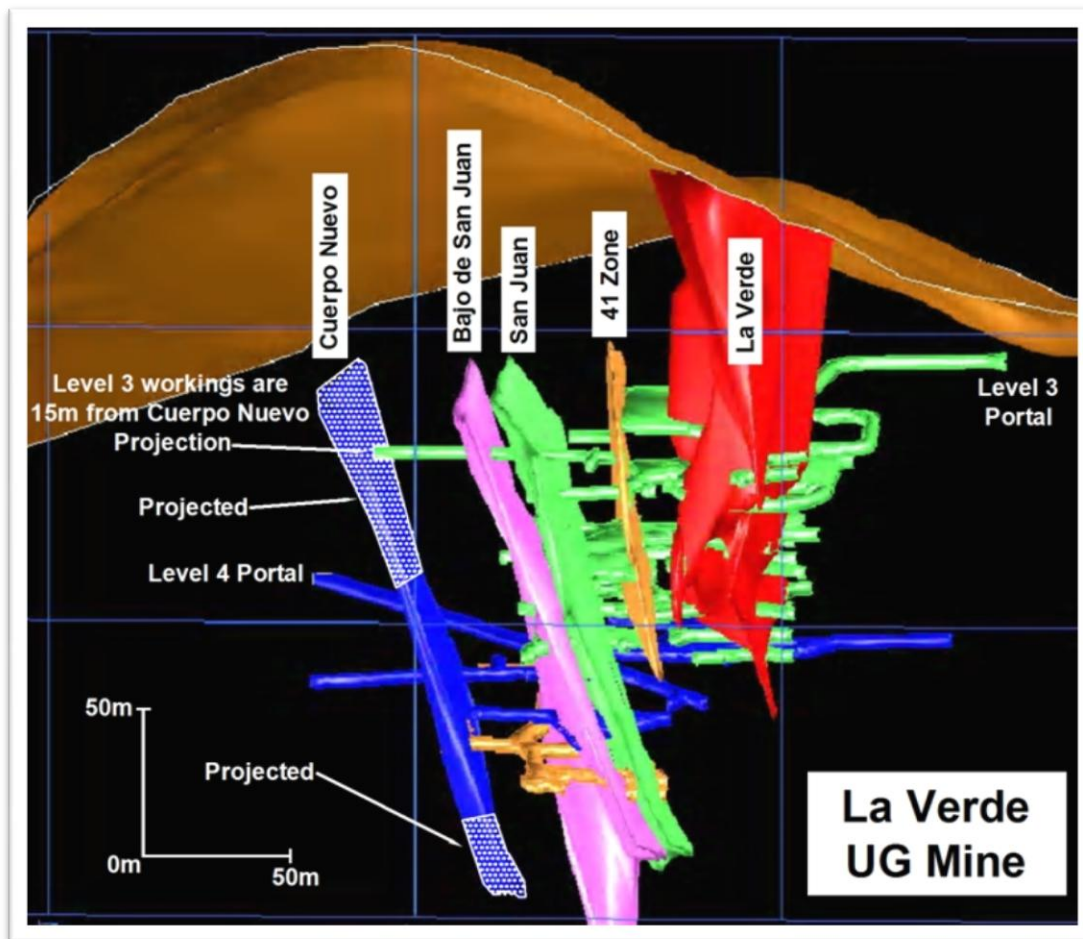


La Verde Mine

- Historically produced 1.4 million tonnes grading 105-180 g/t Ag, 0.53-0.65% Cu.
- Five sub-parallel silver-copper-gold zones, 4-18 m thick.
- Deposit open for expansion.
- 2,800 m underground drilling and 1,000 m surface drilling in 2011.
- Mine refurbishment and metallurgical testing in progress.

Geology & Mineralization

- Skarn deposit hosted in Cretaceous volcanic arenite.
- Chalcopyrite + tetrahedrite and minor bornite.

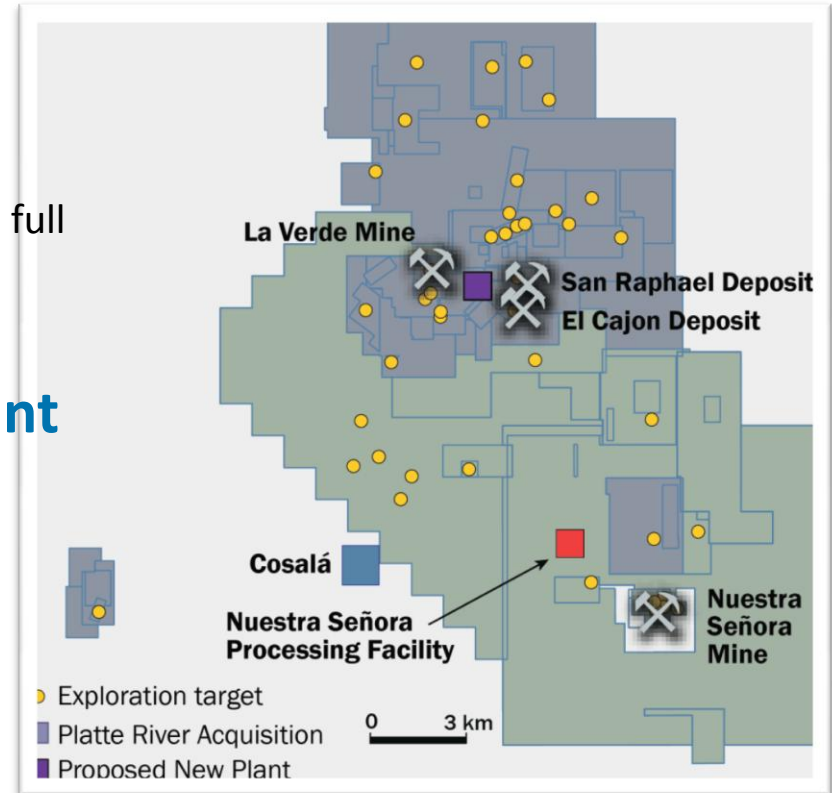


New Plant to Service North Cosalá District

- Initiating feasibility study on new **4,000 TPD** plant.
- Expected completion **Q3 2012**.
 - Decision point:
 - Construct new 4,000 TPD plant; or
 - Further expand existing plant to designed full capacity of 4,000 TPD.

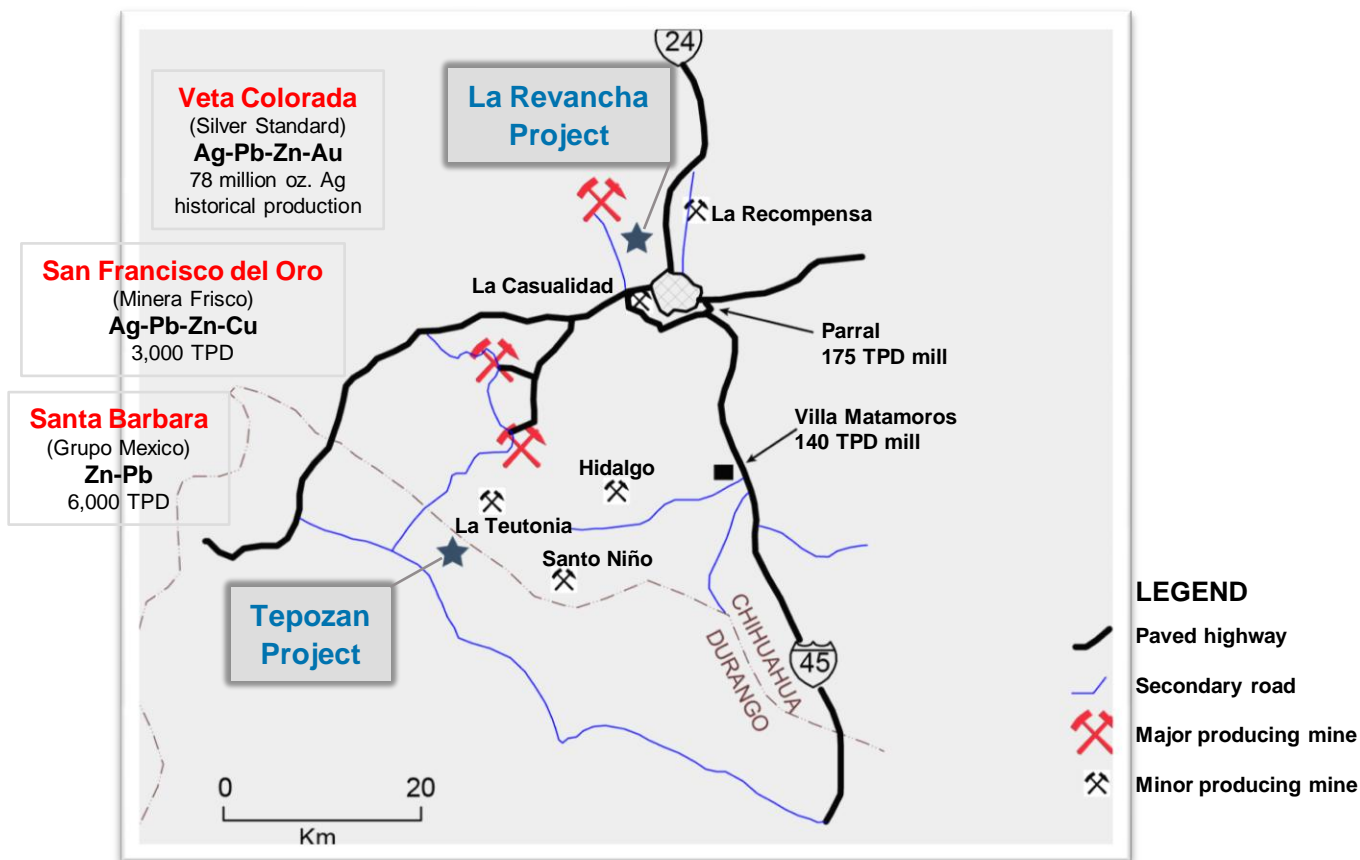
Expansion of the Nuestra Señora Plant

- Increase production by **50%** to **2,250 TPD**.
- Expected completion **Q2 2012**.
- Added ore sourced from the adjacent high-grade Candelaria Deposit and nearby La Verde Mine.



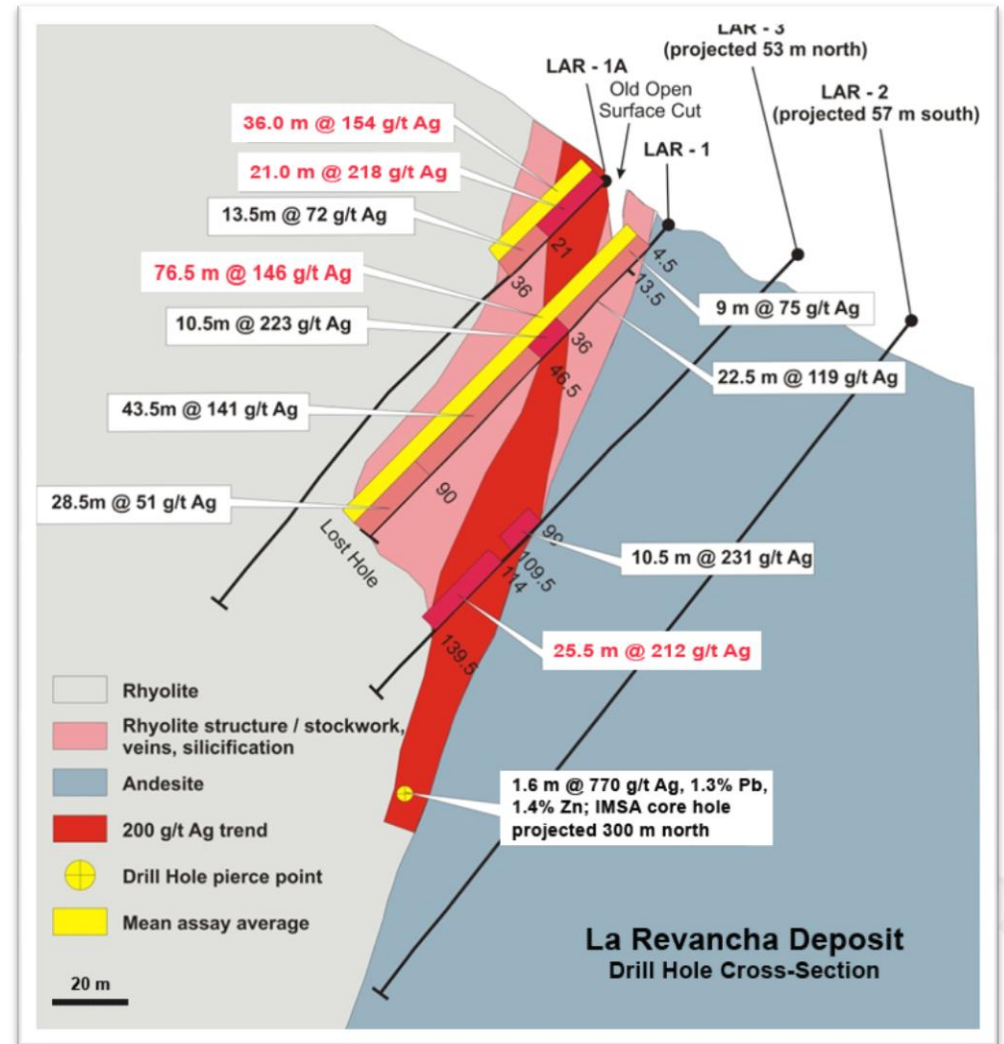
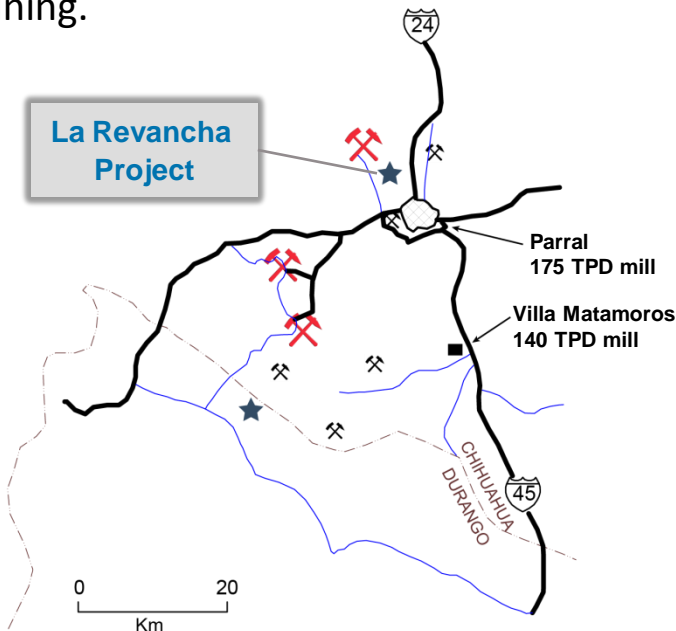
Potential to increase process capacity by ~300%

Parral District Chihuahua State



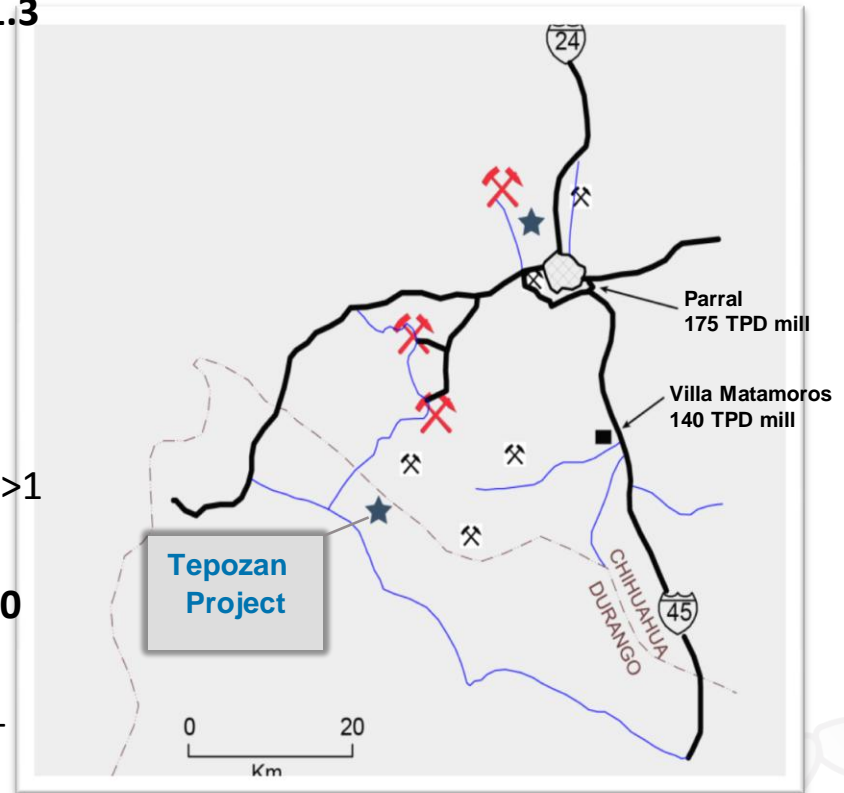
La Revancha Silver Deposit

- 38 drill holes define 36 m wide mineralized body over 300 m strike length.
- Deposit open for expansion.
- Mineralization outcrops on surface and may be amenable to low-cost, open pit mining.



Tepozan Silver-Gold Deposit

- Silver-gold mineralized vein system traced over a **1.3 km strike length**.
- Deposit open for expansion.
- Limited historical production – artisanal shafts, shallow stopes and open pits.
- Chip channel sampling of oxide vein material from main workings returned **>200 g/t Ag** over 1-2 m widths in 50% of samples collected.
- Gold is anomalous throughout and locally reports **>1 g/t Au** over 1-2 m widths.
- **Best results from sampling to date: 895 g/t Ag/2.0 m and 7.54 g/t Au/1.7 m.**
- Excellent potential for down-dip, high-grade silver-lead-zinc sulphide mineralization.



Cosalá District

- 10,500 m underground drilling at Nuestra Señora Mine.
- 2,800 m underground drilling at La Verde Mine.
- 8,000 m surface drilling at San Rafael and La Verde to increase and upgrade resources for feasibility study.
- 5,000 m surface drilling on early-stage targets.



Parral District

- Up to 7,000 m of surface drilling at La Revancha and Tepozán.

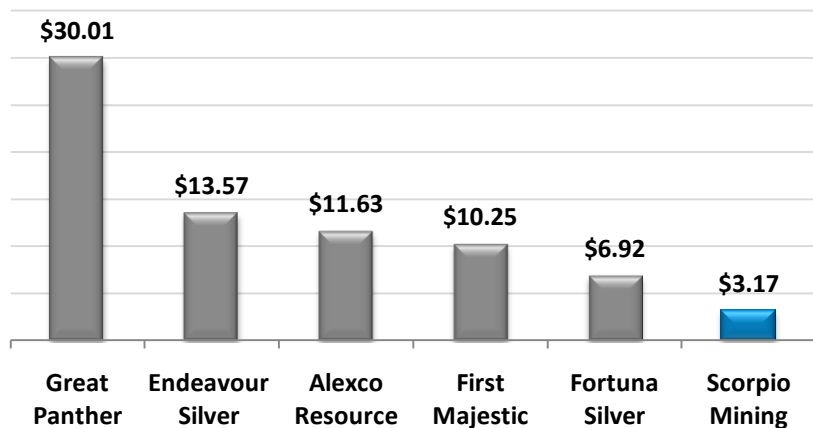


Scorpio – Undervalued Among its Peers

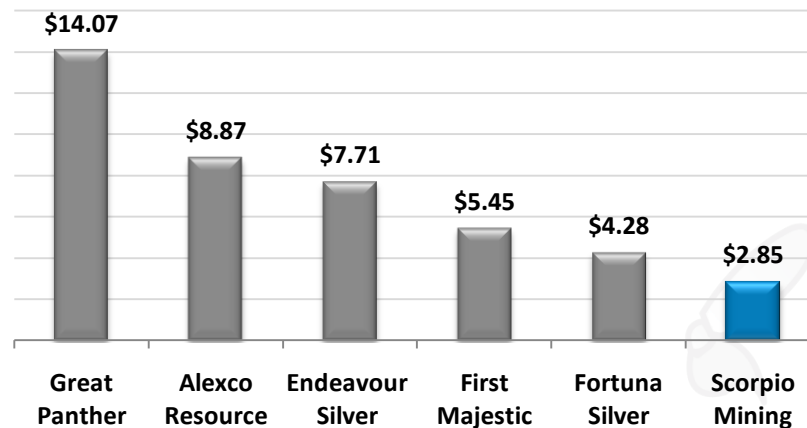
TSX: SPM

Company	Ticker	Share Price (C\$)	Market Cap (C\$M)	Enterprise Value (C\$M)	Ag oz.		Ag Eq oz.		EV / Ag oz.		EV / Ag Eq oz.*	
					M&I (M oz.)	M,I&I (M oz.)	M&I (M oz.)	M,I&I (M oz.)	M&I (C\$/oz.)	M,I&I (C\$/oz.)	M&I (C\$/oz.)	M,I&I (C\$/oz.)
Alexco Resource	AXR-T	\$8.47	\$508	\$456	20	26	39	51	\$22.38	\$17.67	\$11.63	\$8.87
Endeavour Silver	EDR-T	\$12.37	\$1,039	\$906	41	70	67	117	\$22.23	\$12.85	\$13.57	\$7.71
First Majestic	FR-T	\$20.69	\$2,150	\$2,056	157	298	201	377	\$13.09	\$6.89	\$10.25	\$5.45
Fortuna Silver	FVI-T	\$6.08	\$748	\$675	55	90	98	158	\$12.17	\$7.49	\$6.92	\$4.28
Great Panther	GPR-T	\$3.30	\$442	\$390	8	17	13	28	\$46.26	\$22.80	\$30.01	\$14.07
Average					56	100	83	146	\$23.23	\$13.54	\$14.48	\$8.08
Scorpio Mining	SPM-T	\$2.15	\$415	\$390	55	59	123	137	\$7.55	\$6.60	\$3.17	\$2.85

EV / M&I (Ag Eq oz.*)



EV / M,I&I (Ag Eq oz.*)

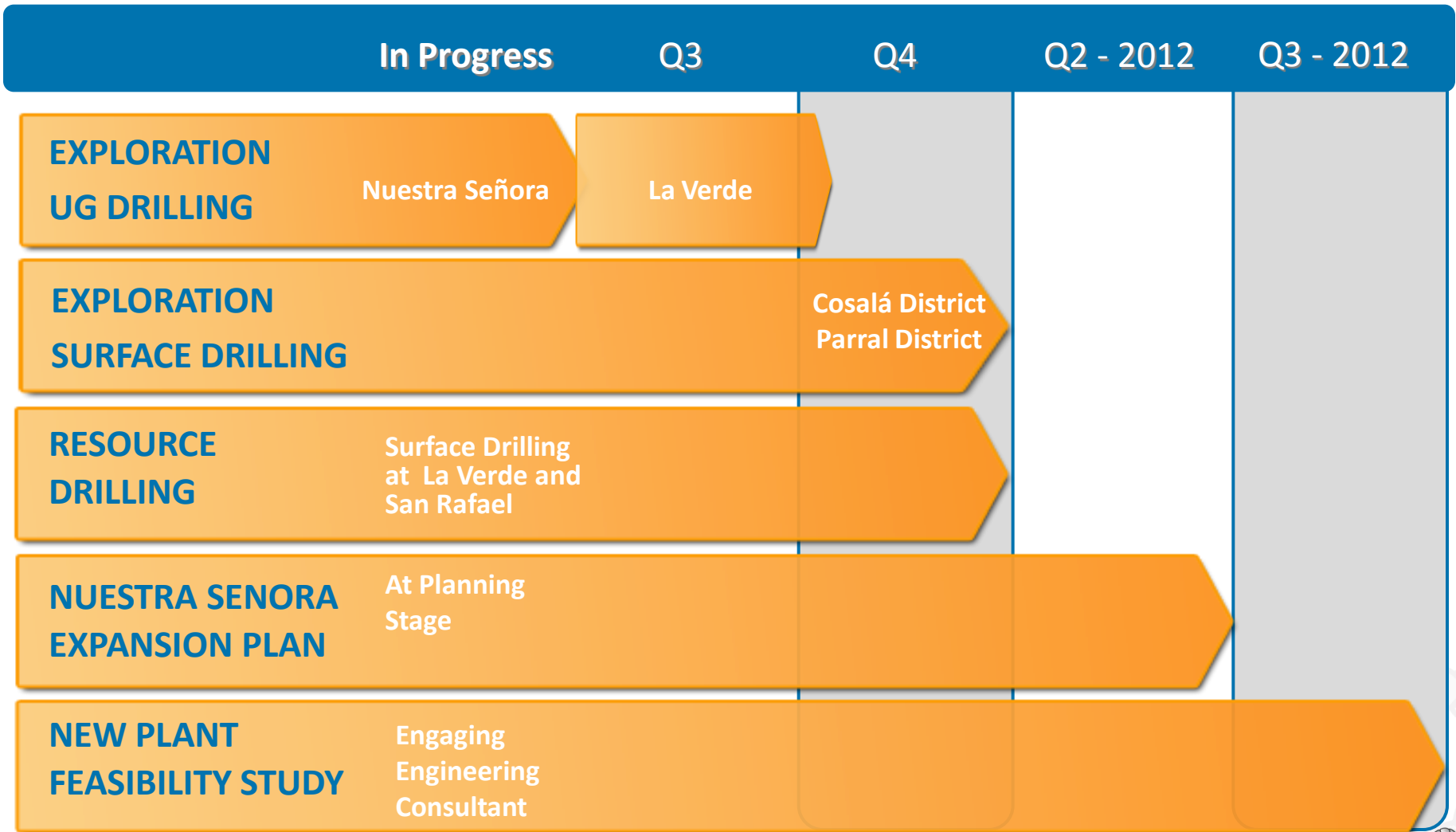


Source: Company public filings and technical reports.

* Based on US\$16.00/oz. Ag, US\$1,015/oz. Au, US\$0.85/lb Zn, US\$0.80/lb .Pb and US\$2.30/lb. Cu.

Projected Timeline

TSX: SPM



Performance

- Top performing silver producer with **significant base metal credits**.
 - Strong operational cash flow to support future financing requirements; **no debt**.
 - Strong 2011 production forecast – estimated to exceed 3.0 million Ag Eq oz.
-

Expansion

- Feasibility study on new 4,000 TPD plant in north Cosalá District.
 - Expanding capacity at Nuestra Señora plant to 2,250 TPD.
 - **Potential to increase overall capacity by ~300% within 4 years**
-

Growth

- Over 40 exploration targets/deposits in Cosalá District.
 - Advanced, high-grade silver properties in Parral District.
 - Aggressive exploration – building the resource base.
-

Longevity

- 20-year life with known reserves/resources at current processing capacity.
- Potential to advance multiple other deposits to production.
- High-grades and low operating cost – competitive advantage.

Investor Relations

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