



**SCORPIO**   
MINING CORPORATION

# Growing Silver Zinc Copper Lead Producer in Mexico

TSX: SPM  
April 2012

# Forward-Looking Statement

TSX: SPM

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- Silver and Base Metal producer
- 100% owned assets
- No Hedging
- Royalty Free\*
- Excellent Infrastructure: Road, power and water to site

## Performance

- Strong Operational Cash Flow; **no debt**
- 2011 Production Exceeded 2.8 million Silver Equivalent Ounces (AgEq. oz)

## Growth & Expansion

- Organic Production and Resource Growth
- Opportunity for Further Growth through Development

## Execution and Delivery

- Solid and strong team
- Significant improvements at the mine and mill site

\* Only 4% of the Corporation's properties are subject to 1.25% NSR royalty

# 2011 A Solid Year



## Operations

- Reduced lost time frequency and severity index by 91 and 89% respectively
- Zero environmental non-compliance
- Increased 2011 production of AgEq oz. by **41%** in comparison to 2010
- Improved mining practices & grade control: Reduced dilution, increased recovery
- Assumed control of mining operations at La Verde and commenced refurbishment
- Continued metallurgical testing of future mill feed from La Verde and San Rafael deposits
- Initiated replacement of aging mining fleet

## Financial

(As at December 31, 2011)

- Increased YTD EBITDA by **144%** in comparison to 2010
- Increased YTD gross revenues by **67%**
- Increased YTD mine operating earnings by **271%**
- Increased YTD cash flow from operations by **194%**
- Repaid debt of \$20 M in May 2011; cash on hand at December 31, 2011: \$25.8 M

## Growth & Expansion

- Initiated an aggressive exploration program to build mineral resource base
- Acquired additional mineral concessions in the Cosalá and Parral districts
- Commenced Nuestra Señora plant expansion options studies

## Corporate

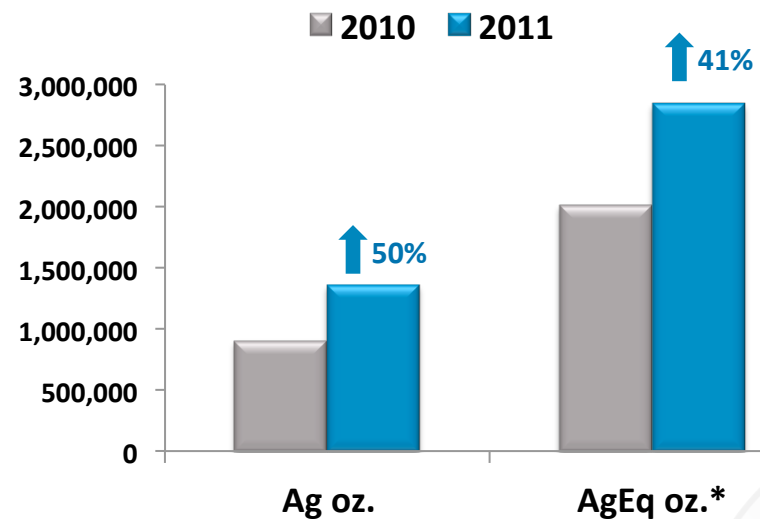
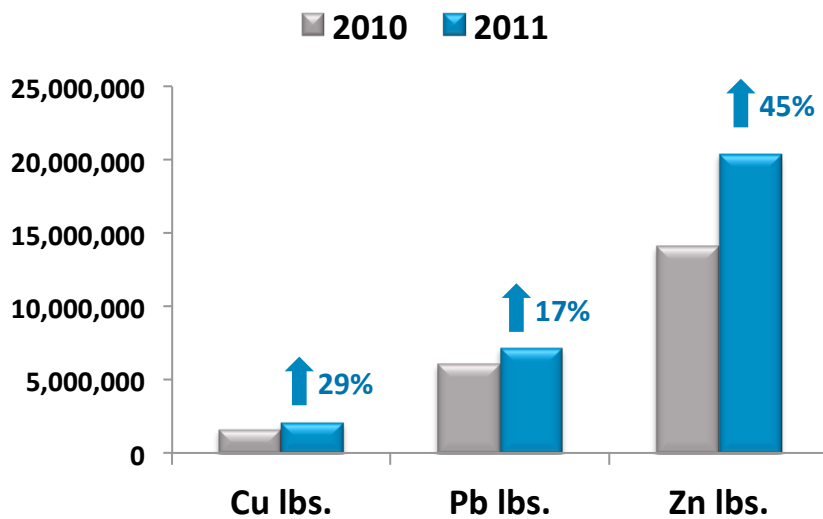
- Attained debt-free status
- Strengthened management team with key appointments

# 2011 Production Highlights

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## Increases from Year Ended December 31, 2010:

- **34%** ↑ in plant throughput
- **Significant increases in recovered metal in all concentrates**



\* Silver equivalent (AgEq) 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

TSX: SPM

	2011	2010
Revenue from metal payable (000s)	\$70,323	\$42,231
<b>Mine operating earnings (000s)</b>	<b>\$33,231</b>	<b>\$8,959</b>
Net earnings before gain (loss) on Scorpio Gold transactions (000s)	\$13,891	\$11,261
Gain (loss) on Scorpio Gold transactions (000s)	\$(1,314)	\$19,396
Net earnings (000s)	\$12,577	\$30,657
Earnings per share (Basic)	\$0.07	\$0.18
Adjusted EBITDA (000s)	\$35,002	\$14,325
Adjusted EBITDA per share (Basic)	\$0.18	\$0.09
Cash flows from operating activities (000s)	\$33,869	\$11,511
Cash cost per silver payable ounce (US\$)	\$1.14	\$1.89
Recovered silver equivalent ounces*	2,847,687	2,014,188

## For the Years Ended December 31, 2011 & 2010

Increase of  
**271%**  
Over Mine Operating  
Earnings in 2010

2011 Mine Operating  
Earnings  
**\$33.2M**

Increase of  
**194%**  
Over Cash Flow from  
Operating activities  
in 2010

2011 Cash Flow  
from Operating activities  
**\$33.9 M**

2011 Revenue from  
Metal Payable  
**\$70.3M**

2011 Revenue Distribution  
**57% Ag 23% Zn**  
**9% Pb 11% Cu**

2010 Revenue from  
Metal Payable  
**\$42.2M**

2010 Revenue Distribution  
**45% Ag 28% Zn**  
**14% Pb 13% Cu**

The year ended December 31, 2010 results include a \$20.2 million gain on dilution and deconsolidation of Scorpio Gold Corporation and a \$9.9 million deferred income tax recovery adjustment.

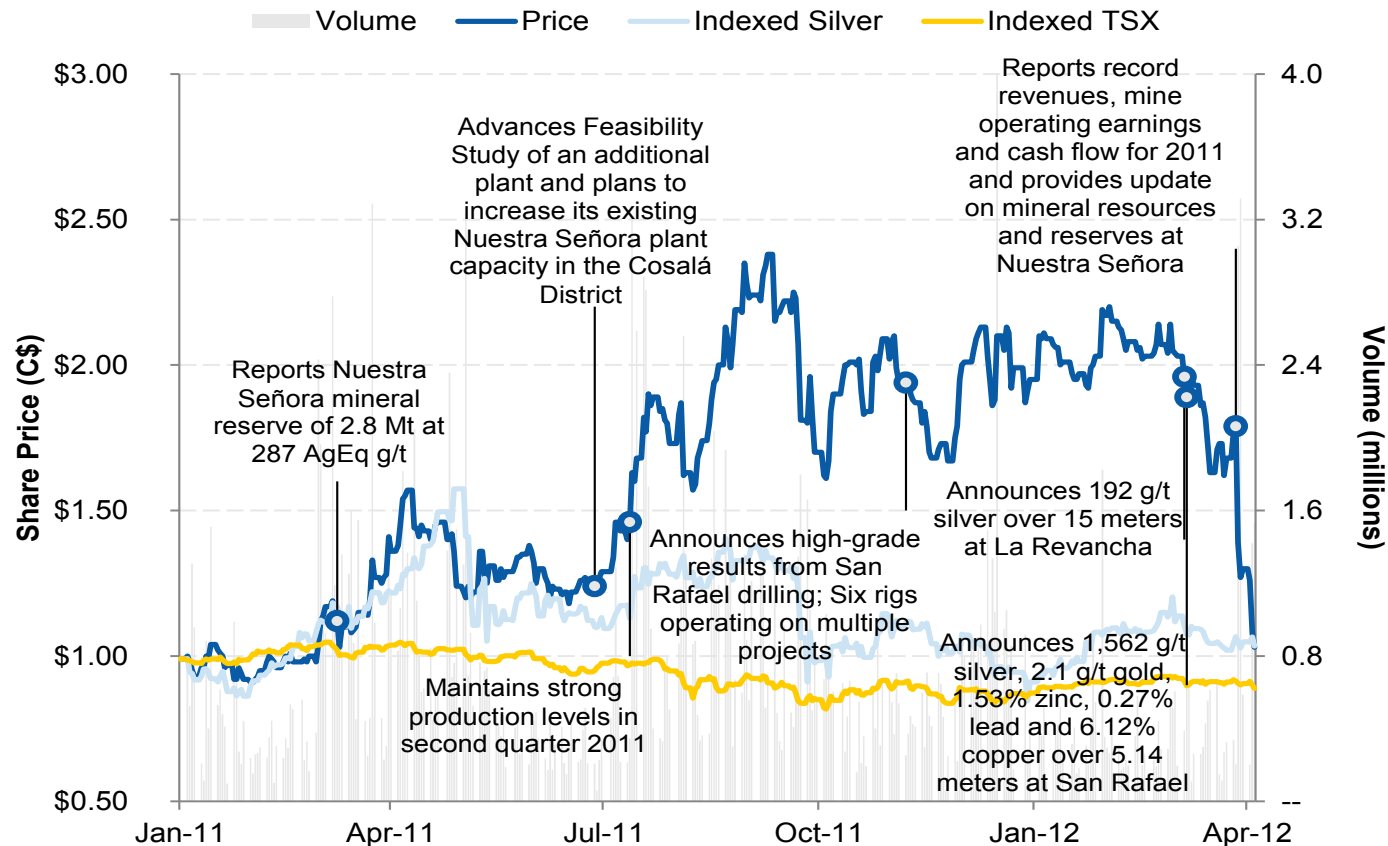
While comparisons to 2010 show large increases, it should be noted that Q2 2010 suffered from a significant throughput reduction due to a ball mill failure. Further details of the 2011 financial highlights are presented in the Corporation's [March 27, 2012](#) press release.

\* Silver equivalent ounces in 2011 and 2010 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.



# Driving Growth by Creating Value

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**198.2 M<sup>(1)</sup>**  
Shares Outstanding

**15.2 M<sup>(1)</sup>**  
Options  
(CAD\$1.27 strike)

**CAD\$204 M**  
Market Cap  
(CAD\$1.03 price)

**CAD\$32.0 M<sup>(1)</sup>**  
Cash Position

**11.3 M<sup>(1)</sup>**  
Shares in  
Scorpio Gold  
(TSXV:SGN)

## Major Shareholders

- Tocqueville Asset Management
- JP Morgan Asset X Management
- Van Eck Global
- Royce & Associates
- Sprott Asset Management

## Analyst Coverage

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

<sup>(1)</sup> As of March 26, 2012  
<sup>(2)</sup> As of December 31, 2011;  
\$32 M as of March 26, 2012





## Nuestra Señora Mineral Resource & Reserve Estimate as of October 31, 2010

### Currently Being Reviewed and a Significant Reduction is Expected

#### 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
<b>Measured + Indicated</b>	<b>&gt;\$85</b>	<b>3,071</b>	<b>114</b>	<b>3.41</b>	<b>0.47</b>	<b>1.56</b>	<b>0.15</b>	<b>349</b>
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
<b>Proven + Probable</b>	<b>&gt;\$85</b>	<b>2,764</b>	<b>148</b>	<b>95</b>	<b>2.81</b>	<b>0.39</b>	<b>1.28</b>	<b>0.12</b>	<b>287</b>

The NI 43-101 technical report to support this estimate was filed on SEDAR March 30, 2011.

Please refer to the Corporation's press releases of [November 3, 2011](#) and [March 27, 2012](#) regarding a divergence between this estimate and actual mineralization encountered at Nuestra Señora. The Corporation has engaged Mine Development Associates to prepare a new resource and reserve estimate; the new resource estimate is scheduled for completion by end of Q2 2012, and reserve estimate expected in late Q3 or early Q4 2012.



**What has  
happened ?**



**And What Are We  
Doing?**

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- Divergence between the mineral reserve and resource estimate set out in the Genivar technical report, and the actual mineralization encountered at Nuestra Señora
- Geological information and data from actual mining received by the Company indicates that the mineral deposit is more variable in distribution and continuity, and more confined in extent than anticipated
- Comprehensive review
- Engaged Mine Development Associates to prepare a new reserve and resource estimate
- New resource estimate to be available by the end of Q2 2012
- Updated reserve estimate for Nuestra Señora expected in late Q3 or early in Q4

- Updated resource and reserve estimate at Nuestra Señora expected in Q2 2012 and Q3/Q4 2012, respectively
- Accelerate development and production in areas that were not as prominent in the 2012 production plan
- Accelerate development and exploration in remnants of historical production
- Accelerate development of the La Verde mine around recent production areas
- Phase I of the Nuestra Señora plant expansion by 80% to 2,750 tonnes per day. Phase I is expected to be concluded in Q2 2012
- Phase II will depend on the results of the resource and reserve updates at Nuestra Señora, El Cajón and San Rafael, drilling results at La Verde, and permitting

# Nuestra Señora - Final Concentrates

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**Nuestra Señora Processing Facility produces copper, zinc and lead concentrates; with a significant silver component in the copper and lead concentrates.**

**Copper**



**Lead**



**Zinc**

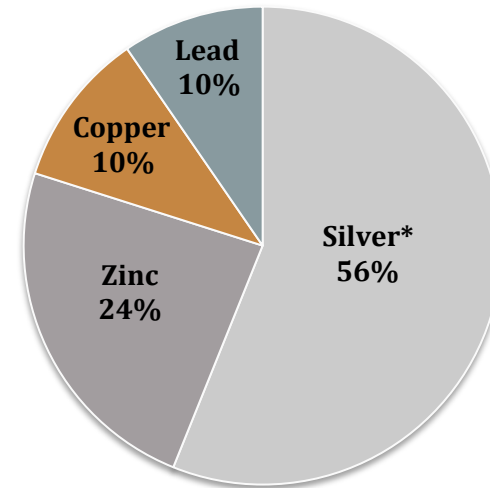


# Nuestra Señora Operation – 2012 Forecast

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Average Daily Throughput	<b>1,425 TPD</b>
Recovered Silver in all Concentrates	<b>1.4 M oz.</b>
Recovered Zinc in Zinc Concentrate	<b>18.7 M lbs.</b>
Recovered Copper in Copper Concentrate	<b>2.1 M lbs.</b>
Recovered Lead in Lead Concentrate	<b>6.3 M lbs.</b>
<b>Silver Equivalent oz.* Recovered in all Concentrates</b>	<b>2.4 M oz.</b>

## Forecast Revenue Breakdown



\* Silver equivalent ounces and forecast revenue breakdown are based on budgeted metal prices of: Ag US\$28/oz., Zn US\$0.90/lb., Pb US\$0.90/lb., Cu US\$3.20/lb.

# Focused on Growth



## Major Landholder

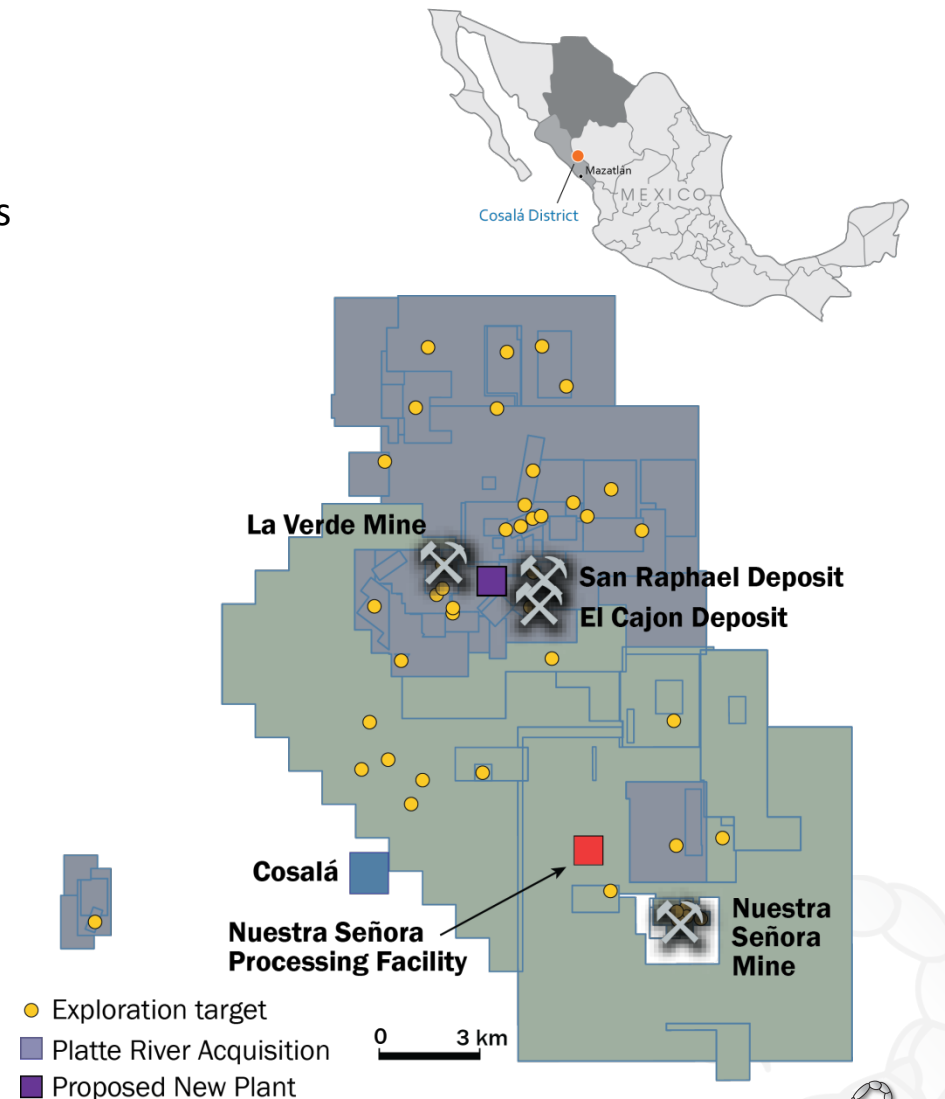
- The Platte River Acquisition increased Scorpio's holdings in the Cosalá District by >10,000 hectares
- Land position encompasses 29,161 hectares spanning ~19 km x 23 km
- **Over 40 known exploration targets including historically producing mines**

## 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

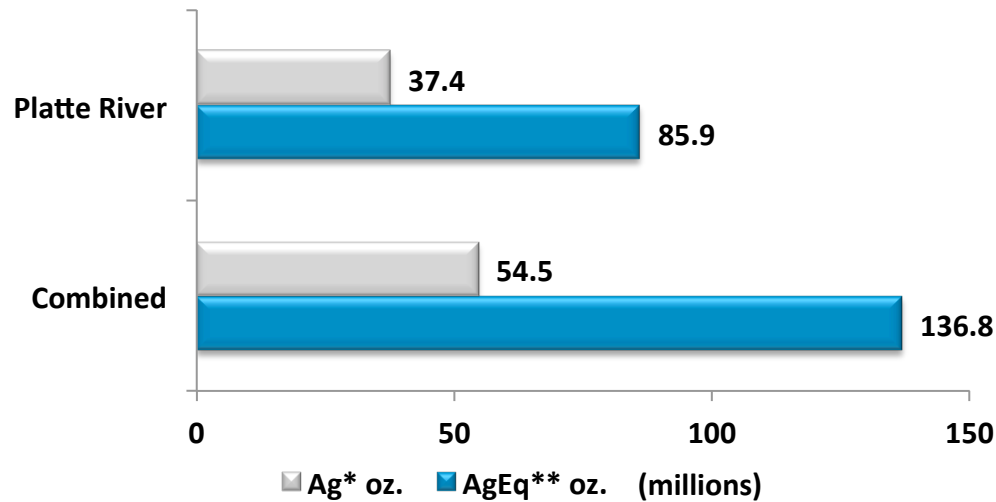




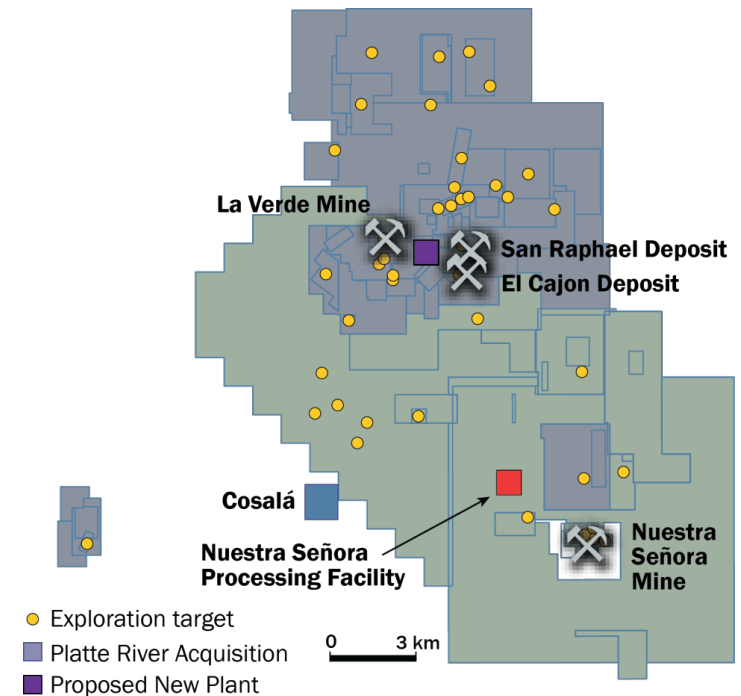
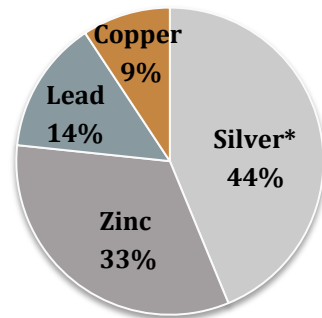
# Organic Growth

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## 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.



## Nuestra Señora reserves are being revised and a significant reduction is expected

\* 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
- Preliminary Economic Assessment and initial metallurgical studies completed
- Exploration drilling in progress on significant extension to the northwest
- Updated NI 43-101 compliant resource estimate expected in mid 2012

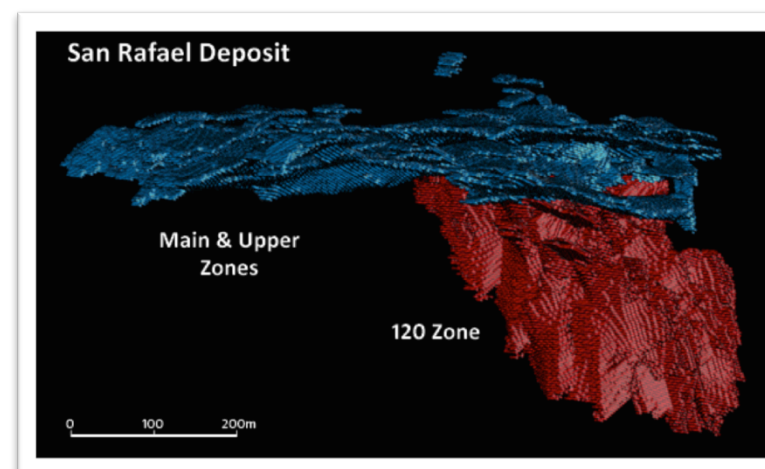
### Main & Upper Zones – Mineral Resource Estimate<sup>1</sup>

Cutoff % ZnEq	Category	Tonnes t x 1,000	Silver (g/t)	Zinc (%)	Copper (%)	Lead (%)	Gold (g/t)
3.5%	Measured + Indicated	5,997	89.5	3.42	0.06	1.46	0.12
3.5%	Inferred	14	64.1	1.46	0.04	1.45	0.11

### 120 Zone – Mineral Resource Estimate<sup>1</sup>

Cutoff g/t AgEq	Category	Tonnes t x 1,000	Silver (g/t)	Zinc (%)	Copper (%)	Lead (%)	Gold (g/t)
100	Indicated	1,916	130.6	0.48	0.34	0.13	0.17
100	Inferred	195	130.8	0.05	0.28	--	0.16

<sup>1</sup> A NI 43-101 technical report to support the resource estimates was prepared by Mine Development Associates of Reno, Nevada and filed on SEDAR December 4, 2009.



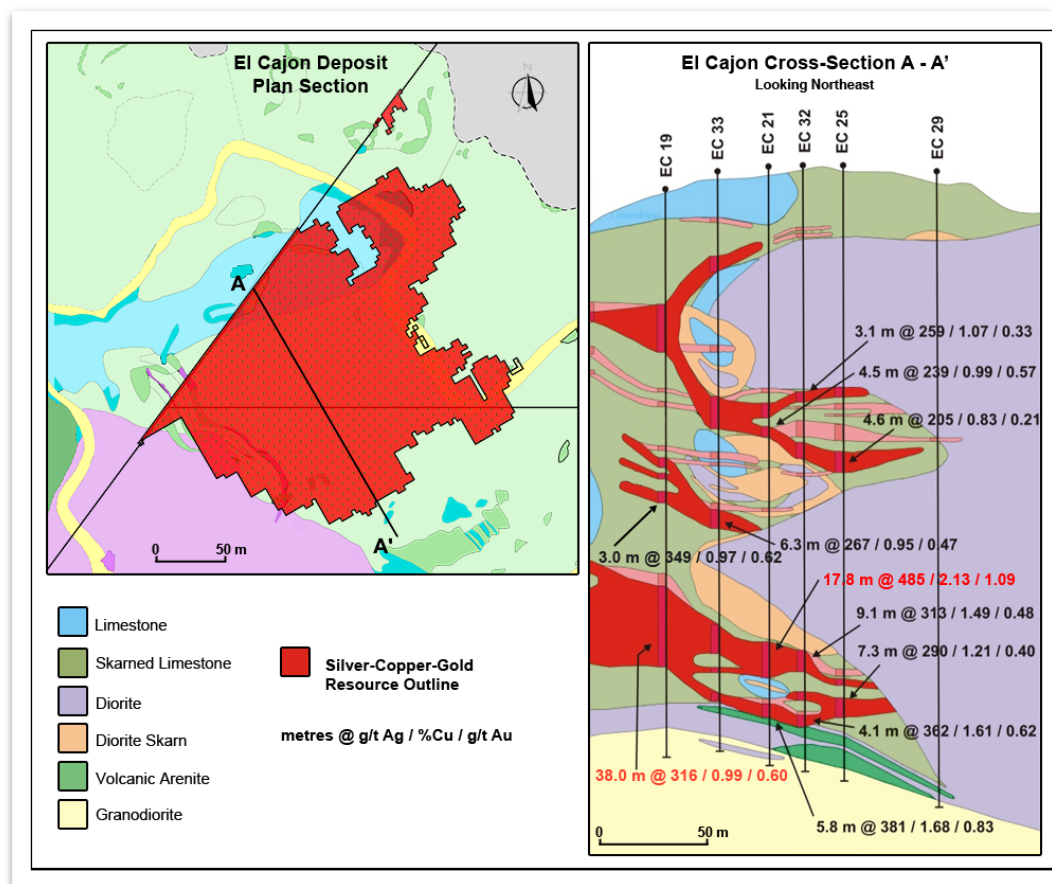
## El Cajón Deposit

- Silver-copper-gold dominated mineralization, similar to San Rafael 120 Zone
- Preliminary Economic Assessment and initial metallurgical studies completed
- 3,500 m exploration drilling in 2012
- Updated NI 43-101 resource estimate expected in Q2 2012
- Potential to add resources by acquisition.
- Several nearby undrilled targets

### El Cajón – Mineral Resource Estimate<sup>1</sup>

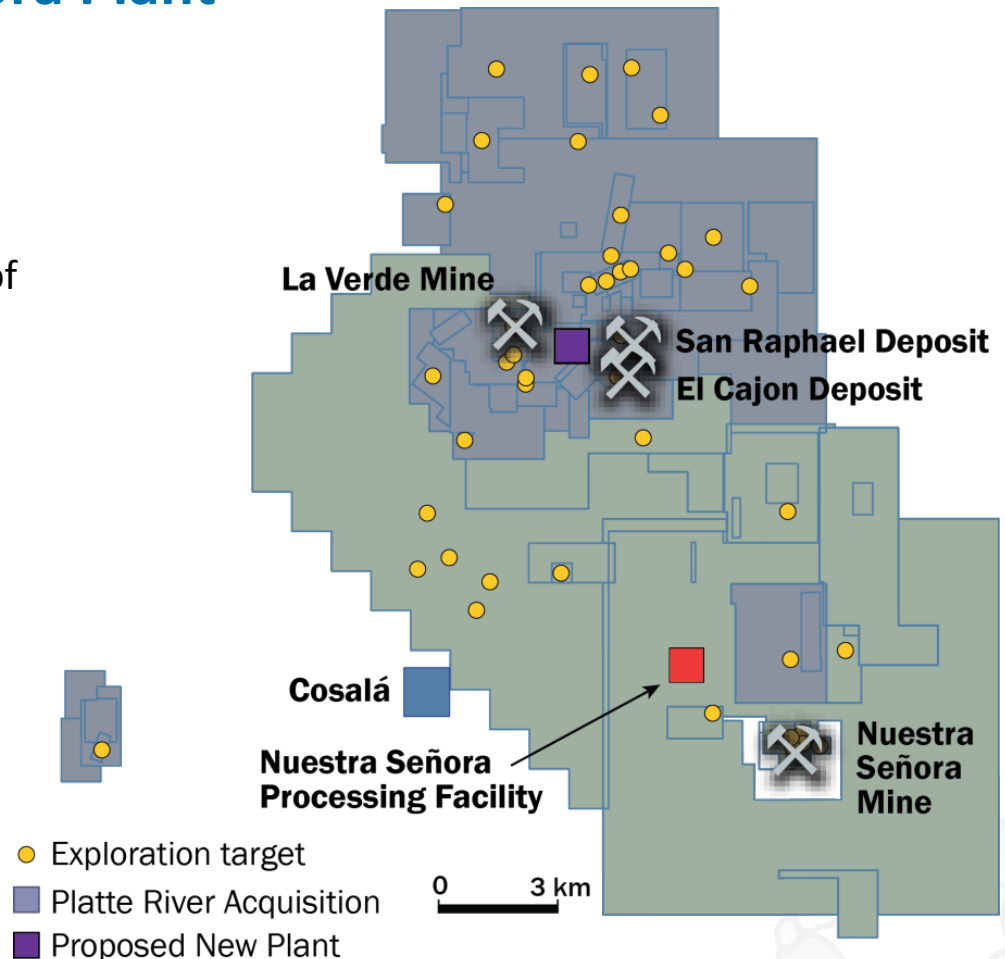
Cutoff g/t AgEq	Category	Tonnes t x 1,000	Silver (g/t)	Copper (%)	Gold (g/t)
50	Indicated	2,442	129.4	0.44	0.19
50	Inferred	996	97.2	0.34	0.13

<sup>1</sup> A NI 43-101 technical report to support the resource estimate was prepared by Mine Development Associates of Reno, Nevada and filed on SEDAR December 4, 2009.



## Expansion of the Nuestra Señora Plant

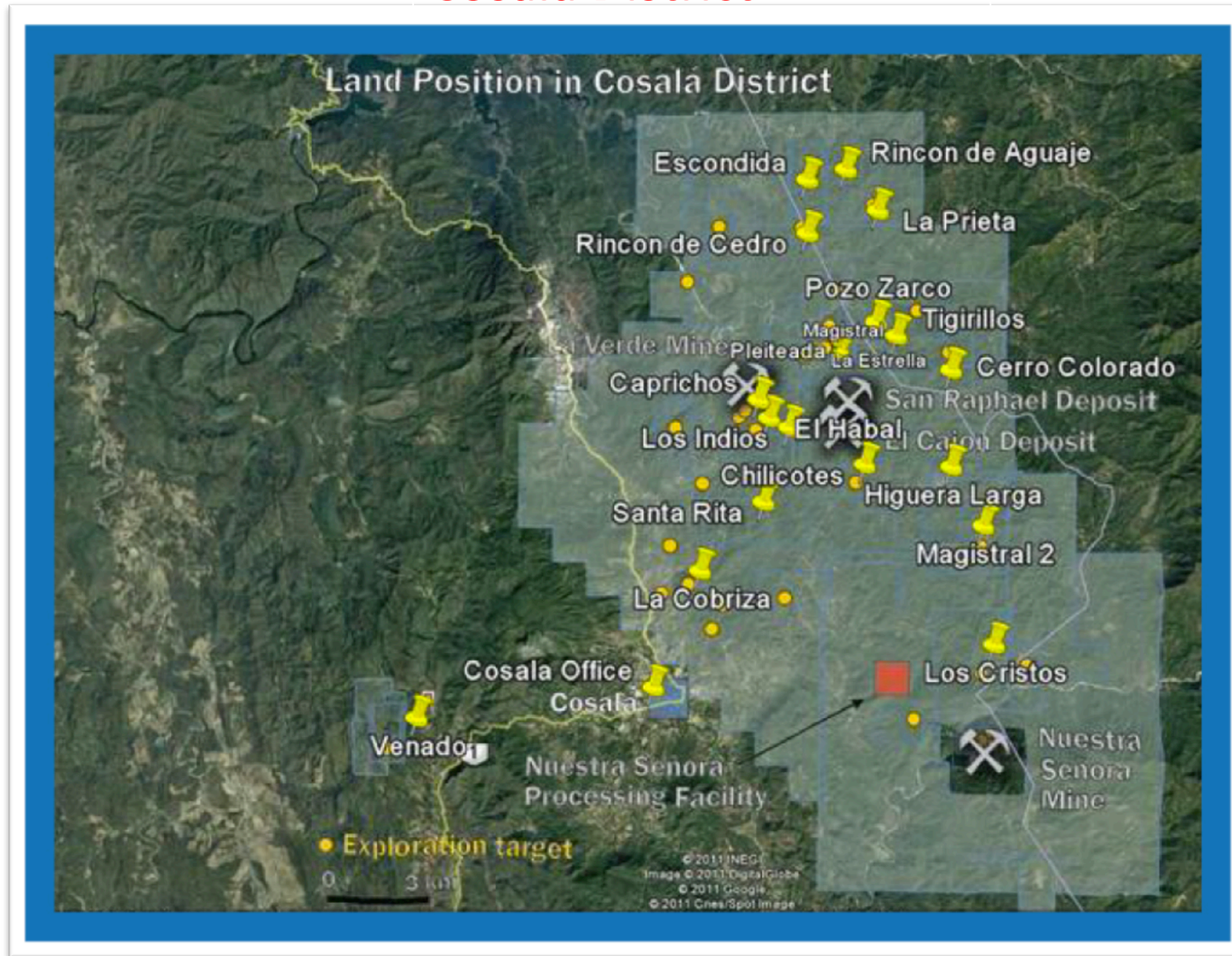
- Increase production by **80%** to **2,750 TPD**
- Phase I:
  - Engineering, civil works and purchasing of long lead time items
  - Expected completion: **Q2 2012**
- Phase II:
  - Construction and commissioning
  - Commencement is pending results of ongoing resource & reserve estimates at Nuestra Señora, San Rafael and El Cajón, drilling at La Verde, and permitting



# Exploration Upside



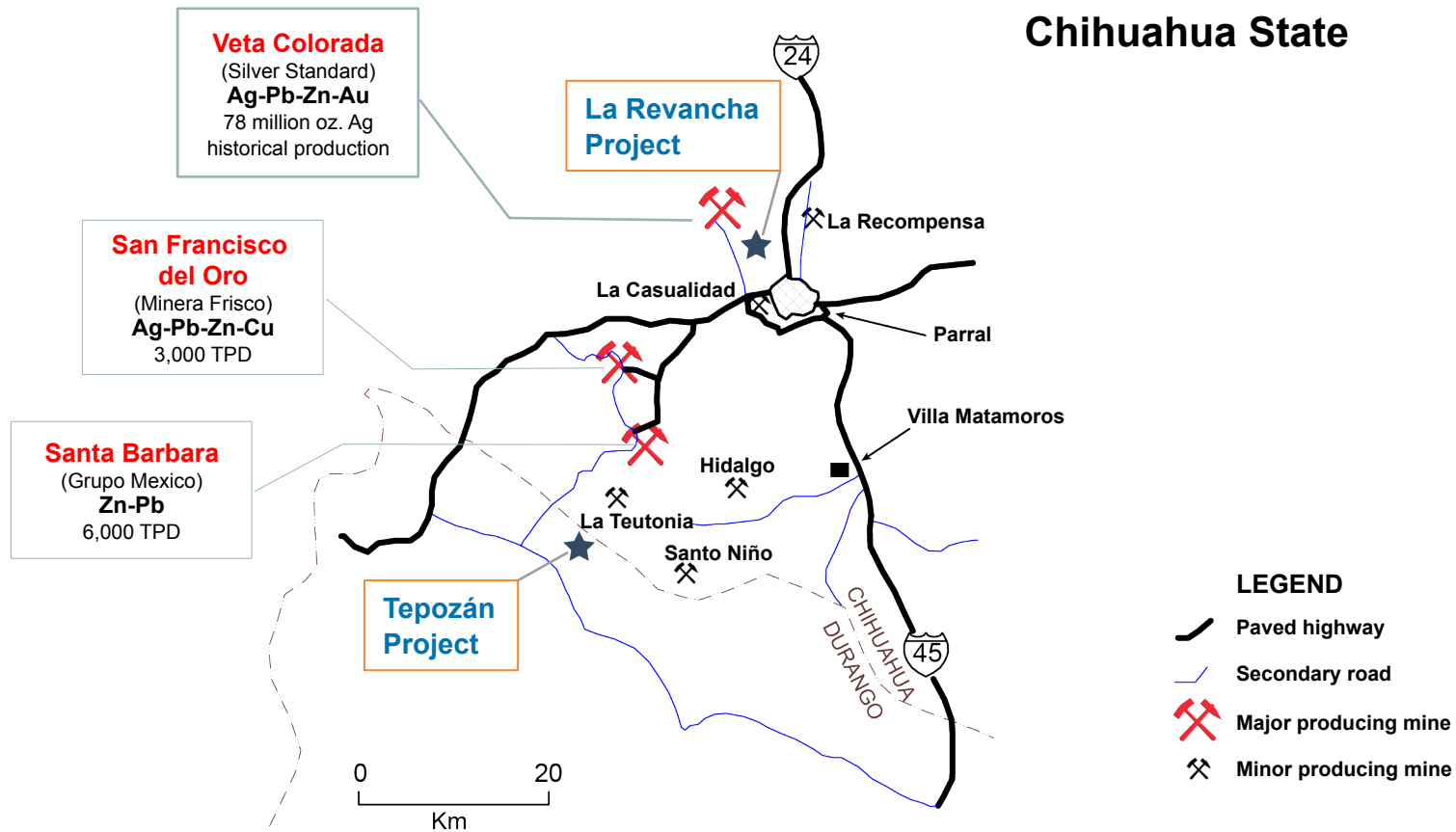
## Cosalá District



# Parral District – La Revancha & Tepozán Projects

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## Parral District Chihuahua State

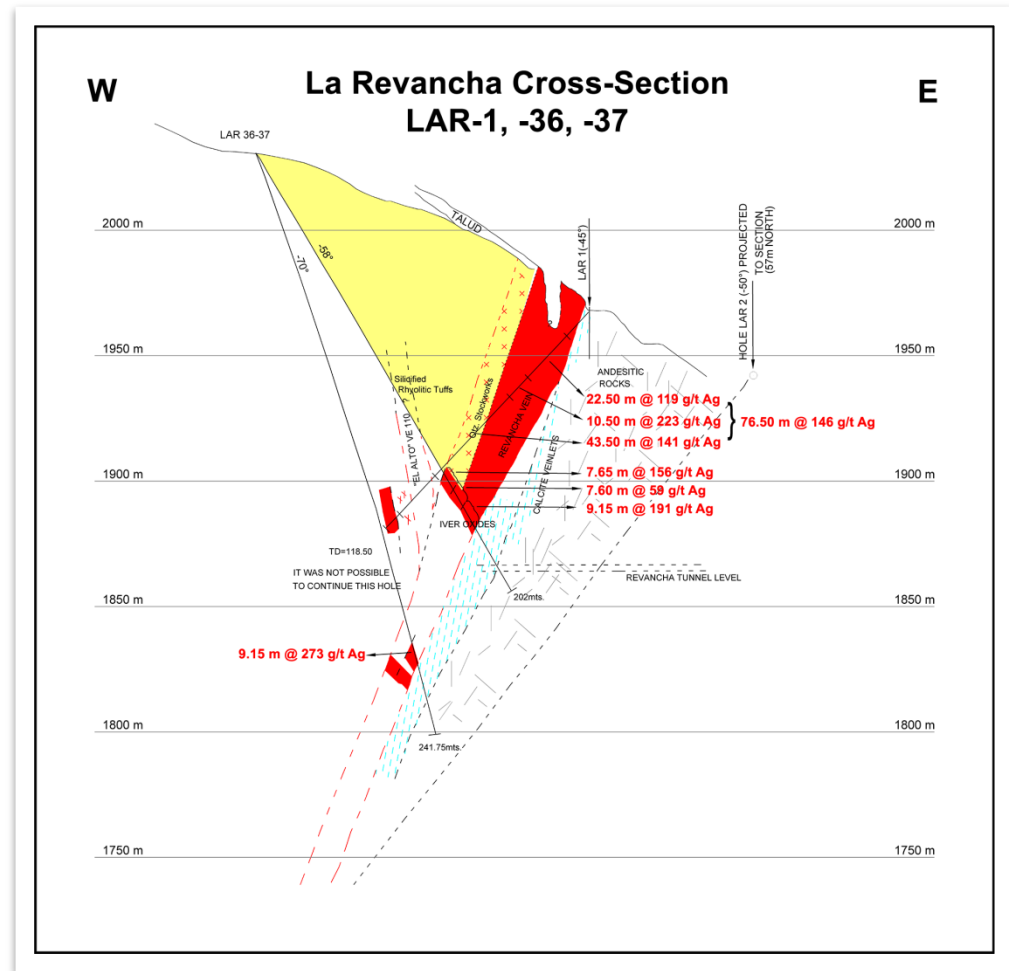
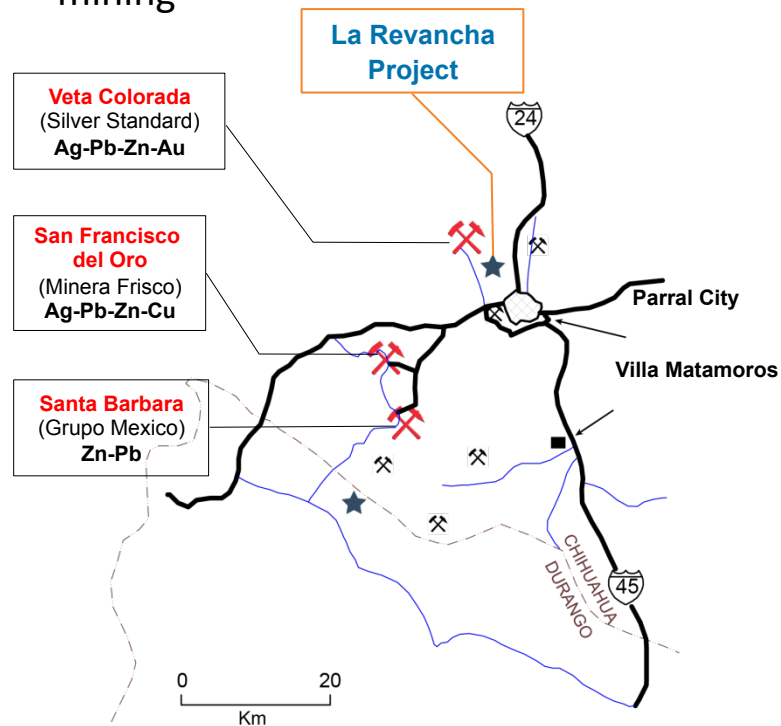


# Parral District – La Revancha Deposit

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## La Revancha Silver Deposit

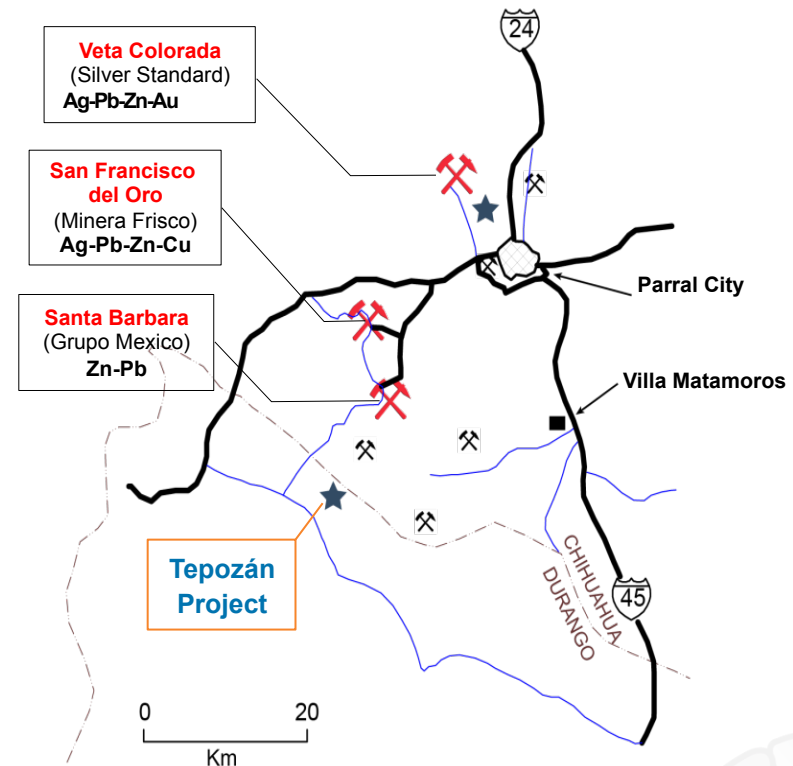
- Up to 36 m wide mineralized zone outlined over a 300 m strike length
- Vein system traced over a 1.5 km
- Deposit open; drilling in progress
- Mineralization outcrops on surface; may be amendable to low-cost, open pit mining





## Tepozán Silver-Gold Deposit

- **1.3 km long** silver-gold mineralized vein system
- Deposit open; drilling in 2012
- Limited historical production
- Chip channel sampling of main workings:
  - >200 g/t Ag over 1-2 m widths in 50% of samples
  - Gold 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

- 6,000 m underground drilling at Nuestra Señora Mine
- 2,000 m underground drilling at La Verde Mine
- 2,500 m surface drilling at La Verde
- 3,000 m surface drilling at San Rafael North Extension
- 3,500 m surface drilling at El Cajón
- 15,000 m surface drilling on early-stage targets

## Parral District

- 4,500 m surface drilling program at La Revancha and Tepozán

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### Results to Date:

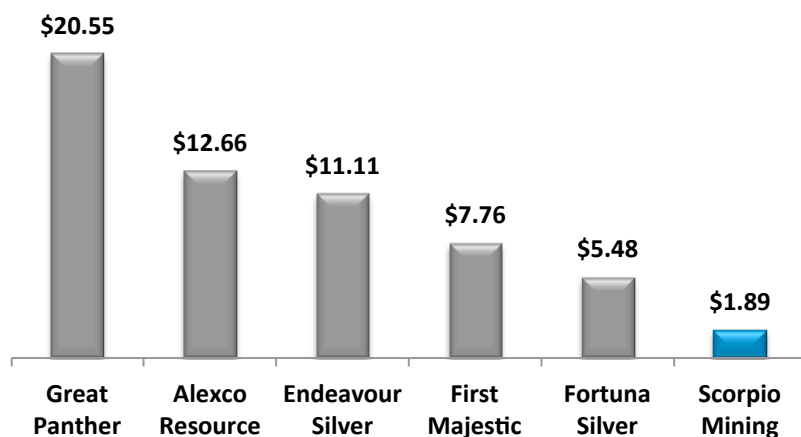
- **San Rafael Deposit:** High-grade intersections are expected to add to resource base and increase overall grade; (Press releases [November 7, 2011](#) and [March 6, 2012](#))
- **La Revancha Deposit:** Initial drill results returning significant silver values over substantial widths (Press release [March 5, 2012](#))

# Scorpio – Undervalued Among its Peers

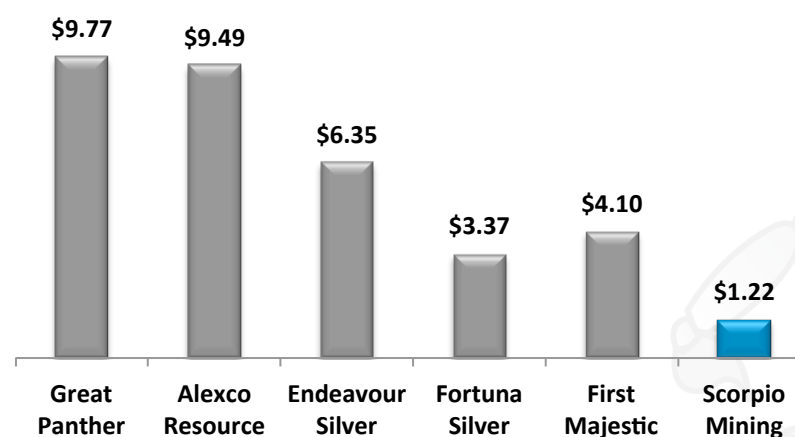
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Corporation	Ticker	Share Price (C\$)	Market Cap (C\$M)	Enterprise Value (C\$M)	Ag oz.		Ag Eq oz.*		EV / Ag oz.		EV / Ag Eq oz.*	
					M&I (M oz)	M,I&I (M oz)	M&I (M oz)	M,I&I (M oz)	M&I (C\$/oz)	M,I&I (C\$/oz)	M&I (C\$/oz)	M,I&I (C\$/oz)
Alexco Resource	AXR-T	\$6.72	\$403	\$353	18	23	28	37	\$19.73	\$15.13	\$12.66	\$9.49
Endeavour Silver	EDR-T	\$9.11	\$799	\$653	41	70	59	103	\$16.04	\$9.27	\$11.11	\$6.35
First Majestic	FR-T	\$15.82	\$1,668	\$1,558	157	298	201	380	\$9.92	\$5.22	\$7.76	\$4.10
Fortuna Silver	FVI-T	\$4.19	\$524	\$457	55	90	83	136	\$8.24	\$5.07	\$5.48	\$3.37
Great Panther	GPR-T	\$2.12	\$291	\$238	8	17	12	24	\$28.19	\$13.89	\$20.55	\$9.77
<b>Average</b>					<b>56</b>	<b>100</b>	<b>77</b>	<b>136</b>	<b>\$16.42</b>	<b>\$9.72</b>	<b>\$11.51</b>	<b>\$6.61</b>
Scorpio Mining	SPM-T	\$1.03	\$204	\$167	55	52	89	137	\$3.07	\$3.19	\$1.89	\$1.22

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



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



Source: Corporation public filings and technical reports. Enterprise values are based on available data as of Mar 15, 2012; share prices updated to April 4, 2012.

\* Silver equivalent ounces based on US\$32.54/oz. Ag, US\$1,657/oz. Au, US\$0.95/lb. Zn, US\$0.95/lb. Pb and US\$3.91/lb. Cu.

## Performance

- Strong operational cash flow to support future financing requirements; **no debt**
  - 2011 production exceeded **2.8 million AgEq oz**
- 

## Expansion

- Expanding capacity at Nuestra Señora plant by **~80%** to 2,750 TPD
  - Feasibility study on new 4,000 TPD plant in north Cosalá District
- 

## Growth

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

# Additional Information

## Management Team

**Parviz Farsangi, President, CEO & Director**  
MEng, MBA, PhD, PEng

- 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

**Hemdat Sawh, CFO**  
BSc (Geology), MBA, CA

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

**John A. Sadek, Mexico Country Manager**  
BEng (Mining), MAusIMM

- Vice President Operations, San Gregorio Project (Uruguay)
- Mining Manager, Ernest Henry Mine (Australia)
- Mine Superintendent - West Operations, Minera Yanacocha (Peru)

**James M. Stonehouse, VP Exploration**  
MA (Geology)

- Over 30 years' experience in exploration and resource development
- VP Exploration, Channel Resources Ltd.
- VP Operations, Frontier Mining Ltd.

**Victoria Vargas, VP Investor Relations and Corporate Communications**  
HBSc (Economics), MBA

- Over 20 years' experience with publicly listed mining companies
- VP Investor Relations and Corporate Communications, Greystar Resources
- VP Investor Relations, Romarco Minerals

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## Directors

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

**Jonathan Berg, BS, MBA**

**Pierre Lacombe, BEng, Eng**

**Ewan Mason, HBSc, MBA**

## CORPORATE OFFICE

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