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## Aranzazu

Aura Minerals declared commercial production at the copper-gold-silver Aranzazu mine effective February 1, 2011, with 2012 production targeted at 10.5 million to 11.0 million pounds of copper, 7,500 to 8,500 ounces of gold, and 145,000 to 155,000 ounces of silver.



Click on the map above to view in more detail.

### Project Highlights

The Aranzazu mine is located within the Municipality of Concepción del Oro in the north eastern region of the State of Zacatecas, Mexico, and covers approximately 11,380 hectares, including the historical, past producing El Cobre area. The property can be accessed by paved highway from both the city of Zacatecas located 250 kilometres to the southwest and from the city of Saltillo located 112 kilometres to the northeast. Both Zacatecas and Saltillo are serviced by daily domestic and international flights. The Aranzazu mine consists of both open-pit and underground mine operations and an upgraded 2,600 tonne per day mill, which produces a copper-gold-silver concentrate using conventional flotation. Aura Minerals acquired the Aranzazu mine in June 2008 and holds a 100% interest in the asset. On July 18, 2012 the Company announced the results of a positive preliminary economic assessment study and subsequently filed the technical report entitled *Preliminary Economic Assessment of the Expansion of the Aranzazu Mine Zacatecas Mexico dated August 31, 2012* (the "Aranzazu PEA") based on evaluating an expanded throughput rate of up to 5,000 tonnes per day.

Highlights of the PEA include:

- Expansion of the current 2,600 tpd operation to 4,000 tpd by January 2015.
- Expanded operation, with roaster capability, has NPV of \$200 million, a \$145 million improvement over current operation.
- Capital requirement of \$107 million to be funded with internally generated cash flows including \$65 million from Aranzazu operations.
- Partial roasting selected as the long-term solution to decrease arsenic levels with commissioning of the roaster to coincide with the expansion.
- Ore-body remains open along strike and at depth allowing further future expansion.

	Base Case 2,600 tpd	4,000 tpd	5,600 tpd
Mine life	25 years	18 years	13 years
Metal production, annual average			
Copper (pounds)	19,950,000	30,000,000	41,750,000
Gold (ounces)	12,100	16,700	22,900
Silver (ounces)	280,000	410,000	570,000
Cash flow from operations, annual average	\$12.5 million	\$37 million	\$55 million
Cash cost per pound of payable Cu, net of credits	\$1.90	\$1.15	\$1.09
Capital investment 2012-2014	\$62 million	\$107 million	\$124 million
Incremental capital versus the base case	-	\$45 million	\$62 million

NPV at 8% discount, after tax	\$55 million	\$200 million	\$219 million
Incremental NPV versus the base case	-	\$145 million	\$164 million
Internal rate of return, after-tax	-	71%	63%

**Note:** Economic results are based on analyst consensus pricing for copper, gold and silver. These forecasts include higher near term pricing followed by a gradual decrease to long term expectations of \$2.70/lb, \$1,216/oz and \$21/oz, respectively. All dollar figures are in US\$.

**The Aranzazu PEA is preliminary in nature. It includes Inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the Aranzazu PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.**