

# Aurcana Reports Third Quarter Financial Results

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VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 29, 2013) - [Aurcana Corp.](#) ("**Aurcana**" or the "**Company**") (TSX VENTURE:AUN)(OTCQX:AUNFF) wishes to report its unaudited financial results for the third quarter ended September 30, 2013.

The Q3 2013 Earnings Webcast and Conference Call has been scheduled for **11:00am Pacific Time** (2:00 pm Eastern Time) on **Monday December 2, 2013**. See the bottom of this press release for details.

## Highlights of Third Quarter ended September 30, 2013:

- Total silver equivalent ounces produced in Q3 2013 increased by 5% to 754,788 oz, compared to 718,063 oz in Q3 2012.
- Total silver equivalent produced for the first 9 months of 2013 increased by 14% to 2,165,865 oz, compared to 1,899,281 oz during the same period one year ago.
- Total Cash Cost, net of by-product credits, was \$6.45 per ounce, down 17% from \$7.79 in Q2 2013 and up 9% from \$5.90 in Q3 2012.
- The cash cost per milled tonne for Q3 2013 was \$32.85 vs. \$32.50 in Q3 2012;
- Total Revenues for Q3 2013 were \$10.4 million, down \$4.6 million from \$15.0 million in Q3 2012, due to a combination of lower silver prices, lower grade material mined in the development of new producing areas and higher unsold inventories at the end of the period;
- Total Earnings from mining operations for Q3 2013 were \$2.6 million and \$9.9 million for the first 9 months of 2013;
- Net loss for Q3 2013 was \$15.5 million. Included in the third quarter net loss of \$15.5 million, the Company recorded an impairment charge related to Shafter property, plant, equipment and mineral properties of \$6,138,442 and also recorded a total of \$6,813,729 for certain expenses incurred at Shafter mine during the first nine months of 2013.

The summary of the selected financial information should be read in conjunction with the unaudited financial statements and the related management's discussion and analysis for the three and nine month periods ended September 30, 2013, together referred to as the "Financial Statements" filed on [www.sedar.com](http://www.sedar.com) and available on [www.aurcana.com](http://www.aurcana.com). All figures are in US dollars unless otherwise noted.

## Third Quarter Production and Operational Highlights

### La Negra Mine

- During Q3 2013 La Negra's mill averaged 2,632 tonnes per day ("tpd"), a 15% increase from 2,289 tpd averaged during Q3 2012.

- The average silver grade during Q3 2013 was 55 grams per tonne ("g/t"), compared to 80 g/t in 2012. The decrease in silver grade during this period was due to an increase in mine development to support higher mine production rates in the future. Currently sufficient mine development has been completed at the La Negra mine to support two years of production and Aurcana will therefore reduce mine development at La Negra in the short term. La Negra's mine plan includes a transition to mining higher silver grade mineralized zones from the upper levels of the La Negra mine in 2014 and 2015.
- Aurcana has ordered a raise-boring machine to construct ventilation raises and ore passes to provide ventilation in the new mining areas and allow for the transfer of ore via gravity from the upper levels to the main haulage level below. It is anticipated that this will increase productivity and reduce operating costs. The raise-borer is expected to be commissioned in Q2 2014.
- The inventory of copper/silver concentrates increased to 1,705 tonnes, with commensurate reductions in metal sales and revenues. The mine and plant expansion combined with greater production from the copper-rich lower levels of La Negra resulted in higher copper concentrate production than anticipated exceeding the capacity of the existing filter press and constraining mill throughput. A new larger capacity filter press has been received and is expected to be commissioned in Q1 2014. This improvement is expected to allow for sustainable production at the targeted 3,000 tpd level.
- During Q2 2013, the Company initiated a planned 15-hole, 5,000 metre surface drill program in order to better define gold mineralization announced on February 11, 2013. A total of 1,773 meters were drilled but gold values lacked continuity and the program was terminated.
- Underground diamond drilling and mine development at La Negra continue to delineate additional mineralized zones. Drill crews completed 10,128 metres of diamond drilling during 2013 versus 9,399 meters for the same period one year ago. La Negra scheduled 13,500 meters of drilling for completion in 2013 versus 13,311 meters drilled in 2012. Drilling objectives are to better define mineralized zones to support short and medium term mine planning.
- In response to lower silver prices, La Negra has undertaken cost cutting measures to improve margins while also cutting back on capital expenditures. These include:
  - Suspension of surface exploration diamond drilling activities;
  - Refocusing mine development to areas of higher grade mineralization;
  - Reducing the use of contractors;
  - Optimizing power usage by rescheduling certain activities, particularly crushing, to off-peak hours thereby reducing energy costs; and
  - Improving equipment maintenance to increase utilization rates and productivities thereby reducing the need for additional capital investment.

### **Shafter Mine**

- The Company continues to make capital improvements to the processing facility at Shafter to improve throughput rates and recoveries.
- The Shafter plant while still in commissioning and development processed a total of 46,516 tons during Q3 2013, an average of 505 tpd. Throughput was limited due to shortages of spare parts and mining resources brought upon by lack of funding prior to the Company's debt financing which closed in September, 2013. Mechanical problems with the ball mill curtailed commissioning in October. The necessary parts for repair are on order and the mill should be repaired by January 2014.
- The current April 2001 block model of the Shafter mineralized resources, used to support the June 2011 feasibility study, has been an inconsistent predictor of tons and grade in the old Presidio Mine area and new remodeling is being undertaken by Mine Development Associates ("MDA") of Reno Nevada. This work, when complete, together with a re-evaluation of project economics with respect to lower silver prices, will determine new higher cut-off grades and optimum throughput rates for both mine and mill.
- Concurrently, plans are being developed to rehabilitate the mine shafts, hoisting systems and mine dewatering system in the eastern extension of the ore body thereby allowing access to this non-mined area delineated by Gold Fields in the late 70's and early 80's. This work will be followed up with a comprehensive mine plan with subsequent development of production stopes to complement production from the old Presidio Mine area.

- An equipment malfunction (turbo failure) on November 1, 2013 resulted in smoke generation and a suspicion of fire underground, which later proved to be incorrect. The subsequent precautionary mine evacuation and MSHA investigation has caused all mining operations to be suspended while the mine ventilation system is being upgraded.
- The curtailment of underground operations, probably through mid-December 2013, will delay planned underground diamond drilling and mine development.
- In the first nine months of 2013, capitalized expenses (net of proceeds generated from silver sales) totaled \$9.6 million.
- The total capital costs required for the process facility to design capacity were originally estimated to be approximately \$18.5 million, of which some \$5.5 million has been spent as of the end of Q2 2013. Capital outlays have been reassessed and some \$5 million of the original amount have now been deferred indefinitely while preserving the ability to reach a sustainable throughput and acceptable recoveries. However, the funds previously allocated to these deferred costs will now be required to rehabilitate the infrastructure to allow for the exploitation of the eastern non-mined extension of the Shafter mineralized zone.
- In August 2013 a second new tailings filter press was received and commissioned. This replaced the second of three used low-capacity tailings filter presses that were contributing to operational delays and reduced recovery rates. The upgrade in filter presses is a continuation of several plant improvements designed to reach the planned throughput.
- New precipitate filter presses were received and commissioned in October 2013. Additional refinery equipment is arriving and will be installed and commissioned in Q4 of 2013.
- Foundation work has commenced on the three counter current decantation (CCD) and new primary thickener tanks in October 2013. Actual tank fabrication is commencing January 2014 with a goal to have a fully operational circuit during Q2 2014.
- Proposals are being solicited for targeted automation of process plant components to achieve improved process control and lower reagent consumptions. Planning has commenced to replace liquid cyanide shipments with solid briquettes to reduce transportation costs. Some of the components necessary for this improvement are already in place and minimum capital expense will be required for the transition.

### **Conference call details**

Conference date: Monday, December 2, 2013  
Conference time: 11:00AM Pacific Time / 2:00pm EST  
Participant dial-in number(s): Can: 416-340-2216 / US & Canada: 866-223-7781 /  
Int: 800-6578-9898  
Participant pass code: Not required

The recorded conference call will be posted to Aurcana's website.

Please follow this link for the upcoming Aurcana webcast:

<http://www.gowebcasting.com/5112>

### **Financial Statements and MD&A**

To read complete Financial Statement and MD&A please visit: [www.aurcana.com](http://www.aurcana.com), or [www.sedar.com](http://www.sedar.com).

### **About Aurcana Corporation**

[Aurcana Corp.](#) is a primary silver producing company with two mines: the La Negra Mine in Mexico and the Shafter Mine in Texas, US. The Company is positioned to grow organically from its existing mines in its

pursuit to become a senior silver producer.

## Corporate

The Company's shares are also traded in the United States on OTCQX under the symbol "AUNFF". Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on [www.otcqx.com](http://www.otcqx.com) and [www.otcmarkets.com](http://www.otcmarkets.com).

Lenic Rodriguez, President & CEO

## Aurcana Corp.

Mr Andrew Kaczmarek a qualified person (as defined in National Instrument 43-101) and the Company's Chief Operating Officer, has reviewed and approved the scientific and technical information contained in this release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

## NR-13-37

*This news release contains certain forward-looking statements, including statements regarding planned upgrades and improvements to the La Negra and Shafter mines, the forecast silver production, silver grades, recoveries, potential mineralization, exploration results, future plans and objectives of the Company and the business and anticipated financial performance of the Company. These statements are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to mining and processing of mined ore, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable reserves, and other information that is based on forecasts of future operational or financial results, estimates of amounts not yet determinable and assumptions of management.*

*Exploration results that include geophysics, sampling and drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classified as a category of mineral resource. A mineral resource which is classified as "inferred" or "indicated" has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.*

*Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate" "plans", "estimates" or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements.*

*Actual results may differ materially from results contemplated by the forward-looking statements. Important factors that could differ materially from the Company's expectations include, among others, the Company having sufficient working capital to fund planned upgrades and improvements to the La Negra and Shafter mines, risks related to international operations, unsuccessful exploration results, the ability of suppliers to provide equipment, the availability of skilled labour, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as changes in metal prices, changes in the availability of funding for mineral exploration and development, unanticipated changes in key management personnel and general economic conditions. When relying on forward-looking statements to make decisions,*

*investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf, except as required pursuant to applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements.*

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