



## Aura Minerals Announces Third-Quarter 2009 Results

Vancouver, British Columbia, November 11, 2009 - Aura Minerals Inc. (TSX: ORA) (“Aura Minerals” or the “Company”) today announced its financial and operating results for the third quarter ended September 30, 2009. All amounts are expressed in Canadian dollars unless otherwise specified.

### Third Quarter Highlights

- Signed definitive agreements to purchase the producing San Andres gold mine in Honduras (the “San Andres Mine”) and the producing Sao Francisco and Sao Vicente gold mines in Brazil (the “Sao Francisco Mine” and “Sao Vicente Mine”, respectively);
- Closed the acquisition of the San Andres Mine, effective August 25, 2009;
- Gold production totalled 6,925 ounces for the period from August 26 to September 30, 2009;
- Gold sales totalled 7,175 ounces for the same period;
- Total cash costs<sup>1</sup> of US\$534 per ounce of gold produced during the period;
- Completed an equity financing on July 15, 2009 for gross proceeds of \$125,125,000;
- Current cash and cash equivalents as of September 30, 2009, of \$46.8 million with an additional \$60.9 million in restricted cash reserved for the acquisition of the Sao Francisco Mine and the Sao Vicente Mine, expected to occur in Q1 2010;
- Appointed a new Chief Operating Officer, Mr. Britt Reid, and two additional board members, Messrs. John Ivany and Tom Ogryzlo;
- Received the installation licence (“LI”) for the Serrote Deposit, which allows the Serrote Deposit to proceed to the construction stage;
- Issued a preliminary economic assessment study (the “PEA Study”) for the Serrote Deposit, showing robust economics;
- Completed a new resource estimate for the Aranzazu copper-gold-silver mine in Mexico (the “Aranzazu Project”);
- Continued to advance the engineering and mine development at the Aranzazu Project toward a planned restart of operations in the second quarter of 2010;
- Mine operating earnings of \$0.1 million for the quarter, including a fair value adjustment to cost of sales of \$3.9 million as a result of the purchase accounting rules, compared to a loss of \$0.9 million in the third quarter of 2008; and
- Net loss of \$6.7 million or \$0.05 per share for the quarter compared to a net loss of \$14.1 million or \$0.12 per share in the third quarter of 2008.

Commenting on the third quarter, Patrick Downey, President and Chief Executive Officer, stated “We are very pleased to report our first production from the recently acquired San Andres Mine. Operational improvements have been our major focus at San Andres since we took over the operation in August, and we expect to see the results of those improvements beginning in the fourth quarter of 2009, with increased gold production and lower cash costs per ounce. In that regard, we have produced 6,983 ounces for the month of October which is the highest monthly production to date for 2009 at the San Andres Mine and we expect to meet or exceed the previous guidance of 18,000 ounces for the quarter. Further production increases are planned for 2010 based on completion of the new crusher-conveyor system and improvements to the overall heap leach operations.

We anticipate completing the acquisition of the Sao Francisco Mine and Sao Vicente Mine in the first quarter of 2010, which along with our planned restart at the Aranzazu copper-gold-silver mine in the

<sup>1</sup> Cash costs are a non-GAAP measure. Refer to cautionary note regarding non-GAAP measures in this news release.

second quarter of 2010 will solidify our position as an emerging mid-tier gold producer. Looking ahead, we intend to maximize returns at all projects through cost management and operational efficiencies.”

### **Third Quarter Financial Review**

In the third quarter of 2009, mine operating earnings are \$0.1 million, including the fair value adjustment to cost of sales of \$3.9 million as a result of the purchase accounting rules. This compares to a mine operating loss of \$0.9 million in the third quarter of 2008. Third quarter 2009 net loss was \$7.2 million or \$0.05 per basic share, compared to a net loss of \$14.1 million or \$0.12 per basic share, in the same period in 2008. The decrease in net loss from the third quarter 2008 is primarily due to the Company's acquisition of the San Andres Mine in August 2009, which positively impacted earnings, a \$1.3 million reduction in stock-based compensation, and a \$6.0 million reduction in exploration costs, offset by an increased foreign exchange loss of \$0.6 million and a loss on derivatives of \$2.0 million.

Third quarter gold sales are 7,175 ounces from the San Andres Mine at an average realized gold price of US\$964 per ounce, for total sales of \$7.5 million (US\$6.9 million). This compares to 1,188 dry metric tonnes of concentrate shipments, containing 607,700 pounds of copper, 164 ounces of gold and 7,644 ounces of silver from the Aranzazu Project in the corresponding quarter of 2008 for total sales of \$1.6 million (US\$1.6 million). The Aranzazu Project remained in care and maintenance during the current quarter.

Total cash costs<sup>1</sup> per ounce of gold sold are US\$944 and include the purchase accounting adjustment, as referred to above, of US\$498 per ounce allocated to the acquisition date inventory which was then sold during the period. Total cash costs<sup>1</sup> per gold ounce produced from August 26 to quarter-end is US\$534. There is no comparable cost data for the corresponding period in 2008.

Cash used by operations in the third quarter of 2009 is \$6.7 million, compared to \$12.5 million for the same period in 2008. The reduction in cash used in the third quarter of 2009 as compared to the same period in 2008 is attributable to the positive contribution from the San Andres, despite such results only being included since August 25<sup>th</sup>, and the net reduction in other expenses referred to above. Aura Minerals expects that cash flow from operations will increase in the fourth quarter of 2009, being the Company's first full quarter of operations from the San Andres Mine.

The financial information presented above does not constitute a management's discussion and analysis ("MD&A") as contemplated by relevant securities rules and should be read in conjunction with the Company's audited financial statements and MD&A for the year ended December 31, 2008 and with the Company's third quarter 2009 unaudited financial statements and MD&A for the quarter ended September 30, 2009, which are now available on SEDAR at [www.sedar.com](http://www.sedar.com) under the Company's profile or on the Company's web-site.

### **Operational and Project Review**

#### *San Andres Mine*

Since acquiring the San Andres Mine on August 25, 2009, the Company's focus has been as follows:

- ongoing operational improvements with a focus on leaching operations to increase overall recovery and reduce on-site cash costs; and
- completion of the expansion project, which consists of a new primary crusher-conveyor system. The new system will significantly reduce haulage distances, which will reduce cash costs and provide an opportunity to increase throughput. The system is expected to be fully operational in the first quarter of 2010.

The table below sets out selected operating information for the San Andres Mine, for the period from August 26 to September 30, 2009:

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**Operating Information**

Ore mined (tonnes)	<b>417,244</b>
Gold	
Grade (g/t)	<b>0.709</b>
Recovery rate (%)	<b>72.8%</b>
Production (ounces)	<b>6,925</b>
Sales (ounces)	<b>7,175</b>
Average cash cost <sup>1</sup> of gold produced (US\$/ounce)	<b>\$534</b>
Average cash cost <sup>1</sup> of gold sold, including fair value impact from purchase price allocation of US\$498 (US\$/ounce)	<b>\$944</b>

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*Aranzazu Project*

All mining activities at the Aranzazu Project were temporarily suspended on December 10, 2008 to preserve cash resources in light of weakening metal prices in the second half of 2008. All capital projects, including underground development work, were also deferred at that time. In August 2009, the Company approved a restart plan for the Aranzazu Project that envisions a startup in the second quarter of 2010. Total capital expenditures associated with the restart of the Aranzazu Project are estimated to be US\$20 million. The capital expenditures include new ramp development, stope development, mine infrastructure including additional mine ventilation and some additional mine equipment. Also included are the upgrades to the process plant to expand the capacity to 2,600 tonnes per day ("tpd"), with further upgrades planned to increase throughput to 3,000 tpd. In addition, confirmatory metallurgical testwork is underway for the continued optimization of copper and gold recovery.

During the quarter, the Company completed 12,200 metres of close-space core drilling at the high-grade resources within the Calcocita, Arroyos Azules and BW zones for conversion of resources into proven and probable reserves as part of the planned restart of operations. As part of this program, results from 17 holes were released during the quarter. Based on results to date, an additional 14,000 metres of drilling has been approved for additional resource definition on several mineralized zones east of the Arroyos Azules zone. An underground diamond drill rig is also being mobilized to site in December 2009 and will be used for stope definition work in the near-term mine planning areas of the BW, Mexicana and Arroyos Azules zones.

On November 2, 2009, the Company issued updated resource estimates using 0.5% and 0.8% copper cut-offs and based on all drilling completed to September 2009. The cut-offs are based on copper values only. The resource estimate, based on the 0.8% Cu cut-off, will now be used for reserve definition and detailed mine design at the Arroyos Azules and BW Zones for the ongoing development and the planned mine re-start. Details of the updated resource estimate can be found in the press release dated November 2, 2009 (see News Release No. 2009-15).

With the wide mineralization, favourable ground conditions and the fact that the Aranzazu Project has a large and expanding resource base open on strike at both ends and at depth, the Company plans to complete a review for additional mine and plant expansion. The expansion would be based on a low cost bulk mining scenario such as sub-level caving, similar to that used at several other operations. If suited to such a bulk mining high tonnage operation, the Company plans to proceed to the next stages of such development during 2010. Work would include extensive drilling, geotechnical and engineering design.

*Arapiraca Project*

In August 2009, the Company announced that it had been granted the LI issued by the Alagoas State Environmental Agency for the Serrote Deposit. The LI allows the Serrote Deposit to proceed to the construction stage.

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In connection with the Serrote Deposit, the Company announced results from the PEA Study dated September 30, 2009, and entitled "Preliminary Economic Assessment, Serrote da Laje Deposit of the Arapiraca Copper-Gold-Iron Ore Project, State of Alagoas, Brazil" prepared for Aura Minerals by Gordon Zurowski, P.Eng. of PEG Mining Consultants Inc. in conjunction with Ronald G. Simpson, P.Geo. of GeoSim Services Inc. and Brian Kennedy, P.Eng. The PEA Study supports an open pit and concentrator processing 41,000 tpd of ore feed producing a copper-gold concentrate and an iron rich (67% Fe) magnetite concentrate. Highlights of the PEA Study include the following:

- The Serrote Deposit contains 157.4 million tonnes of mineable sulphide material in the Measured and Indicated categories (64.8 million tonnes in the Measured and 92.6 million tonnes in the Indicated category), with an additional 12.2 million tonnes in the Inferred category, which only represents approximately 7% of the total tonnes;
- Average annual copper production is expected to be 137 million pounds with the average in the first three years totalling approximately 155 million pounds;
- Average annual magnetite production is expected to be approximately 1.3 million tonnes of concentrate;
- The average life of mine cash cost<sup>1</sup> for copper is estimated at US\$0.82 per pound including by-product credits for iron and gold sales;
- The expected after-tax net present value is US\$325 million at a 10% discount rate and the after-tax internal rate of return is 25.4%; and
- The expected payback period is 2.8 years. Commodity prices assumed for the financial analysis are US\$2.00 per pound of copper, US\$800 per ounce of gold, and US\$0.85 per dry metric tonne unit of iron ore fines.

Based on the positive results of the PEA Study, the Company plans to advance the Serrote Deposit through to the feasibility study level by the third quarter of 2010. Drilling has commenced to acquire dedicated representative metallurgical samples to follow up on the recently completed testwork at SGS Lakefield in Ontario, Canada. This work will be aimed at further improving copper recovery and concentrate grades and optimizing the process flowsheet. Drilling is also underway to convert Inferred resources to the Measured and Indicated categories.

The Company is also completing follow-up drilling at the Caboclo target as this could provide additional near-surface higher-grade copper and gold ore, which could be fed to the concentrator in the early years of operations thereby further enhancing project economics.

### **Liquidity and Capital Resources**

Aura Minerals held cash and cash equivalents of \$46.8 million and restricted cash of \$60.9 million as at September 30, 2009, compared with \$35.3 million in cash and cash equivalents on June 30, 2009. The change in cash and cash equivalents is comprised mainly of the following items:

- \$6.7 million used by operations for the third quarter;
- \$118.7 million in net proceeds from a bought deal private placement offering which closed July 15, 2009;
- \$38.3 million (US\$35.9 million) paid in connection with the acquisition of the San Andres Mine; and
- \$61.7 million (US\$56.8 million) transferred to restricted cash on August 25, 2009.

The Company's overall debt position is \$27.6 million, comprised of promissory notes payable in connection with the acquisition of the San Andres Mine. The restricted cash amount of \$60.9 million is held in escrow and will be used to fund the cash portion of the consideration required for proposed acquisition of the Sao Francisco Mine and Sao Vicente Mine, expected to close in the first quarter of 2010.

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Capital expenditures for the fourth quarter of 2009 are expected to be approximately US\$9.8 million, with US\$5.3 million allocated to the ongoing installation of the new crusher-conveyor system at the San Andres Mine, and US\$4.5 million to the ongoing development at the Aranzazu Project. The above expenditures will be funded from the Company's current treasury and cash flows generated from current operations at the San Andres Mine in Q4 2009.

Additionally, the Company expects that the drilling program underway at the Serrote Deposit, in the amount of approximately US\$6.0 million over the next twelve months, the remaining 2010 development expenditures at the Aranzazu Project, in the amount of US\$15.5 million, on-going corporate administrative expenses, and the repayment of interest and principal on the promissory notes and deferred purchase price consideration payable will also be funded by the Company's current treasury, cash flows generated from the San Andres Mine, and from anticipated cash flows upon the restart of the Aranzazu Project in mid-2010.

## **2009 Forecast Update**

Aura Minerals is providing 2009 gold production guidance of approximately 25,000 ounces at total cash costs<sup>1</sup> of below US\$500 per ounce of gold produced. All 2009 gold production will come from the Company's San Andres Mine.

## **Conference call**

Aura Minerals' management will host a conference call and live webcast for analysts and investors on Thursday, November 12, 2009, at 8 a.m. Pacific Time (11 a.m. Eastern Time) to review the results. Participants may access the call by calling the operator 416-695-6622 or toll-free access at 1-800-396-7098. Participants are encouraged to call in 10 minutes prior to the scheduled start time.

The call is being webcast and can be accessed at Aura Minerals' website. Those who wish to listen to a recording of the conference call at a later time may do so by calling 416-695-5800 or 1-800-408-3053 (passcode 4542303#). This playback version of the call will be available until November 27, 2009.

## **Non-GAAP Measures**

This document includes certain non-GAAP performance measures, in particular, the total cash costs of gold per ounce and per pound of copper. This non-GAAP measure does not have any standardized meaning within Canadian GAAP and therefore may not be comparable to a similar measure presented by other companies. Cash costs are presented as they represent an industry standard method of comparing certain costs on a per unit basis, and the Company believes that this information is useful to management and certain investors in evaluating the Company's performance. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with Canadian GAAP. Total cash costs include on-site mining, processing and, administration costs, off-site refining and royalty charges, reduced by by-product credits, but exclude amortization, reclamation, and exploration costs, as well as capital expenditures. Total cash costs are divided by ounces to arrive at per ounce cash costs.

## **About Aura Minerals Inc.**

Aura Minerals is a Canadian resource company focused on the acquisition, exploration, development and operation of gold and base metal projects in the Americas. The Company's portfolio includes the San Andres Gold Mine in Honduras, the Aranzazu Copper-Gold-Silver Project in Mexico, and the feasibility-stage Serrote Deposit at the Arapiraca Copper-Gold-Iron Ore Project in Brazil. In addition, the Company has acquired the producing Sao Francisco and Sao Vicente Gold Mines in Brazil, subject to regulatory approvals.

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**For further information**, please visit Aura Minerals' web site at [www.auraminerals.com](http://www.auraminerals.com) or contact:

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**Cautionary Statement:**

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