Aura Minerals Announces Third Quarter of 2014 Financial and Operating Results

12.11.2014 | Marketwired

TORONTO, ON--(Marketwired - November 12, 2014) - **Aura Minerals Inc.** **("Aura Minerals" or the "Company")** (TSX: ORA) announces financial and operating results for the third quarter of 2014.

This release does not constitute management's discussion and analysis ("MD&A") as contemplated by applicable securities laws and should be read in conjunction with the MD&A and the Company's condensed interim consolidated financial statements for the three and nine months ended September 30, 2014, which are available on SEDAR at www.sedar.com and on the Company's website. Unless otherwise noted, references herein to "$" are to thousands of United States dollar. References to "C$" are to the Canadian dollar. Tables are expressed in thousands of United States dollar, except where otherwise noted.

Highlights:

- Income of $776 or $0.01 per share for the third quarter of 2014 compared to a loss of $1,590 or $0.01 per share for the third quarter of 2013;
- Operating cash flow[1] of $12,147 for the third quarter of 2014 compared to $22,139 for the third quarter of 2013;
- Net sales revenue in the third quarter of 2014 decreased by 11% over the third quarter of 2013;
- Gold ounces ("oz") production for the third quarter of 2014 was 11% lower than the third quarter of 2013;
- Copper concentrate sales are from the shipment of 7,223 dry metric tonnes ("DMT") and 6,812 DMT of copper concentrate for the three months ended September 30, 2014 and 2013, respectively;
- Copper production at Aranzazu for the third quarters of 2014 and 2013 was 3,860,154 pounds and 3,774,500 pounds, respectively, an increase of 2%. On-site average cash cost[1] per pound of copper produced, net of gold and silver credits was $3.06 for the third quarter of 2014 compared to $3.52 for the third quarter of 2013;
- Gross margin of $8,017 for the third quarter of 2014, compared to a gross margin of $8,307 for the third quarter of 2013, a decrease of 3% between the respective quarters.

Jim Bannantine, the Company's President and CEO, stated, "Despite a difficult time in the market we are pleased to have achieved consecutive profitable quarters. We have been able to successfully pay down our third party debt while the Company continues to work towards obtaining a financing that will allow achievement of our future operating and near-term expansion goals.

[1] Please see "Non-GAAP measures" section at the end of this press release.

We expect to achieve the top end of our production guidance at our gold mines in 2014 and to be within the updated guidance range at Aranzazu.

At San Andres, we have increased recoveries and production through our continuous improvement plan resulting in a significant decrease in cash cost per ounce produced in 2014 and in line with the recently published National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the project.

During the first nine months of 2014 at Aranzazu, we have increased production and realized significantly decreased treatment charges, refining charges and penalties through a combination of blending, better offtake terms and a focus on lower arsenic areas in the mine. The plant expansion remains on hold pending financing. Our mine development remains focused on near-term production related development and we're reviewing a revised staged expansion plan combining an updated NI 43-101 that features a slower phased ramp-up from current production rates and much lower capital expenditures.

The Brazilian mines' results, primarily Sao Francisco, have been affected by the tightening of the pit and the longer haul distances of both waste and ore. Sao Francisco implemented an additional push-back in the south area of the mine which will extend its mine life into the later part of 2015 -- and its final processing into 2016 -- but which has also resulted in a higher cash cost per ounce than expected to-date in 2014. Sao Vicente will continue with its closure during the fourth quarter of 2014 with its production resulting from minimal ounces yielded during these activities. We're working on additional end of life value maximization opportunities for both Brazilian Mines.

At Serrote, we are pursuing a number of options to realize the value of the project including an alternative sequential development and operating plan. This plan would result in lower capital expenditures and features an earlier phased execution schedule than that previously anticipated by the feasibility study."

Production and Cash Costs

The Company's production and cash costs[1] for the three and nine months ended September 30, 2014 and 2013 are summarized in the table below:

	For the three months ended September 30, 2014			For the three months ended September 30, 2013		
	Oz Produced		Cash Costs[1]	Oz Produced		Cash Cos
San Andres	25,456	$	720	17,706	$	9
Sao Francisco	23,366		1,080	27,859		9
Sao Vicente	908		3,773	10,046		8
Total / Average	49,730	$	945	55,611	$	9

	For the nine months ended September 30, 2014			For the nine months ended September 30, 2013		
	Oz Produced		Cash Costs[1]	Oz Produced		Cash Cos
San Andres	65,345	$	741	48,794	$	1,0
Sao Francisco	64,999		1,119	80,282		1,1
Sao Vicente	7,393		1,403	29,374		1,1
Total / Average	137,736	$	955	158,450	$	1,1

[1] Please see "Non-GAAP measures" section at the end of this press release.

Gold production at San Andres in the third quarter of 2014 increased by 44% over the comparable period primarily due to increased throughput and improved recoveries in both the leaching and carbon stripping processes. Average cash cost per oz of gold produced[1] in the third quarter of 2014 decreased by 28% over the third quarter of 2013 as a result of the increased production.

Gold production at Sao Francisco in the third quarter of 2014 was 16% lower than the third quarter of 2013 due to the decrease in grade and lower plant feed. Average cash cost per oz of gold produced[1] in the third quarter of 2014 was 20% higher than in the third quarter of 2013.

As a result of the suspension of mining and plant operations at Sao Vicente in the fourth quarter of 2013, there was no material moved or plant processing in the third quarter of 2014. The production of 908 ounces during the third quarter was achieved through clean-up around the plant. The average cash cost per oz of gold produced[1] in the third quarter of 2014 was significantly higher than the third quarter of 2013 due to the substantially lower ounces yielded and ongoing costs incurred during its wind-down.

Copper concentrate production increased by 3% in the third quarter of 2014 as compared to the third quarter of 2013. While there was an 11% increase in the copper recovery, there was also a 16% decrease in copper grade. Aranzazu's mine development continued to be focused on near-term development in the third quarter of 2014 and will continue to do so through the last quarter of 2014. Average cash cost per pound of copper produced[1] for the third quarter of 2014 improved by 13% as compared to the third quarter of 2013. These average cash costs are inclusive of net realizable value write-downs of $0.51 and $0.42 per pound of copper produced for the third quarters of 2014 and 2013, respectively. The average arsenic level in the copper concentrate was 1.06% and 0.98% during the third quarters of 2014 and 2013, respectively.

Brazilian Assets - Value Maximization

The Company continues to investigate multiple options to maximize the closure value of the assets of the Brazilian Mines, including the disposal of the plant and equipment.

Revenues and Cost of Goods Sold

Revenues for the three months ended September 30, 2014 decreased by 11% compared to the three months ended September 30, 2013. The decrease in revenue resulted from a 12% decrease in gold sales and a 6% decrease in copper concentrate sales.

The decrease in gold sales is attributable to an 8% decrease in gold sales volumes and a 3% decrease in the realized average gold price per ounce.

The decrease in copper concentrate net sales is primarily attributable to an 11% decrease in average price realized. Total revenues for the three months ended September 30, 2014 at Aranzazu related to the shipment of 7,223 DMT of copper concentrate compared to 6,812 DMT of copper concentrate for the three months ended September 30, 2013. Total concentrate shipment revenues for the three months ended September 30, 2014 and 2013 were $1,542 per DMT and $1,739 per DMT, respectively. The lower concentrate shipment revenue per DMT is due to lower commodity prices and higher price adjustments.

[1] Please see "Non-GAAP measures" section at the end of this press release.

For the three months ended September 30, 2014 and 2013, total cost of goods sold from San Andres was $19,812 or $781 per oz compared to $18,790 or $1,135 per oz, respectively. For the three months ended September 30, 2014 and 2013, cash operating costs were $698 per oz and $1,014 per oz, respectively, while non-cash depletion and amortization charges were $83 per oz and $120 per oz, respectively. There were no write-downs of production inventory to net realizable value for the three months ended September 30, 2014 and 2013.

At the Brazilian Mines, for the three months ended September 30, 2014 and 2013, total cost of goods sold was $31,986 or $1,183 per oz compared to $45,139 or $1,120 per oz, respectively. For the three months ended September 30, 2014 and 2013, cash operating costs were $1,170 per oz and $892 per oz, respectively, while non-cash depletion and amortization charges were $12 per oz and $228 per oz, respectively. The cash operating costs for the three months ended September 30, 2014 included no inventory write-down (2013: inventory write-downs of $4,810 or $119 per oz).

Total cost of goods sold from Aranzazu for the three months ended September 30, 2014 and 2013 were $16,777 or $2,323 per DMT and $13,828 or $2,029 per DMT, respectively. For the three months ended September 30, 2014 and 2013, cash operating costs were $1,895 per DMT and $1,686 per DMT, respectively, while non-cash depletion and amortization charges were $428 per DMT and $344 per DMT, respectively. The cash operating costs for the three months ended September 30, 2014 included a write-down of $1,957 or $271 per DMT to adjust production inventory to its net realizable value (2013: $1,583 or $232 per DMT).

Additional Highlights

Other expense items for the third quarter of 2014 include general and administrative expenses of $3,391 (2013: $3,247). Additionally, the Company recorded finance costs of $1,218 (2013: $1,602), and other gains of $1,323 (2013: other gains of $4,632). Income before income taxes for the third quarter of 2014 was $4,804 (2013: loss before income taxes of $2,041).

Outlook and Strategy

Aura Minerals' future profitability, operating cash flows and financial position will be closely related to the prevailing prices of gold and copper. Key factors influencing the price of gold and copper include, but are not limited to, the supply of and demand for these commodities, the relative strength of currencies (particularly the United States dollar) and macroeconomic factors such as current and future expectations for inflation and interest rates. Management believes that the short-to-medium term economic environment is likely to remain relatively supportive for commodity prices but with continued volatility. In order to decrease risks associated with commodity price and currency volatility, the Company will continue to evaluate available protection programs.

Other key factors influencing profitability and operating cash flows are production levels (impacted by grades, ore quantities, labour, plant and equipment availabilities, and process recoveries) and production and processing costs (impacted by production levels, prices and usage of key consumables, labour, inflation, and exchange rates).

Aura Minerals' production and cash cost per oz[1] guidance for the 2014 year is updated as follows:

Gold Mines	Cash Cost per oz[1]	2014 Production
San Andres	$ 750 - $ 850	75,000 - 85,000 oz
Sao Francisco	$ 950 - $ 1,100	75,000 - 85,000 oz
Sao Vicente	$ 900 - $ 1,100	5,500 - 7,500 oz
Total	$900 - $1,000	155,500 - 177,500 oz

Aranzazu's production for 2014 is expected to be between 15,500,000 and 17,000,000 pounds of copper at a range of $2.60 to $3.15 average cash cost per pound of copper produced[1].

To the date of this press release, the indicators have been that the pro-rata guidance will be achieved at each operating mine.

For 2014, updated capital spending is expected to be $18,000. Of this amount, $7,000 relates to the development and expansion of Aranzazu and $7,000 relates to San Andres plant upgrades, Phase V of the heap leach expansion and community expenditures. The remaining portion is being spent on various projects in the group, including the Serrote development project. Additional capital expenditure programs for the expansion of Aranzazu and the full development of Serrote remain dependent upon the successful completion of financing.

Conference Call

Aura Minerals' management will host a conference call and audio webcast for analysts and investors on Thursday, November 13, 2014 at 9:00 a.m. (Eastern Time) to review the third quarter 2014 results. Participants may access the call by dialing 416-340-9432 or the toll-free access at 1-800-952-4972. Participants are encouraged to call in 10 minutes prior to the scheduled start time to avoid delays.

Those who wish to listen to a recording of the conference call at a later time may do so by dialing 905-694-9451 or 1-800-408-3053 (Passcode 2201962#). The conference call replay will be available from 2:00 p.m. on November 13, 2014, until 11:59 p.m. (Eastern Time) on November 28, 2014.

Non-GAAP Measures

This news release includes certain non-GAAP performance measures, in particular, the average cash cost of gold per oz, average cash cost per pound of copper and operating cash flow which are non-GAAP performance measures. These non-GAAP measures do not have any standardized meaning within IFRS and therefore may not be comparable to similar measures presented by other companies. The Company believes that these measures provide investors with additional information which is useful in evaluating the Company's performance and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Average cash cost per oz of gold or per pound of copper is presented as it represents an industry standard method of comparing certain costs on a per unit basis. Total cash cost of gold produced includes on-site mining, processing, administration costs, off-site refining and royalty charges, reduced by silver by-product credits, but excludes amortization, reclamation, and exploration costs, as well as capital expenditures.

[1] Please see "Non-GAAP measures" section at the end of this press release.

Total cash cost of gold produced is divided by oz produced to arrive at cash cost per oz. Similarly, total cash cost of copper produced includes the above costs, and is net of gold and silver by-products, but includes offsite treatment and refining charges. Total cash cost of copper produced is divided by pounds of copper produced to arrive at an average cash cost per pound.

Operating cash flow is the term the Company uses to describe the cash that is generated from operations excluding depletion and amortization, inventory write-downs, stock based compensation and impairment charges.

About Aura Minerals Inc.

Aura Minerals is a Canadian mid-tier gold and copper production company focused on the development and operation of gold and base metal projects in the Americas. The Company's producing assets include the copper-gold-silver Aranzazu mine in Mexico, the San Andres gold mine in Honduras and the Sao Francisco and Sao Vicente gold mines in Brazil. The Company's core development asset is the copper-gold-iron Serrote da Laje project in Brazil.

For further information, please visit Aura Minerals' web site at www.auraminerals.com or contact:

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Cautionary Note

Unless otherwise indicated, Aura Minerals has prepared the technical information in this press release ("Technical Information") based on information contained in the technical reports and news releases (collectively the "Disclosure Documents") available under the Company's profile on SEDAR at www.sedar.com. Each Disclosure Document was prepared by or under the supervision of a qualified person (a "Qualified Person") as defined in NI 43-101. Readers are encouraged to review the full text of the Disclosure Documents which qualifies the Technical Information. Readers are advised that mineral resources that are not mineral reserves do not have demonstrated economic viability. The Disclosure Documents are each intended to be read as a whole, and sections should not be read or relied upon out of context. The Technical Information is subject to the assumptions and qualifications contained in the Disclosure Documents

This news release contains certain "forward-looking information" and "forward-looking statements", as defined in applicable securities laws (collectively, "forward-looking statements"). All statements other than statements of historical fact are forward-looking statements. Forward-looking statements relate to future events or future performance and reflect the Company's current estimates, predictions, expectations or beliefs regarding future events and include, without limitation, statements with respect to: the amount of mineral reserves and mineral resources; the amount of future production over any period; the amount of waste tonnes mined; the amount of mining and haulage costs; cash costs; operating costs; strip ratios and mining rates; expected grades and ounces of metals and minerals; expected processing recoveries; expected time frames; prices of metals and minerals; mine life; and gold hedge programs. Often, but not always, forward-looking statements may be identified by the use of words such as "expects", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Forward-looking statements in this news release and related MD&A are based upon, without limitation, the following estimates and assumptions: the presence of and continuity of metals at the Company's Mines at modeled grades; the capacities of various machinery and equipment; the availability of personnel, machinery and equipment at estimated prices; exchange rates; metals and minerals sales prices; appropriate discount rates; tax rates and royalty rates applicable to the mining operations; cash costs; anticipated mining losses and dilution; metals recovery rates, reasonable contingency requirements; and receipt of regulatory approvals on acceptable terms.

Known and unknown risks, uncertainties and other factors, many of which are beyond the Company's ability to predict or control could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to the most recent Annual Information Form on file with certain Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, gold and copper or certain other commodity price volatility, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the mineral exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

Contact

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