TORONTO, ON --(Marketwired - August 10, 2016) - Aura Minerals Inc. ("Aura Minerals" or the "Company") (TSX: ORA) announces financial and operating results for the second quarter of 2016.

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 six months ended June 30, 2016, 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 thousands of Canadian dollar. Tables are expressed in thousands of United States dollar, except where otherwise noted.

- Loss of $2,048 or $0.01 per share for the three months ended ("three months ended" or "the second quarter of") June 30, 2016 compared to loss of $1,522 or $0.01 per share for the second quarter of 2015;

- Effective cash operating (loss) income[1] of a loss of $24 or $1 per ounce ("oz") of gold sold for the second quarter of 2016 compared to an income of $2,873 or $85 per oz of gold sold for the second quarter of 2015;

- Net sales revenue in the second quarter of 2016 decreased by 6% over the second quarter of 2015. Details are as follows:

	For the three months ended June 30, 2016	For the three months ended June 30, 2015	For the six months ended June 30, 2016	For the six months ended June 30, 2015
San Andres, *ounces ("oz")*	18,722	20,503	36,159	43,451
Sao Francisco, *oz*	11,288	13,431	25,472	27,933
Total ounces sold	30,010	33,934	61,631	71,384
Realized average gold price per oz - gross	$ 1,254	$ 1,191	$ 1,207	$ 1,206
Realized average gold price per oz - net[1]	$ 1,040	$ 1,074	$ 1,053	$ 1,080
Gold sales revenues, *net of local sales taxes*	$ 36,415	$ 39,085	$ 71,865	$ 82,962
Copper concentrate sales, net	$ -	$ (453)	$ -	$ 3,875
Total net sales	$ 36,415	$ 38,632	$ 71,865	$ 86,837

- The realized average gold price per oz - gross and the realized average gold price per oz - net[1] for the three months ended June 30, 2016 and 2015 in the above table compare to the average market prices (London PM Fix) of $1,260 per oz and $1,192 per oz, respectively. There were no copper concentrate sales for the second quarter of 2015, only revaluations of unsettled shipments;

- Gold production for the second quarter of 2016 was 22% lower than in the second quarter of 2015. Gold production and cash costs[1] for the three and six months ended June 30, 2016 and 2015 were as follows:

	For the three months ended June 30, 2016		For the three months ended June 30, 2015	
	Oz Produced	Cash Costs[1]	Oz Produced	Cash Costs[1]
San Andres	14,875	$ 820	19,914	$ 849
Sao Francisco	11,225	1,045	13,702	1,019
Total / Average	26,100	$ 917	33,616	$ 918

	For the six months ended June 30, 2016		For the six months ended June 30, 2015	
	Oz Produced	Cash Costs[1]	Oz Produced	Cash Costs[1]
San Andres	35,055	$ 845	43,274	$ 808
Sao Francisco	25,103	895	28,290	1,188
Total / Average	60,158	$ 866	71,564	$ 958

- Cash costs for the Sao Francisco mine for the second quarter of 2016 included net realizable value inventory write-downs of $4 per oz (2015: $58 per oz). There were no inventory write-downs at San Andres for the second quarters of 2016 and 2015;

- Gross margin of $8,077 for the second quarter of 2016, compared to a gross margin of $2,336 for the second quarter of 2015; and

- On June 23, 2016, the Company completed the acquisition of the Ernesto/Pau-a-Pique project ("EPP Project", "EPP"). The Company has also published a NI 43-101 technical report on the EPP Project.

Jim Bannantine, the Company's President and CEO, stated "Over the last few years, Aura's board and management have been focused on ensuring the long-term sustainability of the company through a careful review of our operations and accompanying cost reductions at all levels as well as the long term growth of the company. We have significantly lowered our overhead burden at our operating mines and streamlined our management team and we can now look towards a more profitable future.

The key negative impacts over the first part of 2016 were from macroeconomic issues such as foreign exchange movements and gold hedging; this program was put in place to protect our expected margins on the downside and therefore ensure the repayment of our loans. These impacts are non-recurring and non-operational.

Having completed our acquisition during Q2 2106, we are on the growth track with Ernesto / Pau-a-Pique. Its accelerated cash generation will enable a faster debt reduction and returns to all shareholders and it represents the ideal synergistic replacement for the Sao Francisco mine. We will continue to focus on San Andres' exploration and future development plans to ensure ongoing consistent cash inflows for years beyond its current project life and our Aranzazu and Serrote care-and maintenance projects will allow us to move quickly to value maximization as the markets improve for base metals.

We believe that Aura remains poised to be the leading emerging Latin American gold developer and producer."

Revenues and Cost of Goods Sold

Gold sales revenues for the three months ended June 30, 2016 decreased by 6% compared to the three months ended June 30, 2015. The decrease in gold sales revenues is primarily attributable to a 12% decrease in gold sales volumes. The decrease in gold sales volumes is mainly due to the suspension of operations during April at San Andres and lower than expected production at Sao Francisco as a result of a lower grade than the mine plan.

There was no copper concentrate sold during the second quarter of 2016 and 2015, the loss of $453 in the second quarter of 2015 is related to a revaluation of outstanding shipments.

For the three months ended June 30, 2016 and 2015, total cost of goods sold from San Andres was $17,553 or $938 per oz compared to $19,286 or $941 per oz, respectively. For the three months ended June 30, 2016 and 2015, cash operating costs were $857 per oz and $857 per oz, respectively, while non-cash depletion and amortization charges were $81 per oz and $84 per oz, respectively. There were no write-downs of production inventory to net realizable value for the three months ended June 30, 2016 and 2015.

At Sao Francisco, for the three months ended June 30, 2016 and 2015, total cost of goods sold was $10,785 or $955 per oz compared to $16,661 or $1,240 per oz, respectively. For the three months ended June 30, 2016 and 2015, cash operating costs were $954 per oz and $1,231 per oz, respectively, while non-cash depletion and amortization charges were $1 per oz and $9 per oz, respectively. The cash operating costs for the three months ended June 30, 2016 included write downs of $47 or $4 per oz to bring production inventory to net realizable value (2015: $777 and $58 per oz)

Aura incurred $1,816 of care-and-maintenance costs on the Aranzazu and Serrote projects for the three months ended June 30, 2016 as compared to $169 for the three months ended June 30, 2015.

Additional financial highlights

For the three months ended June 30, 2016 and 2015, general and administrative costs were $2,541 and $2,389, respectively. Salaries, wages and benefits decreased as a result of lower head count at the corporate office. A penalty on overdue taxes of $591 has been accrued in Honduras as a result of a tax assessment. The Company is currently challenging the assessment.

For the three months ended June 30, 2016 and 2015, other losses were $3,930 and $294, respectively. For the second quarter of 2016, the loss is primarily related to a higher revaluation loss in the fair value of the third gold loan as a result of the overall increase in the gold price, a stronger Brazilian Real which has resulted in higher foreign exchange losses, and higher realized and unrealized losses on call options and fixed price contracts which were entered into in the early part of 2016 to protect Aura against further decreases in the gold price. The derivative losses are expected to be non-recurring.

Total finance costs for the three months ended June 30, 2016 and 2015 were $604 and $1,650, respectively. The decrease in finance costs is mainly driven by lower accretion and interest expense.

The income tax expense for the three months ended June 30, 2016 was $1,125 consisting of $1,155 of current income tax expense and $30 of deferred tax recovery, related to San Andres. The income tax recovery for the three months ended June 30, 2015 was $797 consisting of $1,259 in current income tax expense and $2,056 in deferred tax recovery, related to San Andres.

Acquisition of the EPP Project

On April 30, 2015, the Company announced that it entered into an Acquisition Agreement with Serra da Borda MineraÃ§Ã£o e Metalurgia S.A. ("SBMM") a company affiliated with Yamana Gold Inc. ("Yamana") to acquire, upon completion of certain conditions and the receipt of regulatory approvals in Brazil, certain specified assets and liabilities of the EPP Project. In order to facilitate the acquisition, during the regulatory approval period, Yamana made available a working capital facility to SBMM of up to approximately $9,000 (the "Working Capital Facility") to be invested in the capital and restart requirements of EPP.

The acquisition was completed on June 23, 2016, following the receipt of the relevant regulatory approvals in Brazil including both antitrust and national defense regulatory requirements.

As consideration for the EPP Project, the Company issued 2,000,000 common shares, 3,500,000 warrants of the Company at an exercise price of C$0.50 per warrant and a 2% net smelter return royalty on the first 1,000,000 gold ounces produced from the EPP Project, and thereafter, a 1% net smelter return royalty on gold ounces produced from the EPP Project.

The Working Capital Facility was assumed by the Company on the accounting acquisition date, which coincided with the receipt of the relevant regulatory approvals in Brazil, and is expected to be repaid either with the cash flows from EPP upon restart or payable in full within 36 months from the date of the Acquisition Agreement. Should EPP not enter into production or the Company not have sufficient funds to repay the Working Capital Facility on its due date, such amount outstanding will, at the option of Yamana, be converted into common shares of the Company. The Company also agreed to assume SBMM's accounts payable and accrued liabilities at the acquisition date as part of the consideration for EPP.

EPP Project highlights:

The EPP Project consists of three deposits, two of which are underground and the third of which is open pit, and three additional areas which will be evaluated in 2017 and 2018. The three deposits are detailed below;

- The Ernesto underground deposit and the Lavrinha open pit are located approximately 60 kilometers ("km") south of the Company's Sao Francisco mine and 12 km south of the town of Pontes-e-Lacerda. These two deposits are within close proximity to the Project's processing plant;
- The Pau-a-Pique underground mine has been on care and maintenance since 2013 and is located approximately 40 km south of the Ernesto and Lavrinha deposits and 5 km from the processing plant;
- The three additional areas (Nosde, Japones and Pombihnas) are within 20 km of the processing plant.

The processing plant is centrally located to these deposits and additional areas and has a capacity of 3,000 tonnes per day through a conventional carbon-in-leach process. The facility includes crushing, milling, gold extraction/recovery and a tailings disposal facility with power supplied from the national grid. Significant infrastructure exists around the entire EPP Project including paved roadways between all of the deposits and the town of Pontes-e-Lacerda.

The Company's primary technical focus areas for the EPP Project restart will be grade control, choice of the proper selective mining methods, geotechnical optimization to reduce dilution, improve overall gold recovery and lower cash operating costs at this relatively high grade project.

The combined Mineral Resource for the EPP Project is as follows:

Measured & Indicated Resource	Tonnes (t)	Au (g/t)	Contained Oz
Lavrinha	1,300,000	2.25	94,200
Ernesto	734,000	6.70	158,200
Pau-a-Pique	519,000	4.05	67,600
Total Measured & Indicated	2,553,000	3.89	320,000

Inferred Resource	Tonnes (t)	Au (g/t)	Contained Oz
Lavrinha	283,000	2.51	22,800
Ernesto	308,000	6.30	62,400
Pau-a-Pique	117,000	4.45	16,700
Total Inferred	708,000	4.48	101,900

Contained metal may not sum in the above tables due to rounding

The Company has filed a NI 43-101 technical report on SEDAR and on the Company's website.

Outlook and Strategy

Aura Minerals' future profitability, operating cash flows and financial position will be closely related to the prevailing prices of gold. Key factors influencing the price of gold include, but are not limited to, the supply of and demand for gold, 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 the risks associated with commodity prices 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 2016 year has been updated as follows:

	For the six months ended June 30, 2016 - actuals		For the six months ended December 31, 2016 - updated guidance		For the year ended December 31, 2016 - updated guidance	
	Oz Produced	Cash Costs[1]	Oz Produced	Cash Costs[1]	Oz Produced	Cash Costs[1]
San Andres	35,055	$ 845	40,000 - 50,000	$ 825 - 875	75,000 - 85,000	$ 825 - 875
Sao Francisco	25,103	895	10,000 - 15,000	675 - 725	35,000 - 40,000	$ 800 - 850
Total / Average	60,158	$ 866	50,000 - 65,000	$ 750 - 850	110,000 - 125,000	$ 825 - 875

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

For the second half of 2016, updated guidance in other material areas of expenditure is provided as follows;

- Capital expenditure of $11,000. Of this amount, $6,700 relates to San Andres and principally includes the Phase VI heap leach expansion, cemetery relocation, community and other expenditures, $4,000 relates to an acceleration of the restart of the Ernesto mine and the remaining $300 capital expenditure is for fines recovery at Sao Francisco;
- Care-and-maintenance costs for Aranzazu ($1,400) and Serrote ($300);
- General and administration costs of $3,200;
- Taxes and royalties payable to local authorities in Brazil and Honduras and to a third party for a 1.5% NSR on Sao Francisco and San Andres of $4,300;
- Based on the June 30, 2016 gold price of $1,321 / oz;
  - Realized cash losses on the 13,500 outstanding fixed price contracts and the 22,500 call option contracts of $900 and $200, respectively;
  - Gold loan repayments of 4,589 ounces amounting to $6,100.

Non-GAAP Measures

This news release includes certain non-GAAP performance measures, in particular, the average cash cost per oz of gold, average cash cost per pound of copper, effective cash operating (loss) income, and realized average gold price per oz - net 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.

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. Total cash cost of gold produced is divided by oz produced to arrive at cash cost per oz.

Effective cash operating (loss) income is the term the Company uses to describe the cash that is generated from its gold operations, net of corporate costs, local taxes and royalties and adjusted for realized losses from derivative instruments and gold loan repayments. It excludes depletion and amortization, inventory write-downs and impairment charges. Other non-cash items are deemed to be immaterial. Aranzazu's financial results have been excluded from the quarterly comparative numbers as the project is under care-and-maintenance. Capital expenditure, working capital movements and income taxes paid are also excluded from the calculation of effective cash operating (loss) income.

Realized average gold price per oz - net is the term the Company uses to describe the realized revenue per ounce of gold after determining the per oz impact of local taxes and royalties, realized losses from derivative instruments and gold loan repayments.

[1] Please see the cautionary note at the end of this news release

About Aura Minerals Inc.

Aura Minerals is a Canadian mid-tier gold-copper production company focused on the operation and development of gold and copper projects in the Americas. The Company's producing assets include San Andres gold mine in Honduras and the Sao Francisco gold mine in Brazil. The Company's development assets include the EPP gold project in Brazil, the Aranzazu copper project in Mexico and the copper-gold-iron Serrote project in Brazil. These development assets are on care-and-maintenance.

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

Cautionary Note

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.

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