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Your independent **Swiss** asset manager

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[THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND](#)

AURCANA CORP. (TSXV: AUN): FOLLOW-UP NO. 3 / July 6, 2011

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AURCANA CORP.: RETURN ON CAD 10,000 INVESTMENT					
<u>Purchase Date</u>	<u>No. of Shares</u>	<u>Purchase Price</u>	<u>Cost (CAD)</u>	<u>Price Today</u>	<u>Value Today</u>
December 22, 2009	33'400	0.30	10'020.00		
Total	33'400	0.30	10'020.00	0.66	22'044.00
Profit					12'024.00
Profit (in %)					120%



SHARES ISSUE / FULLY DILUTED	MARKET CAP
329,965,860 / 479,700,440	CAD 208.19M
52 WEEK LOW / HIGH	CVE
CAD 0.225 to 1.10	1,304,447 (200-day)
RECOMMENDATION	RISK RATING
BUY	HIGH

ON TRACK TO PRODUCE 6 MILLION OUNCES OF SILVER EQUIVALENT IN MEXICO AND TEXAS BY 2012

Business Summary

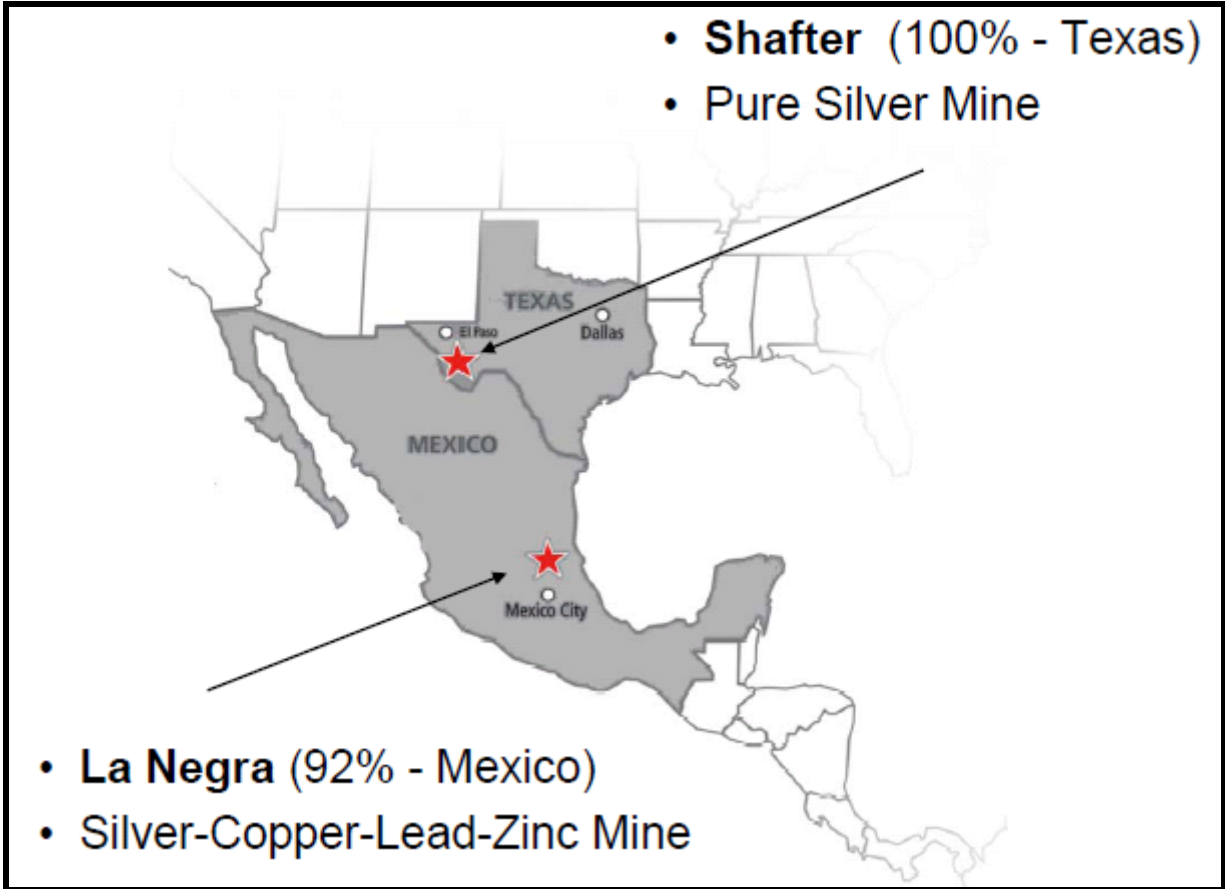
Aurcana Corporation is a Canadian junior mining company that owns **92% of the La Negra mine in Mexico and 100% of the Shafter silver mine in Texas.**

The completed development of the company's two current projects has the potential to quadruple currently established silver production to over six million ounces silver equivalent per year.

The recently expanded 1,500 tonnes per day **La Negra** silver-copper-lead-zinc mine is located in **Queretaro State, Mexico**. Annualized production started in 2010 is forecast at 1,200,000 ounces

silver, 5 million pounds copper and 5 million lbs of zinc.

Projects' Locations

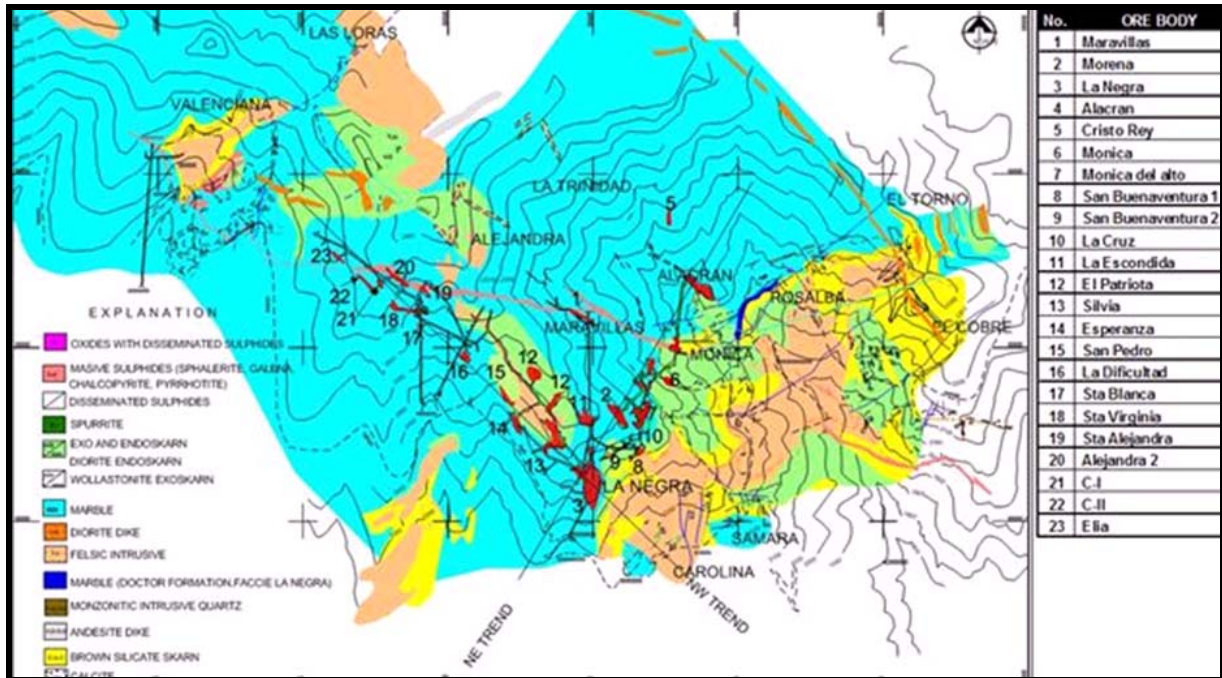


Mexico : La Negra: Silver-Copper-Lead-Zinc Mine

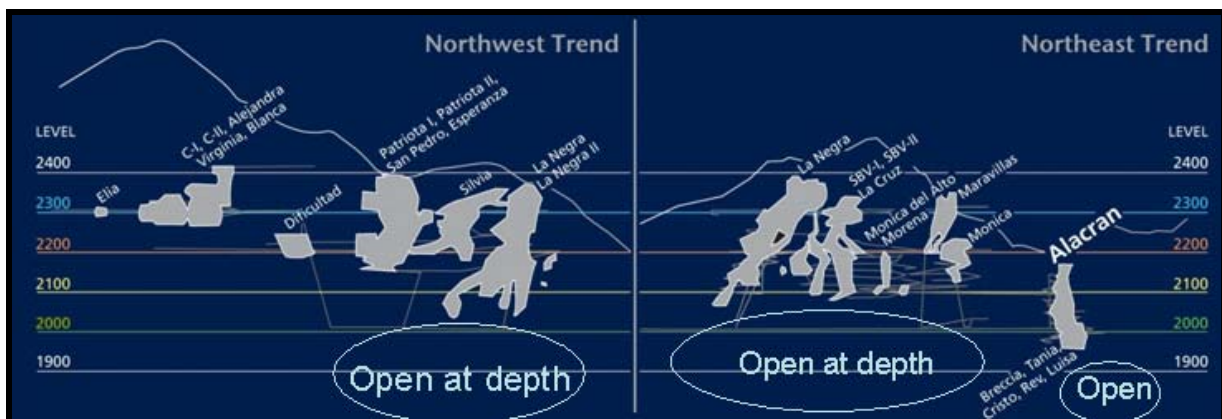
Current and Projected Production

	2009 @ 1,000 tpd	2010 @ 1,250 tpd	2011 @ 1,500 tpd*
Silver	0.8 m oz	0.83 M oz	1.2 m oz
Copper	3 m lbs	4 m lbs	4 m lbs
Zinc	3 m lbs	6 m lbs	7 m lbs
Lead			1.5 m lbs
	1.4 m oz Ag Eq		2.4 m oz Ag Eq

Property Geology



Exploration Upside & Reserve Replacement



Peñoles Production 1970 -2000: 36mm ozs Ag; 6.6mt

• La Negra NI 43-101-compliant on 3 of 28 ore bodies:

- Reserves 1.2 M oz Ag
- M&I 2.3 M oz Ag
- Inferred 0.7 M oz Ag

60 km of development on five main levels - 500m vertical

Underground at La Negra



Photo by Peter Zihlmann during a visit to the mine in November 2009.

Texas: Shafter

- 12th largest primary silver mine in world. Will Add 10% to US Production*
- 3.4mm ozs Ag average annual production at \$8.51/oz average annual cash cost

Resources (Ag)	Tons	Grade oz/t	Total oz Ag
Measured & Indicated	2,900,000	8.48	24,592,000
Inferred	2,167,000	10.52	22,797,000

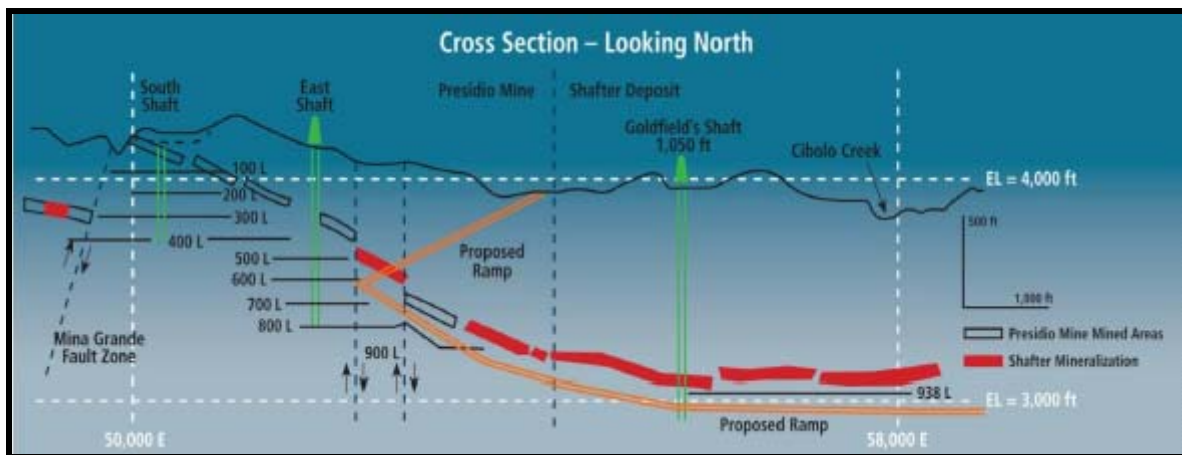
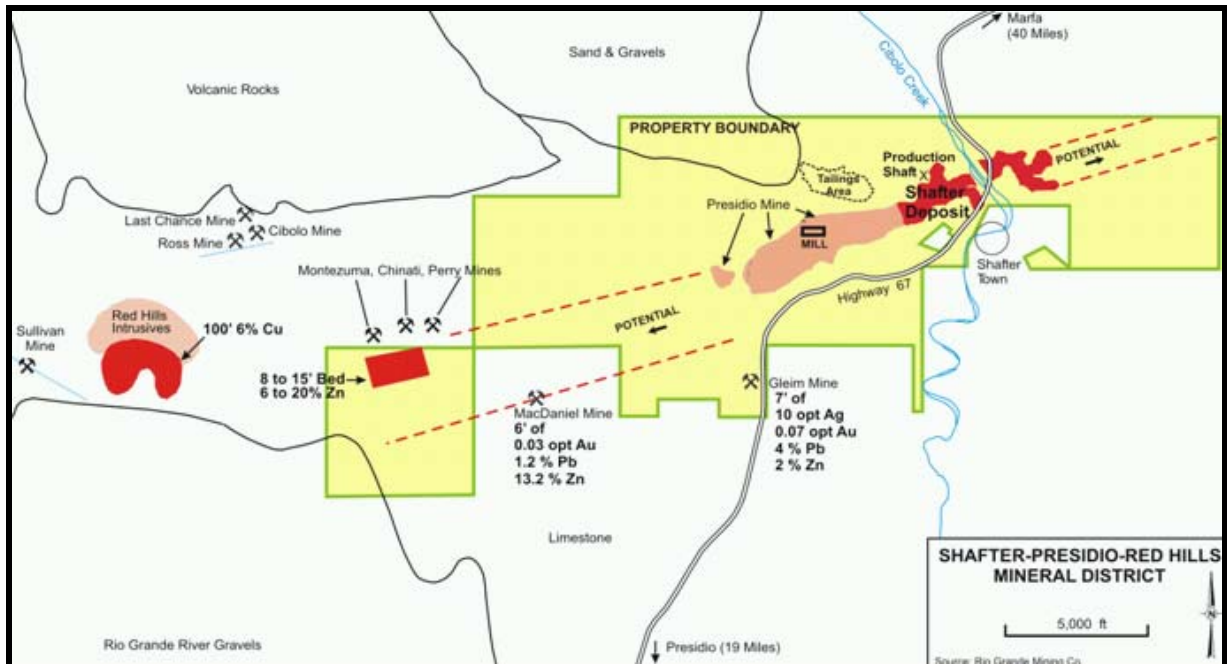
Aurcana acquired 100% of the Shafter silver mine from Silver Standard Resources Inc. in July 2008. **Shafter is located in Presidio County, southwest Texas and is fully accessible via paved highway from El Paso, Texas.**

Silver was mined in the region from 1883 until 1942, when the mine was closed by the War Act.

Production during that period was 2.3 million tons of ore containing 35 million ounces of silver at an average grade of 15.24 ounces per ton.

Favorable Location – State Permitting - No BLM

Resource open along strike



Shafter - Feasibility Highlights

- CapEx -US\$45 million
- 18 month construction timetable
- 3.8 m ozs silver produced in each of the first two years
- Cash Cost -\$7.60 / oz (first two years)
- Payback -12 months (\$21 / oz silver)
- Silver doré produced on site

Recent News: Aurcana reports Record 1st Quarter results

Aurcana Corporation reported its unaudited financial results for the first quarter ended March 31, 2011.

The most significant highlights for the quarter ended March 31, 2011 were:

- 140% increase in net revenues to \$10.9 million compared to \$4.5 million for the first quarter of 2010;
- Earnings from mining operations to \$5.4 million compared to \$0.7 million for the first quarter of 2010;
- Operating cash flow before movements in working capital items, to \$4.7 million (2010: deficit of \$0.5 million);
- A total of 127,231 milled tons compared to 79,007 tons for the first quarter of 2010. Of 127,231 tons, 14% (17,619 tons) were from NI 43-101 measured and indicated; 86% (109,612 tons) were from new discoveries.
- Increased production from 154,095 silver ounces for the first quarter of 2010 to 240,275 silver ounces in 2011, an increase of 56%.

La Negra

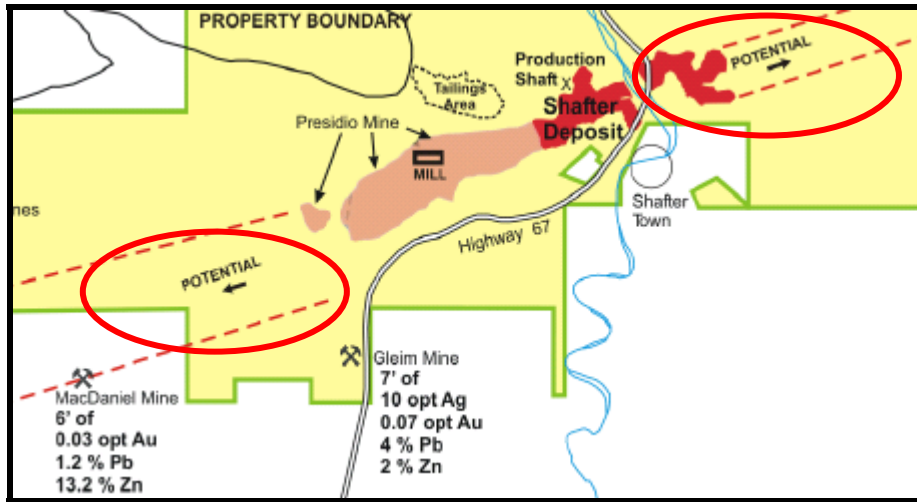
- 61% increase in tons milled to 127,231 tons compared to 79,007 tons for the first quarter of 2010;
- 46% increase in copper concentrate produced to 2,994 tonnes compared to 2,053 tonnes for the first quarter of 2010;
- 56% increase in silver concentrate produced to 240,275 ounces compared to 154,095 ounces for the first quarter of 2010;
- 70% increase in zinc concentrate produced to 1,582 tonnes compared to 933 tonnes for the first quarter of 2010.

Shafter

- The Company started construction of the Shafter Silver mine project, 100% owned by the Company, after completing the equity financing on December 7, 2010. The Shafter feasibility study shows an **estimated pay back of 1.9 years** based on \$15.53 per ounce of Silver and the **construction is estimated to be completed by May 2012**.

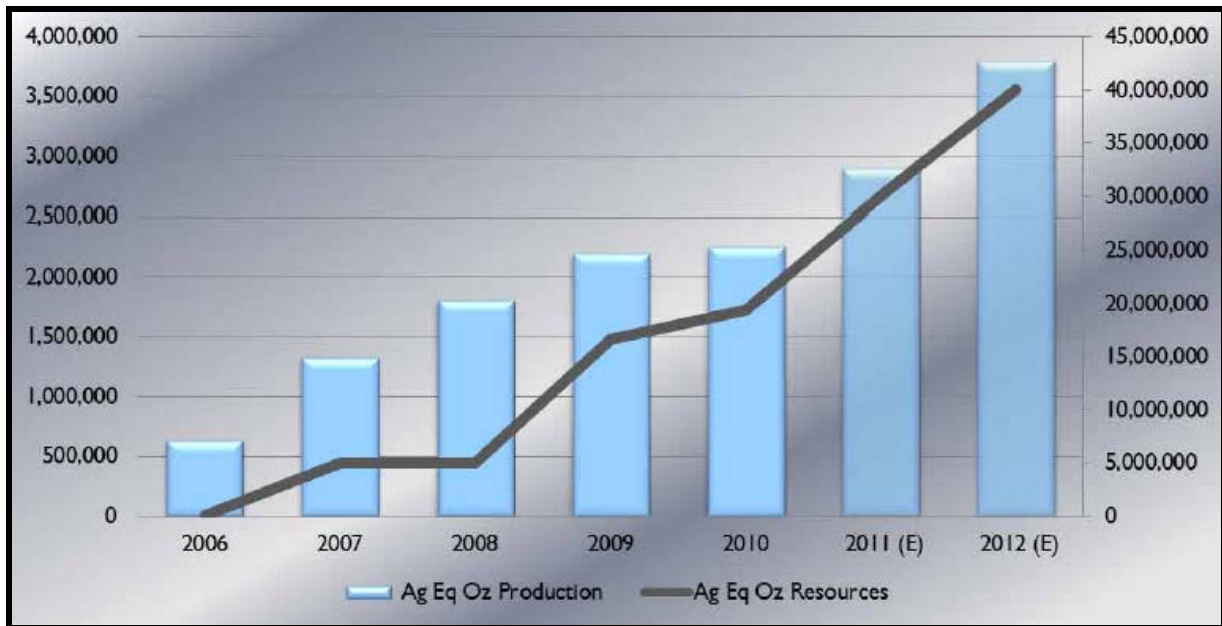
Fundamental Considerations

Growth: Increasing Silver Production		
Year	Ag	Ag Eq
2009	0.775 m oz	1.4 m oz
2010	0.883 m oz	1.5 m oz
2011	1.20 m oz	2.0 m oz
2012	5.00 m oz	6.0 m oz



AURCANA HAS THE POTENTIAL TO SIGNIFICANTLY INCREASE THEIR RESOURCE BASE, NOT ONLY AT SHAFTER, AS SHOWN ABOVE, BUT ALSO AT LA NEGRA.

THE CHART BELOW SHOWS THE PRODUCTION ESTIMATED FOR 2012 OF GREAT PANTHER SILVER OF CLOSE TO 4 MILLION OUNCES OF SILVER EQUIVALENT, AURCANA IS ESTIMATED TO PRODUCE 6 MILLION OUNCES OF SILVER EQUIVALENT. THE MARKET CAPITALIZATION OF AURCANA HOWEVER IS HALF OF THE ONE OF GREAT PANTHER SILVER.



VALUE WILL BE ADDED TO THE COMPANY THROUGH

- **MOVING CLOSER TO ANNUAL PRODUCTION OF 6 MILLION OUNCES OF SILVER**
- **EXPANSION OF THE RESOURCE BASE**
- **INCREASE OF THE PRICE OF SILVER**
- **PAYBACK IS CALCULATED AT 1.9 YEARS AT A SILVER PRICE OF \$ 15 (NOW \$ 33)**

WHEN FULLY DILUTED, THE COMPANY WILL GET \$ 61.8 MILLION INTO THE TREASURY REPRESENTING 30% OF THE PRESENT MARKET CAPITALIZATION.

Technical Considerations





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THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

is a shareholder in the company and will benefit from any increase in the company's share price.

How to invest:

<http://www.timeless-funds.com/en/timeless-precious-metal-how-invest>

OUR PRECIOUS METAL FUNDS

WE OFFER THREE FUNDS WHICH ALL INVEST IN JUNIOR PRECIOUS METAL MINING COMPANIES. THEY OFFER HOWEVER DIFFERENT RISK PROFILES TO SUIT INDIVIDUAL APPETITES FOR CAPITAL GAINS:

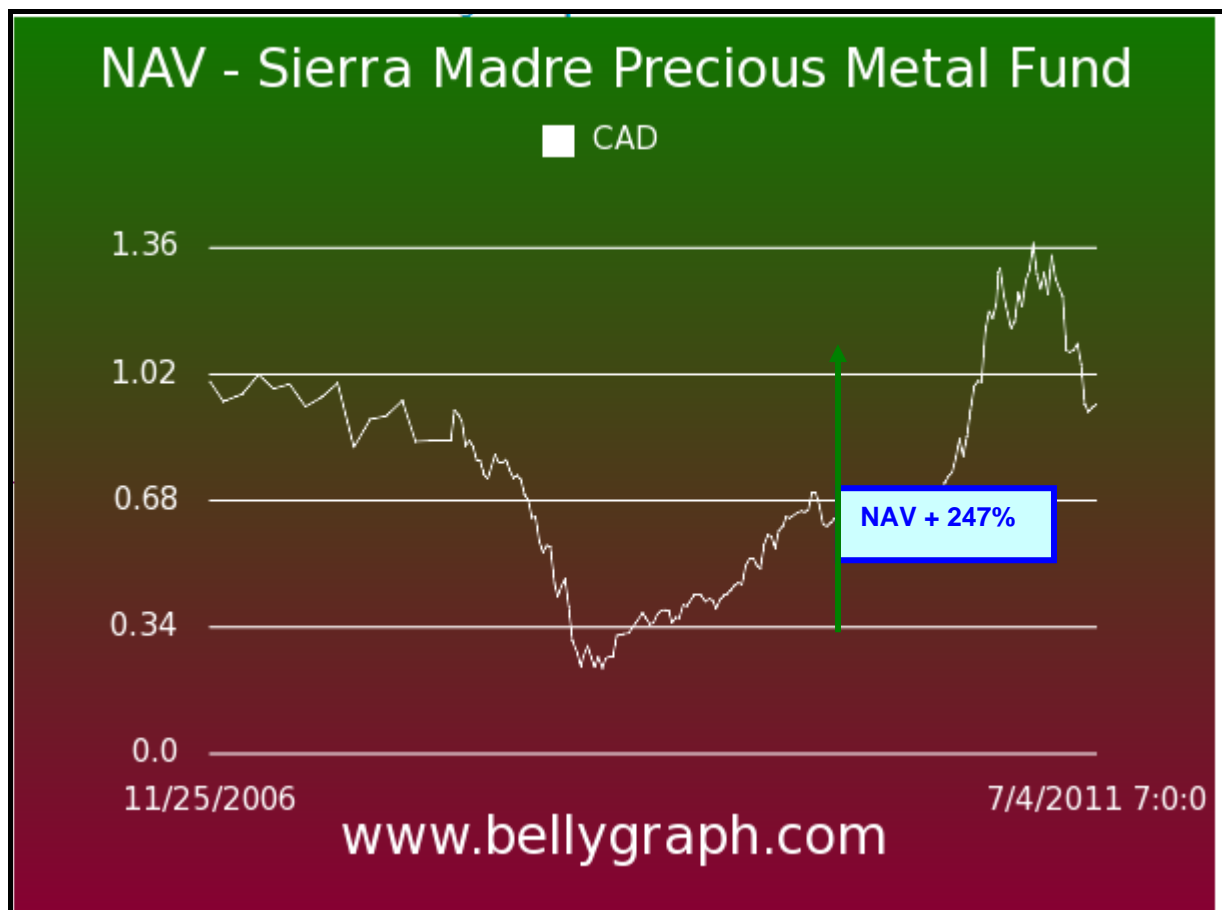


THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

It is a Professional Investor Fund targeting experienced investors, licensed by the Malta Financial Service Authority.

It is a venture capital fund, investing in Latin America. There are no limitations as to the amount that can be invested in one company, giving the investor the chance to benefit fully from the capital appreciation potential of a company.

On the other side, there is also a bigger risk when an investment should not perform as expected.





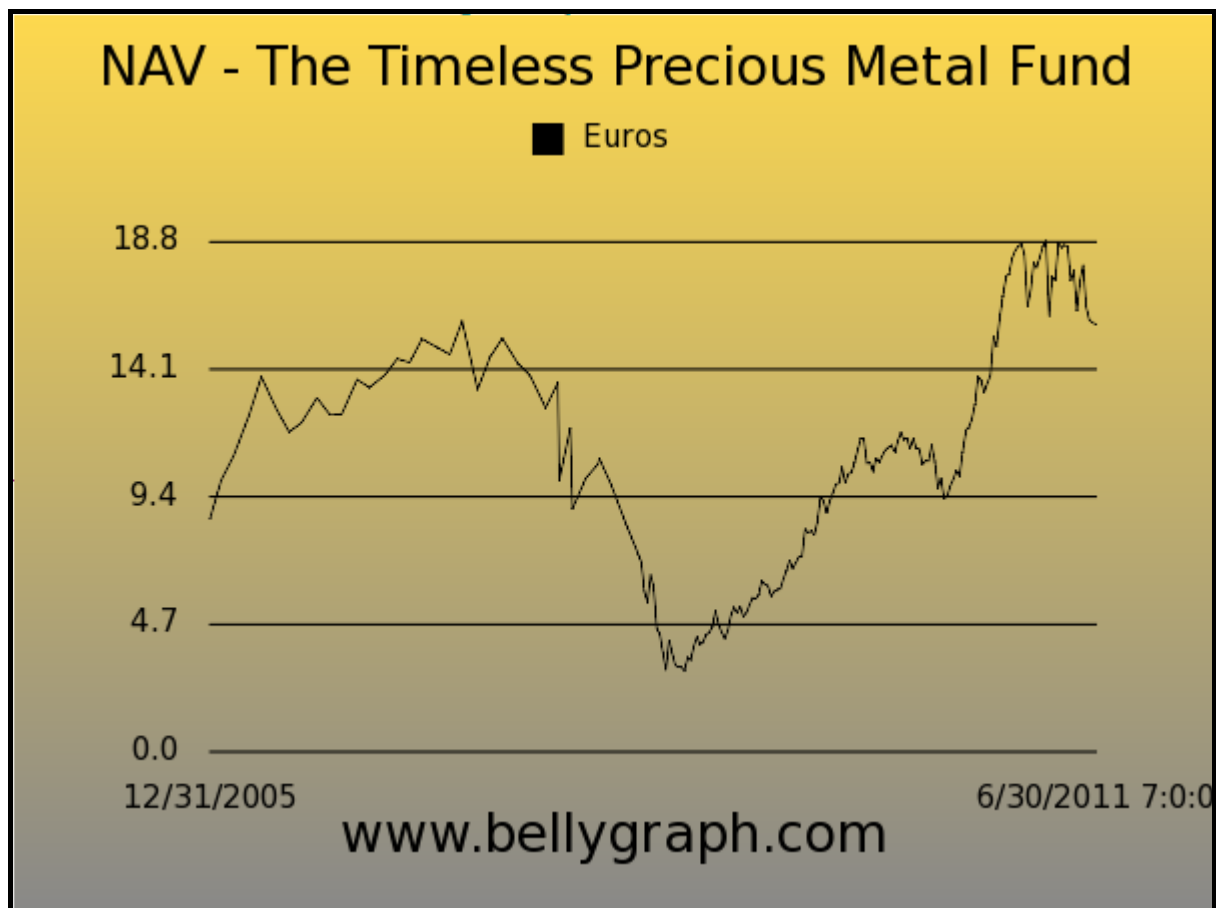
THE TIMELESS PRECIOUS METAL FUND

It is a Retail Collective Investment Scheme (SICAV), licensed by the Malta Financial Service Authority.

It invests in junior precious metal mining companies world-wide.

The fund cannot invest more than 10% in one company which limits the participation in the capital appreciation potential.

On the other side, there is less risk should an investment not perform as expected.



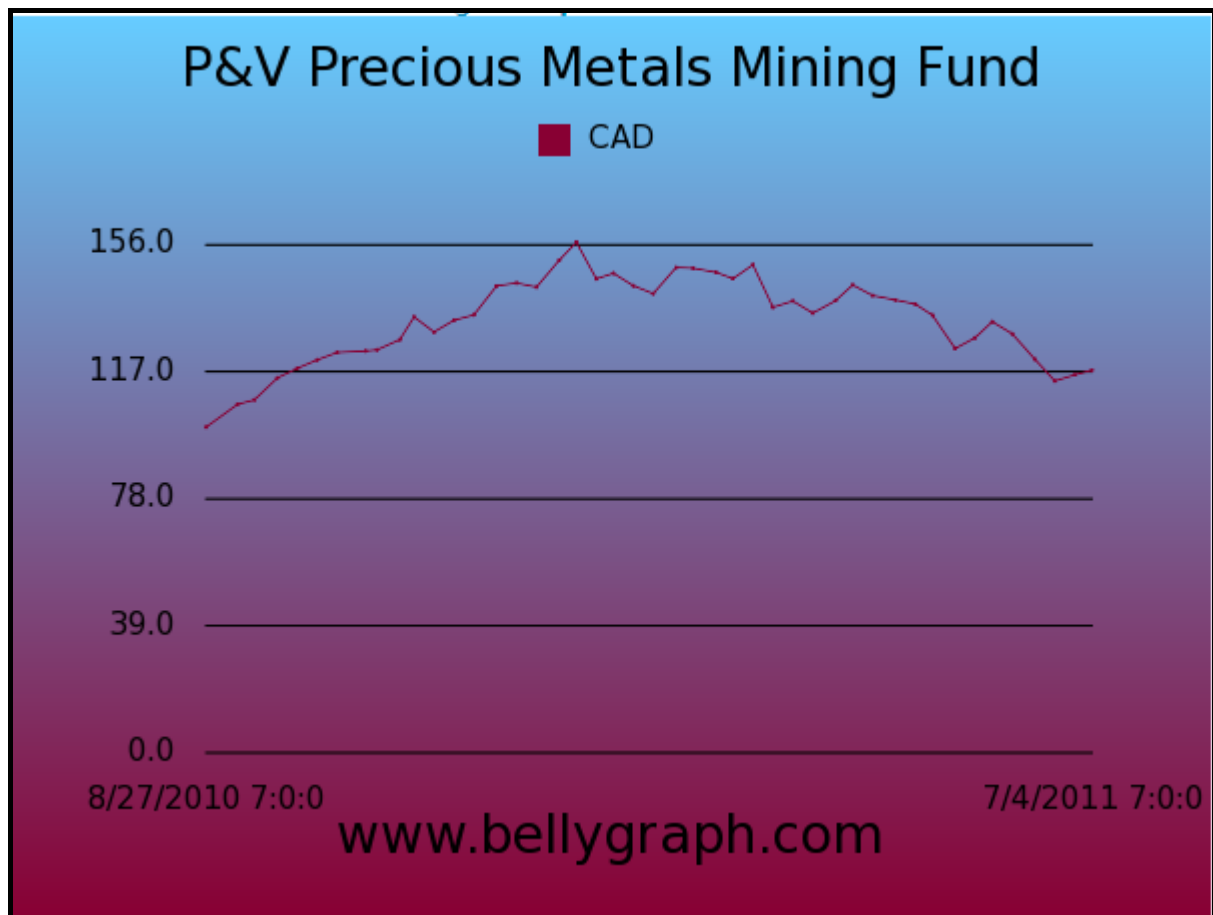
P&V PRECIOUS METAL MINING FUND

It is a UCIT III fund conform with EU-law.

It also invests in junior precious metal mining companies world-wide.

The fund is more restrictive than the two previous ones as investments which exceed 5% cannot collectively be more than 40% of total assets. Not more than 10% can be invested in one company.

The fund offers less capital appreciation potential than the first two but is also exposed to less risk.



Disclosure:

The author has not been paid to write this article, nor has he received any other inducement to do so.

Disclaimer:

The author's objective in writing this article is to invoke an interest on the part of potential investors in this stock to the point where they are encouraged to conduct their own further diligent research. Neither the information nor the opinions expressed should be construed as a solicitation to buy or sell this stock.

Investors are recommended to obtain the advice of a qualified investment advisor before entering into any transactions in the stock - or to use their own brains.

In our opinion, the best approach is to buy a diversified portfolio of stocks as represented in THE TIMELESS PRECIOUS METAL FUND or THE SIERRA MADRE GOLD & SILVER VENTURE FUND instead of shares of only a small number of companies.
