



# THE NEXT MID-TIER SILVER PRODUCER

- Shafter Silver Mine forecasts 3.8M oz silver annually beginning 2012
- La Negra Mine produced over 1M oz silver for the last 4 quarters



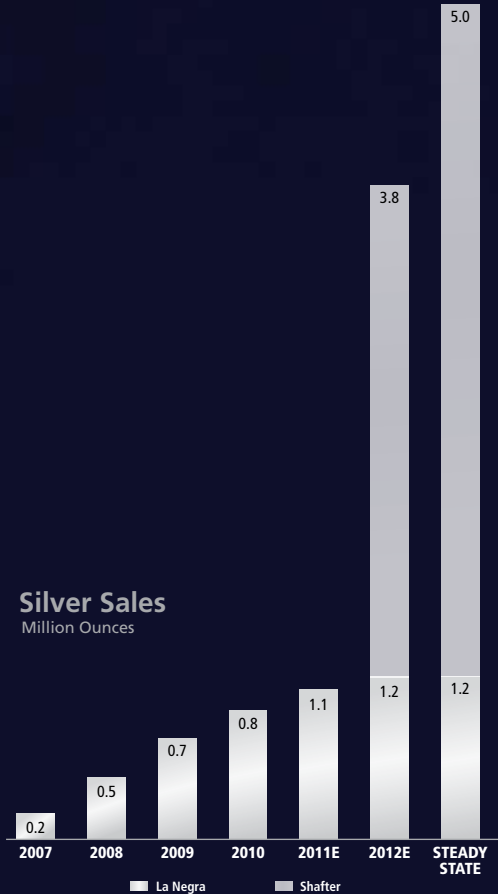
## Officers & Directors

- Lenic M Rodriguez *President, CEO and Director*
- Andy Nichols *Vice President, Operations*
- Nils von Fersen *Vice President, Exploration*
- Salvador Huerta *Chief Financial Officer*
- Terese J. Gieselman *Corporate Secretary/Treasurer*
- Adrian Aguirre *Director*
- Paul Matysek *Director*
- Robert J Tweedy *Director*

## Technical Advisory Committee

- Dr. Peter Megaw
- Jerry Blackwell
- Ken Collison

TSX.V: AUN  
OTCQX: AUNFF





# SHAFTER MINE (100%)

**Production of 3.8 million ounces of silver in each of the first two years at a cash cost of US\$7.60 per ounce.**

The Feasibility Study shows robust economics: US\$45 million Capex, 73% IRR, and NPV of US\$104 million with a payback of 1 year using a silver price of \$21.00 per ounce. Construction is expected to take 18 months.

The mine has a mining friendly Texas location and jurisdiction, and all permits needed for construction are in place. The project is considered to have a low development risk and low operating risk. In addition much of the key infrastructure and development expertise is in place.

## Highlights

- Potential to double mine life through in-fill drilling to upgrade the Inferred Resources
- Future investigation of extensions to the east and prospective geological targets to the west could add to resource categories
- Bulk sampling indicated grade improvements of 10-15% compared to diamond drill hole assays
- Potential to refine silver (dore) on site and sell Texas silver in the state at a premium



## History

The Shafter Silver Mine deposit is the northeastern strike extension of the orebody from the historic Presidio mine located in Presidio County, southwest Texas. Silver from the Presidio workings was mined from 1883 until 1942 when the mine was closed due to declining silver prices and the War Act. Total production during that period was 2.3 million tons of ore containing 35.2 million ounces of silver at an average grade of 15.24 ounces of silver per ton.

The old mine workings comprise close to 100 miles of drifts, declines, adits and stopes, and includes four previous production shafts that will assist in providing ventilation in areas of the new workings. Exploration drilling and underground development done from 1978 to 1982 outlined the new deposit and included a 1,050 foot shaft serviced by a 80 ton per hour hoist and 5,100 feet of underground development. This infrastructure will be integrated into the current mine planning.

Aurcana acquired the Shafter Silver Mine in July 2008 from Silver Standard Resources Inc. Acquisition and development costs are estimated to be US\$1.77 per ounce. Much of the necessary infrastructure is in place with a major power line and paved highway crossing the property, and an electrical sub-station on site.

## RESOURCE NI 43-101 Compliant

Resources	Tons	Silver oz/ton	Contained Ag oz
Measured	883,000	8.5	7,500,000
Indicated	2,017,000	8.48	17,100,000
<b>Measured and Indicated</b>	<b>2,900,000</b>	<b>8.48</b>	<b>24,600,000</b>
Inferred	2,167,000	10.52	22,800,000

### Tetra Tech Inc, Golden, Colorado

assumes a 4.0 opt silver cut-off

## Construction plan

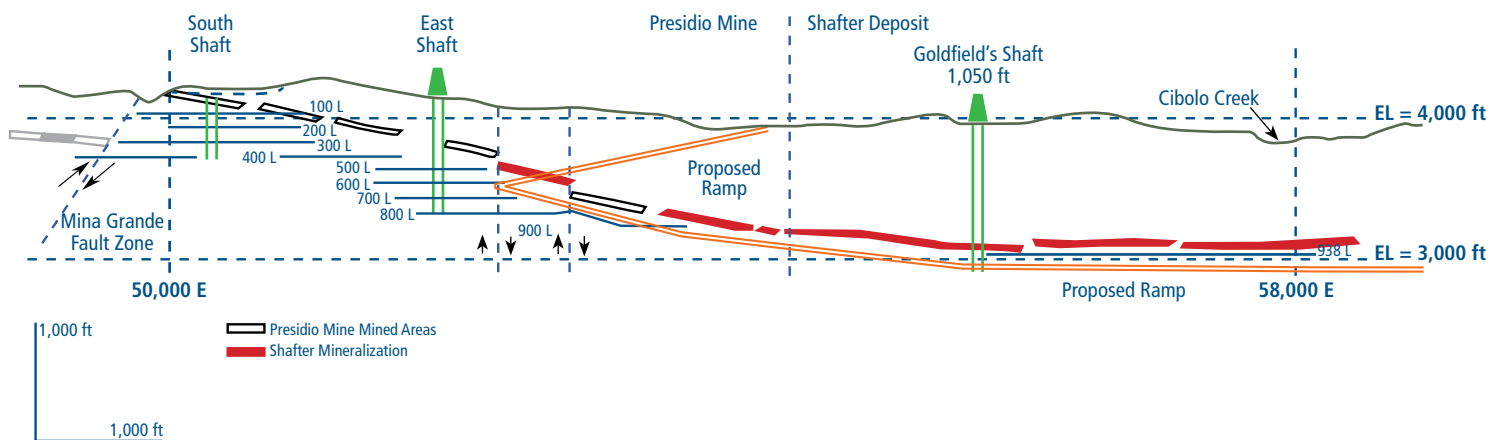
The proposed mining plan at 1,500 tpd production incorporates a portal and a mechanized ramp to allow for the use of larger equipment and the efficient transportation of men, supplies and ore. The shallow dip of the ore and the stable ground conditions as demonstrated by the large, historic open stopes, allows for extraction by mechanized room and pillar stoping, which is a productive, flexible and cost effective mining method.

## Overview

The Company commenced an 18 month construction program in December 2010. The construction project is well advanced, on budget, and on track for the first production of silver doré on May 2012.

Aurcana has completed a full feasibility study and is moving forward on final permitting. Future plans include upgrading the inferred resources included in the first year production plan to measured and indicated with a surface diamond drill program, and then continuing to upgrade the inferred resources through an ongoing underground diamond drill program.

## Cross Section – Looking North



# LA NEGRA MINE (92%)

The 28 fully accessible deposits containing different metal ratios and grades allows flexibility to changing metal prices

- Over 1.0 million oz. silver produced in past 4 quarters
- Expanding capacity from 1500 tons per day to 2000 tons per day in early 2012

The 28 deposits developed in the La Negra Mine are located along two main mineralized trends that are oriented in a northeast and a northwest direction. All are accessible through over 60 km of underground development within the mine. The main levels access a vertical interval of over 500 m from the 2,400 m level down to below the main haulage level at the 2,000 m level.

The deposits show a broad vertical zonation where copper tends to become more abundant in the lower levels of the Northeast Trend. The different silver-copper-lead-zinc ratios in the deposits allow flexibility in mine production planning. The potential for further discovery of mineralized skarn zones is considered to be excellent in both the northwest and northeast trends.



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## Capitalization

as of June 30, 2011

Issued and Outstanding	347 million
Warrants	101.3 million
Stock Options	29.2 million
Fully Diluted	477.5 million

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