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Your independent **Swiss** asset manager

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AURCANA CORP. (TSXV: AUN): FOLLOW-UP NO. 4 / December 7, 2011

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<u>AURCANA CORP.: RETURN ON CAD 10,000 INVESTMENT</u>					
<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	0.76	25'384.00
Profit					15'364.00
Profit (in %)					153%



<u>SHARES ISSUE / FULLY DILUTED</u>	<u>MARKET CAP</u>
329,965,860 / 479,700,440 (*)	CAD 276.39M
<u>52 WEEK LOW / HIGH</u>	<u>CVE</u>
CAD 0.54 to 1.10	1,262,750 (30-day)
<u>RECOMMENDATION</u>	<u>RISK RATING</u>
BUY	HIGH

(*) private placement has just been closed and is not reflected

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

Business Summary

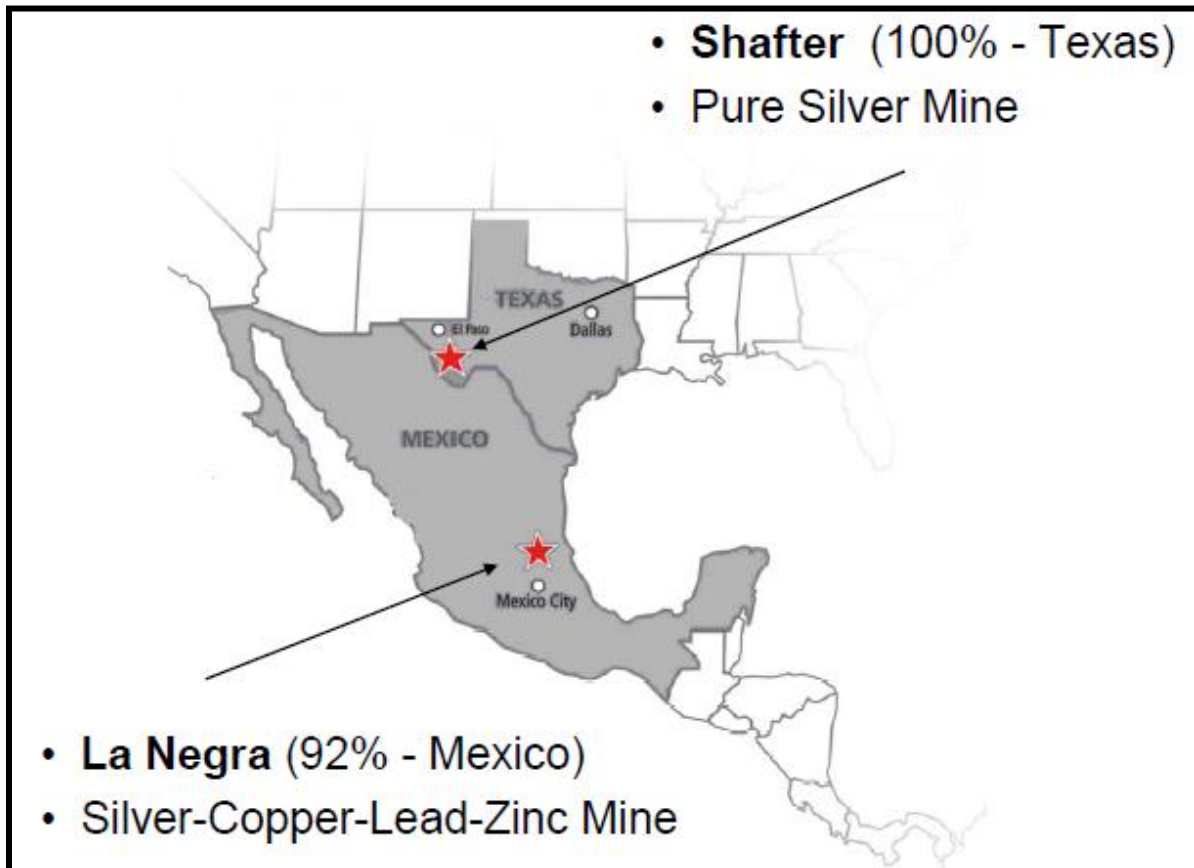
Aurcana Corporation is a Canadian junior mining company that owns **92% of the La Negra mine in Mexico and 100% of the Shafter silver mine in Texas.**

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 Shafter Silver Mine is scheduled to start production in Q2 2012 and it is estimated to produce 3.8 million ounces silver in the first year of operation. It has an NI 43-101 Measured and Indicated Resource of 24.6 million ounces of silver and an Inferred Resource of 22.8 million ounces of silver using a 4.0 ounce per ton cut off. The 92% owned La Negra silver-lead-zinc-copper mine has produced 1 million ounces of contained silver over the last 4 quarters.

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



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

Projected silver production for 2011: 1 million ounces (1.7 mn Ag Eq.)

Low Cost Operation:

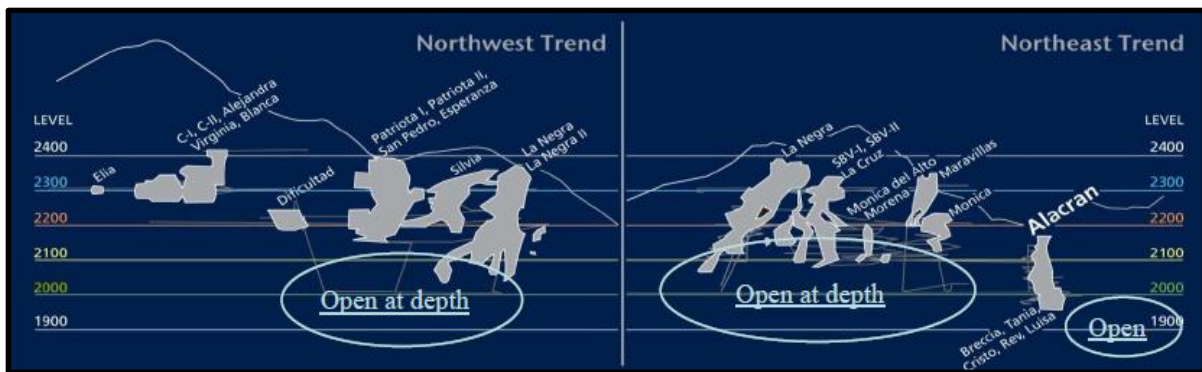
- Current - \$35/tonne (1)
- Cash cost: \$10.50/oz (1)
- Grades improving on new zones

(1) Based on September 30, 2011 financials, costs are before general and administrative costs

In Q1 2012 Aurcana should be able to complete the ongoing mill upgrade to 2'000 tonnes a day, a 33%increase from current capacity.

Project History	Current 43-101 R&R (100%)			
<ul style="list-style-type: none"> The La Negra mine was developed by Industrias Peñoles Historical production of 36mm oz Ag between 1970 and 2000 60 km of development on five main levels – 500 m vertical Aurcana restarted the mine in 2006 The property is owned 92% by Aurcana The current 15,000m exploration program will help to certify additional resources at La Negra 	Based on mainly 3 of 28 deposits; updated resource expected in Q1 2012			
		Reserves	Resources	
		P&P	M&I	Inferred
	Tonnes (kt)	472	1,248	262
	Ag (g/t)	73.9	105.0	78.6
	Pb (%)	0.26%	0.56%	0.37%
	Zn (%)	0.98%	1.44%	1.91%
	Cu (%)	0.81%	0.62%	0.64%
	Ag (mm oz)	1.1	4.2	0.7
	Ag Eq (mm oz) ⁽¹⁾	2.3	7.5	1.4
<small>Note: M&I is inclusive of P&P</small>				

The chart below shows part of the 28 mineral deposits identified (NI 43-101 compliant resource come from mainly 3 of the deposits):



Aurcana therefore has the following goals for La Negra:

- In process of upgrading resources
- Expanded exploration program to test NE and NW trends
- Potential for significant resource classification and expansion

Underground at La Negra



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

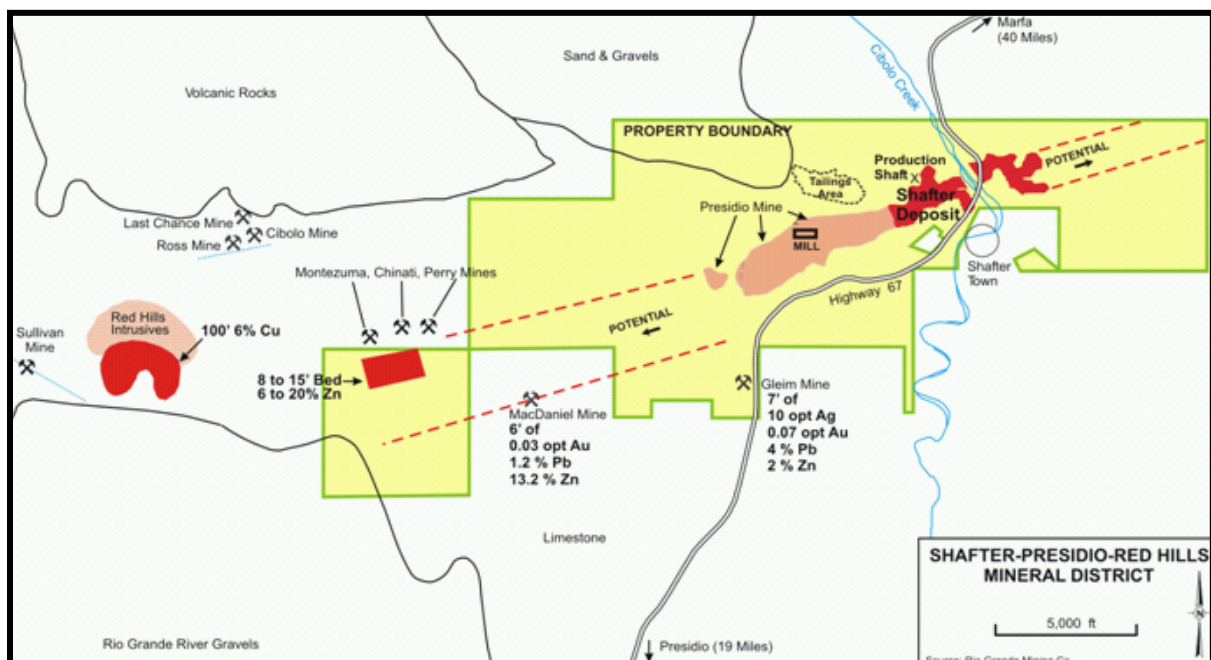
Shafter, Texas: Pure Silver Mine

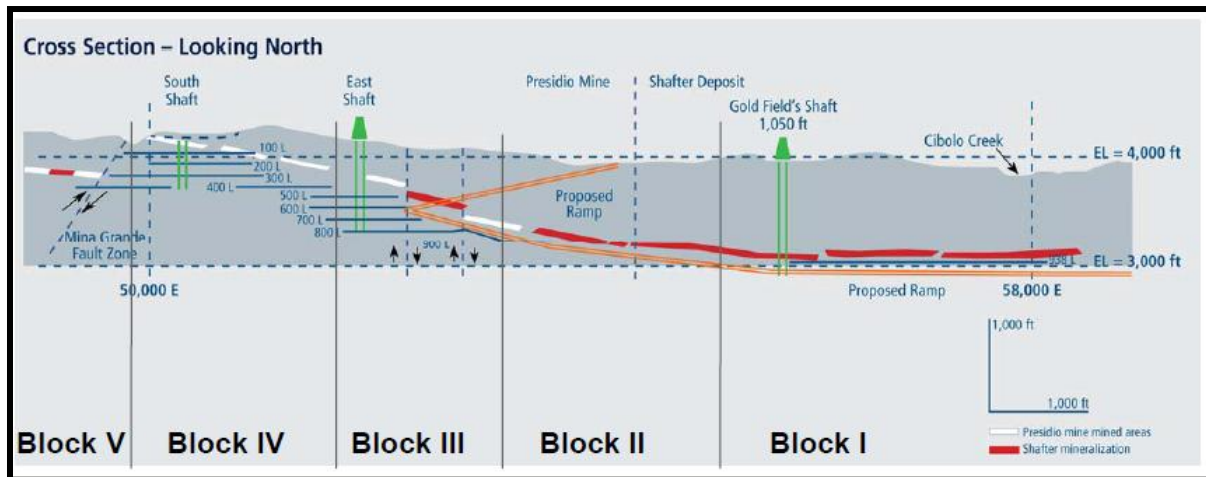
- 16th largest primary silver mine in world. Will Add 10% to US Production
- 3.8m oz at \$7.53/oz cash cost in the first year of production
- Feasibility study with 5 years mine life: IRR of 99% (with Silver price of \$25/oz.)

Project History		Current 43-101 R&R																																										
<ul style="list-style-type: none"> • From 1883 to 1942, production totaled 2.3mm tons containing 35mm oz Ag with an average grade of 15 oz/t • Gold Fields Mining (GFMC) acquired the Presidio Mine in 1977 from Amax and from 1977 to 1982 spent over \$20mm on exploration and mine development • GFMC identified the eastern extension of the Presidio deposit which is known as the Shafter deposit • Silver Standard acquired the property in late 2000 • Aurcana purchased the mine from Silver Standard in July 2008 		<table border="1"> <thead> <tr> <th>Category</th> <th>Tons</th> <th>Silver Oz / ton</th> <th>Contained Silver Oz</th> </tr> </thead> <tbody> <tr> <td colspan="4">Resources</td> </tr> <tr> <td>Measured</td> <td>855,000</td> <td>8.7</td> <td>7,480,210</td> </tr> <tr> <td>Indicated</td> <td>1,940,000</td> <td>8.5</td> <td>16,517,640</td> </tr> <tr> <td>Measured and Indicated</td> <td>2,795,000</td> <td>8.6</td> <td>23,997,850</td> </tr> <tr> <td>Inferred</td> <td>2,167,000</td> <td>10.5</td> <td>22,796,840</td> </tr> <tr> <td colspan="4">Reserves</td> </tr> <tr> <td>Proven</td> <td>748,125</td> <td>8.0</td> <td>5,972,480</td> </tr> <tr> <td>Probable</td> <td>1,697,500</td> <td>7.8</td> <td>13,188,303</td> </tr> <tr> <td>Proven and Probable</td> <td>2,445,625</td> <td>7.8</td> <td>19,160,783</td> </tr> </tbody> </table>	Category	Tons	Silver Oz / ton	Contained Silver Oz	Resources				Measured	855,000	8.7	7,480,210	Indicated	1,940,000	8.5	16,517,640	Measured and Indicated	2,795,000	8.6	23,997,850	Inferred	2,167,000	10.5	22,796,840	Reserves				Proven	748,125	8.0	5,972,480	Probable	1,697,500	7.8	13,188,303	Proven and Probable	2,445,625	7.8	19,160,783		
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		Source: June 23, 2011 amended Shafter Feasibility Study Note: Measured and indicated resource includes reserves																																										

Favorable Location – State Permitting - No BLM

Resource open along strike





Shafter - Feasibility Highlights

- **CapEx -US\$45 million**
- **3.8 m ozs silver produced in each of the first two years**
- **Cash Cost - \$8.27 / oz**
- **Payback -12 months (\$21 / oz silver)**
- **Silver doré produced on site**

Highlights for the quarter ended September 30, 2011 were:

- **224% increase in earnings from mining operations in Q3, 2011**, \$6.8 million compared to \$2.1 million in Q3, 2010. 415% increase in YTD earnings from mining operations of \$17.5 million in 2011 compared to \$3.4 million in 2010.
- **217% increase in net income**, \$3.8 million in Q3, 2011 compared to \$1.2 million in Q3, 2010. YTD net income up \$6.8 million, to \$6.1 million in 2011 compared to a loss of \$0.7 million in 2010.
- Revenues increased 68% to \$12.1 million in Q3, 2011 from \$7.2 million in Q3, 2010. YTD revenues increased 114%, to \$35.3 million in 2011 from \$16.5 million in 2010.
- Operating cash flow before movements in working capital items, to \$6.2 million in Q3 (2010 loss of 0.2 million).

La Negra

- 26% increase in silver produced to 742,026 ounces YTD 2011 compared to 587,057 ounces for YTD 2010.
- Lead circuit continues to perform well; producing 455 tonnes of contained lead which helped improve overall recoveries and increase the quality of the concentrates.
- 4% increase in ore mined to 134,072 tonnes in Q3 2011 from 128,666 tonnes in Q3 2010.
- 18% increase in mineralized materials stockpiled from beginning to end of Q3 2011, with the total stockpile now standing at 94,524 tonnes.

Shafter

The Company commenced construction of the Shafter Mine in January of this year with an anticipated completion date of May 2012. Significant milestones on the Shafter Mine include:

- Portal is completed and the Ramp is now developed 300 feet underground.
- Reclaim Tunnel has now been completed.
- Ball Mill Foundations have been completed and the Mill has been delivered to site.
- Two of the 6 Leach Tanks have been installed.

- Air permit has been received and the last permit is now in process for modifying the production rate to 1,500 tpd. Once this permit is received the Shafter mine will be fully permitted.
- Construction of the Shafter office at the mine site is underway with the external parts of the building complete, construction is continuing with the interior.
- Underground Production Equipment has been ordered for delivery in December 2011 through April 2012.
- The final permit was to amend a water discharge permit which allows the Shafter mine to increase operations from 900 tonnes per day to 1500 tonnes per day. Approval for this permit amendment was received on Wednesday, November 2, 2011.

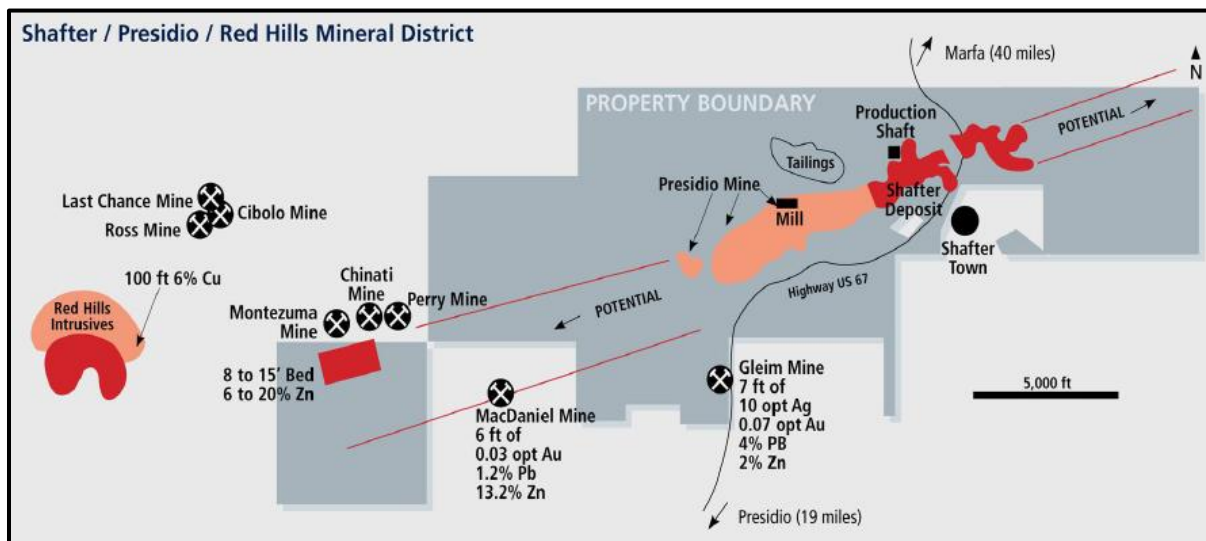
The Shafter mine is now fully permitted.

Recent News: Closing of Private Placement on Nov. 29, 2011

Aurcana has completed its private placement financing. Pursuant to the Offering, Aurcana sold an aggregate 52,853,000 Units at a price of \$0.65 per Unit for aggregate gross proceeds of approximately C\$34.4 million.

Therefore Aurcana should be in a good position to finance the remaining CapEx for the Shafter mine (estimated \$26mn).

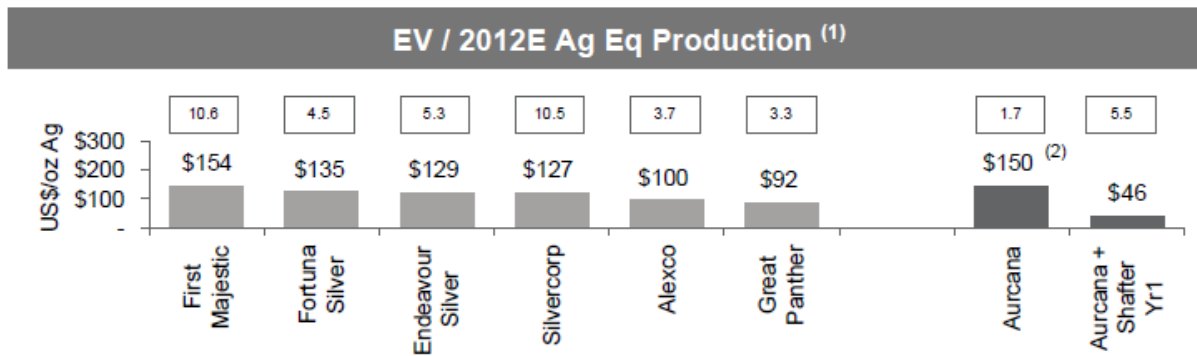
Fundamental Considerations



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

THE PRODUCTION ESTIMATED FOR 2012 OF AURCANA IS 5.5 MILLION OUNCES OF SILVER EQUIVALENT. THIS IS A MASSIVE INCREASE OF OVER 300% COMPARED TO TODAY'S PRODUCTION.

BASED ON THIS PRODUCTION ESTIMATE THE CURRENT MARKET CAPITALIZATION OF AURCANA IS LOW IN COMPARISON (ABOUT HALF OF THE ONE OF GREAT PANTHER SILVER WITH SIMILAR PRODUCTION). SEE TABLE BELOW:



(1) Based on production and resources as per company disclosure (see Appendix B and resource tables), silver equivalent calculated using long term prices of US\$25.00/oz Ag, US\$0.90/lb Zn, US\$2.25/lb Cu and US\$0.55/lb Pb

VALUE WILL BE ADDED TO THE COMPANY THROUGH

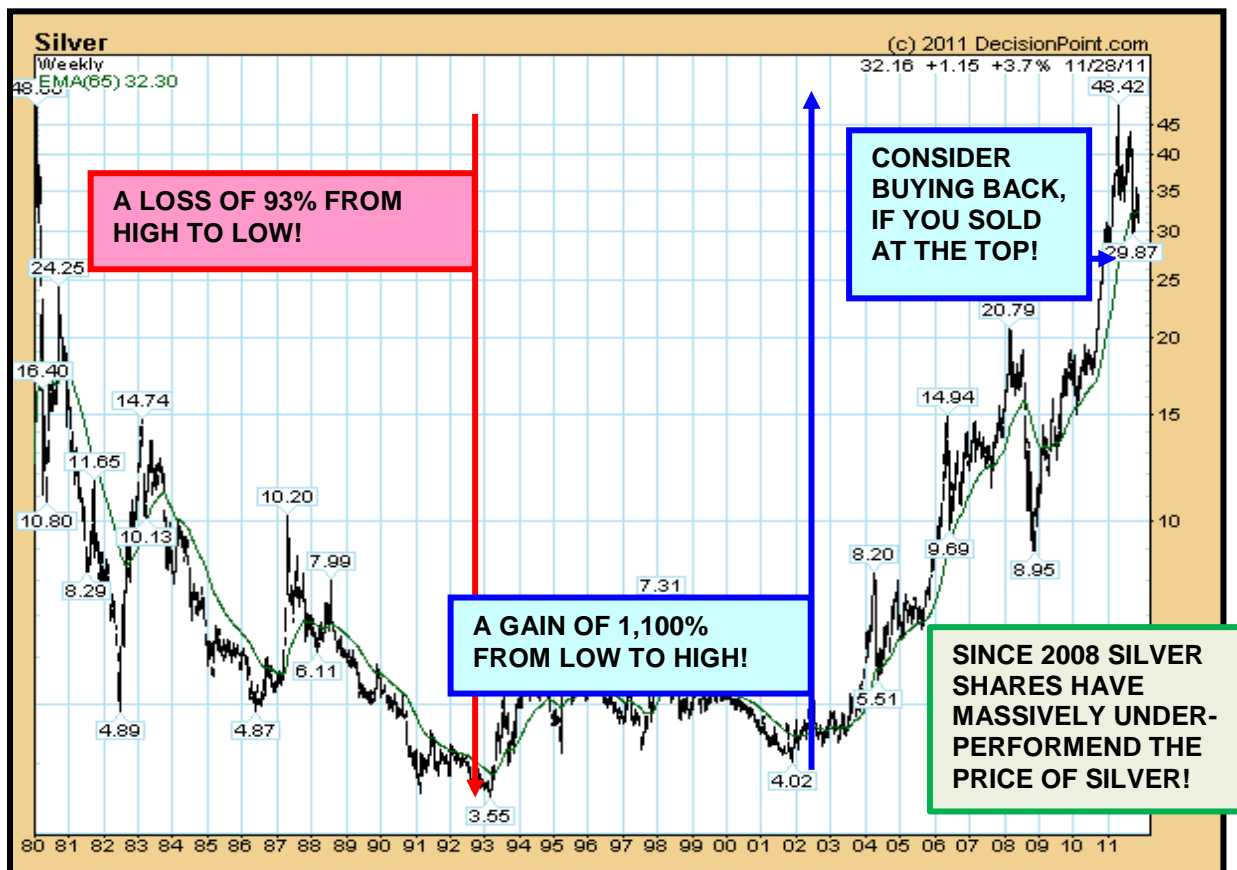
- MOVING CLOSER TO ANNUAL PRODUCTION OF 6 MILLION OUNCES OF SILVER
- EXPANSION OF THE RESOURCE BASE
- INCREASE OF THE PRICE OF SILVER

RECENT FINANCING PUTS THE COMPANY ON SOLID GROUND AND ALLOWS IT TO CONTINUE ITS PROJECT INVESTMENTS. WHEN FULLY DILUTED, THE COMPANY WILL GET OVER \$ 70 MILLION ADDITIONAL INTO THE TREASURY.

Technical Considerations



1980 to 2011: Silver - From bear to bull



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THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND
THE TIMELESS PRECIOUS METAL FUND

are shareholders 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>



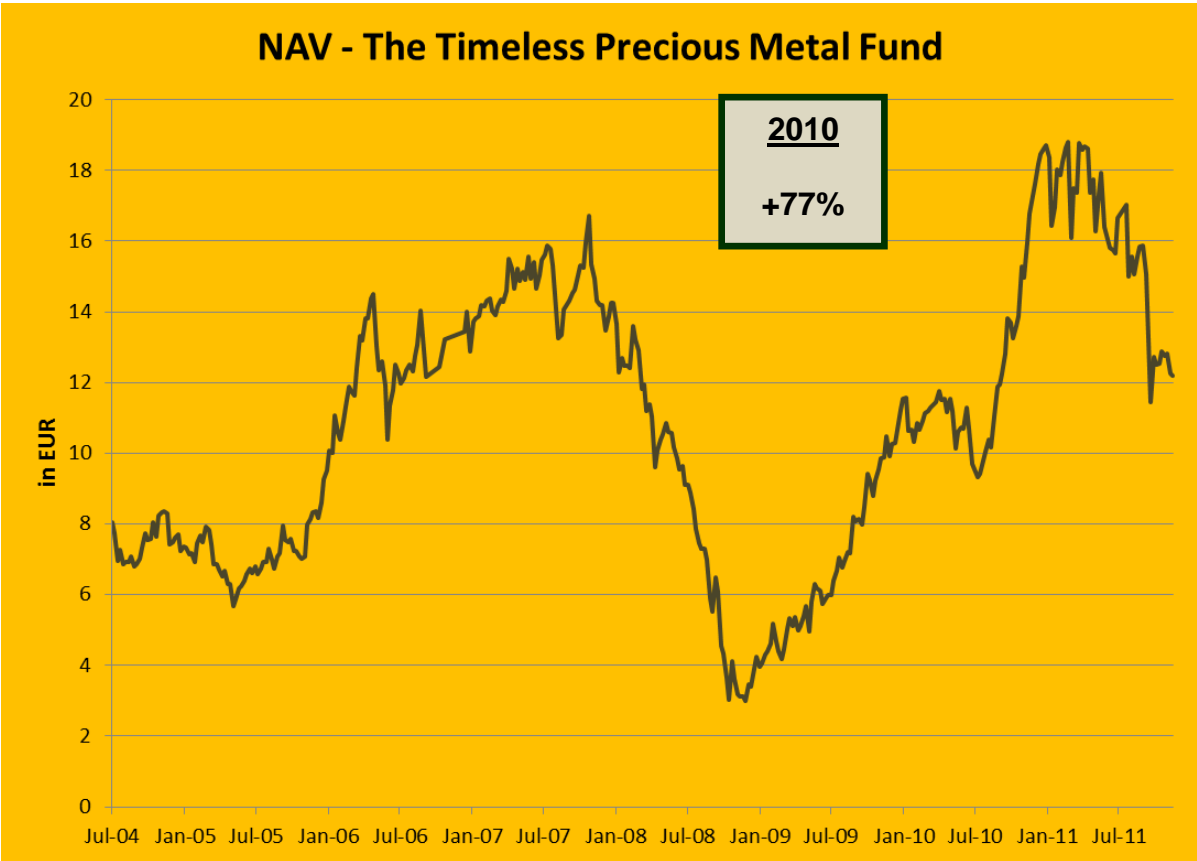
THE TIMELESS PRECIOUS METAL FUND

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.



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:

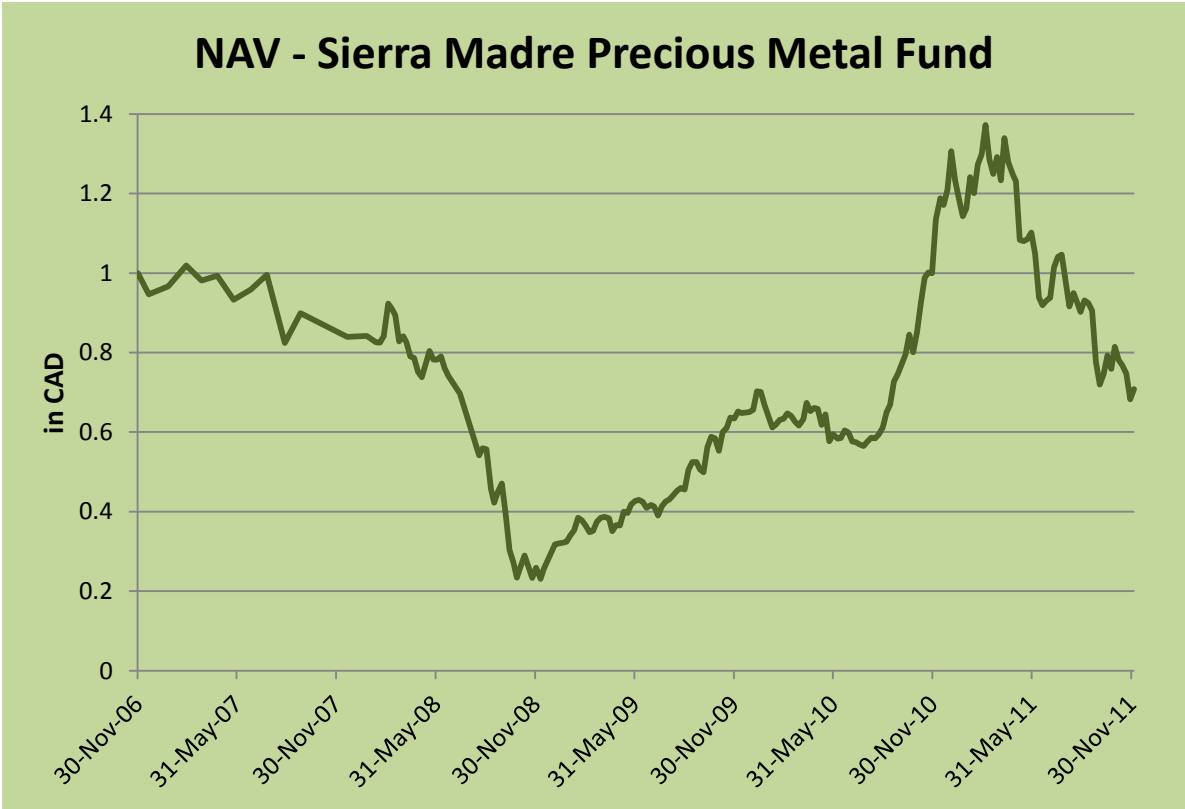


THE SIERRA MADRE GOLD & SILVER VENTURE CAPITAL FUND

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.





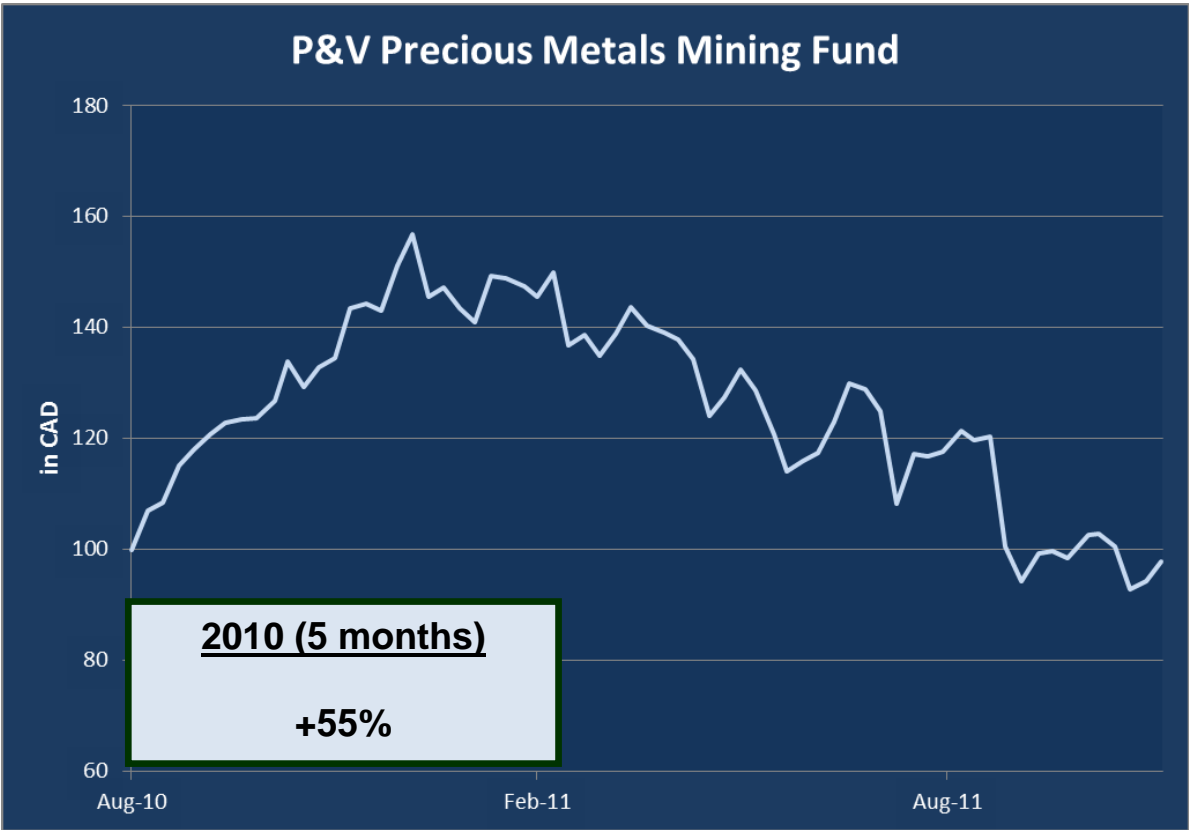
P&V PRECIOUS METAL MINING FUND

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 CAPITAL FUND instead of shares of only a small number of companies.
