



## Aurizon's Q3 2011 Is Highlighted by Record Revenues and Record Cash Flow

Aurizon Mines Ltd. (NYSE Amex: AZK; TSX: ARZ) has an enviable abundance of riches – a producing gold mine, another project in the feasibility stage, and eight other properties showing great potential for exploration and eventual development in one of the world's most prolific gold and base metals regions. But this also is a company that clearly is not satisfied to stand on its accomplishments to date, a fact that bodes well for shareholders.

Aurizon posted record revenues in 2010 and is about to set even more records in 2011 as it continues to ramp up production at its flagship Casa Berardi mine and embarks on a record exploration drilling program on its 9 properties in Quebec.

The company has two primary goals: to continue to bring an increasingly valuable precious metal to a voracious market where prices have quintupled over the past 10 years; and, to that end, to grow its resource ounces to ensure a strong production future.

"We are very pleased with the results our team have delivered in the third quarter," said Mr. George Paspalas, President and CEO. "The operating performance at Casa Berardi continues to improve, and we are seeing greater margins as lower operating costs on a per ounce basis complement higher gold prices to realize an operating margin of US\$1,198 per ounce for the quarter, an improvement of 233% over the corresponding period last year. This increased operating margin is improving all financial metrics significantly compared to corresponding periods. Our investment in the future of Casa Berardi is progressing well, with the shaft deepening in full swing

and very encouraging exploration results from the 123 zone within the West Mine. We have also realized exploration success elsewhere at Fayolle and Marban, and are excited about the future potential for these projects. The optimization of the Joanna feasibility is progressing well, and a final study should be completed in second quarter 2012."

### Third Quarter 2011 Highlights

- Net profit of \$13.1 million, (\$0.08 per share) 467% higher than third quarter 2010
- Record cash flow from operations of \$34.7 million, 388% higher than third quarter 2010.

- Gold production of 44,457 ounces, up 49% from third quarter 2010.

- Working capital of \$178.8 million, including cash of \$178.0 million.

- Gold production from the Casa Berardi mine in the third quarter of 2011 totaled 44,457 ounces, 49% higher than the same period of 2010.

Higher ore throughput, higher ore grades, and improved mill recoveries account for the improvement over the corresponding 2010 period. These results are in line with plan. Additional mining equipment and improved ore handling had a positive impact on productivity and ore throughput.

Daily ore throughput of 2,050 tonnes per day was achieved in the third quarter 2011, compared to



Aurizon Mine posted multiple records in its third quarter: revenues of \$68 million, a net profit of \$13.1 million (\$0.08 per share), up 467% from third quarter 2010, and \$34.7 million in cash flow from operations, up 388% compared to third quarter 2010.

1,847 tonnes per day in the same quarter of 2010. Unit operating costs on a Canadian dollar per tonne basis in the third quarter of 2011 were 2% higher than plan at \$117 per tonne, as a result of additional stope development costs and general inflationary cost pressures in the mining industry. Unit operating costs in the same quarter of 2010 were \$112 per tonne.

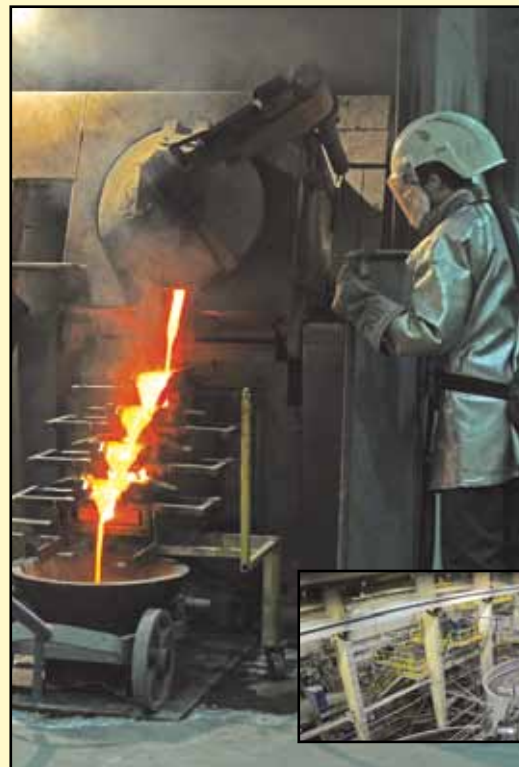
The anticipated higher ore grades in the third quarter of 2011 more than offset a strong Canadian dollar and higher operating costs per tonne, resulting in total cash costs of US\$497 per ounce in the third quarter of 2011, compared to US\$604 in the same quarter of 2010. The 18% drop in total cash costs per ounce, compared to the same quarter of 2010, is the result of a 29% increase in ore grades, partially mitigated by a combination of 4% higher unit operating costs per tonne and a 6% strengthening of the Canadian dollar.

### Exploration Programs Underway at Several of its Properties

Quebec, a low-risk, pro-mining province within a mining-friendly country, offers Aurizon a very large and mineral-rich sand box to play in. The company will spend \$39 million on exploration and infill drilling on many of its properties in 2011 – with the largest budgets at its operating Casa Berardi Mine and advanced Joanna Project. \$21.2 million will be spent at its recently optioned Fayolle, Marban, Rex South, Opinaca-Wildcat, Duverny, and Patris properties, as well as for general exploration.

At the Fayolle joint venture, which is only about 10 kilometers north of Joanna and encompasses 1,373 hectares along the Porcupine-Destor Break, one of the most productive gold bearing structures on the Abitibi Belt, two drill rigs were active in the third quarter completing 5,740 metres of drilling that was divided between continued exploration on the Fayolle deposit and the Vang structure.

Aurizon's Rex South joint venture project with Azimut Exploration Inc. hosts a major polymetallic porphyry mineralized trend. The Field exploration program which started in the 2<sup>nd</sup> 2010, was completed during the third quarter. Approximately 15% of the assay results had been received at the end of September 2011. Aurizon



Aurizon Mines operates in Quebec, the world's #1 mining jurisdiction, producing gold at its flagship Casa Berardi Mine and developing multiple properties within the famed Val d'Or and Abitibi Gold Camps.



can earn up to 65% interest in the project and has budget \$4.1 million for exploration in 2011.

At Aurizon's Marban property in the Malartic gold camp, two drill rigs were active in the third quarter completing 5,449 metres of drilling focusing on closed spaced drilling within the first 250 vertical metres of the Marban deposit and testing the down dip eastern extension between depths of 400 to 600 metres. The drilling to date has validated the geological and structural model of the deposit; established lateral and vertical continuity to the mineralized shear zones; and demonstrated the potential for both bulk tonnage and narrower higher-grade ore shoots. The project is a joint venture with Niogold Mining Corporation. Aurizon can earn up to a 65% interest.

### **Casa Berardi Reserves and Resources Continue to Grow at Rapid Pace**

Gold deposits along Aurizon's 37 kilometer-long Casa Berardi property are concentrated along a five-kilometer mineralized corridor that includes the East and West underground mines and the Principal Zones. The latter will eventually become an open pit operation. Underground production at Casa Berardi has totaled over 1.3 million recovered gold ounces since 1986. Under Aurizon's management, since late 2006 the mine has produced 723,316 ounces of gold.

Mineral reserves now stand at slightly more than 1.457 million oz. of gold. Measured and indicated resources total an additional 824,000 oz. of gold, and inferred resources stand at 748,000 oz. of gold. It is important to note that although the property hosts a producing gold mine, much of the area has yet to be extensively explored.

In 2011, Aurizon will spend \$11.3

million on 115,000 meters of diamond drilling. During the third quarter, three surface rigs were actively exploring the western extensions of the Principal Zone open pit reserves and Zone 148 and 160 near the East mine mill facilities. Seven to nine underground drill rigs were primarily focused on infill and step out drilling.

Total production cash costs at Casa Berardi are targeted at approximately \$535 an ounce for 2011.

Shaft deepening commenced in the second quarter and to the end of the third quarter, ramp access from the 880 metre level has resulted in 104 metres of excavation by means of an Alimak raise up to the current shaft bottom, which will allow for accelerated shaft deepening. The shaft is expected to be completed towards the end of 2012.

### **Drilling Programs Continue to Confirm the Continuity and Extension of the Heva and Hosco Mineralization**

Aurizon announced assay results from the exploration and drilling program of the Heva and Hosco sectors at its Joanna project. Seventy nine new holes totaling 21,082 meters have been completed at Heva, Heva East and in the western limit of the pit shell at Hosco.

Aurizon is currently working on a feasibility study on the Hosco deposit of the Joanna property, which incorporates the increased mineral resource estimate of 54.1 million tonnes at an average grade of 1.29 grams of gold per tonne or 2,245,000 ounces of gold, together with results of metallurgical pilot tests, geotechnical study, updated capital and operating cost estimates, and other relevant studies. The study has been delayed to allow for completion of additional work and optimization plans.

## **Investment Considerations**

2010 was unquestionably an impressive year for Aurizon Mines as the company posted a record \$179 million in revenues and increased its operating profit margin per ounce of gold by 18%. The company also increased the mine life of its flagship Casa Berardi Mine from six to ten years and increased the mine's reserves by 44% to 1.457 million oz. of gold. At the same time, Aurizon increased mineral resources at its Joanna project by 35% at the Hosco open pit deposit and early in Q2, Aurizon increased the Hosco In-Pit measured & indicated mineral resources by 537,000 ounces or 31%

Here is just a sample of Aurizon's expectations for 2011:

- Aurizon produced 141,000 ounces of gold in 2010 – a number that could reach up to 165,000 ounces, higher ore throughput and grades are anticipated.

- Overall, Aurizon's reserve base increased by some 44% in 2010. With a record \$39 million set aside for exploration in 2011, a large increase in resources in 2011 is also anticipated.

- Aurizon's property portfolio grew from three to ten properties in 2010. That number could well rise again in 2011, even as the company's primary focus remains on exploration and development of its existing large property portfolio.

- At the close of 2010, Aurizon's market cap was \$1.18 billion with a strong and growing balance sheet of over \$130 million in cash with access to another \$50 million through a revolving credit facility. The company has no debt and is totally unhedged. Barring unforeseen events, expect the company to be even stronger at the end of 2011.

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# Aurizon Mines Ltd.



*Creating Value through*

**Production, Development and Exploration**

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Shares Outstanding: 172,276,552

Active Float: 163,021,202

52 Week Trading Range:

NYSE Amex: Hi: \$8.42 Low: \$4.97

TSX: Hi: C\$8.41 Low: C\$5.04



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Corporate  
Presentation

## **Quick FACTS**

*Aurizon is a gold producer with a growth strategy focused on developing its existing projects in the Abitibi region of north-western Quebec, one of the world's most favorable mining jurisdictions and prolific gold and base metal regions, and by increasing its asset base through accretive transactions.*

### **Company Highlights:**

- \$1 billion market cap.
- 2010 Gold production: 141,000 ounces at \$541 per oz.
- 2011 gold production may increase to 165,000 oz. at a cash cost of \$535 per oz.
- Gold reserves increased 44% in 2010.
- Record revenues of \$179 million in 2010.
- Operating profit margins of \$US977 per ounce up 69% over Q210.
- \$39 million 2011 exploration budget.
- Property portfolio grew from 3 to 10 properties in 2010.
- Aurizon Mines operates in low risk, mining friendly Québec.

Aurizon Mines Ltd. – led by a highly experienced mining team – is focused on becoming an intermediate gold producer by exploring and developing large land positions on favorable geological trends, close to infrastructure, in politically stable, pro-mining jurisdictions. In addition to its operating gold mine, Casa Berardi, exploration is currently being conducted at Casa Berardi, as well as at Aurizon's other gold project, Joanna, and the Duvernay properties. Aurizon also is engaged in earn-in joint venture agreements on the Fayolle, Marban, Opinaca, Wildcat, Rex South and Midland properties. The company's properties are located in Quebec, one of the world's premier mining jurisdictions. Aurizon's property portfolio is characterized by historic gold camps, good infrastructure, large land positions and excellent exploration potential.