

**Press Release Source: Zaruma Resources Inc.**

*Zaruma Resources and ELSAmetal sign Letter of Intent regarding the Luz del Cobre copper project (Mexico)*

**Wednesday August 10, 11:40 am ET**

TORONTO, Aug. 10 /CNW/ - Zaruma Resources Inc., (TSX-ZMR), is pleased to announce that the Company has signed a letter of intent with ELSAmetal S.A., ("ELSAmetal"), of Geneva, Switzerland to use ELSAmetal's copper cementation process for producing a 99% pure copper powder at the Company's wholly-owned Luz del Cobre copper project in Sonora, Mexico.

Luz del Cobre is located on the Company's 9,800 hectare San Antonio property, and the historic data, using a cut-off of 0.2% Cu and an assumed price of \$1 per pound, indicates an estimated 4.0 million tonnes of 0.43% Cu oxide material and 3.7 million tonnes of 0.94% Cu mixed oxide/sulphide mineralization. Metallurgical recovery averaged over 81%. These estimates are based on professionally and independently done feasibility studies in the 1990's. The planned confirmation of these estimates under today's NI 43-101 standards is a key aspect in moving the project to a production decision.

ELSAmetal has developed, to the stage of industrial production, a metal extraction technique based on optimized standard metal cementation, and has designed a copper recovery plant expected to produce a 99% pure copper powder from an acid copper solution, using iron pellets as the precipitation agent.

ELSAmetal will participate in the copper extraction portion of the planned updating of the feasibility studies, and, if the decision is made to use their process, ELSA will finance, construct, and install the recovery plant equipment and operate the extraction process, in exchange for a fee and the marketing rights for the copper.

Thomas Utter, President and CEO of Zaruma stated: "The possibility of using a copper cementation process instead of a solvent extraction, electrowinning plant is expected to lead to significantly lower capital costs, reduced operating costs, and a shorter construction time. ELSAmetal's financing of the recovery plant equipment would reduce Zaruma's financing requirements. Putting Luz del Cobre into production is part of Zaruma's plan to become a producing company, and would support the Company's main focus on gold by financing the exploration and development of the significant gold potential at San Antonio. The measured and indicated gold resource from drilling to date is currently 300,000 ounces".

The President of ELSAmetal, Franck Lançon, commented: "The ELSAmetal process was designed specifically for small to medium size leachable copper deposits. The reported leach characteristics of the Luz del Cobre mineralization indicates that the material fits well with our process and plant".

Zaruma Resources Inc. is a mineral exploration company listed on The Toronto and Frankfurt Stock Exchanges (symbol: ZMR). Common s