VANCOUVER, BRITISH COLUMBIA--(Marketwired - Oct 16, 2015) - Aurcana Corp. (TSX VENTURE:AUN)(OTCQX:AUNFF) (the "Company" or "Aurcana") announces that it has entered into a Support Agreement (the "Support Agreement") with Orion Mine Finance (Master) Fund I L.P. (the "Lender") as lender under the amended and restated senior secured credit facility dated April 29, 2014 (the "Facility") to effect a restructuring transaction in connection with the debt obligations under the Facility (the "Restructuring Transaction"). The Company also announces certain amendments to the Facility.

Restructuring Transaction

The Restructuring Transaction has the following key elements:

- • exchange of all debt obligations under the Facility for the shares and/or partners interests held directly or indirectly by Aurca of one or more of Perforadora Aurcana S. de R.L. de C.V., Minera Aurcana S.A. de C.V., Minera La Negra, S.A. de C.V. and Real de Maconi, S.A. de C.V. (collectively, the "Mexican Subsidiaries"), to be determined by the Lender's election, resulting i the elimination of approximately US$38.7 million of principal amount of secured debt under the Facility on completion of the Restructuring Transaction;
- • reduction of annual interest costs by approximately US$2.3 million;
- • purchase by a newly incorporated affiliate of the Lender ("Newco") of certain equipment from Aurcana and certain of its subsidiaries for a total purchase price of US$3.5 million;
- • payments by Newco of US$40,000 per month to Aurcana for a total period of 12 months following the completion of the Restructuring Transaction, in connection with the provision of certain consulting services by specified officers of Aurcana to Newco; and
- • implementation of the Restructuring Transaction is expected to occur on or before December 4, 2015.

Aurcana's trade creditors, as well as its obligations to employees, are unaffected by the Restructuring Transaction and will continue to be paid or satisfied in the ordinary course of business.

Facility Amendment and Additional Advance

The Company has also entered into an amendment agreement to the Facility pursuant to which the Company shall receive further advances of up to US$2.5 million (the "Additional Advance") from the Lender under the Facility. The Additional Advance will be subject to the existing terms of the Facility, and it shall be used exclusively to support operations at the Company's La Negra mine in accordance with a specified budget and will mature and be repayable on December 31, 2015, unless exchanged upon implementation of the Restructuring Transaction. Upon implementation of the Restructuring Transaction, the Additional Advance will be exchanged, together with the other debt obligations under the Facility, for shares of the specified Mexican Subsidiaries and the Additional Advance will no longer be an obligation of Aurcana.

Implementation of the Restructuring Transaction

It is anticipated that the Restructuring Transaction will be implemented by way of a plan of arrangement under the *Canada Business Corporations Act* (the "Plan of Arrangement"). Implementation of the Plan of Arrangement will be subject to court approval and the receipt of all necessary regulatory and stock exchange approvals. The Company intends to proceed with a court application in respect of the Plan of Arrangement in early November 2015 and will post additional details in respect of the Plan of Arrangement and related court proceedings on the Company's web page (www.aurcana.com) as well as under the Company's profile on SEDAR (www.sedar.com).

Aurcana's shareholders will retain their existing shareholdings in the Company following completion of the Restructuring Transaction. Shareholders are not being asked to approve the Restructuring Transaction and no shareholder vote will be held in connection with the Plan of Arrangement.

If the Restructuring Transaction cannot be implemented through a Plan of Arrangement under the *Canada Business Corporations Act*, Aurcana may take all necessary steps to implement the Restructuring Transaction through such other legislation or in such other manner as the Company and the Lender may agree (the "Alternative Transaction"), provided that any such Alternative Transaction is completed on or prior to the December 4, 2015 outside date under the Support Agreement. The Company retains at all times the right to pay in cash all amounts outstanding under the Facility at any time prior to implementation of the Restructuring Transaction.

It is anticipated that the closing of the Restructuring Transaction will occur by December 4, 2015. The Restructuring Transaction contemplated by the Support Agreement is subject to certain conditions, including obtaining required governmental, court, regulatory, and third party approvals, as applicable. The Company can give no assurances that the Restructuring Transaction will be completed.

Under the Support Agreement, the Lender has agreed that during the term of the Support Agreement, it will support the

Restructuring Transaction and will not enforce under or exercise any default-related rights or remedies under the Facility. As announced in the Company's news release dated August 14, 2015, in order to improve the Company's short-term liquidity, the Lender permitted the Company to make interest only payments under the Facility and defer payments on the principal amount owed from January to July 2015 until August 31, 2015. The Company has not made the deferred payments due August 31, 2015 and is in default under the Facility. If the Support Agreement is terminated and/or if the Restructuring Transaction is not implemented, the Lender will be in a position to take all steps to enforce under the Facility. Aurcana does not presently have the capital or funds to repay the Lender.

Aurcana's Board of Directors has determined that the Restructuring Transaction is in the best interests of the Company and its stakeholders under the circumstances. The Restructuring Transaction will result in, among other things, an elimination of all debt obligations outstanding under the Facility on implementation of the Restructuring Transaction. The net result of the transaction will see Aurcana relinquishing control over its operations and subsidiaries in Mexico, the Shafter Silver Project will become Aurcana's principal property asset and there will be sufficient cash in the treasury to meet the Company's intermediate-term obligations and advance its asset base.

"The Company has conducted an extensive process to identify alternatives and we are satisfied that the Restructuring Transaction is the best available transaction for Aurcana at this time. The prolonged significant downturn in metals prices means that the La Negra mine has been unable to produce sufficient cash-flow for Aurcana to fulfil its obligations under the Facility. The Restructuring Transaction will provide Aurcana with sufficient working capital to meet its near-term obligations and continue with further exploration and development of the Shafter Silver Project," said Mr. Kevin Drover, President and CEO.

The Company's financial advisor Primary Capital Inc. has provided an opinion to Aurcana's Special Independent Committee of the Board of Directors that the consideration under the Restructuring Transaction is fair from a financial point of view to the shareholders of Aurcana. Goodmans LLP and Axium Law Corporation have acted as legal counsel to the Company in connection with the Restructuring Transaction.

The Support Agreement will be filed by the Company on SEDAR. Further information about the Restructuring Transaction will be available on SEDAR (www.sedar.com) and the Company's web page (www.aurcana.com).

Resignation of Director

The Board of Directors also announces that it has accepted the resignation of Mr. Robert (Bob) Tweedy as a Director and Chairman of the Board. Mr. Kevin Drover, President and CEO, stated: "All of us at Aurcana would like to sincerely thank Bob for his time and dedication to Aurcana over the past five years. He has been a valued advisor to the board and management and we wish him all the best for the future."

About Aurcana Corporation

Aurcana Corp. is a primary silver producing company with two properties: the La Negra Mine in Mexico and the Shafter Silver Project in Texas, US. The latter was put on care and maintenance in December 2013, in part due to depressed silver prices.

ON BEHALF OF THE BOARD OF DIRECTORS OF Aurcana Corp.

Kevin Drover, President & CEO

For further information, visit the website at www.aurcana.com.

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Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements, including statements regarding forecast metals production, metals grades, operational costs, recoveries, potential mineralization, exploration result, future plans and objectives of the Company, including the ability of the Company to restructure or otherwise settle its outstanding debt and the business and anticipated financial performance of the Company. These statements are forward-looking statements that involve various risks and uncertainties. Forward-looking statements include, but are not limited to, statements with respect to mining and processing of mineralized material, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and reserves, and other information that is based on forecasts of future

operational or financial results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends" or stating that certain actions, events or results " may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements". Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to materially differ from those reflected in the forward-looking statements.

Actual results may differ materially from results contemplated by the forward-looking statements. Important factors that could differ materially from the Company's expectations include, among others, risks related to metals prices, international operations, unsuccessful exploration results, conclusions of economic evaluations and changes in project parameters as plans continue to be refined as well as changes in the availability of funding for mineral exploration and development, unanticipated changes in key management personnel and general economic conditions. When relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and should not place undue reliance on such forward-looking statements. The Company does not undertake to update any forward-looking statements, oral or written, made by itself or on its behalf, except as required by applicable law. Accordingly, readers should not place undue reliance on forward-looking statements.

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