



NEWS RELEASE

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AURCANA ANNOUNCES ACQUISITION OF BLUE GRASS MINING CLAIM EXTENDING VIRIGINIUS VEIN OWNERSHIP

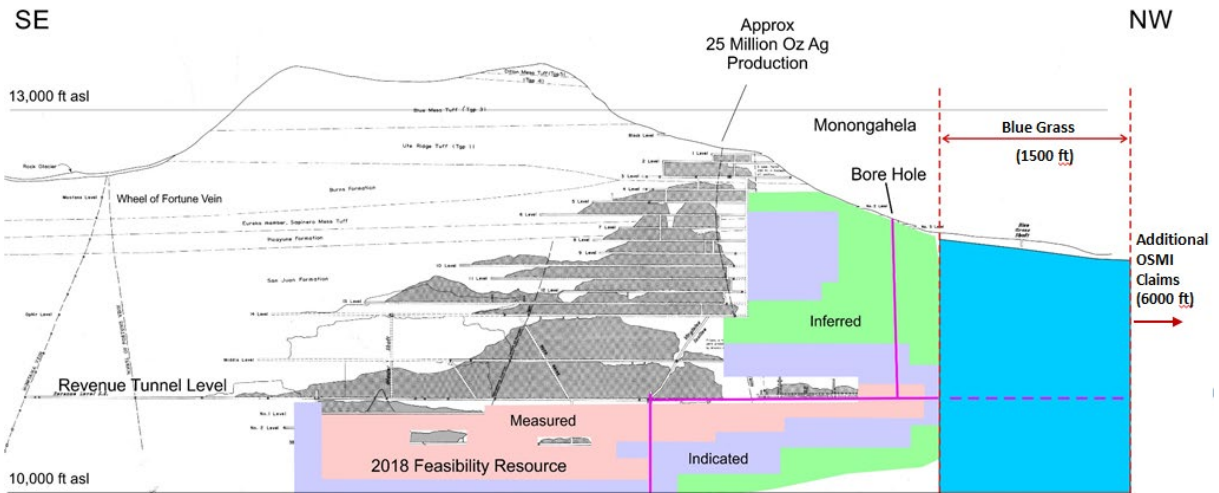
VANCOUVER, BC – January 7, 2020 - As part of its transition to a long term silver producer, Aurcana Corporation ("Aurcana" or the "Company") (TSXV: AUN) announces the acquisition of the Blue Grass mining claim located on the Viriginus Vein contiguous to the planned initial mining operations at the Revenue-Viriginus Mine. Aurcana also announces the retirement of its CFO, Salvador Huerta, and a subsequent management change.

Blue Grass Claim Acquisition

The Company is pleased to announce the signing of a definitive agreement between Aurcana's wholly owned subsidiary, Ouray Silver Mines Inc. ("OSMI") and Caldera Mineral Resources ("Caldera") to swap certain mineral properties in the Mt. Sneffels Mining District located in the San Juan Mountains of Colorado. The transaction is non-cash, accretive to both companies, and is expected to close in the first quarter subject to customary closing conditions.

Under the terms set forth in the agreement:

- OSMI will receive 100% surface and mineral ownership of the Blue Grass claim located contiguous to current underground workings. In aggregate, the Blue Grass acquisition provides OSMI access to over 7,500 feet (2,286 meters) of additional high grade vein that is contiguous to the existing 4,000 feet (1,219 meters) of vein containing approximately 15 million M&I silver ounces (80% of OSMI's current 43-101 compliant resource) @ an average silver grade of approximately 22 ounces/ton. The current Viriginus M&I resource is contained in approximately 4,000 feet (1,219 meters) of contiguous strike length on the Monongahela, Viriginus and Nada claims southeast of the Blue Grass. The Blue Grass claim has approximately 1,500 feet (457 meters) of strike length of the high grade Viriginus Vein mapped on surface. In addition to the strike length contained in the Blue Grass, OSMI's ownership of this important claim also provides access to on-vein development to over 6,000 feet (1,829 meters) of additional contiguous Viriginus Vein strike length to the Northwest on claims already owned or controlled by OSMI.



- Caldera will receive OSMI's 62.08% surface and mineral ownership in the Hidden Treasure and Hidden Treasure mill site claims, 62.08% of only mineral ownership in the Good Luck and Good Luck Extension claims, and 80% interest in the Evelyn, Edward B, John R. and Vincent Claims located in Imogene Basin. These are non-core OSMI claims and are not part of or adjacent to the existing or contemplated future mineral resources, but for Caldera they are important as they control portal access to the Camp Bird 3 and Chicago level tunnels.

The Blue Grass Claim is in an area that is accessible by road and can be drilled from surface. Aurcana intends to complete a surface drill program this coming summer and will announce the details of the program in the coming weeks. In addition, in conjunction with the ongoing work program for development of the 2000 and 1500 levels (see press release date November 11, 2019 and June 19, 2019) OSMI will evaluate additional on vein development drifting and sampling as appropriate.

Management Change

Aurcana announces the retirement of Salvador Huerta, Chief Financial Officer. Kevin Drover, President and CEO said: "It has been my great pleasure to have worked with Salvador and on behalf of the Board and management I would like to thank him for his 10 plus years of service to the Company and wish him and his family much enjoyment and pleasure as he starts his next adventure".

In addition, Aurcana is pleased to announce the appointment of Charles (Buck) Andrews to the position of Chief Financial Officer of the Company. Charles has a Degree in Accounting from Midwest College, a BS Accounting from Regis College. Charles has significant experience in the mining industry having previously held senior positions with such companies as Rosemont Copper, Queenstake Resources and PolyMet Mining. He is also a certified Information Systems Auditor (CISA). Charles will be located, along with Kevin Drover, at Aurcana's new head office at OSMI in Ouray, Colorado.



Qualified Person Statement

The scientific and technical content of this news release was reviewed and approved by Michael Gross, P.Geo., a “qualified person” within the meaning of NI 43-101

ABOUT AURCANA CORPORATION

Aurcana Corporation owns the Revenue-Virginus Mine, in Colorado, and the Shafter-Presidio Silver Project in Texas, US. The primary resource at Shafter and Revenue-Virginus is silver. Both are fully permitted for production.

ON BEHALF OF THE BOARD OF DIRECTORS OF AURCANA CORPORATION

“Kevin Drover”, President & CEO

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Management has provided the above summary of risks and assumptions related to forward looking statements in this press release in order to provide readers with a more comprehensive perspective on the Company’s future operations. The Company’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. These forward looking statements are made as of the date of this press release, and, other than as required by applicable



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