AURCANA CORPORATION

Management Discussion and Analysis for the year ended December 31, 2012

This Management Discussion and Analysis ("**MD&A**") should be read in conjunction with Aurcana Corporation's (the "**Company**" or "**Aurcana**") audited consolidated financial statements for the years ended December 31 2012 and 2011, and the related notes thereto, which have been prepared in accordance with International Financing Reporting Standards ("IFRS"). This MD&A contains "forward-looking statements", including, but not limited to, statements regarding the Company's expectations as to the market price of minerals, strategic plans, future commercial production, production targets and timetables, mine operating costs, capital expenditures, work programs, exploration budgets and mineral reserve and resource estimates. The information in this MD&A is current to April 11, 2013.

Forward-Looking Statements

Forward-looking statements express, as at the date of this report, the Company's plans, estimates, forecasts, projections, expectations, or beliefs as to future events or results. Forward-looking statements involve a number of risks and uncertainties, and there can be no assurance that such statements will prove to be accurate. Therefore, actual results and future events could differ materially from those anticipated in such statements and Aurcana assumes no obligation to update forward-looking information in light of actual events or results, except as required by law.

Factors that could cause results or events to differ materially from current expectations expressed or implied by the forward-looking statements, include, but are not limited to, factors associated with fluctuations in the market price of minerals, mining industry risks and hazards, environmental risks and hazards, uncertainty as to calculation of mineral reserves and resources, requirement of additional financing, risks of delays in construction, capital and operating and cash flow estimates contained in the Company's technical reports and feasibility studies; and the access to financing and appropriate equipment and sufficient labour, and other risks. Actual results may differ materially from those currently anticipated in such statements.

The forward looking information in this MD&A is based on management's current expectations and Aurcana assumes no obligations to update such information to reflect later events or developments, except as required by law. Often, but not always, forward-looking statements and forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "anticipated", "is targeted", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negatives thereof or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements or information include, but are not limited to, statements or information with respect to known or unknown risks, uncertainties and other factors which may cause the actual industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Additional information, about the risks and uncertainties of the Company's business is provided in its disclosure materials include its most recent annual and quarterly filings, filed with the securities regulatory authorities in Canada available at www.sedar.com.

Forward-looking statements or information are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements or information, including, without limitation, risks and uncertainties relating to: requirements for additional capital; dilution; loss of its material properties; interest rate fluctuations; the global economy; future metals price fluctuations, the speculative nature of exploration activities; periodic interruptions to exploration, development and mining activities; environmental hazards and liability; industrial accidents; failure of processing and mining equipment to perform as expected; labour disputes; supply problems; uncertainty of production and cost estimates; the interpretation of drill results and the estimation of mineral resources and reserves; legal and regulatory proceedings and community actions; title matters; regulatory restrictions; permitting and licensing; volatility of the market price of Common Shares; insurance; competition; hedging activities; currency fluctuations; loss of key employees; and those risks identified herein under the heading "Risks and Uncertainties".

This information can be found on SEDAR at www.sedar.com and on the Company's website www.aurcana.com. The reader should be aware that historical results are not necessarily indicative of future performance.

Figures are expressed in United States dollars, unless otherwise stated.

Qualified Persons

Baltazar Solano-Rico (M.Sc., Geol. Eng.) and Mrs. Betty Gibbs (E.M., MSc.) of Behre Dolbear are the independent Qualified Persons pursuant to NI 43-101 for the Company. Ken Collison (P.Eng), one of the Directors of the Company and Nils von Fersen (PGeo), Vice President, Exploration are also certified Qualified Persons of the Company. The technical contents of this MD&A have been reviewed and approved by Nils von Fersen for QP technical disclosures.

Baltazar Solano-Rico and Betty Gibbs have reviewed the technical information reported in the National Instrument 43-101 technical reports regarding the La Negra Silver Mine. All National Instrument 43-101 technical reports can be found on the Company's website at www.aurcana.com or on SEDAR at www.sedar.com.

Management Discussion and Analysis for the year ended December 31, 2012

Highlights:

	Year to date 2012	2011	Change Year-on-Year
Revenues ($ million) [3]	$56.9	$47.5	Up 20%
Earnings from mining operations ($million)	25.0	23.2	Up 8%
Net Income ($million)	10.0	7.7	Up 30%
Operating Cash Flow after taxes before movements in working capital ($ million) [1]	$21.5	$19.5	Up 10%
Silver Ounces produced	1,374,166	1,007,256	Up 36%
Silver Ounces sold (Payable at 95%) [1] [3] [4]	1,244,460	953,850	Up 30%
Silver Ounces equivalent produced [1]	2,523,441	1,741,705	Up 45%
Silver Ounces equivalent sold [1] [3] [4]	2,236,183	1,649,218	Up 36%
Production Cash cost per silver equivalent oz [1]	$10.18	$11.43	Down 11%
Total Cash Cost per silver oz net of by-products [1] [3]	$6.43	$7.63	Down 16%
Cash Cost per milled ton. [1] [2]	$37.16	$39.36	Down 6%
Copper, lead and zinc concentrates produced (tonnes)	28,363	20,761	Up 37%
Ore mined (tonnes)	670,930	538,750	Up 25%
Ore milled (tonnes)	691,260	505,965	Up 37%
Avge., revenue per payable eq. Silver oz sold [1] [3]	$25.45	$28.80	Down 12%

[1] A non IFRS measure

[2] Depreciation and amortization not included

[3] Revenues from the sale of concentrates are recorded net of charges for treatment, refining, and smelting (TCRC).

[4] Difference between silver ounces produced vs sold is mainly due to change in concentrates inventory and percentage paid for each metal.

Remarks: Revenues, earnings from mine operations and production and selling disclosures relate to the La Negra mine only.

- On August 28, 2012 La Negra released a new NI 43-101 compliant resource estimated at 206 million silver equivalent ounces, which includes 115 million silver ounces, Measured & Indicated.
- Ore milled was 691,260 tonnes in 2012, of which 83% was mined from NI 43-101 Measured & Indicated Resources and 17% was mined from other mineralized zones, regarding the recent certification of NI 43-101.
- 37% increase in milled tonnes processed for a total of 691,260 milled tonnes during the year ended December 2012 (2011: 505,965 tonnes).
- In order to allow for an increase in future production, La Negra Mine in Mexico completed its third consecutive mine and mill expansion to 3,000 tonnes per day ("tpd") (from 1,500 tpd and2,500 tpd installed capacity in the past), on time and on budget, and started additional production in April 2013 as planned.

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Management Discussion and Analysis for the year ended December 31, 2012

Basis of Presentation:

The accompanying consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

Nature of Business:

Aurcana was incorporated under the laws of Ontario on October 12, 1917 under the name "Cane Silver Mines Limited" and was continued under the Canadian Business Corporations Act on September 14, 1998 under the name Aurcana Corporation. Aurcana is a reporting issuer in British Columbia, Alberta and Ontario. The Company is listed on the TSX Venture Exchange ("TSX-VE") under the symbol AUN and was elevated to Tier 1 Status in October 2008.

The principal business of the Company is the acquisition, exploration and development of mineral properties, primarily silver-copper-zinc-lead mines. Since 2007, the Company has been operating the La Negra mine ("**La Negra**"). On February 17, 2012, the Company increased its ownership in Real de Maconi S.A. de C.V. ("Real Maconi") from 92% to 99.86 % in the state of Queretaro, Mexico. In addition, in 2008 the Company acquired 100% indirect interest in the Shafter Silver Mine in Texas, USA ("**Shafter**").

Company Description

Aurcana is engaged in the business of mining, exploration and development of mineral properties. The principal focus is the operation and development of mineral properties, primarily silver operations located in Mexico and the United States. The Company is currently operating the La Negra silver-copper-zinc-lead mine ("La Negra"), located in the state of Queretaro, through Real de Maconi S.A. de C.V. In addition to the Mexico operations, the Company holds the Shafter Silver Mine located in Presidio County, southwest Texas through the Company's 100% owned US subsidiary, Silver Assets Inc., which remains in construction and commissioning.

La Negra Mine

- Silver produced during the 2012 year–1,374,166 ounces (2011: 1,007,256 ounces).
- The La Negra mill upgrade to 3,000 tpd has been completed on time and on budget. The mill has been processing an average of approximately 3,000tpd since March, 28, 2013.
- 691,260 tonnes of ore processed during the 2012 year (2011: 505,965 tonnes).
- Copper, Zinc and Lead concentrate produced during the 2012 year – 28,363 tonnes (2011: 20,761 tonnes).
- The average grade of silver was 78 grams per ton in 2012, compared to 77 grams per ton in 2011. During the last quarter of 2012, the main focus was mine development which resulted in lower grade of silver at 72 grams per ton.
- As a follow up to recent discoveries of significant gold associated with strong silver, zinc and lead mineralization in the new areas tested at La Negra, a 5,000 metre drill program has been initialized.
- Fire assays for the gold samples announced on February 11, 2013 are underway and the initial results are confirming the original findings. While historically gold production has not been a major source of revenue at La Negra, the exploration program is aimed to evaluate the potential economic significance of these results.

- In 2013, Aurcana will commence studies on how to best capitalize on the large resource base at La Negra and define its next growth objectives.
- Behre Dolbear and Company (USA), an independent mining consulting firm, has prepared a new Mineral Resource estimate (announced on August 28, 2012 and filed on SEDAR on October 11, 2012) at the Company's La Negra mine in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), CIM Standards. The Estimate is based on 16,422 diamond drill holes and 22,289 channel samples. A summary of the new mineral resource estimate is tabulated below:

Classification	Tonnes	Average			
		Silver (g/t)	Copper (%)	Lead (%)	Zinc (%)
Measured	11,862,000	133.42	0.5	0.9	2.6
Indicated	15,159,000	130.12	0.41	0.92	2.19
Measured and Indicated	**27,021,000**	131.31	0.49	0.91	2.36

Classification	*In Situ* Metal Quantities				Average Recovered Value ($/t)[2]
	Silver (oz)[1]	Copper (lb)[1]	Lead (lb)[1]	Zinc (lb)[1]	
Measured	50,070,000	130,834,000	228,825,000	673,603,000	180.06
Indicated	65,026,000	138,695,000	310,673,000	745,060,000	166.63
Measured and Indicated	**115,096,000**	269,529,000	539,498,000	1,418,664,000	>172.53

1. Ounces and pounds of in situ metal are calculated using only resource blocks with a recovered value of US$40 or greater.
2. Metal prices and recoveries used for the average recovered value estimate are calculated using a trailing 12-quarter average spot price and actual recoveries as documented in the company's NSR reports from January through May 2012.as follows: Silver - $28.29/84.87%; Copper - $3.33/81.02%; Lead - $0.88/74.62%; Zinc - $0.84/70.66%.

Mining operations and exploration drilling at La Negra continues to delineate additional mineralized zones, either between or as extensions of existing mineralized zones. Drill crews completed 12,311 metres of diamond drilling during 2012 (2011:13,317 metres).

The tailings facility currently has the capacity to accept tailings from the planned 3,000 tpd plant for an estimated 5 more years. A new tailings area has been identified to provide for continued mine operations beyond 10 years. Environmental studies and other permit requirements have been initiated.

Shafter Mine

- In July 2008, the Company completed the acquisition of the Shafter Silver Mine from Silver Standard Resources Inc. for $CDN38.7 million.
- Based on the amended Shafter Feasibility Study on June 23, 2011, Shafter Mine has a NI 43-101 measured and indicated resource estimated at 24.0 million ounces of silver (2,795,000 tonnes average 8.6 silver Oz/ton) and an inferred resource estimates at 22.8 million ounces of silver (2,167,000 tonnes average 10.5 silver Oz/ton) using a four ounce per ton cut off.
- Based on the June 23, 2011 Shafter Feasibility Study, Shafter Mine has a NI 43-101 proven and probable reserve of 19.0 million ounces of silver (2,445,625 tonnes average 7.8 silver Oz/ton).
- The feasibility study estimated payback at under 2 years based on a silver price of $15.53 per ounce and 1,500 tpd through the mill from the underground; an internal rate of return ("IRR") estimated at 32% pre tax; net present value ("NPV") estimated at $34 million; an initial capital expenditure estimated at $45 million; annual silver production estimated at 3.8 million ounces.
- Underground development in the main ramp continued during the fourth quarter. The secondary escape way was lined and equipped with a hoist and man cage arrangement. Mine Safety and Health Administration (MSHA) approved the secondary egress in mid December and stope access development was finally given the go ahead. The escape way was also equipped as a ventilation raise as part of the mine master plan.
- The open pit operations were discontinued beginning January 2013 as underground development ore replaced the open pit ore.
- The underground mining at Shafter has been progressing well and according to plan. The main ramp continues to advance down dip at the rate of about 600 feet per month. The average ore grade currently being mined underground is over 5 ounces of silver per tonne. As the ramp continues to advance down dip, the grades are expected to increase and be more in line with the average grade of our existing reserve.
- The commissioning and testing phase commenced in April 2012. While the underground mine development has been progressing well, the Shafter mill has experienced a number of unanticipated malfunctions and technical issues with certain equipment in the mill and processing plant. As a result, the Shafter mill and processing plant have not yet reached its initial target of 600 tpd on a continuous basis. The progress towards reaching our initial production target is influenced by the delivery times for additional pieces of equipment, as discussed below. As a result, the mill and processing plant assets are not yet ready for their intended use.
- In order to achieve full production capacity during 2013, a number of improvements to the original mill and processing plant design and installation are necessary. An action plan has been developed in conjunction with outside consultants to accomplish our goal of bringing the mine to the initial production of 600 tpd during Q2 2013 and full feasibility production of 1,500 tpd by Q1 2014.

Management has undertaken a number of key actions in order to achieve production and ramp up to full production during 2013 including:

- Additional filter presses have been ordered, to solve mill capacity issues based on the current number of filter presses, and are scheduled for delivery during Q2 2013 and to become operational during Q3 2013.

- The installation of a Counter Current Decantation ("CCD") circuit, which will result in an increase in the overall recovery rate, is underway and will be completed gradually during Q4 2013.
- Additional engineering and construction work is necessary to achieve design capacity at Shafter. Cimetta Engineering and Construction Company have been engaged and their work is scheduled for completion during 2013.
- SGS/Metcon, a leading inspection, verification, testing and certification Company, has been retained to review and recommend process improvements that are aimed at optimizing metallurgical performance in the Shafter plant.
- Construction has been completed on the foundations and steel work of one additional thickener with the preparations for a second thickener in progress. These tanks are being built as part of the project to achieve planned capacity.
- In order to meet the planned level of production, the existing refinery also needs to be upgraded. The addition of a second drying oven and a new furnace is currently being designed and is expected to be completed during Q3 2013.
- Staff hiring and training is continuing to strengthen the production team at Shafter. Additional staff is being trained and will be added with the gradual increase of production to 1,500 tpd.

Aurcana anticipates a gradual increase in silver production during 2013 as these issues are resolved.

Environmental and Sustainability

- In recognition of Aurcana's commitments to environmental and social responsibility as an integral part of its corporate strategy, La Negra Mine operations in Mexico has been recently awarded the 2013 Environmental and Socially Responsible Company (ESR) Award by the Mexican Center for Philanthropy (CEMEFI).
- In order to support the local community, Aurcana is committed to put to beneficial use any water not required by the mining operations. RGMC has applied for a water well permit in order to offer water free of charge to the local Shafter town residents.
- In line with our environmental commitments, Aurcana is also working to improve the milling process in order to re-use the mill water and reduce the demand of fresh water.
- Aurcana's objective is to have a positive contribution in the local economy and local community where it operates. Aurcana is the largest tax payer and the largest employer in the county through its wholly owned subsidiary, Rio Grande Mining Company (RGMC), operating the Shafter Mine.
- Aurcana Corporation through its wholly owned subsidiary RGMC prides itself in the cooperative efforts to aid in refurbishing the old company store in Shafter. The company store will be a mixture of museum, historic mining information, coffee shop and convenience store for the locals and visitors. The store will also offer crafts by local artist.

Shafter Exploration

The 2012 exploration program at Shafter has identified evidence of a larger and more complex mineralizing system than previously recognized, with multiple discrete pulses of silver, silver lead-zinc, lead-zinc mineralization and over-printing silicification.

Dr. Peter Megaw, consulting geologist for Aurcana Corporation states: "Having evidence of complex, multiple stages at Shafter confirms we are exploring in a system with high potential, while demonstrating that although we still have not zeroed in on where to focus, continuing to do so is more than warranted. Seeing high complexity is a positive indicator for a long-lived, multi-staged, large system."

The main activity of the 2012 Shafter exploration program was an aggressive diamond drilling campaign focused on the near mine environment that totaled 12,000 metres in twenty-nine holes. A detailed map is available at: www.aurcana.com.

Drill holes were long angled holes designed to bend under known mineralization seeking evidence of a plumbing system and to look for additional potential in previously untested, deeper, limestone units. Major regional and mine structures were targeted. Eleven holes intersected mineralization in the Shafter and Presidio Mine horizons and provided additional infill data for the mine model.

In the Presidio Mine the drill program identified a major east-west trending structure (Herculano) that exhibits strong evidence of fluid movement and multiple dikes proximal to historic workings, which contain significant mineralization. Sulphide-bearing, strongly silicified breccia bodies are present that are cross-cut by later structurally controlled mineralization. These features suggest a prolonged geologic history of multiple episodes of structural re-adjustment, with multiple phases of mineralization and silicification. Further investigation is warranted to clarify if the structure is a feeder to the adjacent Santiago manto at Presidio.

Quality Assurance -- Quality Control

Sample intervals of drill core were two feet. One half of the cut core was placed in labeled polyethylene sample bags along with a sample tag and secured with a wire tie. Control standards and blanks were inserted into the sample batch by company geologists.

All samples were sent to Pinnacle Labs or American Analytical Labs in 2012 and were submitted by courier. Duplicate samples of returned pulps from selected high and low grade silver assays from Pinnacle Labs were sent for re-assay to American Analytical Labs for QA-QC purposes.

Samples were dried and reduced to minus ten meshes. A 250 gram sub sample was obtained and pulverized to 90% passing 150 meshes by ring and puck pulveriser. Multi-element analysis on 72 elements (including gold) consisted of 2 acid digestion and analysis by ICP-OES which was the standard method used in 2012. Silver and gold values greater than 2.917 Opt (100 ppm) were determined by Fire Assay with a gravimetric finish using a 30 gm prepared sub sample. Pulps and rejects from the assay process were returned to the company.

Results from the 2012 Shafter exploration drill program are as follows:

Drill Hole	From (ft)	To (ft)	Width (ft)	Ag (Opt)
S-12-401* ***prev.disclosed**	921	934	13	7.75
S-12-407	917	922	5	5.3
S-12-410	992	1001	9	2.1
S-12-417	857	861	2	4
	865	875	10	5.9
	877	895	18	6.2
S-12-432	985	987	2	3.5
	991	993	2	2.5
	1011	1019	8	6
	1033	1037	4	3
	1046	1052	6	2.4
	1060	1064	4	2.2
S-12-433	908	918	10	14.3
	920	928	8	6.9

Drill Hole	From (ft)	To (ft)	Width (ft)	Ag (Opt)
S-12-434	732.5	734	1.5	14.7
S-12-436	956.5	968	11.5	6.4
	972	974	2	2.2
S-12-437	898	902	4	4.1
	912	914	2	2.3
	964	974	10	7.2
S-12-439	562	564	2	4.1
	578	580	2	3.1
	590	594	2	7.6
S-12-441	604	606	2	3.6
	612	618	6	11
	624	630	6	3.5
	632	636	4	5.9
	646	652	6	27

Overall Performance

Earnings

The Company had earnings from mining operations of:

	Year ended December 31,	
	2012	**2011**
Earnings from Mine Operations ($ million) [1]	**25.0**	23.2
Income before Taxes ($ million)	**15.3**	9.6
Net Income ($ million)	**10.0**	7.7

[1] A non IFRS measure

The increase in earnings from mining operations for the year 2012 was mainly related to increased volumes as a result of expansion in La Negra mine, despite the decrease in metal prices.

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Revenue

During the year ended December 31, 2012, the Company generated total net revenues of 57.0 million (2011 – $47.6) from sales of the La Negra mine.

	Year ended December 31,	
Revenues derived from:	**2012**	**2011**
Zinc	15%	13%
Copper	26%	23%
Lead	7%	5%
Silver	52%	59%
Total	**100%**	**100%**

The revenues are recorded net of charges for treatment, refining and smelting (TCRC). TCRC deducted from revenues for each concentrate is as follows:

	Year ended December 31,	
	2012	**2011**
TCRC:		
Copper/Silver Concentrate	11%	12%
Lead/Silver Concentrate	21%	18%
Zinc Concentrate	27%	36%

Metals payable at: Silver 95%, Lead 95%, Copper 96.5% and Zinc 85%.

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The average prices for sales of zinc, copper, silver and lead before metals' payable and TCRC deductions are as follows:

	Year ended December 31,	
Price of metals sold:	2012	2011
Zinc	$0.88	$0.96
Copper	$3.59	$4.00
Lead	$0.94	$1.03
Silver	$31.12	$35.41

Cost of Sales

The cost of sales for the year ended December 31, 2012 was $32.0 million (2011: $24.4 million), which includes royalties, depletion, depreciation and amortization in the amount of $6.6 million for the current year (2011: $5.1 million).

The cost per milled tonne (excluding delivery freights, depletion, depreciation and amortization) for the year ended December 31, 2012 was $37.16 (2011: 39.36). Current cost per milled tonne is lower than the previous year due to higher volumes and productivity, although there was an increase in salaries of 10% starting January 1, 2012.

La Negra mine:

Quarter Ended	Dec-31 2012	Sep-30 2012	Jun-30 2012	Mar-31 2012	Dec-31 2011	Sep-30 2011	Jun-30 2011	Mar-31 2011
Mine Days	90	90	89	88	92	89	88	87
Mill Days	83	86	85	85	87	80	89	84
Inventory (start of period)								
Ore stockpiles (tonnes)	69,590	70,032	102,906	101,038	94,524	80,224	70,634	66,265
Zinc concentrate (tonnes)	479	83	79	242	76	104	40	94
Copper/silver concentrate (tonnes)	662	158	67	162	30	120	70	100
Lead concentrate (tonnes)	145	109	75	39	31	40	108	-
Production								
Ore mined (tonnes)	198,373	196,401	143,718	132,438	131,776	134,072	143,290	129,612
Ore milled (tonnes)	187,255	196,843	176,591	130,570	125,262	119,772	133,700	127,231
Ore milled daily average (tonnes)	2,256	2,278	2,075	1,534	1,441	1,497	1,506	1,520
Average Grade								
Zinc (%)	1.27%	1.43%	1.49%	1.53%	1.53%	1.42%	1.34%	1.09%
Copper (%)	0.44%	0.48%	0.42%	0.37%	0.40%	0.39%	0.42%	0.44%
Silver (g/t)	72	80	80	81	81	75	78	74
Lead (%)	0.32%	0.36%	0.41%	0.45%	0.46%	0.47%	0.42%	
Zinc concentrate (tonnes)	3,441	4,637	4,255	3,109	3,065	2,885	2,731	1,582
Containing: Zinc (tonnes)	1,611	2,120	1,950	1,478	1,380	1,253	1,131	668
Containing: Zinc (%)	47%	46%	46%	48%	45%	43%	41%	42%
Copper concentrate (tonnes)	2,419	3,063	2,517	1,474	1,679	1,600	1,882	2,994
Containing: Copper (tonnes)	618	732	541	326	358	362	398	466
Containing: Copper (%)	26%	24%	22%	22%	21%	23%	21%	16%
Lead concentrate (tonnes)	793	903	979	772	730	727	778	108
Containing: Lead (tonnes)	491	553	575	482	465	455	439	49
Containing: Lead (%)	62%	61%	59%	62%	64%	63%	56%	45%
Silver (oz)	336,956	376,687	373,037	287,486	265,230	244,243	257,508	240,275
Implied Recovery	77.7%	74.5%	81.9%	84.4%	81.3%	84.2%	76.8%	79.4%
Total Ag Eq. (Oz Ag Eq)	624,159	718,063	690,162	491,056	468,343	437,697	447,534	388,131
Inventory (end of period)								
Ore stockpiles (tonnes)	80,294	69,590	70,032	102,906	101,038	94,524	80,224	70,634
Zinc concentrate (tonnes)	249	479	83	79	242	76	104	40
Copper/silver concentrate (tonnes)	454	662	158	67	162	30	120	70
Lead/silver concentrate (tonnes)	31	145	109	75	39	31	40	108
Sales								
Zinc concentrate (DMT)	3,704	4,235	4,244	3,266	2,892	2,913	2,667	1,364
Containing payable 85%: Zinc (tonnes)	1,421	1,574	1,607	1,293	1,069	1,107	929	479
Copper concentrate (tonnes)	2,627	2,559	2,425	1,570	1,547	1,690	1,832	3,050
Containing payable:96.5% Copper (tonnes)	598	566	478	319	305	349	392	436
Lead concentrate (tonnes)	892	867	945	737	721	736	846	
Containing payable:95% Lead (tonnes)	445	481	532	426	431	430	485	
Silver (oz) payable at 95%	338,561	323,825	323,307	258,767	235,811	235,981	263,357	218,701

Sales figures are before treatment and refining charges (TCRC).

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Market trend for metal prices is as follows:

Market Average Price	Q4 2012	Q3 2012	Q2 2012	Q1 2012	Q4 2011	Q3 2011	Q2 2011	Q1 2011
Silver ($/ounce)	32.66	29.80	29.42	32.62	31.82	38.79	38.25	31.70
Copper ($/lb)	3.59	3.50	3.57	3.77	3.40	4.08	4.15	4.38
Zinc ($/lb)	0.88	0.86	0.87	0.92	0.86	1.01	1.02	1.09
Lead ($/lb)	1.00	0.90	0.89	0.95	0.90	1.12	1.16	1.18

* Source: London Metal Exchange

The Company is currently reviewing its options with respect to hedging. Currently the Company is able to fix prices on a monthly basis with its concentrate buyer.

Administrative Costs

	Years ended December 31, 2012	2011
Administrative costs[1]	$ 3,293,190	$ 2,990,345
Professional fees	323,716	774,583
Investor relations	357,112	333,246
Marketing	551,476	336,574
Listing and filing fees	88,271	128,632
	$ 4,613,765	$ 4,563,380

[1] Administrative costs break down:

	2012	2011
Management fees	$ 928,860	$ 849,235
Rent and overhead	160,138	145,853
Travel and accommodation	304,182	361,457
Office	226,485	185,817
Salaries and Consulting fees	972,378	989,584
Directors Fees	217,172	159,236
Other	483,975	299,163
	$ 3,293,190	$ 2,990,345

Management Discussion and Analysis for the year ended December 31, 2012

Professional fees

The Company incurred professional fees for the year ended December 31, 2012 was $323,716 (2011: $774,583), decrease was mainly related to the legal fees incurred due to Sprott case in the previous year.

Investor Relations

The Company incurred investor relation expenditures for the year ended December 31, 2012 was $357,112 (2011: $333,246). The company hired an in house Corporate Communications Director in September 2012 in order to improve investor relations program.

Marketing

The Company incurred marketing expenditures for the year ended December 31, 2012 was $551,476 (2011: $336,574). During this period, the Company sought additional exposure through advertising on TV (Bloomberg) and magazines as well more attendance at trade shows and conferences.

The Company's financial quarterly information is as follow:

Quarter Ended	dic-31 2012	sep-30 2012	jun-30 2012	mar-31 2012
Total Revenues	$ 16,290,724	$ 14,950,026	$ 13,739,509	$ 11,948,533
Earnings from mine operations	$ 7,615,012	$ 6,407,942	$ 5,480,639	$ 5,507,440
Net Income	$ 2,960,480	$ 3,411,744	$ 1,586,989	$ 1,992,127
Income per share	$ 0.01	$ 0.01	$ -	$ -

	dic-31 2011	sep-30 2011	jun-30 2011	mar-31 2011
Total Revenues	$ 10,989,499	$ 12,493,057	$ 12,863,082	$ 11,199,220
Earnings from mine operations	$ 5,708,583	$ 6,811,070	$ 5,304,989	$ 5,357,170
Net Income (loss)	$ 1,574,320	$ 3,825,034	$ 1,566,798	$ 690,694
Income (loss) per share	$ 0.01	$ 0.01	$ -	$ -

Revenues have been increasing since the second quarter of 2012 due to the Company's expansion of its mill installed capacity from 1,500 tonnes to 2,500 tonnes per day. Partially offsetting these increases was a decline in metal prices.

Management Discussion and Analysis for the year ended December 31, 2012

Liquidity

At December 31, 2012 the Company had working capital of $7.1 million (Dec 2011 –$33.7 million), which consisted of $10.0 million held in cash and short term deposits; account receivables of $3.8 million (trade & others); inventory of $4.8 million; Short-term investment of $0.7; amount receivables $0.6; and prepaid expenses of $0.9 million. These amounts are offset by accounts payable of $11.4 million; and the current portion of the Company's notes payable of $2.3 million in relation to equipment purchases at the La Negra and Shafter Silver Mine.

Outstanding Share Capital:

The Company is authorized to issue an unlimited number of common shares without par value.

As at April 11, 2013, the Company had 467,197,969 common shares issued and outstanding.

As at April 11, 2013, the Company had 32,275,000 share purchase options outstanding at various exercised prices and maturing at various future dates.

As at April 11, 2013, the Company had 72,973,429 warrants outstanding as follows:

Number of Warrants	Exercise Price (CDN)	Expiry Date
2,430,000	$0.40	June 30, 2013
24,960	$0.35	June 30, 2013
44,091,969	$0.41	December 7, 2013
26,426,500	$1.00	November 18, 2013
72,973,429		

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Management Discussion and Analysis for the year ended December 31, 2012

Related Parties Transactions

The Company's related parties consist of companies owned by executive officers and directors and payments to these parties are as follows:

	Note	December 31 2012	December 31 2011
Technical and consulting fees	(i)	$ 222,702	$ 535,533
General and administrative expenses	(ii)	147,530	121,204
Management fees	(iii)	928,860	849,235
Related party transactions fees		$ 1,299,092	$ 1,505,972

i) To companies controlled by officers or directors.
ii) To a company controlled by the corporate secretary for management services performed as an officer.
iii) To a company controlled by the President & CEO for management services performed.

Compensation of key management personnel:

	December 31 2012	December 31 2011
Related party transactions fees	$ 1,299,092	$ 1,505,972
Directors' fees	217,172	159,236
Officer salaries	278,614	187,680
Stock-based compensation	3,609,283	5,440,260
	$ 5,404,162	$ 7,293,148

Commitments:

Supply agreement

On November 14, 2006, La Negra signed a purchase contract with Trafigura Beheer B.V. ("Trafigura") whereby Trafigura agreed to purchase 100%, evenly spread from January to December, of copper concentrate to be produced during the years 2007, 2008 and 2009 by the La Negra Mine. Prices are based on the published average prices in the Metal Bulletin in London in US dollars of the following month of shipment is made. In August 2010 the copper purchase contract was extended to 2013 and the parties reviewed the zinc purchase contract at the end of 2011, as per current market conditions.

On March 2011, La Negra signed a purchase contract with Glencore International AG, whereby Glencore's Mexican subsidiary (Metagri), agreed to purchase 100% of lead concentrate to be produced during the years 2011 and 2012. Prices are based on the published prices in the Metal Bulletin in London in US dollars within five days after monthly lot is closed.

Office Lease

Effective May 1, 2010, the Company executed a lease for new office space for a period of 60 months, expiring on April 30, 2015. The minimum annual payments are $86,160 (May 1, 2010 to April 30, 2012), $89,750 (May 1, 2012 to April 30, 2013) and $93,340 (May 1, 2013 to April 30, 2015).

Financial Instruments:

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, The United States and Mexico. A portion of its assets and liabilities are denominated in currencies other than the functional currency of the related entity in Canada and Mexico. A significant change in the currency exchange rates between the non-functional currency balances and the functional currency has an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

At December 31, 2012, the Company's Canadian operations are exposed to currency risk through the following assets and liabilities denominated in USD dollars:

		December 31, 2012
Cash and cash equivalents	USD$	113,843
Other receivable		4,217,952
Accounts payable		(2,757,452)
	USD$	1,574,343
CDN$ Equivalent		**1,582,413**

Based on the above net exposures as at December 31, 2012, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the US Dollar against the CDN Dollar would result in a $158,241 change to the Company's loss in terms of unrealized exchange.

At December 31, 2012, the Company's Mexican operations are exposed to currency risk through the following assets and liabilities denominated in Mexican Pesos:

		December 31, 2012
Cash and cash equivalents	MXP$	2,107,779
Other receivable		21,464
Accounts payable		(56,749,135)
	MXP$	(54,619,892)
USD$ Equivalent		**(4,198,268)**

Based on the above net exposures as at December 31, 2012, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the USD Dollar against the Mexican Peso would result in a $419,827 change to the Company's loss in terms of unrealized exchange.

Credit risk:

The Company's credit risk is primarily attributable to cash and bank balances, short-term deposits, accounts receivable and amounts receivable.

The Company limits its credit exposure on cash held in bank accounts by holding its key transactional bank accounts with banks of investment grade. As the Company has its operations in developing countries, it is unavoidable that some cash is held with regional banks in areas where the banking system does not operate as efficiently as in major financial centers. In these circumstances, the Company attempts to keep only minimal balances with such banks.

The Company manages its credit risk on short-term deposits by only investing with counterparties that carry investment grade ratings as assessed by external rating agencies and spreading the investments across these counterparties. Under the Company's risk management policy, allowable counterparty exposure limits are determined by the level of the rating unless exceptional circumstances apply. A rating of "A-" grade or equivalent is the minimum allowable rating required as assessed by international credit rating agencies. Likewise, it is the Company's policy to deal with banking counterparties for derivatives who are rated "A-" grade or above by international credit rating agencies and graduated counterparty limits are applied depending upon the rating.

Exceptions to the policy for dealing with relationship banks with ratings below "A-" are reported to, and approved by, the Audit Committee. As at December 31, 2012 substantially all cash and short-term deposits are with counterparties with ratings "A-" or higher.

The Company's credit risk associated with trade accounts receivable is managed through establishing long-term contractual relationships with international trading companies using industry-standard contract terms. 100% of the Company's product sales and trade accounts receivable are generated from two customers representing 100% of the total sales for the year. Other accounts receivable consist of amounts owing from government authorities in relation to the refund of value-added taxes applying to inputs for the production process and property, plant and equipment expenditures.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by maintaining cash and cash equivalent balances and available credit facilities to ensure that it is able to meet its short-term and long-term obligations as and when they fall due. Company-wide cash projections are managed centrally and regularly updated to reflect the dynamic nature of the business and fluctuations caused by commodity price and exchange rate movements.

Accounts payable and accrued liabilities are due within the current operating period.

The Company's expected source of cash flow in the upcoming year will be through its operations from both at La Negra and Shafter; equity financing; loans, leasing financing and entering into joint venture agreements, or a combination thereof.

The following table summarizes the Company's undiscounted financial liabilities:

	Payments due by period (000's)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Accounts payable	11,338	$11,338	$ Nil	$ Nil	$ Nil
Notes payable	7,082	2,345	4,738	Nil	Nil
Total	$18,420	$13,683	$4,738	$ Nil	$ Nil

Management Discussion and Analysis for the year ended December 31, 2012

Price risk

Metal content	2012 Average sales price	Price as at December 31, 2012	Unit	10% variance on: Average sales price	10% variance on: Price as at December 31, 2012	Volume on Sales of 2012	Unit	Sensitivity effect on Average sales price	Sensitivity effect on Price as at December 31, 2012
Silver	$ 31.12	$ 29.95	oz	$ 3.11	$ 3.00	1,244,460	oz	$ 3,872,760	$ 3,727,158
Copper	3.59	3.59	lb	0.36	0.36	1,961	tn	1,551,772	1,551,772
Zinc	0.88	0.92	lb	0.09	0.09	5,896	tn	1,143,846	1,195,839
Lead	0.94	1.06	lb	0.09	0.11	1,884	tn	390,373	440,207
								6,958,751	6,914,977
				T.C. refining and smelting charges				1,265,872	1,257,909
				Revenues before royalties				5,692,879	5,657,068
				Royalties on Revenues				167,592	166,538
				Net revenues				5,525,287	5,490,530

The impact of a 10% variance on 2012 average price represents an increase or decrease of $5,525,287 in revenues from mining operations.

The impact of a 10% variance on price at December 31, 2012, represents an increase or decrease of $5,490,530 in revenues from mining operations

The Company is subject to revenue price risk from fluctuations in the market prices of copper, silver, lead and zinc. The Company is also exposed to commodity price risk on diesel fuel through its mining operations. The Company's risk management policy does not currently provide for the management of these exposures through the use of derivative financial instruments. Commodity price risk is also the risk that metal prices will move adversely during the time period between shipment of the concentrate and final payment for the concentrate. The Company's commodity price risk related to financial instruments primarily relates to changes in fair value of embedded derivatives in accounts receivable reflecting commodity sales provisionally priced based on the forward price curve at the end of each quarter.

Based on the gross revenues generated from sales of copper, silver, lead and zinc for the year ended December 31, 2012, and assuming that all other variables remain constant, a 10% depreciation or appreciation in the prices of these commodities would result in a $4.6 million decrease or increase, respectively, to the Company's reported in earnings or loss for the year.

Fair value estimation

The Company's financial instruments include cash and cash equivalents, trade and other receivables, short-term investments, amounts receivable, advances, accounts payable and accrued liabilities and other long-term debt. The carrying values of cash and cash equivalents, trade and other receivables, advances and accounts payable and accrued liabilities, approximate their fair values due to the relatively short-term nature of these amounts.

The Company classifies the fair value of financial instruments within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of the fair value hierarchy are: Level 1, which are inputs that are unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, which are inputs other than Level 1 quoted prices that are observable for the asset or liability, either directly or indirectly; and Level 3, which are inputs for the asset or liability that are not based on observable market data.

The following table summarizes the fair value hierarchy, as of December 31, 2012:

	Fair Value Through Profit or Loss $	Loans and Receivables $	Other Financial Assets and Liabilities $	Total $	Fair Value Hierarchy
Financial Assets					
Cash and cash equivalents	-	10,027,622	-	10,027,622	n/a
Trade and other receivable	-	3,817,901	-	3,817,901	n/a
Short-term investments	715,780	-	-	715,780	Level 1
Amounts receivable	-	599,525	-	599,525	n/a
	715,780	**14,445,048**	**-**	**15,160,828**	
Financial Liabilities					
Accounts payable and accrued liabilities	-	-	(10,880,576)	(10,880,576)	n/a
Long Term Debt	-	-	(7,082,292)	(7,082,292)	n/a
	715,780	**14,445,048**	**(17,962,868)**	**(2,802,040)**	

The following table summarizes the fair value hierarchy, as of December 31, 2011:

	Fair Value Through Profit or Loss $	Loans and Receivables $	Other Financial Assets and Liabilities $	Total $	Fair Value Hierarchy
Financial Assets					
Cash and cash equivalents	-	36,560,380	-	36,560,380	n/a
Trade and other receivable	-	3,451,158	-	3,451,158	n/a
Short-term investments	383,481	-	-	383,481	Level 1
Amounts receivable	-	942,616	-	942,616	n/a
	383,481	**40,954,154**	**-**	**41,337,635**	
Financial Liabilities					
Accounts payable and accrued liabilities	-	-	(9,193,574)	(9,193,574)	n/a
Long Term Debt	-	-	(2,818,287)	(2,818,287)	n/a
	383,481	**40,954,154**	**(12,011,861)**	**29,325,774**	

There were no material differences between the carrying value and fair value of long-term assets and liabilities as of December 31, 2012. The Company assesses its financial instruments and non-financial contracts on a regular basis to determine the existence of any embedded derivatives which would be required to be accounted for separately at fair value and to ensure that any embedded derivatives are accounted for in accordance with the Company's policy.

Management of Capital:

In the management of capital, the Company includes the components of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors.

In order to maximize ongoing development efforts, the Company does not pay dividends.

The Company's investment policy is to limit investments to guaranteed investment certificates, banker's acceptance notes, investment savings accounts or money market funds with high quality financial institutions in Canada and treasury bills, selected with regards to the expected timing of expenditures from operations.

Risks and Uncertainties*:*

The operations of Aurcana are speculative due to the high risk nature of its business which involves the copper and zinc production and exploration and development of mining properties. The following is a brief discussion of those distinctive or special characteristics of Aurcana's operations and industry which, may have a material impact on, or constitute risk factors in respect of Aurcana's financial performance.

Mining Risks and Insurance

The business of mining is subject to certain types of risks and hazards, including environmental hazards, industrial accidents, unusual or unexpected changes to rock formations, changes in the regulatory environment, cave-ins and flooding. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. Any payments made with regards to such liabilities may have a material adverse effect on Aurcana's financial performance and results of operations. The Company carries insurance to protect itself against certain risks of mining and processing to the extent that is economically feasible but which may not provide adequate coverage in all circumstances.

Uncertainty of Mineral Reserves

Mineral reserves and mineral resources are estimates of the size and grade of deposits based on limited sampling and on certain assumptions and parameters. No assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery of payable metals will be realized. The ore grade actually recovered by the Company may differ from the estimated grades of the mineral reserves and mineral resources. Prolonged declines in the market price of copper or zinc may render mineral reserves containing relatively lower grades of mineralization uneconomic to exploit and could materially reduce the Company's reserves. Should such reductions occur, the Company could be required to take a material write-down of its investment in mining properties or delay or discontinue production or the development of new projects, resulting in increased net losses and reduced cash flow. Market price fluctuations, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomical to recover and may ultimately result in a restatement of mineral resources. Short-term factors relating to mineral reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may impair the profitability of a mine in any particular accounting period.

The Company adjusts its mineral reserves annually by the amount extracted in the previous year, by the additions and reductions resulting from new geological information and interpretation, actual mining experience, and from changes in operating costs and metal prices. Mineral reserves are not revised in response to short-term cyclical price variations in metal markets.

Replacement of Mineral Reserves

There are a number of uncertainties inherent in any program relating to the location of economic mineral reserves, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and processing facilities and the appropriate financing thereof. Accordingly, there can be no assurance that the Company's programs will yield new mineral reserves to replace mined reserves and to expand current mineral reserves.

Reclamation Obligations

Reclamation requirements may change and do vary depending on the location and the government regulatory body, but they are similar in that they aim to minimize long term effects of exploration and mining disturbance by requiring the operating company to control possible deleterious effluents and to re-establish to some degree predisturbance land forms and vegetation. The Company calculates its estimates of the ultimate reclamation liability based on current laws and regulations and the expected future costs to be incurred in reclaiming, restoring and closing its operating mine site. It is possible that the Company's estimate of its ultimate reclamation liability could change in the near term due to possible changes in laws and regulations and changes in cost estimates

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Exploration Risks

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish ore reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration programs planned will result in a profitable commercial mining operation.

Whether any mineral deposit is commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Aurcana not receiving an adequate return on invested capital.

Conflicting Interests

Some of the directors and officers of Aurcana also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by such directors and officers involving Aurcana will be made in accordance with their duties and obligations to deal fairly and in good faith to Aurcana and such other companies. In addition, such directors and officers are required to declare and refrain from voting on any matter in which such directors and officers may have a conflict of interest.

Permitting and Title

Aurcana’s operations may require licenses and permits from various governmental authorities. There can be no assurance that Aurcana will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and production operations on Aurcana’s properties.

Any of Aurcana’s properties may be subject to prior unregistered agreements or transfers or native land claims and title may be affected by undetected defects. If a title defect or defects do exist, it is possible that Aurcana may lose all, or a portion, of its interest in the affected mineral claims. Aurcana has no present knowledge of any defect in the title of any of the properties in which the Company has an interest.

Management Services

The success of Aurcana depends to a large extent, on the ability and judgment of the senior management of Aurcana and upon Aurcana’s ability to retain the services of senior management. The loss of their services may have a material adverse affect on Aurcana.

Market Influences

The Company's Common Shares are listed for trading on the TSX Venture Exchange. Shareholders of the Company may be unable to sell significant quantities of the Common Shares into the public trading markets without a significant reduction in the price of the shares. The market price of the Common Shares may be affected significantly by factors such as changes in the Company's operating results, the availability of financings, fluctuations in the price of metals, the interest of investors, traders and others in small exploration stage public companies and general market conditions. In recent years the securities markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small capitalization exploration companies similar to the Company, have experienced wide fluctuations, which have not necessarily been related to operating performance, underlying asset values or future prospects. There can be no assurance that future fluctuations in the price of the Company's shares will not occur.

Controls and Procedures:

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim financial statements and the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure Controls and Procedures

Disclosure controls and procedures ("**DC&P**") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("**ICFR**") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in Multinational Instrument 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Additional information on the Company can be found on SEDAR at www.sedar.com and on the Company's website at www.aurcana.com.