

NEWS RELEASE

Updated Resource Estimate for Aurcana's Shafter Silver Project

Vancouver, BC, January 12, 2016 - Aurcana Corporation ("Aurcana" or the "Company") (TSXV: AUN) has received an updated resource estimate for its Shafter Silver Project ("Shafter") in Presidio County, Texas. Shafter is an "oxide" silver deposit that was acquired by the Company in July 2008 and developed by the Company from 2011 through 2013, with limited commercial production commencing in December of 2012. In December of 2013 the operation was placed on care and maintenance, and remains so.

Mine Development Associates ("MDA"), an independent mining consulting firm, prepared the resource estimate for Shafter, with an effective date of December 11, 2015. All units of measure are U.S. Customary.

MEASURED & INDICATED RESOURCES				
Class	Cut-off Ounces Silver/Ton	Tons	Grade Ounces Silver/Ton	Ounces Silver
Measured	4.0	100,000	8.73	888,000
Indicated	4.0	1,110,000	9.15	10,171,000
Measured + Indicated	4.0	1,210,000	9.14	11,059,000
INFERRED RESOURCES				
Class	Cut-off Ounces Silver/Ton	Tons	Grade Ounces Silver/Ton	Ounces Silver
Inferred	4.0	870,000	7.47	6,511,000

Note that Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the estimated Mineral Resources will be converted into Mineral Reserves. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

The effective date of the mineral resource estimate is December 11, 2015, and it replaces all mineral reserve and resource estimates previously reported by Aurcana. The database upon which the resource estimate is based is dated October 15, 2013, and there has been no material exploration activity at Shafter since that date. Aurcana completed eleven underground drill holes in late 2013 which have not been included in the stated resource estimate, as the location of such drill holes could not be confirmed with certainty, and the addition of these eleven holes would not have a material impact on the stated resource estimate.

Key features of the Resources Estimate include:

- The Shafter drill-hole assay database contains 20,006 silver assays from 1,694 drill holes. Of the drill holes, 155 were drilled by Aurcana. The majority of drill holes (992 holes) in the database are underground core holes completed by American Metal Company ("Amax") prior to 1942, followed by Gold Fields Mining with 403 holes.
- Silver grades fall into two natural populations as low- and high-grade silver domains. The low-grade domain is associated with weakly fractured and silicified limestone characterized by silver grades between 0.8 ounces Ag/ton and 5.0 ounces Ag/ton. The high-grade domain (>5.0 ounces Ag/ton) is associated with strongly silicified, fractured limestone.
- Resource blocks having five percent or greater underground workings were removed from the classified mineral resource.
- Compositing was done to 4-foot down-hole lengths, matching the model block size and honoring all mineral-domain boundaries.
- Four tonnage factors ranging from 12 to 14 ft³/ton were used, reflecting low-grade, high-grade domains, non-mineralized units and zones of clay or rubble.

- The reported mineral resources were estimated by inverse-distance to the third power to estimate the grade of each block; ordinary kriging and nearest-neighbor estimates were used for comparison and validation. The stated resource is fully diluted to 10 foot by 10 foot by 4 foot blocks and is tabulated on a silver cutoff grade of 4.0 ounces Ag/ton.

Qualified Persons & Technical Report

The Mineral Resource estimate was undertaken by Paul Tietz, CPG of Mine Development Associates, Inc. (“MDA”) of Reno, Nevada, a qualified person (“QP”) as defined under National Instrument (“NI”) 43-101 of the Canadian Securities Administrators - *Standards of Disclosure for Mineral Projects*. The Mineral Resource was estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the Standards Committee on Reserve Definitions and adopted by the CIM Council on May 10, 2014.

The Company further advises that it will file a NI 43-101 Technical Report in support of the Mineral Resource estimate containing the foregoing resource estimate, which should be available to shareholders on SEDAR (www.sedar.com) within 24 hours. The report titled “Technical Report on the Shafter Silver Project, Presidio County, Texas”, and dated January 11, 2016, was prepared for Aurcana by Paul Tietz, CPG of Mine Development Associates, Inc. and Ross MacFarlane P.Eng of Watts, Griffis, and McQuat. Both Mr. Tietz and Mr. MacFarlane are Qualified Persons within the meaning of NI 43-101.

Mr. Tietz has consented to applicable disclosure contained herein regarding the Mineral Resource estimate. All technical report authors are independent of Aurcana Corporation and its subsidiary companies.

About Shafter

- Silver mineralization at Shafter occurs as sub-horizontal bodies of variably silicified oxide mineralization in Permian limestone. Mineralization occurs over a 13,000 feet east-northeast strike length, is locally up to 1,200 feet across, and is locally up to 20 feet thick. Thicknesses and silver grades can be highly variable.
- The western end of the Shafter Deposit was first exploited by the Presidio Mining Company from 1883 to 1926, when the American Metal Co. acquired the property and continued production (American Metal Co. subsequently merged with Climax Molybdenum Company to form American Metal Climax Inc., or Amax). From 1883 to 1942, when the Presidio mine was closed, total recorded production was 2.307 million tons of ore containing 35.153 million ounces of silver at an average grade of 15.24 ounces Ag/ton. The operation was then known as the Presidio Mine.
- Gold Fields Mining Corporation (“Gold Fields”) held the Shafter property 1977 to 1982. Gold Fields identified the northeastern, down-dip extension of the Shafter deposit, extending more than 5,000 feet from the deepest development workings in the Presidio mine, through a systematic surface-drilling program. During the 1980s, Gold Fields sunk a 1,052-foot shaft to access and explore this extension.
- Rio Grande Mining Company (“RGMC”) acquired Shafter in 1994 and in 2008 RGMC was purchased by Aurcana. Aurcana began exploration at Shafter in 2011 and has conducted geophysical surveying, drilling, mapping, and geochemical sampling since that time. Aurcana re-entered the old Presidio mine through a new decline in June 2012 with limited production commencing in December 2012 from mineralized materials found adjacent to Amax’s old stopes. During this time a mill, mineral processing plant and silver-recovery facility were constructed and brought on-line. The operation was placed on care and maintenance in December 2013.

Shafter Silver Project - Discussion

The updated resource estimates prepared by MDA reflect the experiences and knowledge gained by Aurcana’s engineers and geologists during three years of development at Shafter. Sophisticated modeling and the application of stringent modeling parameters has resulted in a tightly constrained



model of the deposit that has an attractive grade with potential to be expanded by successful in-fill and step-out exploration drilling. Additional drilling, underground mapping and sampling, geotechnical work and targeted metallurgical tests are recommended by MDA.

The technical information contained in this news release has been reviewed and approved by Jerry Blackwell, P. Geo, a Technical Advisor to and director of the Company. Mr. Blackwell is a Qualified Person ("QP") as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Projects).

ON BEHALF OF THE BOARD OF DIRECTORS OF
AURCANA CORPORATION

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NR 2-16

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Cautionary Statement Regarding Forward-Looking Information

This news release contains certain forward-looking statements, including statements regarding, metals grades, potential mineralization, exploration results, future plans and objectives 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 potential mineral grades or tonnages at the Shafter property, 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 unsuccessful further exploration results, metals prices, fluctuations in currency prices, international operations, 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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