



NEWS RELEASE

NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

AURCANA PROVIDES CONSTRUCTION UPDATE AND PRODUCTION OUTLOOK FOR ITS REVENUE VIRGINIUS MINE FOR THE REMAINDER OF 2021

VANCOUVER, BC – **May 4, 2021** – AURCANA SILVER CORPORATION ("Aurcana" or the "Company") (TSXV: AUN, OTCQX: AUNFF) is pleased to provide a construction update and a production outlook for the remainder of 2021 for its Revenue Virginius Mine, (RV) located near Ouray, Colorado.

Mine Development

- Underground mine development is proceeding on schedule with three raises being driven vertically from the 2000 main haulage level 800 feet to the 1200 level (See Figure 1 below).
- The #1 Alimak Raise is advancing vertically at an average rate exceeding 16 feet per day and is scheduled to be complete by late May, after which the hoist and shaft timber will be installed for permanent men and material access.
- The #2 Alimak Raise has progressed up to the 1500 Level and is temporarily being used for men and materials transport from the 2000 level to the 1800 and 1500 level pending completion of #1 Alimak Raise.
- The #3 Alimak Raise vertical development began in May and is scheduled to reach the 1800 level by the third week of May.
- On completion of #1 Alimak Raise, the #2 and # 3 Alimak raises will be dedicated ore and waste raises.
- Level (horizontal) development has commenced on the 1800 level to intersect the Virginius vein, which is scheduled to occur during the third week of May. Following this, development will continue by driving drifts both north and south on vein for over 1000 feet to prepare for stope development.
- Stope development on the 1800 level is estimated to begin in late June with first ore to the mill in early July.
- Ore development on 1800 level is on schedule to deliver initial ore to the processing plant in July. Two stopes (mining blocks) on the 1800 level will provide the initial ore supply while stopes on the 1500 level are developed.
- It is anticipated that four stopes will be available by year end 2021 (two stopes per level) to supply the processing plant. However only two stopes are required to provide the 270 tons per day as specified in the 2018 feasibility study (the "2018 FS") prepared in accordance with National Instrument NI 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). A copy of the 2018 FS is posted on the Company's website www.aurcana.com and is also available on the Company's profile on SEDAR at www.sedar.com.

Processing Plant Preparation

- All processing plant upgrades including installing additional flotation capacity, replacing cyclones with sizing screens, installing a rod mill, installing crushers and conveyors along with a new instrument control system

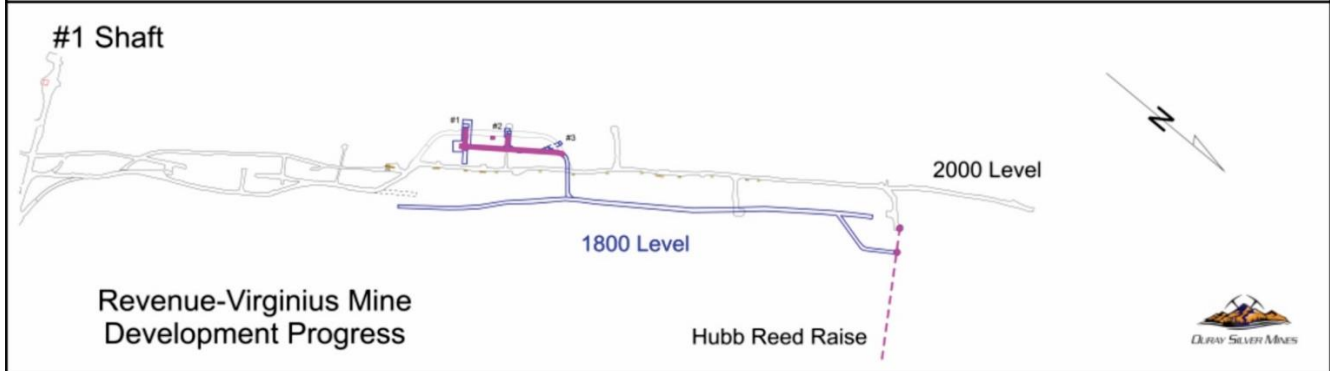
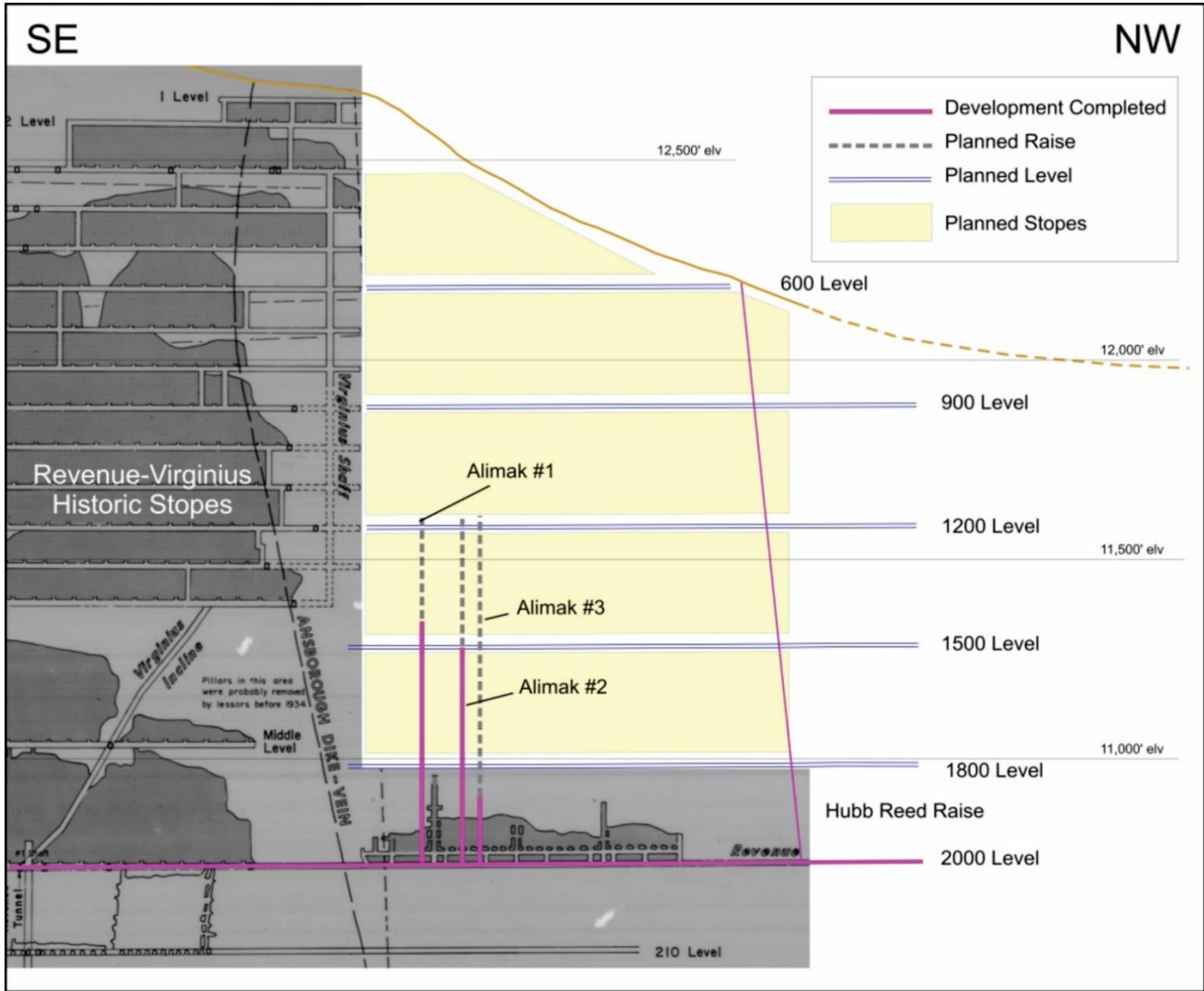


will be completed by mid-June. Processing plant commissioning with water is scheduled for the last week of June with first ore through the processing plant in the second week of July.

- Final work on the transition chute from the coarse ore bin to the new primary pan feeder is scheduled to be completed by July 10th, 2021 and will enable full processing plant operation.
- Throughput will be ramped up over the course of July to reach 111 ton per day (tpd) during August, and then to the full production level of 270 tpd during September.
- Concentrate shipments will be in 100 ton lots and are anticipated to begin in early August. Trafigura Trading LLC is the off-taker for 100% of the concentrates and will pay the value of 95% of the contained metals based on the mine site concentrate assays at the time of shipment, with final settlement based on smelter returns.
- Payable silver equivalent¹ production for the period between August to December 2021 is anticipated to be 1,300,000-1,600,000 ounces at an estimated cash operating costs of between USD10.00 to USD12.00/oz silver after by-product credits².

¹ Silver equivalent is based on the April 2021 average COMEX prices of Ag USD25.6534/oz, Au USD1,759.47/oz, Cu USD4.2281/lb, Pb USD0.9152/lb and Zn SDU1.2849/lb; includes payability and payment timing of the Trafigura offtake contract.

² By-product credit metal pricing is the same as Silver equivalent pricing





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

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

Aurcana Corporation
850 – 789 West Pender Street
Vancouver, BC V6C 1H2
Phone: (604) 331-9333

Gary Lindsey, Corporate Communications
Phone: (720)-273-6224
Email: gary@strata-star.com

CAUTIONARY NOTES

This press release contains forward looking statements within the meaning of applicable securities laws. The use of any of the words “anticipate”, “plan”, “continue”, “expect”, “estimate”, “objective”, “may”, “will”, “project”, “should”, “predict”, “potential” and similar expressions are intended to identify forward looking statements. In particular, this press release contains forward looking statements concerning, without limitation, statements relating to the Private Placement (including with respect to the timing of closing of the Private Placement). Although the Company believes that the expectations and assumptions on which the forward looking statements are based are reasonable, undue reliance should not be placed on the forward looking statements because the Company cannot give any assurance that they will prove correct. Since forward looking statements address future events and conditions, they involve inherent assumptions, risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of assumptions, factors and risks. These assumptions and risks include, but are not limited to, assumptions and risks associated with the receipt of regulatory or shareholder approvals, and risks related to the state of financial markets or future metals prices.

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 securities laws, the Company disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.