



NEWS RELEASE

Aurcana Reports Q1 2013 Financial Results

Vancouver, BC, May 17, 2013- Aurcana Corporation ("Aurcana" or the "Company") (TSXV: AUN, OTCQX: AUNFD) today is pleased to report its unaudited financial results for the first quarter ended March 31, 2013.

The Q1 2013 Earnings Webcast and Conference Call has been scheduled at **10:30am Pacific Time** (1:30 pm Eastern Time) on **Friday, May 17, 2013**. See bottom of press release for details.

Mr. Lenic Rodriguez, Aurcana's President & CEO, said: "We are pleased to report that once again, Aurcana was able to increase its first quarter silver equivalent production by 21 % compared to the same quarter one year ago. Despite lower silver prices, our quarterly revenues were also up by about \$1 million. With continuous improvements at Shafter and increased capacity at La Negra the company remains able to grow organically for years. Based on continued progress, the company is strategically positioned to become a senior silver producer."

A [video message](#) from Mr. Lenic Rodriguez, talking about Aurcana's Q1 2013 results and an update on our operations, can be watched at the following link:

http://www.b-tv.com/media/AurcanaQCC2_2013.wmv

First Quarter ending Mar 31, 2013 Highlights

- Total revenues for Q1 2013 were \$12.8 million, up \$0.9 million from \$11.9 million in Q1 2012.
- Total silver ounces equivalent production for Q1 2013 was 592,504, up 21% from 491,056 ounces produced in Q1 2012.
- Earnings from mining operation in Q1 2013 were \$4.8 million, down \$0.7 million from \$5.5 million in Q1 2012.
- The total cash cost per silver ounce net of by-products for Q1 2013 was \$7.79, up \$0.97 from \$6.82 in Q1 2012.
- Total milled in Q1 2013 was 170,081 tonnes, up 30% from 130,570 in Q1 2012.
- Total mined in Q1 2013 was 200,494 tonnes, up 51% from 132,438 in Q1 2012.

The summary of the selected financial information should be read in conjunction with the unaudited financial statements and the related management's discussion and analysis dated May 16, 2013 together referred to as the "Financial Statements" filed on www.sedar.com and available on www.aurcana.com. All figures are in US dollars unless otherwise noted.

First Quarter Production and Operational Update on the La Negra Mine

The silver production for Q1 2013 relates to the La Negra mine only. Shafter Mine is currently implementing a master plan to bring the operation into production.

The total Q1 2013 silver equivalent production for La Negra was slightly lower by about 5% than the production for Q4 2012 for the following reasons:

- In Q1 2013, there were a total of 5 milling days less than in Q4 2012 due to Easter holidays and other required maintenance and upgrade work at the mill.



- In light of the work necessary to increase the mill capacity to 3,000tpd, now complete, the ball mill and the plant was faced with additional down time during the first quarter, resulting in lower production output.
- In order to ensure that additional mineralized material is available for the expanded mill capacity to 3,000tpd, the underground mine development continued during Q1 2013. As a result, development mineralized material at a slightly lower grade was processed during the first quarter of 2013.
- Enhancements to increase silver recovery rates continued during Q1 2013. As a result the silver recovery for Q1 2013 increased to 80.3% versus 77.7% in Q4 2012.
- The company ended Q1 2013 with higher inventories of concentrates than in Q4 2012 due to the fact that concentrates buyers were closed for Easter week during the last week of March 2013. This resulted in lower quantity of metal being sold in Q1 2013 than in Q4 2012.

The Company has initiated a 5,000 meters diamond drill program to define the discoveries of significant gold mineralization with strong silver, zinc and lead concentrations as announced in the February 11, 2013 News Release.

Operational Update on the Shafter Mine

As previously announced on April 11, 2013, management has developed a master plan with key action items to ramp up to full production of 1500 tpd. We are pleased to report the following progress:

- Underground development continued during the first quarter of 2013. The main ramp advanced 524 feet in Q1 2013. The Company has engaged a contractor starting June 01, 2013 to develop a further 1,500 feet of decline advance to access approximately 500,000 tonnes of ore.
- Ramp development will continue over the next 24 months with the objective of connecting the main ramp with the Goldfields shaft to the east and access additional mineralized material.
- During Q1 2013, 1,007 feet of stope development was completed allowing access to the first three stopes.
- The average grade currently being mined underground is approximately 5 ounces of silver per ton. As the ramp continues to advance down dip, the grades are expected to increase and be more in line with the average grade of the existing reserve.
- On May 3, 2013 a brand new tailings filter press was commissioned at Shafter. This replaced a used low-capacity press that was contributing to operational delays. The timeline from purchase to commissioning was 21 days. The new press has operated to specifications and has provided an operational capacity of 600 tpd at 90% availability.
- A second new tailings filter press, of the same design and capacity has been ordered. A third filter press will be ordered shortly to achieve the design capacity of 1,500 tpd. Delivery of the second press is anticipated in Q3 2013 and the third press in Q4 2013.
- To increase overall silver recovery the Company is installing a Counter Current Decantation ("CCD") circuit. The circuit involves the installation of 6 CCD tanks, 2 tanks have been purchased to date. Tank number 1 was installed in May 2013, 6 weeks ahead of the schedule. Tank number 2 is close to completion, estimated for end of June 2013. The remaining four tanks will be installed gradually with a target to complete by the end of Q4 2013.
- Improvements at Shafter mill have started to materialize in better operational performance from April 2013 to May 2013.
- During April 2013 the ball mill and refinery resulted in the loss of 17 operational days, (resulting in 268.8 average tons milled per day for the 30 day month, or 474.4 tons milled per day of operational), Mill production has improved in May 2013.
- The average milling rate during May 1-12, 2013 was 492.2 tons milled per day, with a high point of 799 tons milled on May 9, 2013.

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- With the progress made to date, management is now targeting to achieve a running rate of 600tpd by the end of Q2 2013.
- A baseline safety audit has been recently conducted and the Det Norske Veritas (DNV) safety system has been adopted. This system, sometimes known as the 5 star safety system, has started at the Shafter silver mine. Two senior staff members at the Shafter operation are certified DNV auditors.

As we continue to complete all the corrective actions during the course of 2013, our objective is to continuously increase production and improve recoveries targeting production of 1,500 tpd during Q1 2014.

Conference call details

Aurcana Corporation has scheduled a webcast and conference call to discuss the year end results and provide an operational update for continued growth at 10.30am PST on Friday May 17, 2013.

The webcast can be accessed via the following link:

<http://www.gowebcasting.com/4351>

Conference call details

Conference date: Friday 17-May-2013

Conference time: 10:30AM Pacific Time/1.30pm EST

Participant dial-in number(s): Can: 416-340-8018 / US&Canada: 866-223-7781 / Int: 800-6578-9898

Participant pass code: Not required

Financial Statements and MD&A

To read complete Financial Statement and MD&A please visit: www.aurcana.com , or www.sedar.com

About Aurcana Corporation

Aurcana Corporation is a primary silver producing company with two producing mines: La Negra Mine in Mexico and Shafter Mine in Texas, US. The Company is in a position to grow organically from its existing mines in its pursuit to become an emerging senior silver producer. Aurcana continues to focus on its future growth.

Corporate

The Company's shares are also traded in the United States on OTCQX under the symbol "AUNFD". Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on www.otcqx.com and www.otcmartets.com.

ON BEHALF OF THE BOARD OF DIRECTORS OF
AURCANA CORPORATION

"Lenic Rodriguez", President & CEO

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Mr. Nils von Fersen, PGeo, a qualified person and the Company's Vice-President, Exploration and Dr. Sadek El-Alfy a qualified person and the Company's Vice-President, Operations have reviewed the scientific and technical information contained in this release.

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.

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. Nils von Fersen (PGeo), Vice President, Exploration and Mr. Sadek El-Alfy the Company's Vice-President, Operations are also certified Qualified Persons of the company.

This news release contains certain forward-looking statements, including statements regarding forecast silver production, silver grades, recoveries, potential mineralization, exploration result, future plans and objectives of the Company and the business and anticipated financial performance of the Company. These statements are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to mining and processing of mined ore, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable 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.

Exploration results that include geophysics, sampling and drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classified as a category of mineral resource. A mineral resource which is classified as "inferred" or "indicated" has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.

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 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 metal prices, 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. Accordingly, readers should not place undue reliance on forward-looking statements.

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.

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