



Shafter Project Supplemental Materials

August 2019



Forward-Looking Information Cautionary Statement

Cautionary Statement Regarding Forward-Looking Information

This presentation contains certain forward-looking statements, including statements regarding, metals grades, potential mineralization, exploration results, and future plans and objectives of Aurcana Corporation (“Aurcana” or the “Company”). These statements are forward-looking statements that involve various risks and uncertainties. Forward-looking statements include, but are not limited to, the Company’s strategic vision to enhance value, potential mineral grades or tonnages at the Shafter property (the “SP Mine” or “Shafter”) and the Revenue-Virginus Mine (the “RV Mine”), mining and processing of mineralized material, achieving projected recovery rates, anticipated production rates and mine life, potential future cash flows, 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 receipt of regulatory or shareholder approvals, 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.

This presentation includes disclosure of scientific and technical information, as well as information in relation to the estimation of resources, with respect to the SP Mine and the RV Mine. Aurcana’s disclosure of mineral reserve and resource information is governed by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the “CIM”) Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as may be amended from time to time by the CIM. Certain information in this presentation is derived from reports titled “*Preliminary Economic Assessment and Updated Technical Report on the Shafter Project, Presidio County, Texas*” dated July 29, 2018 and “*NI 43-101 Technical Report Feasibility Study Revenue-Virginus Mine, Ouray, Colorado*” dated July 30, 2018”. A copy of the reports is available on the SEDAR website under Aurcana’s profile at www.sedar.com. All scientific and technical disclosure in this document related to the SP Mine has been reviewed and approved by Kevin Francis, a qualified person pursuant to NI 43-101 and SME Registered Member, Vice President – Project Development of Aurcana. All scientific and technical disclosure in this document related to the RV Mine has been reviewed and approved by Val Pratico, P. Geo, Chief Geologist, OSMI, a qualified person pursuant to NI 43-101.

Cautionary Note to United States Investors Concerning Estimates of Measured, Indicated and Inferred Resources:

These tables use the terms “Measured”, “Indicated” and “Inferred” Resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. “Inferred Mineral Resources” are considered too speculative geologically to have economic considerations applied to them. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies except in limited circumstances. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.



Shafter-Presidio Project Supplemental Materials





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Shafter PEA Highlights

The PEA is preliminary in nature and includes inferred resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the economic results described in the PEA will be realized.

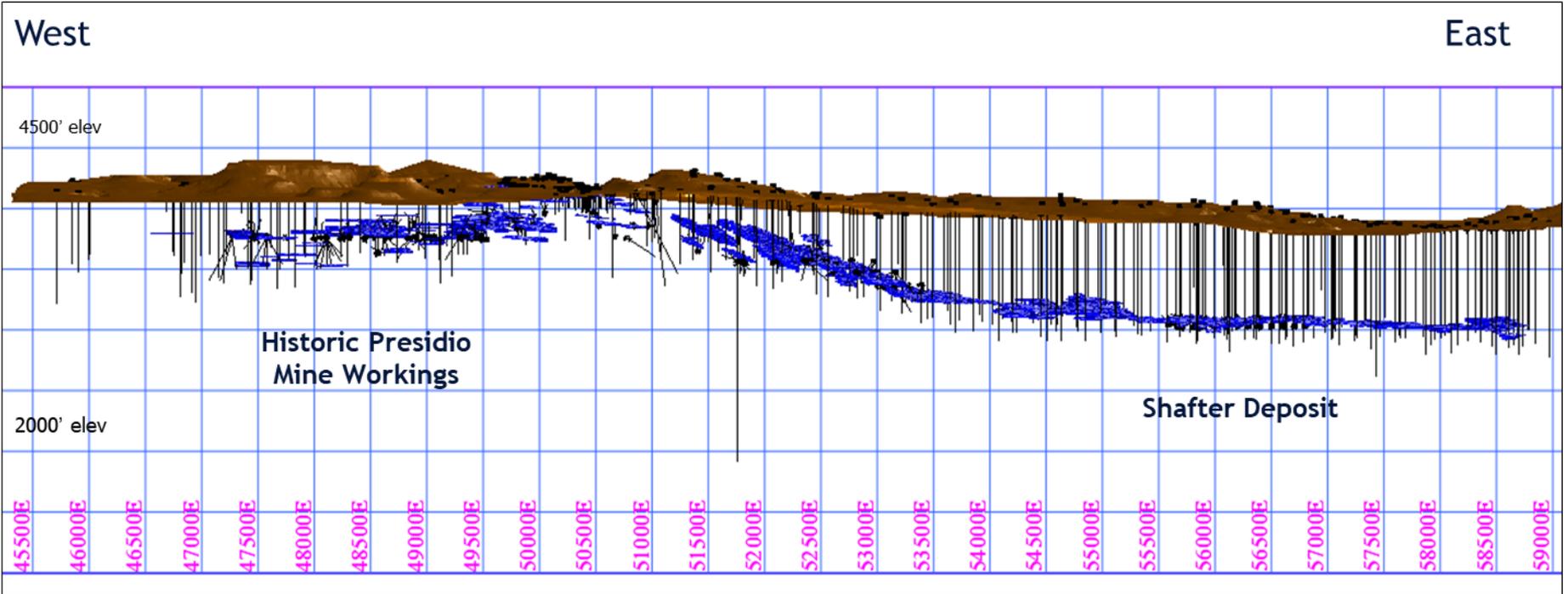
RESOURCES	
<i>Measured and Indicated Resources</i>	11.1Moz AgEq @ 9.1 oz/st
<i>Inferred Resources</i>	6.5Moz AgEq @ 7.5 oz/st

OPERATING METRICS	
<i>LOM (4 years) Average Annual Production</i>	1.6 Moz AgEq
<i>LOM (4 years) AISC of Production³</i>	US\$11.01/oz Ag
<i>Total Capital Requirement to Positive Cash Flow including capitalized operating cost, concentrate payment terms & working capital</i>	US\$20.6mm

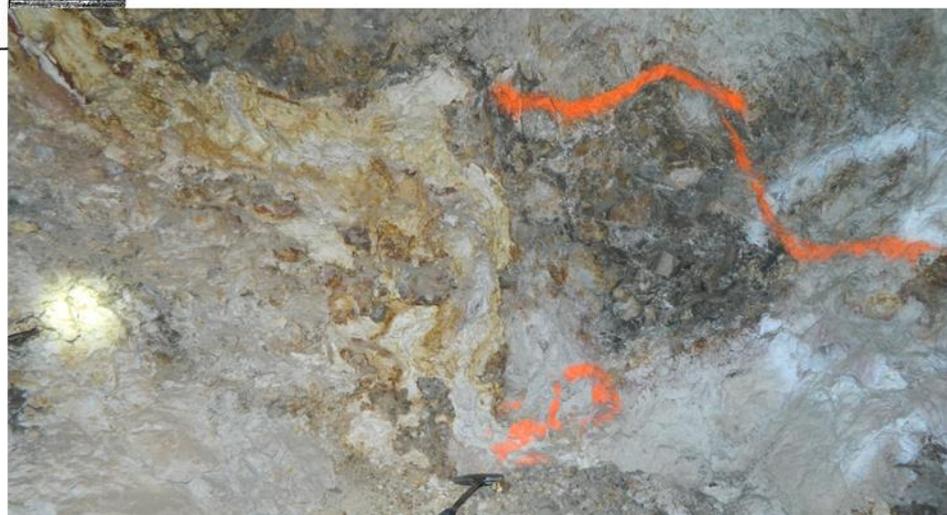
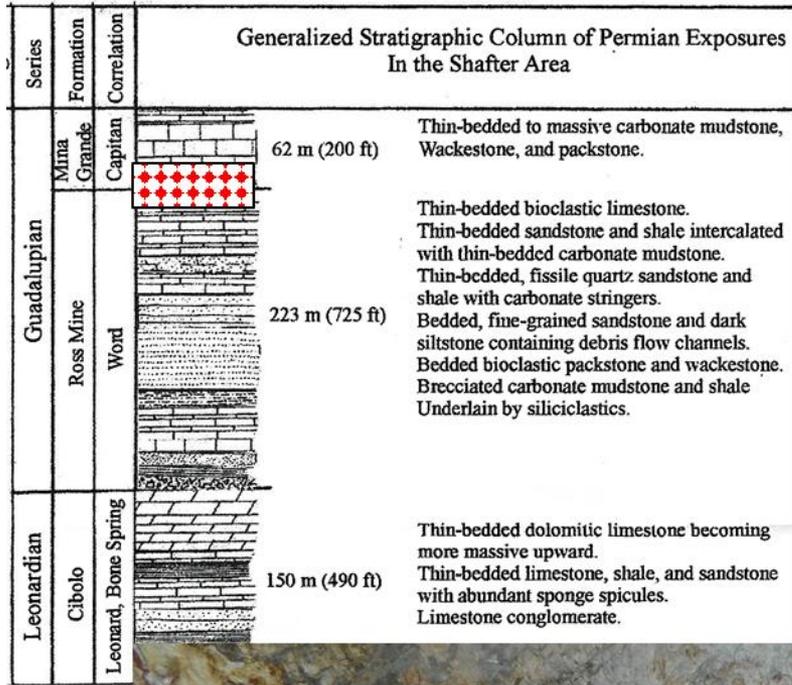
ECONOMICS	
<i>Pre-Tax NPV_{5%}</i>	US\$21.6mm
<i>Pre-Tax IRR</i>	48%
<i>After-Tax NPV_{5%²}</i>	US\$15.8mm
<i>After-Tax IRR²</i>	37%
<i>After-Tax Payback Period</i>	1.8 years

(1) Based on the NI 43-101 Aurcana Preliminary Economic Assessment prepared by Mine Development Associates effective July 11, 2018 ("PEA"); See Appendix page 30 for resource statement. For further information see the Company's news release dated July 30, 2018 titled "Aurcana Announces Transformational Transaction" which is available on the Company's website and is filed on SEDAR www.sedar.com; (2) The SP Mine has previously incurred significant losses which may be available to offset U.S. Federal tax liability of the SP Mine should sufficient taxable income be generated by Aurcana at the SP Mine prior to their expiry. These potential tax loss carry forwards are not reflected in the results presented herein.; (3) AISC or All In Sustaining Costs is a non-IFRS and Non-GAAP measure; AISC includes all production costs related to extraction and processing as well as costs associated with transportation, treatment, refining and other selling costs plus capital costs.

Shafter: Long Section



- Shafter district lies within the Permian Basin (Locally known as the Marfa Basin) and associated sedimentary series
- Silver dominant Carbonate Replacement Deposit (CRD) similar to well known Mexican style CRD deposits
- Mineralization occurs as replacement of the Permian Mina Grande Formation, composed of thinly-bedded to massive limestone
- Ore zone is both strongly stratigraphically and structurally controlled
- Mineralized zone is heavily oxidized and silicified
- Local to district scale faults and dikes including the Mina Grande fault and Herculano dike appear to be controls of mineralization and offset of the ore body respectively
- Drilling, along with extensive historical workings in the Presidio mine, have provided the information used to construct the current ore body model
- Mineralization is open to both the east and west of the currently defined Shafter deposit leaving 1,000s of feet of exploration potential



Shafter: Exploration Targets

