



Ouray Silver Mines

Revenue-Virginus Mine

August 2018



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(<http://web.cim.org/standards/MenuPage.cfm?sections=177,181&menu=229>).

(<http://web.cim.org/standards/MenuPage.cfm?sections=177&menu=178>).

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OURAY SILVER MINES



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Introduction

Investment Highlights



NEAR TERM PRODUCTION AND CASH FLOW

- NI 43-101 compliant Feasibility Study completed Jun-18
- 1st 5-year average annual production of 3.1Moz AgEq beginning 9 months from production decision
- Only US\$36.8 million in restart capital with under 2 years capital payback
- 9 months from production decision to positive cash flow
- After-tax NPV5 of US\$75mm and 71% IRR

HIGH-GRADE NI43-101 COMPLIANT RESERVE

- High-grade silver Reserves of 21.2Moz at 36.9 oz/st, M&I Resource of 29.9Moz at 30.3 oz/st AgEq, and Inferred Resource of 13.2Moz at 39.9 oz/st AgEq¹

Mineral Resources are shown inclusive of Reserves

PERMITTED MINE AND OPERATIONAL MILL

- Over US\$90 million in capital invested since 2011
- Long history of production dating back to 1895 and as recently as 2015

ATTRACTIVE COST POSITION

- All in sustaining cost of production ² of US\$11.01/oz AgEq of silver life-of-reserve and inclusive of sustaining capital
- Resue mining method proven effective and economically attractive with trial stoping

SIGNIFICANT EXPLORATION UPSIDE

- Current mine life based only on P&P reserves; additional adjacent high grade Inferred Resources of 13.2Moz AgEq not in mine plan
- Near-term exploration targets identified with potential to significantly expand the existing resource

LOCAL, EXPERIENCED MANAGEMENT TEAM

- Experienced operating team with proven track record
- CEO Brian Briggs is a Colorado P.E. and mining engineer with 30+ years' industry experience and a multi-generational connection to mining in the San Juan Mountains



¹ See pages 22 and 25 for individual metal components. For further information see Aurcana Corporation's ("Aurcana") news release dated July 30, 2018 titled "Aurcana Announces Transformational Transaction", which is available on Aurcana's website and is filed on SEDAR www.sedar.com

² All in sustaining cost or AISC 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



Feasibility Study Highlights¹



RESOURCES AND RESERVES²

Measured and Indicated Resources	29.9Moz AgEq @ 30.3 oz/st
Inferred Resources	13.2Moz AgEq @ 39.9 oz/st
Proven and Probable Reserves	21.2Moz AgEq @ 36.9 oz/st

OPERATING METRICS

1 st 5 year Average Annual Payable Production	3.1 Moz AgEq
All-In Sustaining Cost of Production ³ (Ag Equivalent basis)	US\$11.01/oz AgEq
1 st 5 year Average Annual After-Tax Cash Flow	US\$23.8mm
Current Reserve Life	77 months
Total Capital Requirement to Positive Cash Flow including capitalized operating cost, concentrate payment terms & working capital	US\$36.8mm

AFTER-TAX ECONOMICS

NPV _{5%}	US\$74.9mm
IRR	71%
Payback Period	1.9 years
Time to Mill Production	7 months
Time to Positive Cash Flow ³	9 months

Based on the NI 43-101 OSMI Feasibility Study prepared by SRK Consulting (U.S.), Inc. effective June 15, 2018 ("FS"). All technical disclosure in this document has been reviewed and approved by Jeff Osborn of SRK Consulting, a qualified person pursuant to NI 43-101. Jeff is independent of OSMI.; 1) Metal equivalent basis is calculated using the FS Price Deck: Ag \$18.50/oz, Au \$1,300/oz, Pb \$1.00/lb, Zn \$1.20/lb. Metal equivalent excludes copper. 2) See pages 22 and 25 for individual metal components. For further information see Aurcana Corporation's ("Aurcana") news release dated July 30, 2018 titled "Aurcana Announces Transformational Transaction", which is available on Aurcana's website and is filed on SEDAR www.sedar.com 3) All in sustaining cost or AISC 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



Management Team



Brian Briggs, Chief Executive Officer

- Professional Engineer (CO & WY) with 30 years of mining industry experience in both underground and surface mine development and operation
- Has taken mines from exploration stage through feasibility study, construction, and into production. He also has a significant experience in environmental work and rehabilitation of mine sites
- Has served in senior management roles, from President/CEO to general manager, in both domestic and international organizations; most recently served as the interim CEO of Tyhee Gold Corp and a VP Technical Services of Geovic Mining
- Earned a BS degree in Mining Engineering and an MS degree in Agricultural Engineering from the University in Wyoming; 6th generation mining engineer from Ouray, Colorado

Patrick Brannan, Chief Financial Officer

- Senior finance and administrative professional with 35 years of experience
- Started his career in public accounting with Pricewaterhouse Coopers and Deloitte-Touche as a senior auditor and subsequently held various finance and administrative positions with large mining companies, including Newmont Mining Corporation and African Barrick Gold
- Experienced in IT, supply chain management, administration, tax, Sox compliance and implementation and holds a CPA
- Earned a BS in Accounting from Saint Francis University

Doug Levesque, Mine Manager

- More than 45 years of experience in mining operations including all aspects of mine site management and operational oversight (exploration, planning, development, construction, production and safety)
- Started as a miner and has held various roles from mine supervisor, mine foreman, mine manager and vice president
- Has extensive underground mining experience as an underground superintendent for Cassiar Mining Corporation, a mine manager for Claude Resources' underground Seabee mine and a VP of Operations for Tyhee Gold Corp.
- Earned a diploma in Mining Technology at the British Columbia Institute of Technology



Management Team



Val Pratico, Manager of Technical Services

- Professional Geologist with more than 40 years of mining industry experience
- Has worked as a base and precious metal exploration geologist in various regions of Canada and the United States
- Experience as a production geologist responsible for duties such as stope grade control, calculation of stope reserve estimates, preparation of production forecasts and supervision of underground and surface diamond drill programs
- Former chief geologist for Waddy Lake Resources, Birch Mountain Resources Ltd and Tyhee NWT Corp
- Graduated from the University of British Columbia and has been a registered member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta since 1991

Heather Simoens, VP of Human Resources

- Over 25 years of HR experience and organizational development with over 13 of those in Senior Management positions
- Has been with OSMI since 2015 and is responsible for payroll, staffing, compensation and benefits, employee relations, leadership development and training
- Currently working on the implementation of a human resource portal and a learning management system
- Prior to joining Ouray Silver Mines, she has held numerous positions including the Executive Director for health services company



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OURAY SILVER MINES



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Revenue-Virginus Overview

Project History Through Foreclosure



Late 1800s

- Initially explored in late 1800s, purchased in 1880 by AE Reynolds

1895-1912

- Put into production in 1895 until an underground fire in 1906 flooded the lower levels
- Mill fire in 1912 put an end to structured mining as the mill was not rebuilt
- Historical mining of nearly 200kst producing approximately 25Moz Ag, 160koz Au, and 108mmlbs Pb¹

1930s, 40s, 60s & 80s

- Development and exploration work by Federal Resources and Ranchers Exploration

1994-2001

- Sunshine Mining extensive work 1994-2001
- First consideration of resale mining since AE Reynold's days

2011

- Purchase agreement by Star Mines

2011-2014

- Estimated invested capital approximately US\$40 million by Star Mines

2014

- Production restart

2014

- Purchased by Fortune Minerals with financing from LRC

2014-2015

- Estimated invested capital approximately US\$27 million exclusive of purchase price

2014-2015

- Continues mill commissioning and ramp up

Early/Mid 2015

- Below target mine production and lower commodity price made operations unprofitable

July 2015

- LRC forecloses and renames company Ouray Silver Mines

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Project History July 2015 - Present

Significant Work Completed Under New Ownership



GEOLOGY

- Improved geological database incorporates corrections to vein tags and missing or corrected assay values
- Completed 2,400 meters of infill drilling
- Significant upgrading of resource delivering 77 months of 2P reserves in FS mine plan

MINING

- Strategic change to a resue mining method which historically provided lower dilution than other available methods at the Revenue-Virginus
- Two series of resue mining test stopes to support geotechnical, dilution and productivity estimates
- Underground rehabilitation focused on infrastructure and logistics
- Optimization of detailed development plan and stope design for full FS Life of Mine sequencing, costing and labor allocations based solely on 2P reserves
- Costing supported by unitized activity-based bottoms up analysis

PROCESSING

- Two separate series of metallurgy variability tests completed by FLSmidth for FS level confirmation of expected recoveries
- Final detailed engineering and 'for construction' drawings on all process flow completed by Barr Engineering, as well as bottoms up costing for operations
- Mill pre-construction activities to enable enhanced flowsheet installation to handle higher mill feed head grade
- Mill to produce lead concentrate with high precious metal content and a zinc concentrate

PRODUCT MARKETING

- Concentrate expert Bluequest conducted an independent study on concentrate marketing and freight terms which confirmed anticipated long-term pricing

CAPITAL

- Receipt of all major engineering and construction contract bids based on 'for construction' final engineering and quotes for all capital equipment

SITE OPERATIONS

- Significant demonstrable safety culture change and development of a new relationship with MSHA
- Environmental improvements focused on water management and permits with a goal of minimal footprint, including installation of a long-term passive water treatment system and to allow tailings and waste rock to be sold as road aggregate
- Site preventative maintenance and new finance/administrative/warehouse systems built out for operations
- Ready for production decision

STAFF

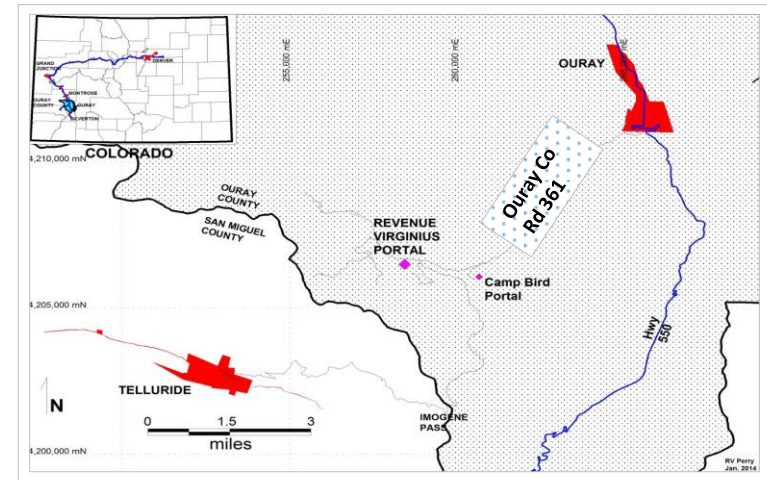
- Reset operations and replaced the majority of senior staff
- All senior roles filled with either local managers or managers who relocated
- Addition of key technical support staff to complete comprehensive analysis and pre-production activities



Project Location



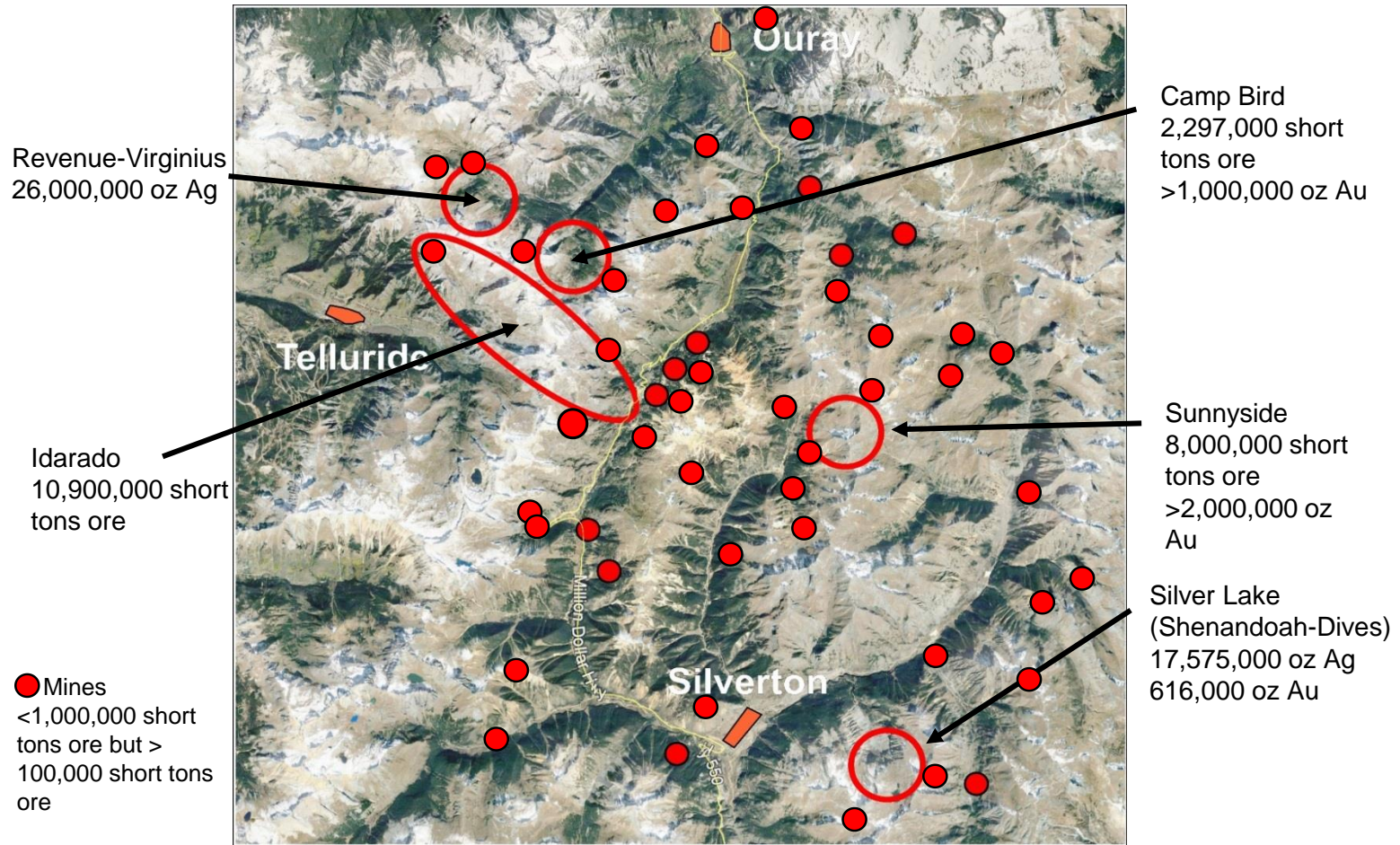
- Revenue-Virginus mine (Longitude 107.750° W / Latitude 37.974° N) is located in southwestern Colorado about 5.5 miles southwest of the town of Ouray via County Road 361
- Ouray is easily accessible from Montrose Airport (36 miles to the north) or by road (about 5.5 hour drive from Denver)
- Operation is year-round
- Given proximity to local communities, such as Ouray, Ridgeway and Montrose, there is no need for camps or a fly-in, fly-out arrangement



Regional Historical Production



PREVIOUS MINES AND HISTORICAL PRODUCTION



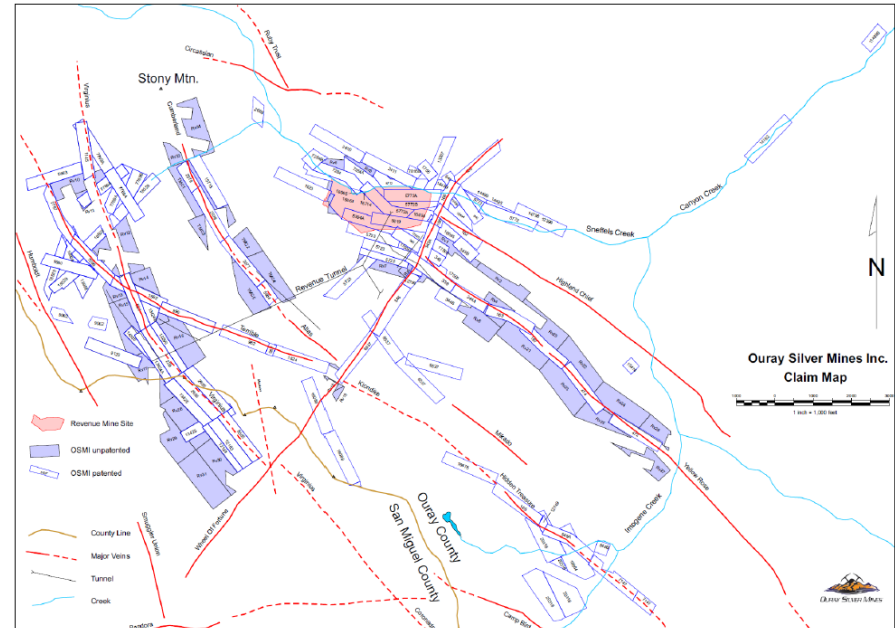
Source: OSMI Research. Historical production figures are based on OSMI research of historical reports which are not NI 43-101 compliant



Land Holdings



- The property consists of both patented and unpatented mining claims
 - 110 patented mining claims covering 812 net acres
 - 39 unpatented mining claims covering 343 net acres
- Claim ownership in the area was compiled by a contracted Landman (Steven Lappin) under previous ownership
- Various holdings from previous owners have been merged into one land package under OSM



Site Overview



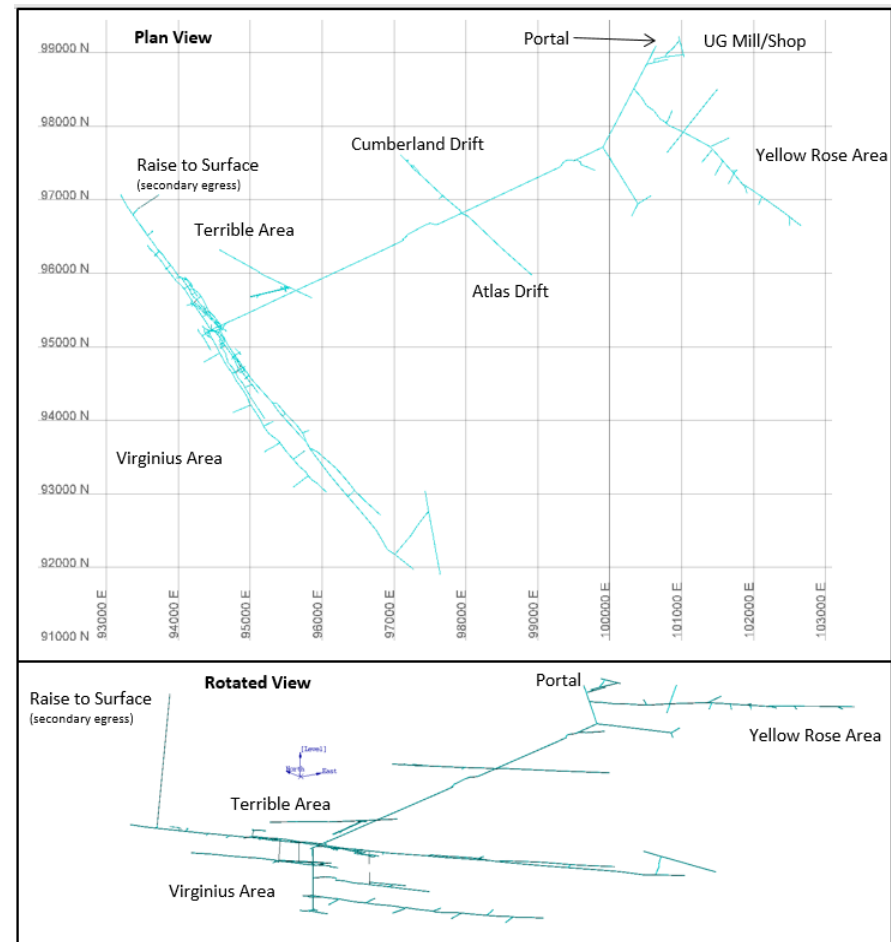
- Mine portal is located at an elevation of 10,660 feet, northwest facing
- Site surface footprint is minimal and the mill equipment is located underground
- Bio-reactive leach field was recently installed for passive treatment of mine water discharge, eliminating the long term need for a costly mechanical water treatment solution
- OSM also has a separate warehouse in Ouray which provides additional office space and storage



Overview of Underground Workings



- Extensive underground workings with complete infrastructure in place
 - Over 5 miles of rail with switches and sidings
 - Raise bore for ventilation and secondary egress
 - Multiple drifts providing access to mining areas
 - Power stations and other underground infrastructure, including the #1 Shaft slated to be rehabilitated
- Virginius & Terrible veins are located at the end of the Revenue Tunnel
- These steeply dipping veins with narrow widths lend themselves to resue mining method
- Mill is accessed directly underground via an access near the mine portal





OURAY SILVER MINES



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Feasibility Study Review

Feasibility Study Summary



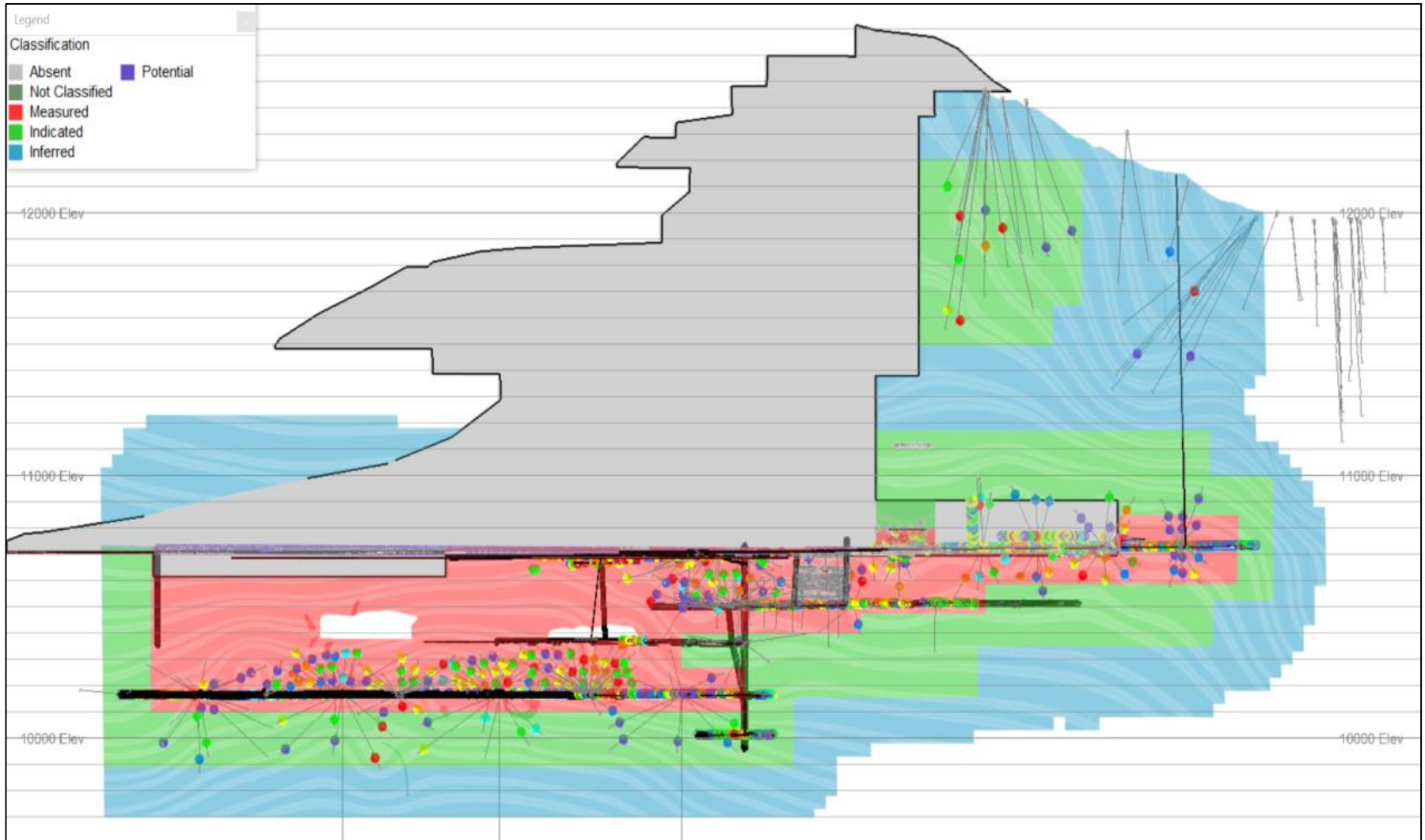
NI 43-101 Feasibility Study completed in June 2017 and updated in June 2018

The scope of work included:

- Study was managed by SRK Consulting in Denver
- CIM Mineral Resource (NI 43-101) based on OSMI's revised geological database and SRK geologic model
- OSMI detailed mine plan completed for life of current reserve
- Validation of unit cost assumptions and consumable bids
- Metallurgical variability testing performed for a NI 43-101 compliant feasibility study
- Incorporation of recent environmental and permitting improvements
- Two separate resue test stope trials confirmed dilution and productivity assumptions in the mine plan
- Bluequest conducted a third-party study on concentrates and freight terms
- Detailed engineering designs for mill completed by Barr Engineering
- Incorporation of final "for construction" engineering designs
- Firm quotes received for all capital and contracted work scope, including raise bore, shaft #1, mill, surface infrastructure, and mobile equipment
- 2018 update refreshed capital and unit cost consumable bids



Resource Summary



Resource Summary



Classification	Vein	Tons (kst)	Ag (oz/st)	Au (oz/st)	Pb (%)	Cu (%)	Zn (%)	Ag (koz)	Au (koz)	Pb (klb)	Cu (klb)	Zn (klb)	Ag Equiv* (koz)	Ag Equiv* (oz/st)
Measured	Virginus Main	218	22.6	0.07	5.15	0.24	1.89	4,918	15	22,433	1,058	8,262	7,721	35.4
	Virginus FW	58	25.8	0.03	4.05	0.36	1.61	1,495	2	4,695	416	1,865	2,010	34.7
	Terrible	-	-	-	-	-	-	-	-	-	-	-	-	-
	Yellow Rose	39	22.1	0.05	4.51	0.17	2.53	860	2	3,506	135	1,966	1,318	33.9
Measured Subtotal		315	23.1	0.06	4.86	0.26	1.92	7,273	19	30,634	1,609	12,093	11,048	35.1
Indicated	Virginus Main	311	24.2	0.06	4.38	0.26	2.56	7,516	19	27,262	1,587	15,921	11,357	36.5
	Virginus FW	103	12.6	0.03	2.67	0.21	1.20	1,298	3	5,501	431	2,472	1,967	19.1
	Terrible	49	17.6	0.06	7.44	0.14	1.46	861	3	7,287	137	1,435	1,559	31.8
	Yellow Rose	209	11.8	0.03	2.44	0.10	1.69	2,460	7	10,180	401	7,051	3,960	18.9
Indicated Subtotal		672	18.1	0.05	3.74	0.19	2.00	12,135	32	50,230	2,556	26,879	18,842	28.0
M&I	Virginus Main	529	23.5	0.06	4.70	0.25	2.29	12,434	34	49,695	2,645	24,183	19,078	36.1
	Virginus FW	161	17.3	0.03	3.17	0.26	1.35	2,793	5	10,196	847	4,337	3,977	24.7
	Terrible	49	17.6	0.06	7.44	0.14	1.46	861	3	7,287	137	1,435	1,559	31.8
	Yellow Rose	248	13.4	0.04	2.76	0.11	1.82	3,320	9	13,686	536	9,017	5,277	21.3
M&I Subtotal		987	19.7	0.05	4.10	0.21	1.97	19,408	51	80,864	4,165	38,972	29,891	30.3
Inferred	Virginus Main	170	30.7	0.07	5.96	0.42	3.07	5,220	12	20,268	1,444	10,440	7,836	46.1
	Virginus FW	1	19.0	-	2.20	0.20	0.95	19	-	44	4	19	23	22.6
	Terrible	52	28.8	0.12	7.04	0.11	1.31	1,499	6	7,323	115	1,359	2,405	46.2
	Yellow Rose	108	20.9	0.04	1.34	0.15	1.72	2,258	4	2,894	325	3,724	2,937	27.2
Inferred Subtotal		331	27.2	0.07	4.61	0.29	2.35	8,996	22	30,529	1,888	15,542	13,200	39.9

Based on the NI 43-101 OSMI Feasibility Study prepared by SRK Consulting (U.S.), Inc. effective June 15, 2018 ("FS") and OSMI analysis.

1) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves. 2) Mineral Resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding. 3) All Measured and Indicated estimates with the defined wireframes are considered to have potential for economic extraction as entire level will be mined 4) Inferred Mineral Resources is limited using a NSR cut-off US\$200/st. 4) Metal price assumptions considered for the calculation of metal equivalent grades are: Gold (US\$/oz 1,300), Silver (US\$/oz 18.50), Lead (US\$/lb 1.00) and Zinc (US\$/lb 1.20). Metal equivalent calculation excludes copper. 5) Cut-off calculations assume average metallurgical recoveries equal to: Gold (65%), Silver (96%), Lead (96%), Copper (94%) and Zinc (89%). 6) The resources were estimated by Benjamin Parsons, BSc, MSc Geology, MAusIMM (CP) #222568 of SRK, a Qualified Person. 7) Mineral Resources are shown inclusive of Reserves.

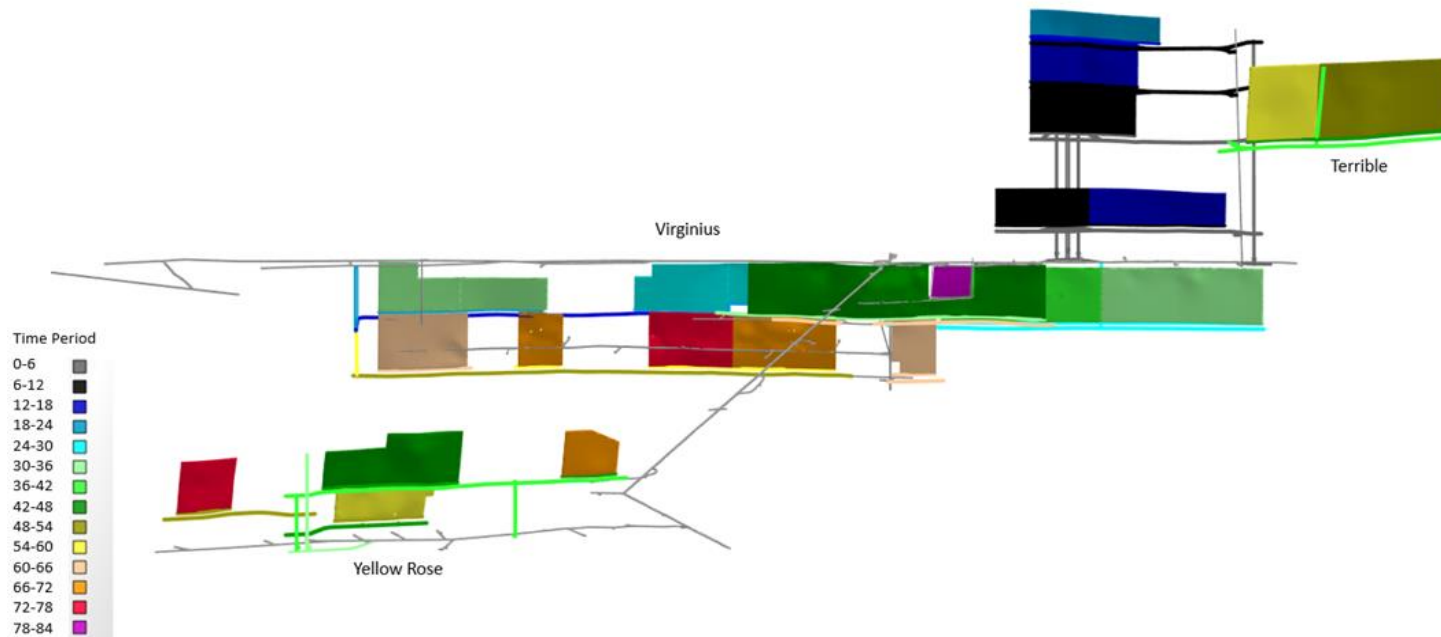
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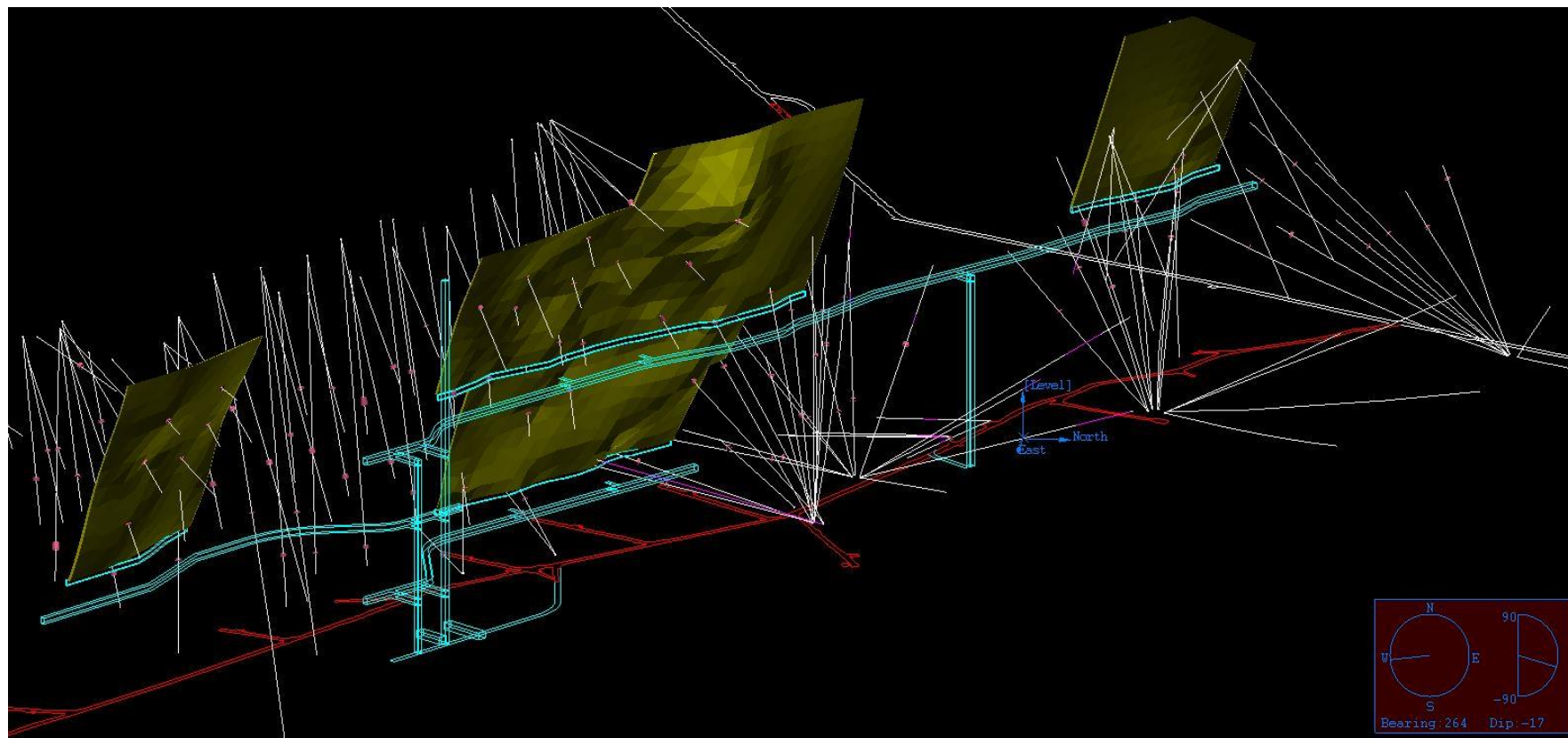
Mine Plan – Life of Current Reserves



- Virginius Main, Virginius Footwall, Terrible and Yellow Rose are the veins of interest during initial mining
- Virginius vein has over 25 million ounces of historical silver production, and it contributes to the majority of the current Mine Plan reducing the level of geological and grade uncertainties
- Other veins shown (FW, YR and Terrible) also have production but to expand reserves they need additional drilling which is included in Feasibility Study economics



Mine Plan Detail



Reserve Summary



P&P of over 21.2Moz of silver equivalent grading 36.9 oz/st; in excess of 6.5 years of production

Description	Area	Tons	Ag	Au	Pb	Zn	Aq	Au	Pb	Zn	Aq Equiv	Aq Equiv
		(kst)	(oz/st)	(oz/st)	(%)	(%)	(koz)	(koz)	(klb)	(klb)	(koz)	oz/st
Proven	Virginus	203.5	24.5	0.06	5.09	1.75	4,980	12.6	20,720	7,124	7,448	36.6
	Terrible											
	Yellow Rose	40.9	20.2	0.05	4.20	2.31	825	2.1	3,433	1,887	1,281	31.3
Proven Subtotal		244.4	23.8	0.06	4.94	1.84	5,805	14.7	24,153	9,011	8,728	35.7
Probable Subtotal	Virginus	206.6	30.4	0.06	5.11	2.80	6,270	13.1	21,133	11,571	9,083	44.0
	Terrible	44.9	18.0	0.05	7.40	1.37	806	2.2	6,642	1,229	1,399	31.2
	Yellow Rose	79.2	16.7	0.04	3.29	1.83	1,321	2.8	5,209	2,896	1,987	25.1
Probable Subtotal		330.7	25.4	0.05	4.99	2.37	8,397	18.1	32,984	15,696	12,470	37.7
P&P	Virginus	410.1	27.4	0.06	5.10	2.28	11,250	25.7	41,853	18,695	16,531	40.3
	Terrible	44.9	18.0	0.05	7.40	1.37	806	2.2	6,642	1,229	1,399	31.2
	Yellow Rose	120.1	17.9	0.04	3.60	1.99	2,146	4.9	8,642	4,783	3,268	27.2
P&P Subtotal		575.1	24.7	0.06	4.97	2.15	14,202	32.8	57,137	24,707	21,198	36.9

Based on the NI 43-101 OSMI Feasibility Study prepared by SRK Consulting (U.S.), Inc. effective June 15, 2018 ("FS") and OSMI analysis

1) All figures are rounded to reflect the relative accuracy of the estimates. Totals may not sum due to rounding. 2) Ore reserves are reported at NSR CoGs based on metal price assumptions*, metallurgical recovery assumptions**, mining costs, processing costs, general and administrative (G&A) costs, and treatment and refining charges. Mining costs, processing costs, and G&A costs total US\$240.62/st. (Metal price assumptions considered for the calculation of metal equivalent grades are: Gold (US\$/oz 1,300), Silver (US\$/oz 18.50), Lead (US\$/lb 1.00) and Zinc (US\$/lb 1.20); Metallurgical recoveries for payable items in the Pb concentrate are: Gold (60%), Silver (95%), and Lead (95%). Metallurgical recoveries for payable items in the Zn concentrate are: Zinc (54%). 3) Ore reserves have been stated on the basis of a mine design, mine plan, and cash-flow model. Full mining recovery of designed areas is assumed. Mining dilution is applied at zero grade and ranges from 5.9%-26.8%. 4) The ore reserves were estimated by OSMI. Joanna Poeck, (BS Mining, MMSA, SME-RM) a Qualified Person.

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Resue Mining

Keys to Success – The Resue Mining Method

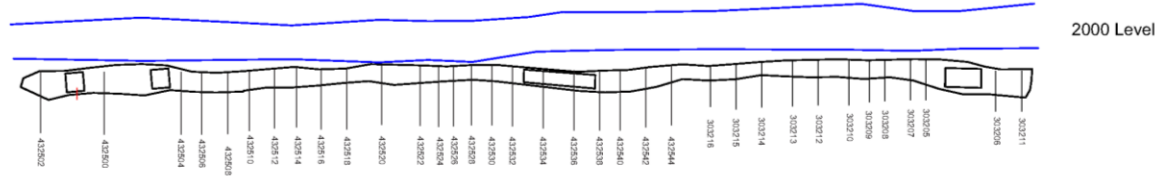
- Historically, profitable mining at the Revenue-Virginius was based on the resue mining method (1885-1916)

Resue Test Stope Confirmed Resue Method was Viable and Economically Attractive

- Conducted trial stoping on 200 feet of Virginius Vein
- Confirmed Dilution Expectations:
 - 18% for 1 foot wide vein
 - 15% for 1.5 feet wide vein
- Confirmed Productivities:
 - 80 feet of stope mined per shift with two 5-man teams
 - Focus on higher grades and selective mining by resuing
- Confirmed the requirement for an OSMI stoping school to train resue miners to meet minimum qualification standards
- Reduced size of tailings production over the life of mine
- Higher recovery and improved concentrate grades
- Economic improvements – more metal with less waste

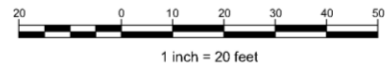
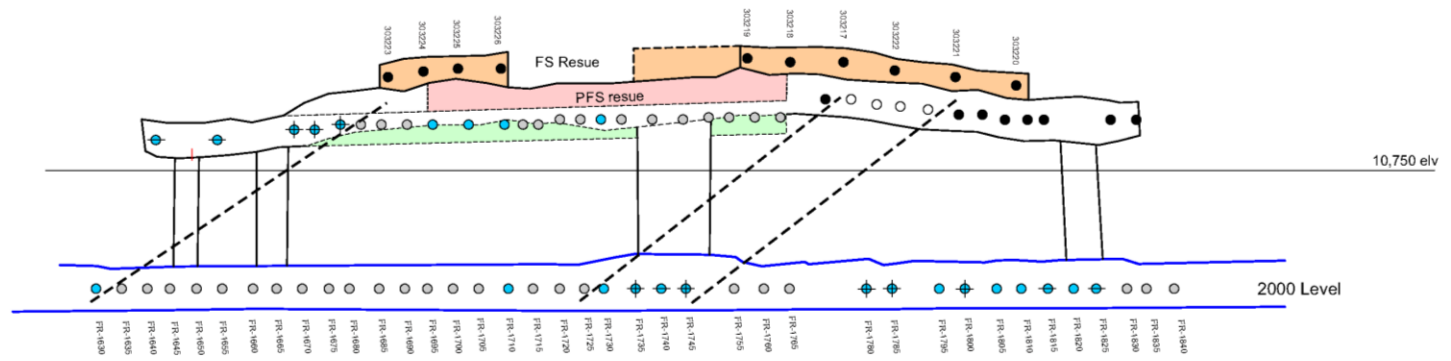


Resue Test Stope



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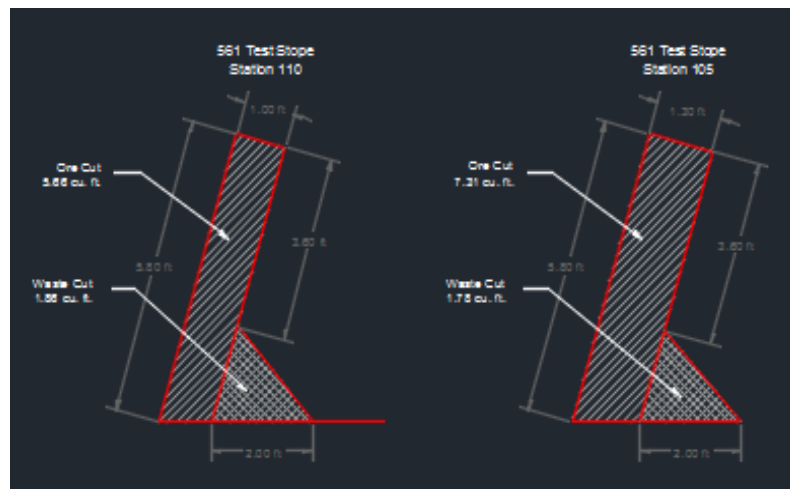
- ⊕ greater than 30.0 opt Ag
- 10.0 to 30.0 opt Ag
- 4.0 to 9.9 opt Ag
- less than 4.0 opt Ag
- Ag mineralization
- unknown



561 Test Stope
14 June 2017



Resue Test Stope Dilution



Process Improvements vs Most Recent Operation



Key Plant & Infrastructure Upgrades

- Replace cone crusher with a rod mill and secondary jaw crusher
- Install mill specific air compressors
- Install mill tailings and concentrate thickeners
- Replace cyclones with Derrick screens
- Install designated clean water system for gland seal
- Install plant automation and Pi historian
- Construct new reagent storage building and pumping system with secondary containment
- Increase mineral flotation residence time by adding additional flotation tank cells
- Construct new all weather rail yard in front of portal
- Expand existing dry and office building at site
- Construct tailings thickener enclosure

Effects of Upgrades

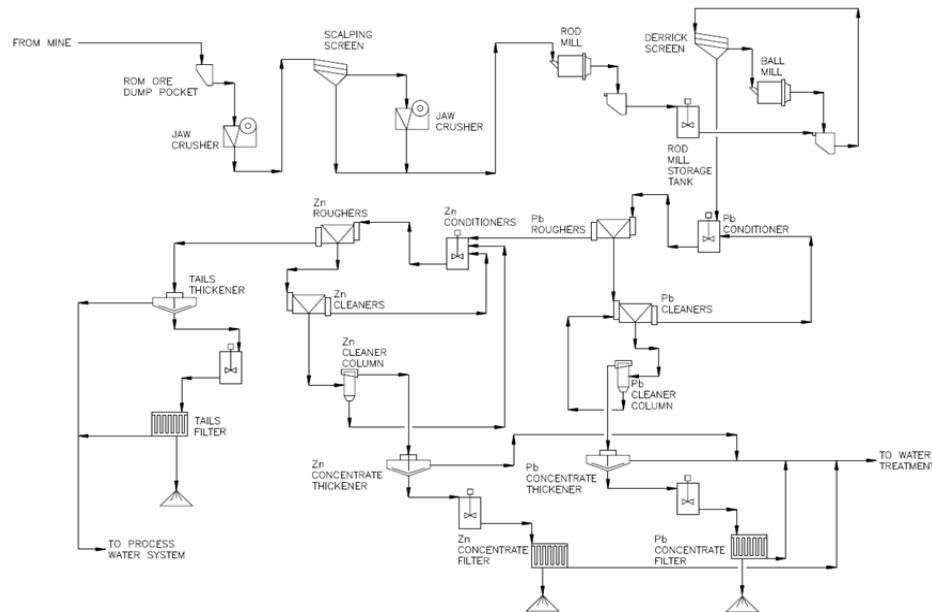
- Concentrator can operate at a steady rate of up to 276 short tons per day
 - Upside opportunity exists to exceed this
- Increased grinding capability and flotation residence time
- Steady supply of ore to ball mill and flotation circuits without surging
- Reduced concentrate and tailings cake moistures resulting in lower shipping charges
- Fully automated operating circuits that can be tuned to improve efficiencies and reduce operating cost
- Provides redundancy resulting in increased plant effective run time



Mill Flow Sheet



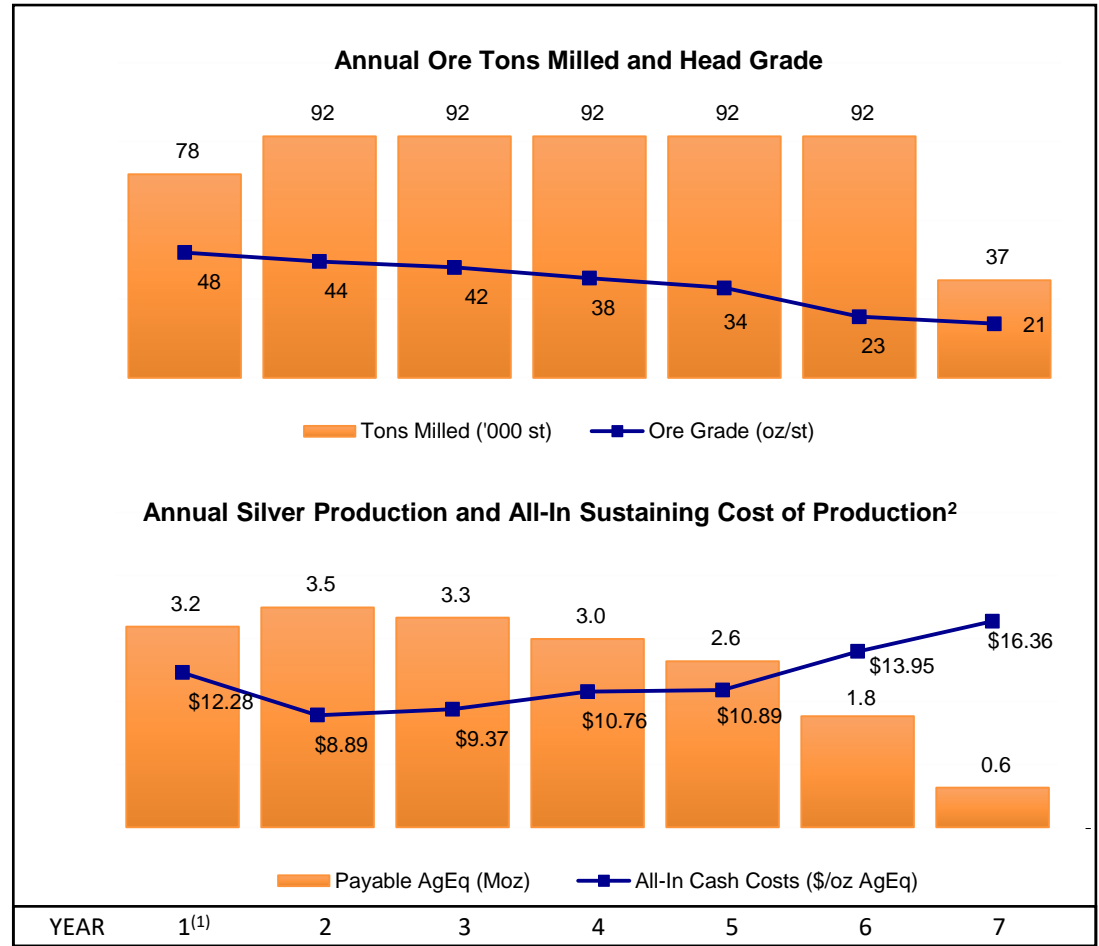
- Mill has a traditional flow sheet consisting of crushing and grinding to 130 μm followed by floatation circuits
- The mill will produce desirable lead concentrates with high precious metal content and a small amount of saleable zinc concentrates
 - Target 65% lead concentrate with over 276 oz/st silver content
- Mill produced saleable concentrates as recently as 2015, and the current design is intended to allow modifications to remove prior operational bottlenecks and enhanced recovery of higher grade feed ore from the resale mining method



Production Summary



- The operation targets an annual throughput of approximately 92 kst per annum (270 stpd), producing an average of 3Moz of payable silver equivalent per year
- The resue mining method should allow OSM to achieve very high average ore grade
- To achieve the targeted production rate, the mine plan has an average of two active stopes averaging a minimum of 500 feet each in length with two headings in each stope (4 active faces)
- With two stopes in operation the plan calls for at least one additional stope to be fully developed or near final development at all times once operations are fully established



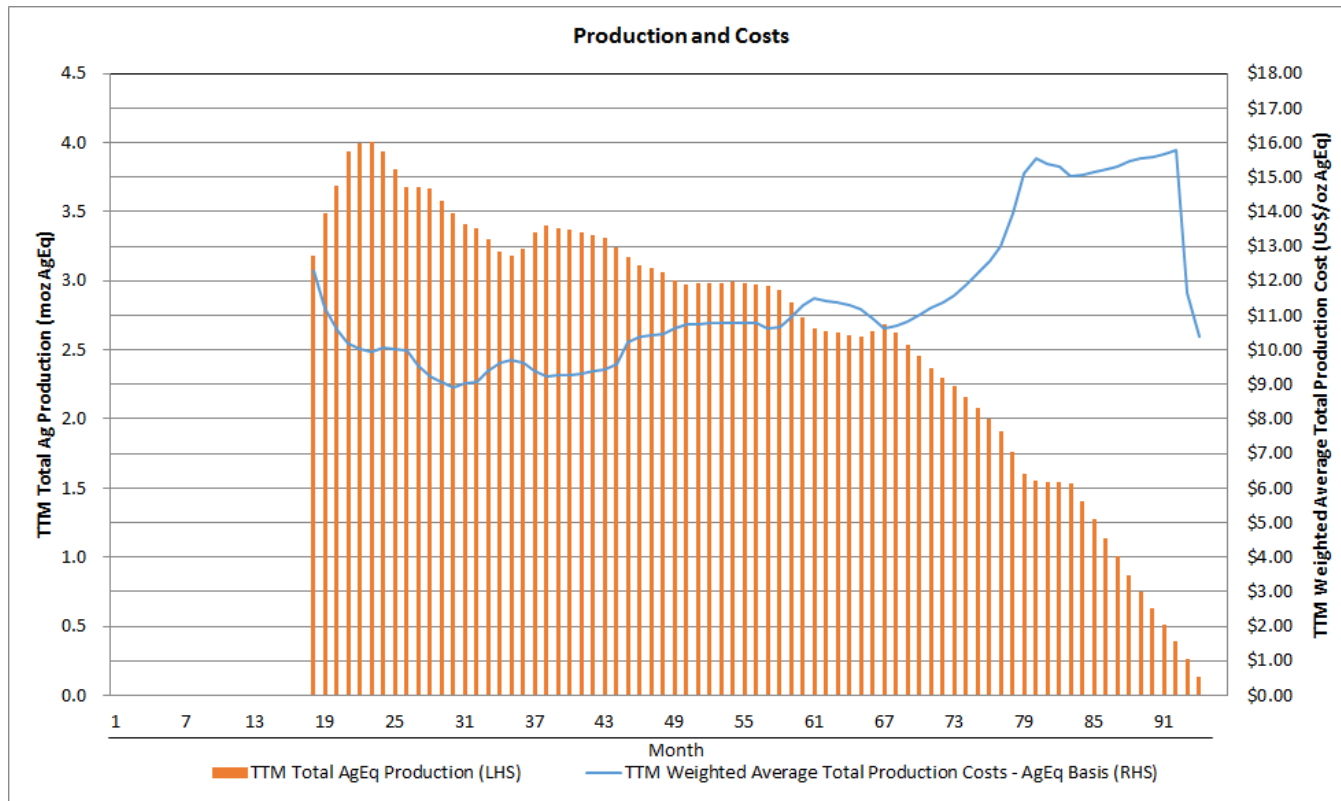
Based on the NI 43-101 OSMI Feasibility Study prepared by SRK Consulting (U.S.), Inc. effective June 15, 2018 ("FS") and OSMI analysis. All technical disclosure in this document has been reviewed and approved by Jeff Osborn of SRK Consulting, a qualified person pursuant to NI 43-101. Jeff is independent of OSMI.; (1) Includes 3 months of ramp up period under the FS study; (2) All in sustaining cost or AISC 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



Production Details



- Detailed mine plan has been optimized based on known mineralization within the Reserve
- Under the current plan, production will peak at just under 4.0Moz of silver equivalent on a Trailing Twelve Month (“TTM”) basis and at its peak creates US\$35 million in FCF on a TTM basis



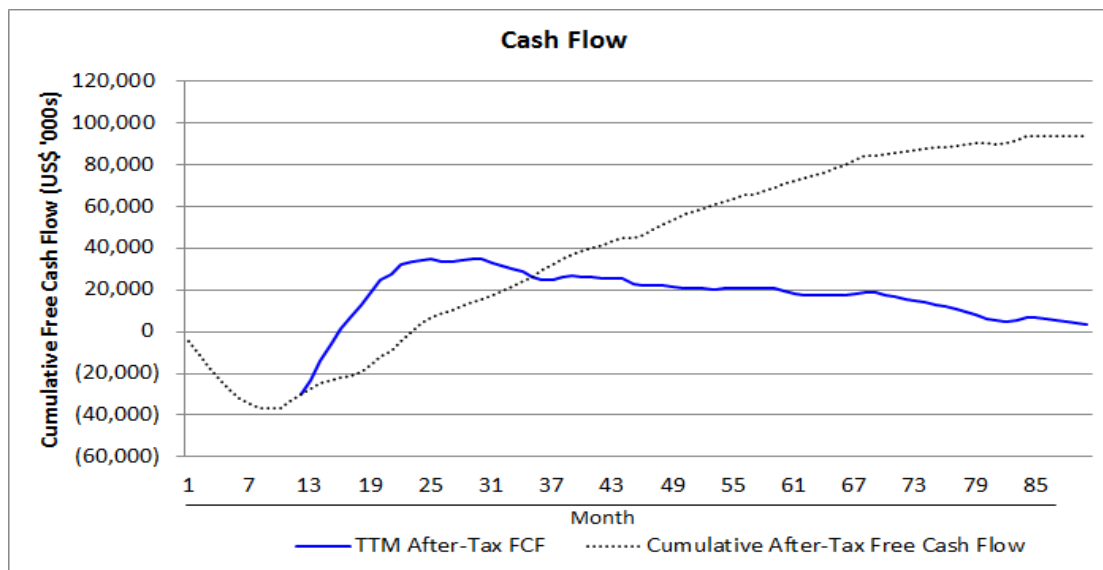
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Cash Flow



- Grade, production and cash flow fall off dramatically toward the end of the current 77 month reserve life skewing average life-of-reserve data
 - This fall off may be mitigated or deferred as additional resources are converted to reserves
- Drilling is included in the current production cost in the economic model to allow potential conversion of known Inferred Resource (39.9 oz/st AgEq versus Measured & Indicated at 30.3 oz/st AgEq¹) to increase reserves during the life of the project, although no production or economic benefits associated with such conversion are given in the model
- Additional targets will also be identified with exploration drilling



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Operating Costs



- Bottom-up unit cost development results in US\$251/st ore estimated total operating costs
- Concentrate market specialist Bluequest conducted a study to provide concentrate terms
- Resue mining minimizes dilution resulting in a LOM average mill feed grade of roughly 36.9 os/st AgEq which provides an NSR value of US\$515/st¹
- The labor intensive method is offset by larger stope blocks, optimized mining team structure and efficiently organized Life-of-Mine development plan designed by OSM and confirmed by SRK
- As a result, Revenue-Virginus is projected to be a low cost producer at US\$11.01 all-in sustaining cost of production² per payable oz silver equivalent inclusive of production taxes, TC/RC/Freight, and all capital

Revenue Mine Operating Costs	LoM		First 5 Years	
	USD000s	USD/t-RoM	USD000s	USD/t-RoM
Revenue Mining	\$54,895	\$95	\$47,990	\$103
Revenue Milling	\$29,291	\$51	\$23,796	\$51
G & A	\$53,530	\$93	\$41,894	\$90
Surface Operating Costs	\$6,671	\$12	\$5,383	\$12
Total Operating Costs	\$144,387	\$251	\$119,062	\$254
Royalty, TC/RC & Freight	\$43,423	\$76	\$38,816	\$83
<u>Ongoing Capital</u>	<u>\$10,497</u>	<u>\$18</u>	<u>\$9,251</u>	<u>\$20</u>
All in Cash Cost	\$198,307	\$345	\$167,129	\$357
<u>Byproduct Credits</u>	<u>(\$95,350)</u>	<u>(\$166)</u>	<u>(\$84,284)</u>	<u>(\$180)</u>
All in Cash Cost Net of Byproduct Credits	\$102,957	\$179	\$82,845	\$177

Total Ag Production	12,865	11,219
Total Ag Equiv Production	18,019	15,600
AISC² \$/oz Ag incl. byproduct credits	\$8.00	\$7.38
AISC² \$/oz AgEq excl. byproduct credits	\$11.01	\$10.71

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Capital Requirements



- Total initial capital requirements are projected to be US\$36.8 million, including preproduction costs, working capital and concentrate payment terms
- Major capital items include raise bore, mill upgrades and underground development
- OSM has received firm quotes and selected its preferred vendors reducing time to implementation

Values in \$000

Description	Pre-Prod	Ramp Up	Total	Post CFP	LOM
Revenue Mine	(\$3,207)	(\$383)	(\$3,590)	(\$301)	(\$3,890)
Revenue Mill	(\$3,899)	(\$124)	(\$4,023)	(\$94)	(\$4,117)
Surface	(\$910)	\$0	(\$910)	(\$222)	(\$1,132)
Site Infrastructure	(\$712)	\$0	(\$712)	(\$179)	(\$891)
Engineering & Construction Contracts	(\$14,522)	(\$1,463)	(\$15,984)	(\$6,837)	(\$22,821)
Subtotal	(\$23,250)	(\$1,970)	(\$25,219)	(\$7,632)	(\$32,852)
Pre-Production Costs	(\$6,982)	\$0	(\$6,982)	\$0	(\$6,982)
Subtotal	(\$30,232)	(\$1,970)	(\$32,202)	(\$7,632)	(\$39,834)
Contingency	(\$1,889)	(\$172)	(\$2,060)	(\$723)	(\$2,784)
Total Capital	(\$32,121)	(\$2,141)	(\$34,262)	(\$8,356)	(\$42,618)
Operating Costs		(\$2,838)	(\$2,838)		
Net Revenue		\$306	\$306		
Cash Flow	(\$32,121)	(\$4,673)	(\$36,794)		

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Capital Requirement Details



Engineering & Construction Contracts

Area	LOM (\$000s)
Site Infrastructure Buildings	1,329
Water treatment Plant	225
Atlas Tailings Expansion	793
Subtotal Infrastructure Engineering & Construction Contracts	2,347
Mill & Buildings - See Sheet for Details	
200 - Crushers, Conveyors & Dry Screen	1,468
300 - Rod Mill, Ball Mill, Wet Screen	1,575
400 - Concentrate Thickeners and Filter Press	52
500 - Tails Thickening and Tails Press	1
700 - Reagents and Reagent Building	1,246
800 - Water & Air Systems	79
Commissioning	30
Mill Procurement & Construction Management	512
Subtotal Mill Engineering & Construction Contracts	4,962
Raise Bore & Alimak Hek (inc materials supplied by OSM)	3,473
Rebuild # 1 Shaft and Hoist Installation (TBD on timing)	6,612
#1 and #1.2 Alimak with lateral development w/ hoist & materials	4,566
RaR #1 and #2 and Shaft Cave Rehab (total 275')	861
Subtotal Mine Engineering & Construction Contracts	\$ 15,513
TOTAL Engineering & Construction Contracts	\$ 22,821
10% Contingency	2,282
Total Mine Engineering & Construction Contracts	\$ 25,103

Purchased Equipment

Area	LOM (\$000s)
Mine	3,890
Mill	4,117
Surface	1,132
Infrastructure	891
Subtotal Purchased Equipment	\$ 10,030
5% Contingency	502
Total Purchased Equipment	\$ 10,532

Preproduction Costs

Area	Cost (\$000s)
Mining	2,958
Processing	0
G&A	3,866
Surface	158
Total PreProduction Costs	\$ 6,982

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Economic Analysis



- Feasibility Study supports the strong economics of Revenue-Virginus mine
 - After-tax NPV_{5%} of US\$74.9 million
 - After-tax IRR of 71%
- 1.9 year payback period
- Total undiscounted after-tax FCF (after reaching positive cash flow) is US\$129 million
 - Provides just under 4x return on incremental invested capital
- Feasibility study only includes existing reserve, leaving a potential significant upside from resource expansion

Values in \$000

REVENUE ALLOCATION			
Payable Gross Revenue by Metal	Value	% of Gross	Wtd. Average Prices
Silver	\$237,995	71%	\$18.50 USD/oz-Ag
Gold	\$25,461	8%	\$1,300 USD/oz-Au
Copper	\$0	0%	\$0 USD/lb-Cu
Lead	\$51,256	15%	\$1.00 USD/lb-Pb
Zinc	\$18,633	6%	\$1.20 USD/lb-Zn
Total	\$333,345	100%	
ESTIMATE OF CASH FLOW			
	Value	% of G. Rev.	
Total Gross Revenue	\$333,345		
Smelting / Refining	(\$24,520)		
Freight / Insurance	(\$12,986)		
NSR Pre Royalty	\$295,839		
Royalties	(\$5,917)		
Total Net Revenue	\$289,922	87%	
Total Operating Cost	(\$144,387)	-43%	
Operating Profit (EBITDA) Pre-tax Cashflow	\$145,535	44%	
Total Tax	(\$10,460)		
After Tax Cash Flow	\$135,076		
LOM Capital	(\$42,618)		
Pre-tax Undiscounted Free Cash Flow (US\$000)	\$102,918		
After-tax Undiscounted Free Cash Flow (US\$000)	\$92,458		
DISCOUNTED CASH FLOW AND RETURNS			
	Pre-Tax	After-Tax	
Undiscounted Free Cash Flow (US\$000)	\$102,918	\$92,458	
NPV USD\$000 @ 5.0%	\$83,597	\$74,883	
IRR	75%	71%	
Break Even Years	1.9	1.9	

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Operational Readiness

Timeline to Production

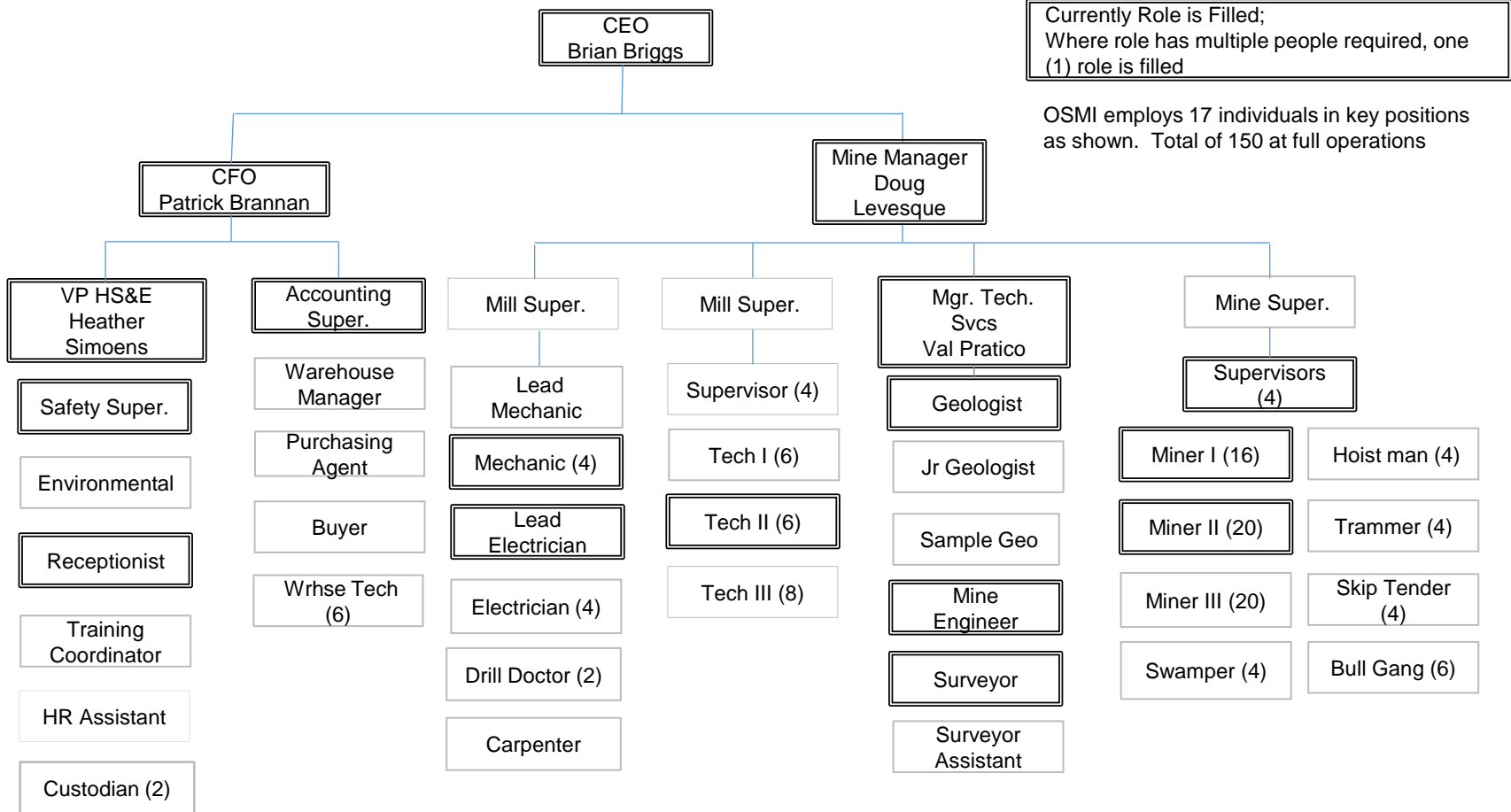


- The mine can be put back into production within 7 months of construction decision
- All long lead time items required for the mill improvements have been identified and are ready to be ordered
- Final engineering complete, and major construction and development activities (mill upgrades, raise bore rehabilitation, Alimak development) have been bid and contractors selected
- All contractors are awaiting final contract negotiation and mobilization to site

Month	0	1	2	3	4	5	6	7	8	9	10	11	12
Board Approval / Full Funding	x												
Order Long Lead Time Equipment	x												
Mine Development		x	x	x	x	x	x	x					
Construction, commisioning		x	x	x	x	x	x	x					
Start of Production								x					
Mill Ramp Up								x	x	x			
Positive Cash Flow										x	x	x	x
Full Production											x	x	x



Organizational Structure



Permit Requirements



The operation is fully permitted for restart of production

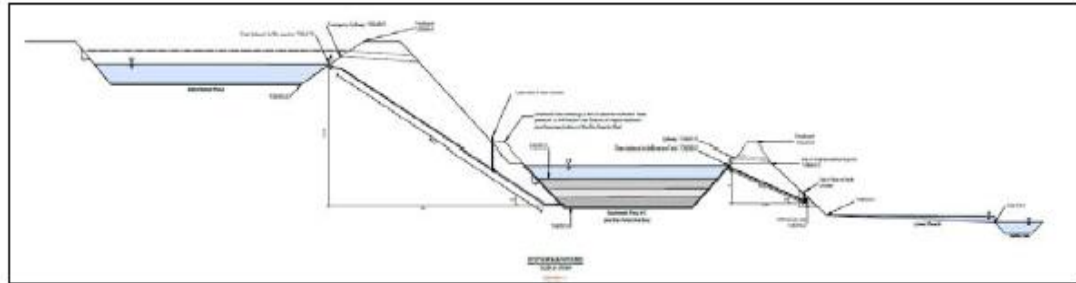
Permit Number/ Agency / Original Permit Date	Purpose	Expiration Date	Comments
M2012-032 / DRMS 2/5/2012	112d-1 Mining Permit , regulates mining, reclamation, and groundwater for mining operations that affect less than 50 acres and extract less than one million tons per year	Renewed annually	<p>Amendment 1 (8/20/2015): Modified to update facilities and allow for ore processing for Governor Basin (abandoned). Includes TR-01, TR-02, TR-03, TR-04, TR-05, and TR-06</p> <p>TR-08 (7/5/2016): Authorizes passive treatment of mine water discharge and groundwater infiltration of effluent</p> <p>TR-09 (3/16/2017): Building upgrades for winter operations, updates water quality monitoring, authorizes road aggregate to be sold. Mill discharge permit rejected due to lack of treatment system detailed engineering</p> <p>TR-10 (Pending): Improved passive treatment system. TR-11 (Design Stage): Mill Water Treatment Plan</p>
P2015-003 / DRMS 3/31/2015	Governor Basin Exploration Notice of Intent	N/A	NOI remaining open for future drilling as needed
CO0000003 / CDPHE 8/1/2013	Point Source Discharge to Sneffels Creek, Surface Water	8/31/2018	Permit renewal underway with improved passive treatment system
COR040289 / CDPHE 9/19/2012	Storm water (formerly Permit # COR040273)	Administratively continued	Storm water discharge monitoring required, but no discharge has occurred.
CO0246283 / CDPHE Pending	Potable Water	N/A	Submitted under Fortune Revenue, additional source water sampling required once employee threshold reached
APEN Permit App. / CDPHE 14OU1123F.XP 14OU1124.XA	Air Quality	4/1/2021	Considered Permit Exempt. If equipment changes, new APEN may be required.
SPK-2012-00953/ ACOE 4/22/2014	Nationwide 44 for Revenue Pond	N/A	NWP 44, replaced lost Revenue Pond WOUS with Mine Water Pond
5-CO-031-33-6L-00778/ DOJ ATF 9/29/2014	Explosives	N/A	Allows use of explosives
Maintenance Agreement / USFS 2/22/2016	Road Use	N/A	Allows OSMI to use and maintain County Road 26 during winter months
Materials / Ouray County 10/7/2014	Provides for use of waste rock on County Roads	Annual	Annual SPLP analysis required



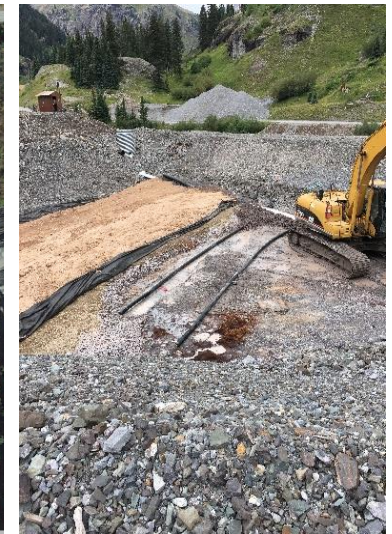
Environmental and Community Relations Initiatives



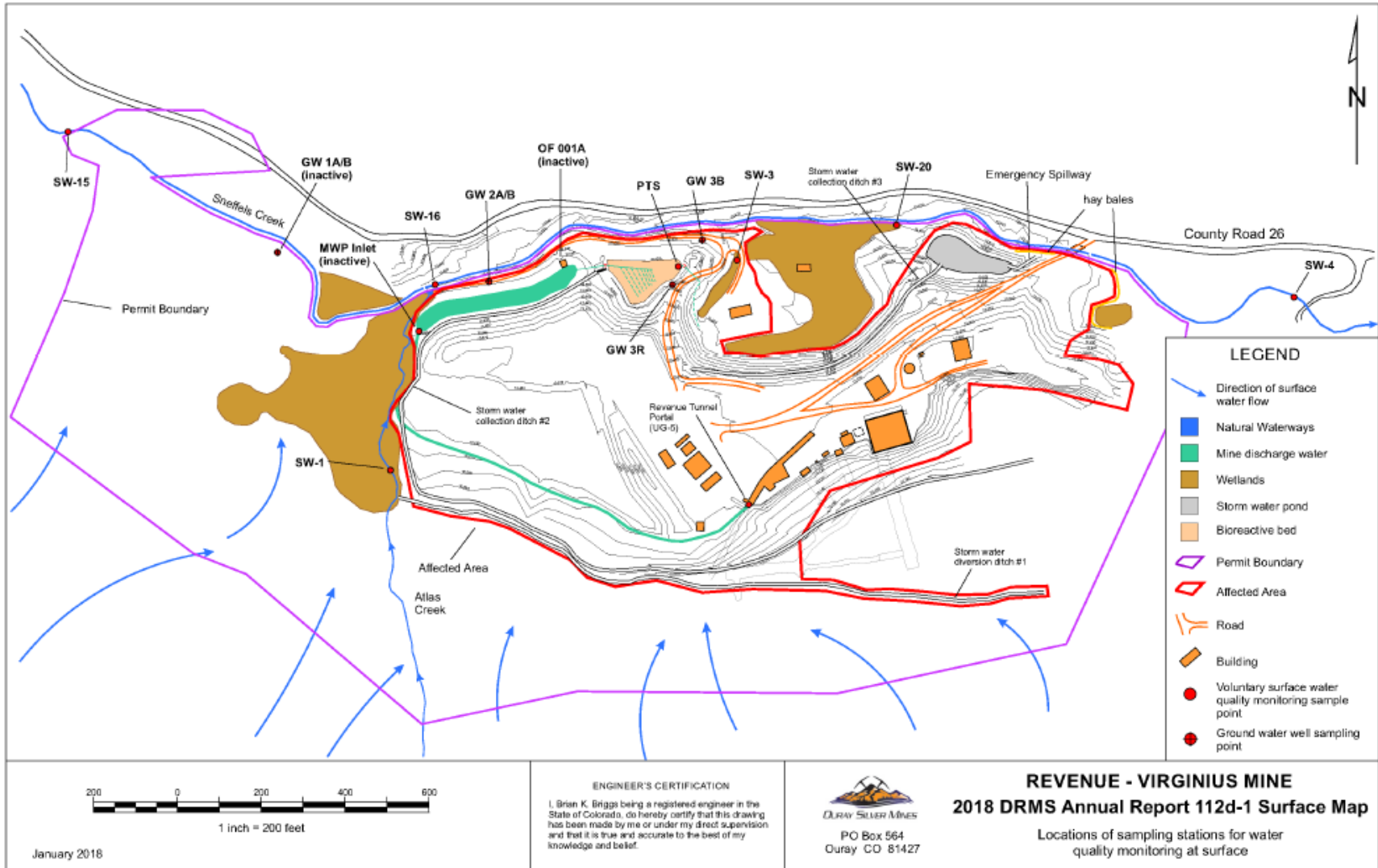
- OSM has completed many initiatives to maintain its support from local communities
- One key initiative was to design and construct a passive water treatment facility to treat mine water discharge, improving water quality disposed by the mining operations.
 - This eliminates the long term need of a water treatment plant which provides a significant benefit to OSM and reduces reclamation concern for the communities
- The project was completed on-time and on-budget and was well received by regulators, environmental groups and both the local and mining communities



Passive Water Treatment System Cross-Section



DRMS Technical Revision 10 – Under Development





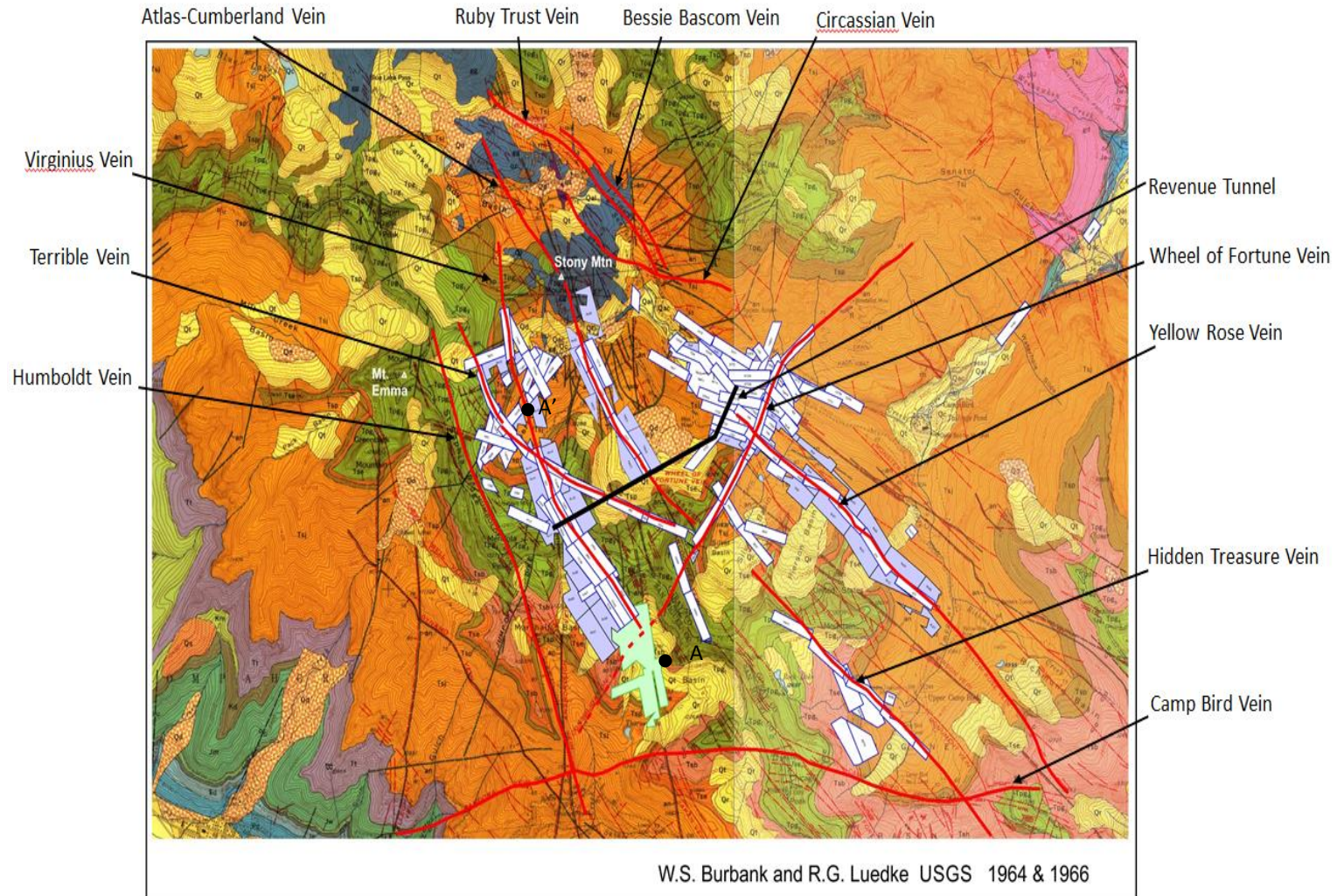
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Upside Opportunities

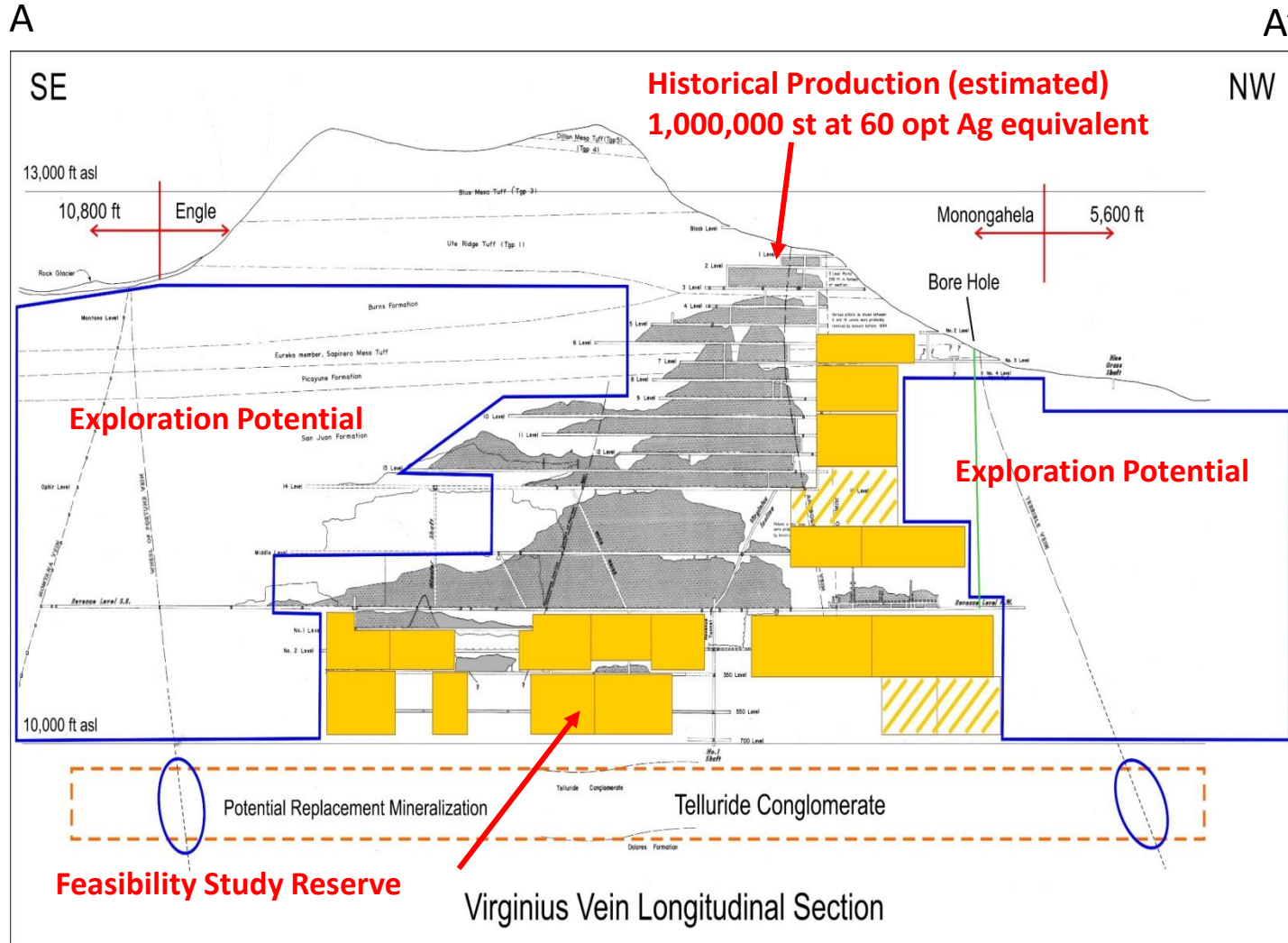
Overview of Exploration Opportunities



Source: OSMI



Overview of Exploration Opportunities (cont'd)



Source: OSMI



Overview of Exploration Opportunities (cont'd)



Production History in Sneffels & Silverton Districts

Idarado	Short Tons	opst Au	opst Ag	% Pb	% Cu	% Zn
1946 to 1978	10,900,000	0.07	1.91	2.37	0.71	3.63
	Includes replacement mineralization					
Camp Bird	Short Tons	opst Au	opst Ag	% Pb	% Cu	% Zn
1896 to 1902	128,000	1.64	1.58			
1902 to 1916	820,000	1.30	2.07			
1925 to 1956	787,000	0.23	3.00	1.45	0.46	2.14
1970 to 1976	562,000	?	1.16	3.20	0.56	4.80
	Includes 400,000 tons replacement mineralization					
Camp Bird Total	2,297,000					
Shenandoah-Dives	Short Tons	opst Au	opst Ag	% Pb	% Cu	% Zn
To 1957	4,099,000	0.10	2.19	0.80%	0.28%	0.23%

Production History by County to 1945

County	Short Tons	oz Au	oz Ag	lbs Pb	lbs Cu	lbs Zn
Ouray	2,018,000	1,693,000	37,169,400	144,332,600	22,401,500	5,298,900
San Juan	8,266,000	1,557,200	40,412,900	502,629,600	76,852,700	228,278,700
San Miguel	13,177,000	3,395,100	51,329,800	253,106,400	20,371,500	27,231,200
Total	23,461,000	6,645,300	128,912,100	900,068,600	119,625,700	260,808,800
		opst Au	opst Ag	% Pb	% Cu	% Zn
		0.28	5.49	1.92%	0.25%	0.56%



Contacts



Any questions should be directed to the following representatives of Lascaux Resource Capital, LLC and Ouray Silver Mines. Under no circumstances should Ouray Silver Mines or any of its employees, representatives, customers or suppliers be contacted directly

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Qualified Persons Statement



Where noted this presentation is based on the NI 43-101 OSMI Feasibility Study prepared by SRK Consulting (U.S.), Inc. effective June 15, 2018 ("FS"). SRK Consulting (U.S.) Inc. has reviewed and approved the scientific and technical information of this presentation.

The FS provides Mineral Resource and Mineral Reserve estimates, and a classification of resources and reserves prepared in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Reserves: Definitions and Guidelines, May 10, 2014 (CIM, 2014).

The SRK consultants preparing the FS are specialists in the fields of geology, exploration, Mineral Resource and Mineral Reserve estimation and classification, underground mining, geotechnical, environmental, permitting, metallurgical testing, mineral processing, processing design, capital and operating cost estimation, and mineral economics. None of the consultants or any associates employed in the preparation of this FS has any beneficial interest in OSMI. The consultants are not insiders, associates, or affiliates of OSMI. The results of this FS are not dependent upon any prior agreements concerning the conclusions to be reached, nor are there any undisclosed understandings concerning any future business dealings between OSMI and the consultants. The consultants are being paid a fee for their work in accordance with normal professional consulting practice.

The following individuals, by virtue of their education, experience and professional association, are considered Qualified Persons (QP) as defined in the NI 43-101 standard, for this report, and are members in good standing of appropriate professional institutions. The QP's are responsible for specific areas as follows:

- Ben Parsons, MSc, MAusIMM (CP), Principal Consultant (Resource Geologist) is the QP responsible for Property Description/Location, Accessibility, History, Geologic Setting, Deposit Type, Exploration, Drilling, Sample Preparation, Analyses and Security, Validation and Mineral Resource Estimate.
- Eric J. Olin, MSc Metallurgy, MBA, SME-RM, MAusIMM, SRK Principal Consultant (Metallurgy) is the QP responsible for Metallurgy.
- John Tinucci, PhD, PE, SRK President/Practice Leader/Principal Consultant (Geotechnical Engineer) is the QP responsible for Geotechnical Parameters and Tailings Management.
- Jeff Osborn, BEng Mining, MMSAQP, SRK Principal Consultant (Mining Engineer) is the QP responsible for general report compilation, Infrastructure and Mining.
- Brian Proccer, PE, SRK Principal Consultant (Ventilation) is the QP responsible for general report compilation, Ventilation.
- Joanna Poeck, BEng Mining, SME-RM, MMSAQP, SRK Senior Consultant (Mining Engineer) is the QP responsible for Mining Methods and Mineral Reserve Estimate.
- Dave Mickelson, PE, Sr. Mechanical Engineer, Barr Engineering is the QP responsible for Process and Recovery.
- Terry Braun, MSc, PE, Practice Leader/Principal Consultant (Civil Engineer) is the QP responsible for Environmental Studies, Permitting and Social/Community Impact.
- John Pfahl, ME, Corporate Advisory Consultant (Mining Engineer) is the QP responsible for Market Studies, Capital and Operating Costs and Economic Analysis.

