



NEWS RELEASE

AURCANA ANNOUNCES RECEIPT OF CREDIT APPROVAL FOR US\$28M TERM LOAN TO RESTART THE REVENUE-VIRIGINIUS MINE

VANCOUVER, BC – **October 22, 2020** - AURCANA SILVER CORPORATION ("Aurcana" or the "Company") (TSXV: AUN, OTCQX: AUNFF) is pleased to announce that it has received credit approval for a US\$28 million dollar project financing facility to fund the restart of Aurcana's wholly owned Revenue-Viriginus mine (the "**Revenue Mine**") located in Ouray, Colorado. The lender under the facility will be an indirect, wholly owned subsidiary of Mercuria Energy Group Limited ("**Mercuria**"). The financing will be in the form of a secured term loan ("**Term Loan**"). Mercuria will also provide the Revenue Mine with a hedging program against approximately 29% of its anticipated production profile over the first five years. Mercuria has completed technical due diligence and the parties have executed an approved term sheet for the Term Loan that is subject to final legal due diligence and completion of mutually acceptable documentation.

Kevin Drover, CEO of Aurcana, notes "Once funded, this financing will be the key piece to fully fund the restart of commercial production at the Revenue Mine. Achieving this milestone is the direct result of the hard work of our people, especially our technical team and the workforce on the ground preparing the Revenue Mine for production. We are fortunate to have found a partner in Mercuria who shares our vision of the value of the Revenue Mine and the products it will produce."

Material terms of the Term Loan include:

- Senior security on the Revenue Mine with a corporate guarantee from Aurcana
- \$28 million financing disbursed as a lump sum at Closing
- 60 month term, with a 12 month grace period with equal quarterly amortization thereafter; repayable in full at any time with a minimum 12 month interest make whole.
- Interest rate of USD 3M LIBOR + 14% dropping to USD 3M LIBOR + 10.5% after three (3) consecutive months of production in excess of 400 wet tons per month of lead concentrate (the target run rate under the 2018 feasibility study). Interest is payable quarterly in arrears.
- Customary representations, warranties, affirmative and negative covenants, events of default, and closing conditions

The closing and funding of the Term Loan is expected in the fourth quarter of 2020. There is no guarantee the financing on the above terms and conditions will be completed. Roc Global acted as the exclusive financial advisor to Aurcana on this debt financing.

The Company forecasts 6 months to initial production for the Revenue Mine and 9 months to cash flow positive pursuant to 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") demonstrating an economic viability to restarting of the mine. 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.



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 SILVER CORPORATION

Aurcana Silver Corporation owns the Revenue Mine, in Colorado, and the Shafter-Presidio Silver Project in Texas, US. The primary mineral resource at both the Shafter-Presidio Project and the Revenue Mine is silver. Both are fully permitted for production.

ABOUT MERCURIA ENERGY GROUP LIMITED

Founded in 2004, Mercuria is one of the largest independent energy and commodity groups in the world, bringing efficiency to the commodity value chain with cutting-edge technology and unmatched expertise and solutions. Mercuria’s business includes trading flows, strategic assets and structuring activities that generate more than USD 120 billion in turnover. It operates from offices around the world, with a strong presence in the Americas, Asia and Europe. Information on Mercuria can be found on its website at www.mercuria.com.

ON BEHALF OF THE BOARD OF DIRECTORS OF AURCANA SILVER CORPORATION

“Kevin Drover”

President & CEO

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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.

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