AURCANA SILVER ANNOUNCES UPDATED FEASIBILITY STUDY FOR THE REVENUE-VIRGINIUS MINE CONFIRMING NPV5 US$109 MILLION AND MERCURIA LOAN RESTRUCTURING

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VANCOUVER, BC – **March 21, 2022** – AURCANA SILVER CORPORATION ("**Aurcana**" or the "**Company**") (TSXV: AUN) provides the following update with respect to its wholly owned Revenue-Virginius Mine (“**RV Mine**”) located in Ouray, Colorado, USA.

Updated Feasibility Study for the RV Mine Confirming NPV5 US$109 Million

Aurcana is pleased to announce that it has completed an updated feasibility study (the “**Updated Feasibility Study**”) prepared by SRK Consulting (US) (“**SRK**”) with an effective date of December 31, 2021 and in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). The Updated Feasibility Study re-affirms the substantial value of the RV Mine with an after-tax net present value 5% (NPV) of US$108.8 million[1]. As part of preparation of the Updated Feasibility Study, SRK conducted site visits, reviewed the current status of the RV Mine, and completed a detailed review of all geologic and operational data. The Updated Feasibility Study contemplates total production at the RV Mine of approximately 17.7 million payable silver equivalent ounces (including approximately 13 million payable ounces of silver) over the approximately 6.25 year life for the current mineral reserve base at an “All In Sustaining Cost” (AISC) net of by-product credits equal to US$12.55 per ounce over the life of mine[2]. The Updated Feasibility Study assumes five months of operations to complete the #1 Alimak Hoist to be followed by finalization of development of four full mining faces, and then ramping up production thereafter. The Updated Feasibility Study contemplates total costs to cash flow positive of approximately US$20 million, with the significant majority being pre-production operating costs associated with completing the underground development. Aurcana continues to review opportunities to reduce the required funding through improved productivity, as well all other options for sourcing the required funds to achieve sustainable production at the RV Mine.

The full Updated Feasibility Study will be published on SEDAR at www.sedar.com and the Company’s website within 45 days of this announcement.

Mercuria Loan Standstill and Restructuring

As previously announced on December 9, 2020, in order to fund the restart of the RV Mine a subsidiary of Aurcana entered into a 5-year, $28 million term loan (the “**Term Loan**”) and an associated hedging package (the “**Hedge Package**”, and together with the Term Loan, the “**Facilities**”) with indirect, wholly owned subsidiaries of Mercuria

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[1] The following commodity prices were used in the NPV calculation: Ag $23.84, Au $1,720, Pb $0.98 and Zn $1.34.

[2] 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; by-product pricing included in the ‘after byproduct credit’ calculation is the same as for the NPV calculation.

Energy Group ("**Mercuria**") - https://www.mercuria.com. Aurcana is a guarantor under the Facilities. The Facilities contained customary covenants, with an initial principal payment under the Term Loan due in early-March 2022.

In recognition of Aurcana's previously announced efforts to reset operations toward full production at the RV Mine and in order to provide Aurcana with increased financial flexibility in the medium-term while the operational work is completed, Aurcana and Mercuria have agreed to certain standstill and restructuring agreements (collectively, the "**Restructuring Agreements**") with effect as of March 8, 2022.

The Restructuring Agreements demonstrate Mercuria's ongoing support for the Revenue-Virginius Mine and provide Aurcana several key benefits including:

- A standstill for Aurcana to reset its operations at the RV Mine towards full production and provide for a deferral of current principal and interest payments; and
- Elimination of Aurcana's current hedging obligations, allowing Aurcana to fully participate in any near-term silver price appreciation, but including a commitment to re-hedge at a mutually appropriate time following the completion of the #1 Alimak Hoist (see prior Aurcana press releases for a description), with an ability to satisfy the Close-Out Amount (described below) under the new hedge package.

Aurcana's CEO Kevin Drover states "Given the robustness of the economics outlined in the updated feasibility study along with the inquiries we have received from financial entities who could provide the funding needed, we feel very confident we can meet the timeline and raise the funding to meet the requirements established by Mercuria. The restructuring by Mercuria and the additional funding will allow us to finish our underground development and return to production later this year. The updated feasibility study demonstrates the tremendous value to be unlocked in the Revenue Virginius mine. The task in front of us is to execute the plan to unlock that value by completing the underground infrastructure that will assure our go forward efficiencies and productivities. We currently have ongoing discussions with brokers and funds, and there are several tools at our disposal to try to minimize dilution. This is expected to be a strong market for silver, and being unhedged right now creates a lot of opportunity for Aurcana as a Company and its existing and potential new investors alike."

The Restructuring Agreements include the following terms and conditions:

- A waiver of all current events of default and a standstill agreement (a "**Waiver and Standstill**) under the Facilities until May 31, 2022 to allow Aurcana time to achieve certain conditions precedent including Aurcana procuring (whether by way of issuance of additional equity or in a manner otherwise not restricted by the Facilities including, without limitation, a sale of assets, royalties or a stream agreement with respect to assets other than the RV Mine) not less than US$25 million in additional liquidity to bring the RV Mine back into production (the "**Conditions**").
- A deferral of the principal and interest payments that were previously due March 7, 2022 under the Term Loan (the "**Deferred Payments**");
- Subject to all of the Conditions being satisfied by Aurcana on or before May 31, 2022, a deferral of the start of principal repayments until September 7, 2022, with the March and June principal payments due under the

original Term Loan rolled into the balance of the scheduled 4-year principal payments leaving the term of the loan unchanged;

- A close-out of the existing Hedge Package, with a mutual commitment to re-establish hedging at a future date. The amount required to close out the existing Hedge Package ("**Close-Out Amount**") accrues interest at 10.5% until such time as the hedging is re-established, and the Close-Out Amount combined with the interest will be repaid through discounts to market price and/or other derivative positions in the new hedge structure;
- The amount required to settle the February 2022 out-of-the-money hedges accrues interest at 10.5% until such time as the Conditions are met, at which time these amounts become payable; and
- Upon the Conditions being completed, Mercuria will receive $1.5 million of Aurcana common shares as a restructuring fee, and Aurcana will immediately pay Mercuria the interest that was due on March 7, 2022 along with accrued interest on the Deferred Payments.

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.

In connection with the preparation of the Updated Feasibility Study, SRK verified sampling, analytical, and test data underlying the information or opinions contained in the Updated Feasibility Study. In particular, SRK reviewed 10% of the database of both historical and new data against assay certificates and found less than 2% error in the database. No major changes were made to the assay database except where Aurcana geologists averaged samples that had multiple assays. SRK also completed a detailed review of the historical logging to gain more geological information and a statistical review of the channel and drilling database which supports the use of both the chip and drilling samples. SRK is of the opinion that no material bias is being introduced by using the database as presented by Aurcana and that it is adequate for use in the geological modelling and mineral resource estimation. Additional information concerning data verification will be contained in the Updated Feasibility Study and is also available in Aurcana's existing technical report in respect of the RV Mine available on SEDAR at www.sedar.com.

ABOUT AURCANA SILVER CORPORATION

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

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 operational adjustments at the RV Mine, the proposed restructuring arrangements with Mercuria contained in the Restructuring Agreements (including, without limitation, in respect of the satisfaction of the Conditions precedent to effectiveness of all such restructuring arrangements), future financing arrangements, and the results contained in the Updated Feasibility Study, as well as the impact of the aforementioned operational adjustments and Restructuring Agreements on the production and operations of the Company at the RV Mine and the impact on the financial condition of the Company as a whole (and including statements with respect to the timing of all such matters). 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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