

# Aurcana Amends Credit Facility Agreement and Announces Private Placement

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VANCOUVER, BRITISH COLUMBIA -- (Marketwired - April 29, 2014) - [Aurcana Corporation](#) ("Aurcana" or the "Company") (TSX VENTURE:AUN) (OTCQX:AUNFF) is pleased to announce that it has entered into an agreement to amend the terms of its US\$50,000,000 outstanding unsecured loan owing to MF2 Investment Holding Company (Cayman) Limited (the "Original Lender"), an affiliate of Orion Mine Finance Group, as originally announced on September 19, 2013.

## Amended Credit Facility

The Original Lender assigned all of its rights and obligations under the original credit agreement and related transaction documents to Orion Mine Finance (Master) Fund I LP (the "Lender"), an affiliate of Orion Mine Finance Group. Pursuant to an amended and restated credit facility agreement (the "Amended Credit Facility Agreement") between the Company and the Lender dated April 29, 2014:

- The principal amount under the Loan will be reduced to US\$40,000,000.
- In consideration for an aggregate debt settlement of US\$10,333,333, Aurcana has agreed to issue up to 16,499,501 common shares of the Company (the "Settlement Shares") to Orion at a deemed issue price of US\$0.62 or Cdn\$0.69, in consideration for reducing the principal amount outstanding under the Loan and terminating the Shafter Mine silver and gold offtake agreement. The Settlement Shares will be subject to a hold period under applicable securities laws expiring four months and one day following the date of their issuance and will be deposited in escrow on closing pursuant to the terms of a voluntary escrow agreement, to be released in quarterly instalments over a period of 12 months from closing, subject to earlier release in certain circumstances.
- The Loan is to be repaid in 48 equal monthly instalments. Early prepayment may occur at any time without charges.
- Interest on the Loan will continue to accrue at a rate equal to LIBOR (subject to a minimum of 1%) plus 5.5% per annum.
- The Loan will continue to be guaranteed by Aurcana's subsidiaries and will also be secured against all of the Company's and its subsidiaries' present and future assets.
- Aurcana will enter into offtake agreements with the Lender in respect of copper, zinc and lead concentrate produced at its La Negra mine on standard commercial terms for the period from January 1, 2017 to December 31, 2020.

The closing of the transactions contemplated by the Amended Credit Facility Agreement are subject to the issuance of the Settlement Shares, conditional acceptance from the TSX Venture Exchange to a marketed underwritten private placement to raise gross proceeds to the Company of up to Cdn\$5,200,000, on the terms described below; and the completion of standard conditions for transactions of this type, including the acceptance of the TSX Venture Exchange.

## Private Placement

Aurcana has entered into an engagement letter with Dundee Securities Ltd. (the "Underwriter"), pursuant to which the Underwriter has agreed to act as a sole underwriter in connection with a marketed underwritten private placement of an aggregate of up to 8,000,000 units (each unit a "Unit") of the Company at a purchase price of Cdn\$0.65 per Unit (the "Purchase Price") for aggregate gross proceeds to the Company of up to Cdn\$5,200,000 (the "Offering").

Each Unit will consist of one common share (a "Share") of the Company and one common share purchase

warrant (each a "Warrant"). Each Warrant will entitle the holder to purchase an additional common share (a "Warrant Share") of the Company at an exercise price of Cdn\$0.90 per Warrant Share for a period of 24 months from the closing of the Offering.

In addition, Aurcana, will grant to the Underwriter an option (the "Over-Allotment Option") to purchase up to an additional 1,200,000 Units (for additional gross proceed of Cdn\$780,000) exercisable at the Purchase Price at any time in whole or in part up to 48 hours prior to the closing date. If this option is exercised in full, the aggregate gross proceeds to Aurcana will be Cdn\$5,980,000.

In consideration for the services provided by the Underwriter to the Company under the Offering, the Company will pay to the Underwriter a commission of 6% of the gross proceeds raised under the Offering, including any Units sold under the Over-Allotment Option payable by the issuance of Units. In addition, the Company will issue to the Underwriter a compensation warrant which entitles the Underwriter to purchase such number of common shares of the Company as is equal to 6% of the number of Units sold under the Offering, including any Units sold under the Over-Allotment Option, exercisable at the Purchase Price for a period of 24 months from the Closing.

The net proceeds from the Offering will be used for the acquisition of mining equipment at the La Negra mine, exploration drilling at the La Negra property and for general working capital purposes.

Completion of the Offering is subject to the receipt of all necessary regulatory approvals, including the approval of the TSX Venture Exchange. All securities issued in connection with the Offering will be subject to a hold period under applicable securities laws expiring four months and one day following issuance of the securities.

The offer and sale of the securities offered in the Offering has not been and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws, and such securities may not be offered or sold in the United States absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy the securities in the United States or in any jurisdiction in which such offer, sale or solicitation would be unlawful.

### **About Aurcana Corporation**

Aurcana Corporation is a primary silver producing company with two mines: the La Negra Mine in Mexico and the 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.

### **About Orion Mine Finance**

Orion Mine Finance provides flexible financing solutions to mining companies in the precious and base metals sectors for the purposes of developing, constructing, expanding or acquiring mining projects. Orion Mine Finance has approximately \$1.15 billion under management, dedicated exclusively to the mine finance business.

Orion Mine Finance operates across the global metals industry with offices in New York, Denver, Sydney and Bermuda. Investors in Orion Mine Finance include college endowments, foundations, family offices, pensions and other institutional investors. For additional information about Orion Mine Finance, please visit [www.orionminefinance.com](http://www.orionminefinance.com).

### **Corporate**

The Company's shares are also traded in the United States on OTCQX under the symbol "AUNFF". Investors can find current financial disclosure and Real-Time Level 2 quotes for the Company on [www.otcqx.com](http://www.otcqx.com) and [www.otcm Markets.com](http://www.otcm Markets.com).

Lenic Rodriguez, President & CEO

AURCANA CORPORATION

*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.*

*This news release contains certain forward-looking statements, including statements regarding the closing of the transactions contemplated by the amended and restated credit facility agreement, including the completion of the Offering and the use of net proceeds of the Offering, future plans and objectives of the Company and the business and anticipated financial performance of the Company.*

*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, the ability of suppliers to provide equipment, the availability of skilled labour, 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, except as required pursuant to applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements.*

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