Aurcana Reports: Record Silver Production at La Negra Mine

April 26, 2012  
TSXV: AUN, OTCQX: AUNFF

Aurcana Corporation ("Aurcana" or the "Company") is pleased to report silver production for Q1 2012 of 287,486 ounces compared to 240,275 in Q1 2011, the largest quarter for silver production in Aurcana’s history. Silver production for the first quarter of 2012 increased 19.6% compared to Q1, 2011. Silver Equivalent increased 29.3% to 492,864 for Q1 2012, compared to 381,146 in Q1 2011.

The average grade of silver increased 9% to 81 grams per ton in Q1, 2012, compared to 74 grams per ton in Q1, 2011.

Mill feed was 130,570 tonnes in Q1. Fifteen percent (18,948 tonnes) were from NI 43-101 Measured and Indicated Resources and 85% (111,622 tonnes) were from new discoveries or non-compliant resources. La Negra is now applying 43-101 standards in developing new mineralized zones to increase our compliant resources. A new compliant resource estimate will be released in the second quarter. Additionally, new ore zone development initiatives are being carried out on the Northwest Trend.

La Negra Highlights

- The upgrade of the La Negra mill was completed on March 30, 2012, increasing production from 1500 tpd to 2000 tpd, a 33% increase in capacity.
- Aurcana continues to produce record results. Q1, 2012 silver production was the largest silver volume in Aurcana history producing 287,486 ounces of silver.
- 29.3% increase in silver equivalent produced to 492,864 ounces in Q1 2012 compared to 381,146 ounces in Q1 2011.
- 18% increase in silver sales in Q1 2012 compared to 218,701 in Q1 2011.
- La Negra mine has now completed its ramp up and is now milling at a rate of 2,000 tpd +.

Now that the mill upgrade has been completed at La Negra to 2000 tpd, the expansion to 2500 tpd will begin with expectation of completing the expansion in 2013, capital expenditures will be minimal for the next expansion.
Shafter Mine

The Company commenced construction of the Shafter Mine in February, 2011 with an anticipated completion date of May 2012. The company is 2 months early in completion of the mine and under budget. Highlights include:

- Ramp is now at the first resource block.
- Drilling has defined an additional 150 feet to the resource of the expected first block.
- Permitting has been completed for the 2013 expansion of the Shafter milling project.
- The Merrill Crowe Equipment installed.
- Refurbishing #46 shaft for ventilation.
- Assay Lab construction is almost complete.
- Concrete work was finalized in February.
- Final projects to complete: Cyanide mixing plant, warehouse building, potable water system and hooking up to the electrical grid.

Summary

During Q1 2012, La Negra achieved record results in silver production with the largest quarter of silver production in Aurcana’s history. La Negra increased production to 2,000 tpd in mid April. The Shafter mill was commissioned at the beginning of April, 2012. Shafter will now ramp up to 1,500 tpd capacity within the next 90 days. The Shafter Mine is now fully permitted. Aurcana continues to focus on its future growth.

Corporate

The Company’s shares are now 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.otcq.com and www.otcmarkets.com.

About Aurcana Corporation:

The Shafter Silver Mine is scheduled to produce 3.8 million ounces of silver in the first full 12 months of operation. It has an NI 43-101 Measured and Indicated Resource of 24.6 million ounces of silver and an Inferred Resource of 22.8 million ounces of silver using a 4.0 ounce per ton cut off. The 99.9% owned La Negra silver-lead-zinc-copper mine produced over 1 million ounces of contained silver in 2011 and 287,486 ounces for Q1 2012.

The reader should be cautioned that the Company has not completed a feasibility study to confirm the projected production capacity for La Negra and there is no certainty the Company’s plans will be economically viable.

The scientific and technical information contained in this news release regarding the Shafter Silver Mine has been reviewed by Ken Collison, P.Eng. Director of the Company, and a Qualified Person ("QP") and scientific and technical information contained in this news release regarding the La Negra Mine has been reviewed by Baltazar Solano, P.Eng. and a QP). as defined by National Instrument 43-101 (Standards of Disclosure for Mineral Project)
ON BEHALF OF THE BOARD OF DIRECTORS OF
AURCANA CORPORATION

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NR-12-07
This news release contains certain forward-looking statements, including statements regarding forecast silver production, silver grades, recoveries, potential mineralization, exploration result, future plans and objectives of the Company and the business and anticipated financial performance of the Company. These statements are forward-looking statements that involve various risks and uncertainties. These forward-looking statements include, but are not limited to, statements with respect to mining and processing of mined ore, achieving projected recovery rates, anticipated production rates and mine life, operating efficiencies, costs and expenditures, changes in mineral resources and conversion of mineral resources to proven and probable 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.

Exploration results that include geophysics, sampling and drill results on wide spacings may not be indicative of the occurrence of a mineral deposit. Such results do not provide assurance that further work will establish sufficient grade, continuity, metallurgical characteristics and economic potential to be classified as a category of mineral resource. A mineral resource which is classified as “inferred” or “indicated” has a great amount of uncertainty as to its existence and economic and legal feasibility. It cannot be assumed that any or part of an “indicated mineral resource” or “inferred mineral resource” will ever be upgraded to a higher category of resource. Investors are cautioned not to assume that all or any part of mineral deposits in these categories will ever be converted into proven and probable reserves.

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, 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. Accordingly, readers should not place undue reliance on forward-looking statements.

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