



Letter to Shareholders of Aura Silver Resources Inc.

May 7, 2010

Dear Shareholder:

Last year, equity markets rebounded decisively from lows precipitated by the global economic malaise of 2008 along with the global real estate and financial meltdowns. Central banks strove to stabilize a rapidly deteriorating financial system by way of injections of capital into international developed economies and, as a result, have created a more positive environment for potential share price gains. However, with this government stimulated recovery, interest rates have been rising from historic lows which could create a cap on stock price performance.

We have been encouraged by the steady rise of gold and silver prices and attribute much of the strength in these commodity prices to financial and economic uncertainty as well as to buoyant Asian demand. However, there is ongoing evidence of declining gold and silver supplies caused by declining production at many producing mines. This should bode well for Aura Silver shareholders as we proceed through 2010.

Our shareholders saw the Aura Silver share price rise significantly during 2009 due to strong results from our Taviche property in Oaxaca, Mexico and from the excitement generated from our work on our 100% owned Greyhound project in Nunavut, Canada. Our "discovery hole" at Taviche (HBET-03) was the catalyst that precipitated greater interest in our stock. Grades of 533.1 grams per tonne (g/t) silver equivalent over an interval of 12.1 meters, within a larger interval of 34.2 meters grading an average 269.7 g/t silver equivalent, were encountered. Our drilling program continued to be successful with our HBET-16 step out hole from HBET-03 (approximately 45 meters) containing 36.6 meters of 303.9 g/t silver equivalent. These results lead us to believe that we may be testing the fringe of a significant silver resource zone. Also encouraging is the fact that we are encountering widespread gold values adjacent to the silver zone, such as 0.50 g/t over 29.55 meters in HBET-01 and 0.87 g/t over 9.8 meters in HBET-02. Our current drilling program is designed to establish whether that gold zone may be increasing to the northwest of the developing silver resource.

One change to the Taviche program which we believe to be significant for our shareholders is the decision by our JV partner, Intrepid Mines, to cease their funding contributions to the project. Intrepid has made the decision to concentrate their capital and efforts on 'core' operations and to allow their interest in the Taviche JV to be diluted. While we enjoyed our relationship with Intrepid, their decision has allowed us to become the project operator and will result in Aura Silver having an increasing percentage ownership in the joint venture.

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At Greyhound, we have been working hard at preparing the project for drill testing. Aura Silver is currently at the permitting stage and we hope to begin a 1,600 meter drill program in the very near future. We have conducted a complete overview of the geological, geochemical and geophysical surveys, especially the high precision VTEM helicopter borne electromagnetic survey conducted last fall. Phase 1 drilling will focus on the Aura Lake area in the south-central part of the property where the conductors are most compelling and where high grade precious and base metals were discovered through prospecting.

As previously reported, samples taken in this area contain up to 9.2% copper, 18.5% zinc, 8.2% lead, 2,700 g/t silver and 28 g/t gold. Furthermore, samples collected in 1998 on the west shore of Aura Lake contained 1,480 and 3,080 g/t silver. It is the view of the Company's geologists that Greyhound contains the elements of a classic volcanogenic massive sulphide (VMS) district as well as an orogenic gold system. All of the aforementioned base and precious-metal occurrences are within 2.0 kilometers of the all-weather road that leads to Agnico Eagle's Meadowbank Mine.

Our current cash position is approximately CDN \$1,390,000 which will allow us to complete our current drilling programs in Nunavut and in Mexico. Once results from these programs are assessed we will evaluate the strategy and the size of the next stages of drilling.

We are pleased with the results and the analysis our geology teams have provided us and much credit must be given to them on the success of Aura Silver. We have two large properties in Greyhound and Taviche, each of which has multiple targets with prospects for success. Our teams continue to work hard in order to create value for you, the shareholder, and as such I believe that this year will be very exciting for all of us. Thank you all for your support.

Yours truly,

A handwritten signature in black ink, appearing to read "Robert Boaz", written in a cursive style.

Robert Boaz
President and Chief Executive Officer

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