

Aura Silver Extends Silver Zone And Hits Higher Grade Gold At Depth At Taviche

Drilling Begins At Greyhound

Aura Silver's ambitious drill program on the Higo Blanco project in the Taviche district of Mexico is underway and the drilling program at its Greyhound Project in Nunavut is progressing. Both programs should see further reports of drilling success during the third quarter of 2010.

Higo Blanco Project, Oaxaca State, Mexico

Aura Silver recently released results from its ongoing silver and gold exploration at its Higo Blanco project located in the Taviche district, Oaxaca, Mexico. New results include hole HBET-23 with 238.7 grams per tonne (g/t) silver equivalent over 19.3 meters which extends the overall length established for the Higo Blanco silver trend by about 50 meters. A newly discovered gold zone in Hole HBET-24 includes 2.05 g/t gold (Au) over 8.35 meters (including 4.9 g/t over 2.25 meters).

Drilling to date comprises 27 holes in total (assays are pending for holes HBET-25, -26 and -27) and has been conducted over several square kilometers defined by silver-antimony bearing 'jasperoid' in Cretaceous limestone and gold-arsenic bearing quartz-sulfide stockwork and hydrothermal breccias in altered Tertiary volcanics. The majority of the drilling has been focused along the northwest-trending Higo Blanco corridor over a strike length of about 1,800 meters. Within this strike length, a concealed silicified breccia near the intersection of the Mezcal structure, a major north-trending fault system and the Cretaceous limestone/volcanic interface has

been tested in several holes over a strike length of about 1,100 meters. In brief, an elongate, southeast plunging hydrothermal breccia with up to a couple percent of pyrrargyrite (silver-antimony sulphide) has been partially defined. Additional drilling will be required to define limits to the northwest, southeast and down-dip.

Assays for hole HBET-23, located about 50 meters southeast from the intercept in hole HBET-16 (26.8 meters at 365.6 g/t silver) which in turn was a 45 meter step out from discovery hole HBET-03 (34.20 meters at 269.7 g/t), intersected 238.7 g/t silver equivalent over

19.3 meters in pyrrargyrite-bearing hydrothermal breccias developed in silicified limestone. This is the same environment identified in the other significant intercepts including HBET-02, -03, -11, -16 and -22. Currently, the silver-bearing breccias have been identified over a strike length of about 300 meters.

Both the gold and silver mineralizing events reflect a robust hydrothermal system. Current exploration is attempting to follow distinct mineralization styles to depth via down-dip step-outs along the Mezcal structure. The ubiquitous presence of hydrothermal breccias,



Greyhound Property, Nunavut –

Visible high-grade silver and base metals are evident in surface samples from Aura Silver's Greyhound Project which may be a VMS silver and base metal deposit similar to the Sturgeon Lake mining camp. The first phase of a 2,000 meter drill program is underway.



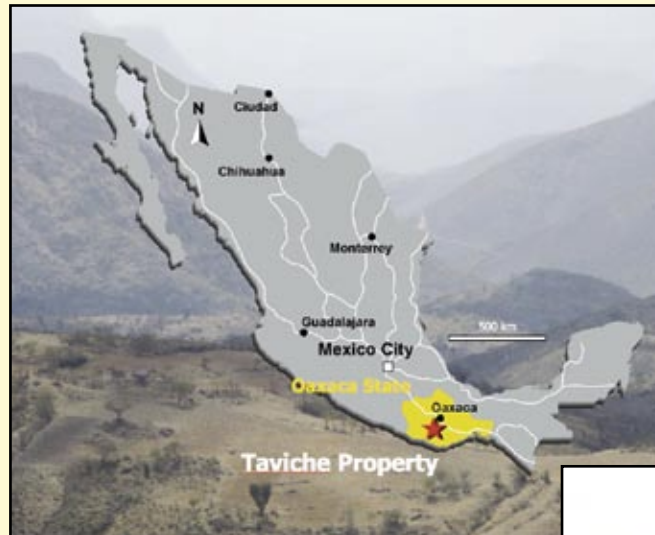
possible phreatic breccias and andesitic dikes along the structure are proving to be useful guides to both silver and gold mineralization.

About 700 meters along strike and to the northwest, hole HBET-24 was drilled to test the intersection of the Mezcal structure and limestone at depth and below previous drilling (i.e. HBET-15), where both favorable alteration and mineralization were identified. Although the hole was lost (at 217 meters) prior to achieving its target depth of 250 meters, limestone was encountered which contained numerous, narrow andesite dikes. Several silicified zones at the dike-carbonate contacts were identified and contained anomalous gold values (e.g. from 148.65 to 157.0 meters, 8.35 meters with 2.05 g/t Au, including a higher grade intercept of 4.9 g/t Au over 2.25 meters). This is considered to be significant for several reasons: First, gold mineralization (greater than 0.5 g/t Au) has been identified in both broad surface exposures and in drilling over approximately 1,000 meters of strike along the Mezcal structure, but this new zone is significantly more gold-rich, possibly indicating that the gold zone is expanding with depth. Secondly, the gold (arsenic) event is spatially associated with the silver (antimony) event and is developed along the same structural corridor. Finally, the andesite dikes are likely tapping deep-seated, metal-bearing fluids which have migrated up along the same faults that controlled the dyke emplacement. The ubiquitous presence of arsenopyrite and stibnite support a high structural position in the epithermal system. Deeper drilling is clearly warranted in this area.

Additionally, three holes were drilled at the Rosario prospect, located several kilometers north of Higo Blanco to test the geologic structure beneath the old Rosario mine. These holes did not encounter significant vein mineralization. The Rosario vein is one of many silver and gold-bearing veins identified by Aura Silver in the eastern part of the Taviche district. A trenching program is currently underway in order to better define these structures.

“We remain confident that our drilling program will continue to expand the high-grade silver resource along the Mezcal structure laterally and to depth where we hope to see an increase in gold values”, said CEO Robert Boaz.

TAVICHE SILVER-GOLD PROJECT IN OAXACA STATE, MEXICO

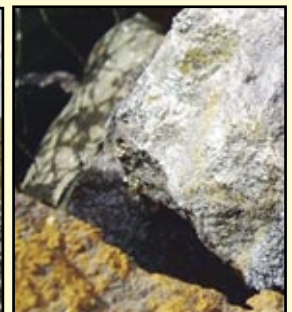


Aura Silver's 2010 drill campaign at its Taviche Project in Mexico is focusing on large targets characterized by broad, high grade silver intervals as high as 3,932 g/t silver equivalent.



GREYHOUND ZINC-SILVER PROJECT IN NUNAVUT, CANADA

Recent prospecting and a VTEM airborne survey at the Greyhound project in Nunavut, Canada uncovered numerous surface showings assaying up to 28 g/t gold, 3,080 g/t silver, 9.2% copper and 18.5% zinc and identified 25 drill-ready targets.



Greyhound Project, Nunavut, Canada

Aura Silver has unearthed an exceptionally underexplored classic volcanogenic massive sulphide (VMS) district as defined by geological, geochemical and geophysical data. The Greyhound property includes many geological characteristics that are similar to those of other productive VMS districts.

“We seem to be generating considerable excitement in the investment community with Greyhound”, said CEO Robert Boaz “partly because of the demonstrated grades we have reported to date but also because of our proximity to Agnico Eagle’s Meadowbank mine 30 kilometers north of our property”.

Aura has also initiated a 1,600 to 2,000 meter drill program on its Greyhound property 35 km north of Baker Lake in Nunavut. The Company received a Land Use Permit for its Greyhound drill program from the Department of Indian and Northern Affairs Canada (INAC) on Friday, May 7, 2010. Bradley Brothers Limited has been contracted to conduct the diamond drilling program and has thus far completed drilling the first five holes of the Phase 1 program at Aura Lake.

In 2009, a helicopter supported airborne VTEM and magnetometer survey was completed. This survey was remarkably effective at detecting and resolving over 25 conductors, some associated with Zn-Ag-enriched banded iron formation (exhalite) which caps the Greyhound bimodal volcanic strata. Many of these targets are drill-ready. Those with highest priority have co-incident litho-geochemical vectors and/or associated mineralized boulders. These targets are associated with

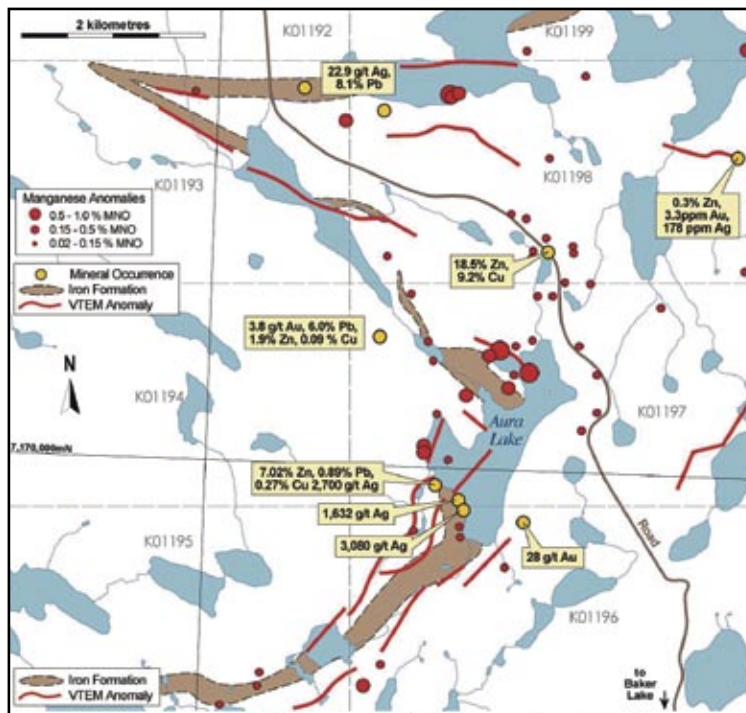
occurrences of up to 9.2% copper, 18.5% zinc, 8.2% lead, 3080 g/t silver and 28 g/t gold. Secondary drill targets include strong VTEM and co-incident magnetic intensity anomalies in areas that have not yet been prospected.

All of the aforementioned base and precious-metal occurrences are within 1 to 2 kilometers of the all-weather road that crosses Aura Silver’s property and leads to Agnico Eagle’s Meadowbank Mine.

Manganese and associated base metal anomalies in the exhalite at Greyhound are highly significant to a VMS discovery as these typically represent the locus of discharge zones. For instance, the deposits within the giant Bathurst, New Brunswick camp and the base metal deposits at Sturgeon Lake are



defined by manganese anomalies. The discovery potential at Greyhound is untapped as there is no record of past drilling in this remote but easily accessible greenstone belt.



Greyhound Property, Nunavut – VTEM Anomalies & Drill Targets

Investment Considerations

Aura Silver takes pride in the fact that our properties and potential success therein can be attributed to the outstanding work of our team of geologists. The company believes that this team is our primary asset and it bodes well for the longer term accretion of share value which can be achieved by our team’s diligence. The Company is well capitalized for future work on its flagship Taviche and Greyhound projects although with continued success on both properties, a further equity raise will be necessary. With a strong geological team in mining friendly jurisdictions, the Company is well positioned for success and potential share price appreciation.

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**AN INVESTMENT
OPPORTUNITY IN SILVER,
GOLD & BASE METALS
IN OAXACA, MEXICO
& NUNAVUT, CANADA**



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Shares Outstanding: 59.1 million
52 Week Trading Range:
Hi: C\$0.60 Low: C\$0.065



Quick **FACTS**

■ **Taviche Project / Oaxaca, Mexico / Joint Venture**

Aura Silver and its joint venture partner Intrepid Mines are exploring the Taviche Silver-Gold Project located in Mexico's San José Mining District. Recent drilling has yielded multiple zones of significant silver and gold mineralization.

■ **Greyhound Project / Nunavut / 100% owned**

Aura Silver's high grade silver and base metal project at Greyhound Lake in Canada's Nunavut Territory appears to be a classic volcanogenic massive sulphide (VMS) district located within a virtually unexplored Archean greenstone belt. A VTEM airborne survey has identified 25 drill targets for the company's 2010 exploration program.

Aura Silver Resources Inc. is focused on two projects situated on some of the most prospective silver ground in North America and in jurisdictions that provide safe legal and political environments for mining companies.

Aura Silver has identified an extensively mineralized jasperoid zone on surface at its flagship silver property, the Taviche project in Oaxaca, Mexico. 2009 drill results included numerous high grade silver intervals ranging as high as 3,932 g/t silver equivalent with gold content ranging in excess of 0.5 g/t. One interval of 11.95 meters contained 478.4 g/t silver equivalent. A 4000-meter 2010 drilling program will step out from the Mezcal vein discovery, as well as include additional drilling.

Aura Silver is also exploring the Greyhound project, a highly prospective silver and base metal property within an Archean greenstone belt in northern Canada where recent prospecting uncovered subcrop rock assaying up to 28 g/t gold, 3,080 g/t silver, 9.2% copper and 18.5% zinc. These showings lie along a continuous iron formation confined within a virtually unexplored portion of an Archean greenstone belt. Archean greenstones in Canada have historically been hosts of most of Canada's producing precious metal and copper-zinc ore bodies. Aura Silver is planning an initial 2000 meter drilling program in Spring 2010 to test some 25 targets identified in a 2009 VTEM airborne survey.