

News Releases

📅 **June 10, 2014**

Aura Silver Signs Option Agreement with Agnico Eagle to Recommence Drilling at its Greyhound Property, NU

Aura Silver Resources Inc. (TSX-V:AUU) ("Aura Silver" or the "Company") is pleased to announce that it has entered into a definitive option agreement with Agnico Eagle Mines Limited (NYSE:AEM, TSX:AEM) ("Agnico Eagle") which will allow Agnico Eagle to earn an interest in 17 claims comprising part of the Company's Greyhound property (the "Property") located in Nunavut, Canada. Agnico Eagle owns and operates the Meadowbank gold mine located approximately thirty five kilometers north of Greyhound and the two properties are connected by the mine's all-weather road which also provides access to the town and inland ocean port of Baker Lake just 30 kilometers to the south.

Details of the definitive option agreement are as follows:

1. For the first three years of the agreement, Agnico Eagle has the exclusive right to earn an undivided 51% ownership interest in the Property, by making \$250,000 in cash payments to the Company and incurring \$1,750,000 in work expenditures (or, in respect of work expenditures, at Agnico Eagle's option, by making cash payments to the Company or a combination of work expenditures and cash payments).
2. Upon completion of earning a 51% interest, Agnico Eagle will have the option to increase its ownership interest in the Property to 70% over a further three year period by: (A) either (i) solely financing a Feasibility Study in respect of the Property, or (ii) solely incurring \$5,000,000 of additional work expenditures (or, at Agnico Eagle's option, providing cash payments to the Company in an equivalent amount or a combination of work expenditures and cash payments) on or in respect of the Property, and (B) providing to the Company cash option payments of (i) \$100,000 with the delivery of the notice as to its exercise of this option, and (ii) \$150,000 at the first anniversary of exercise of the option.
3. If any party's interest in the project falls below 10% then that party will forfeit their 10% interest and in return will receive a 2% NSR royalty. The other party may at any time purchase one-half of the NSR royalty, namely a 1% NSR royalty, for an amount of \$2,000,000.

Agnico Eagle will be the operator of the Property and will utilize its internal expertise and equipment to conduct work programs. The Greyhound property is currently fully permitted for drilling and it is anticipated that a drilling program on defined targets will be initiated as soon as practicable during the current work season. Aura Silver is pleased that Agnico Eagle is proceeding with an exciting drilling program on the Greyhound property to test gold and silver targets.

Aura Silver CEO, Robert Boaz states "we are extremely happy to partner with Agnico Eagle given their in-depth knowledge of the area geology and their extensive expertise in exploration and development in Nunavut. Given Agnico Eagle's significant local presence, investment in area infrastructure and on-site personnel their cost of drilling is anticipated to be significantly lower than any alternative Aura Silver could achieve. We can now drill targets for what we anticipate to be high-grade gold and silver which have been determined by a combination of Aura Silver's past geochemical (both organic and inorganic) and geophysical analyses as well as Agnico Eagle's analysis of the data."

Paul Pitman, P. Geo. is Aura Silver's qualified person (as defined by National Instrument 43-101) and has reviewed and approved the scientific and technical information in this press release.

About Aura Silver

Aura Silver is a TSX Venture listed company engaged in the acquisition, exploration and development of precious metal prospects in Canada (100% owned Greyhound project) and in Oaxaca, Mexico (72% owned East Taviche project). Aura Silver has 101,680,844 common shares outstanding.

For further information regarding this press release contact: Robert Boaz, President and CEO at (905) 403-8010 or by e-mail at boaz@aurasilver.com. Aura Silver's web site is located at www.aurasilver.com.

FORWARD-LOOKING STATEMENTS:

This press release may contain forward looking statements that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve risks and uncertainties associated with our business including the uncertainty as to whether further exploration will result in the target(s) being delineated as a mineral resource, capital expenditures, operating costs, mineral resources, recovery rates, grades and prices, estimated goals, expansion and growth of the business and operations, the private placement financing activities of the Company, plans and references to the Company's future successes with its business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable Canadian securities legislation. Any statements contained herein that are statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution readers of this news release not to place undue reliance on our forward-looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's most recent annual MD&A and the Company's continuous disclosure documents that can be found on SEDAR at www.sedar.com. Aura Silver does not intend, and disclaims any obligation, except as required by law, to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

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.

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For more information, send questions and comments to info@aurasilver.com

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