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TSX-V: AUU

October 16, 2017

AURA SILVER REPORTS EXPLORATION TO CONTINUE ON THE GREYHOUND PROJECT FOLLOWING 2017 DRILL RESULTS

Aura Silver Resources Inc. (TSX-V: AUU) ("Aura Silver" or the "Company") is pleased to report that drilling for 2017 has been completed on our Greyhound property located in Nunavut, Canada. Agnico Eagle Mines Limited ("Agnico Eagle") carried out the program to follow up on 2015/16 drill results. Work included prospecting in new areas and diamond drilling of ten holes for a total of 2,262 metres. Assays have been recorded for all holes and recent results are being interpreted by Agnico Eagle, to be reported to Aura Silver during November along with future exploration plans. Approximately 70 assays for samples collected during an August prospecting survey over new areas are not yet received.

Two high-priority areas now stand out for further exploration: (i) Aura Lake, where high grade boulders up to one ounce/ton are located at surface with gold infused-quartz veins intersected in drilling nearby; and (ii) Dingo West, where a kilometer-long quartz vein, with noted gold in assay grab samples, outcrops and lies adjacent to an untested copper gossan. Both areas show deformation, hydrothermal activity and very large alteration halos in the enclosing volcanic rocks.

As reported previously the best drill hole in 2015 intersected 6.41 g/t Au over 1.5 metres at the bottom of hole GHD15-017. A check assay of this interval confirmed an increase of grade to 7.4 g/t Au. Follow up hole GHD17-021 was drilled in the close proximity to hole GHD15-017 (but much deeper; 384 metres in core length). In this hole 8 different traces of visible gold were identified over a core length of 3.0 metres (336-339m) however the best one metre interval assayed 0.536 g/t Au.

Holes GHD17-024 and 25 tested the same target but failed to intersect additional quartz veins so it has been interpreted that the gold at this location is an isolated occurrence.

Closer to the south end of Aura Lake where prospecting uncovered surface samples containing gold up to one ounce per ton, hole GHD17-023 targeted a magnetically interpreted structural target and intersected quartz veining assaying 3.3 g/t Au over a core length of 3.0 metres (from 94-97m) which included a shorter interval of 1.8 metres assaying 5.42 g/t Au. Deeper in the hole were several hits of gold mineralization: from 100-109.5 metres assaying from 0.2 to 0.45 g/t Au; at 138 metres 1.38 g/t Au over 1.5 metres; and, at 179.3 metres 0.993 g/t Au over 1.7 metres. Shorter holes were drilled on either side of GHD17-023 which both intersected similar quartz veins suggesting that the mineralization in GHD17-023 was not isolated but may form part of a quartz vein system within a large siliceous, pyritic, sericite alteration zone. Hole GHD17-026 hit 1.202 g/t Au over 3.6 metres (62.2-65.8m) including 0.8 metres of 4.92 g/t Au at 63.5 metres. Hole GHD17-027 intersected 0.197 g/t Au from 38.2-41.3 metres (3.1 m) and 0.94 g/t Au at 42.1 metres. Although the grades were not spectacular it is the first time in a drill program on the property that continuity of mineralization has been established. Further follow-up will be required to fully evaluate these interesting gold intercepts in quartz veins.

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In the northeastern portion of the claim group, a long, linear quartz vein was traced over 1.7 kilometres in strike length. Grab samples collected from this vein, referred to as the Dingo Zone, assayed from 1.18 g/t Au up to 126 g/t Au and 96.6 to 356 g/t Ag. West of this vein a gossanous copper rich stringer zone assayed 0.896 g/t Au in one grab sample. The copper gossan zone target has not been drill tested and further I.P. geophysical surveys, prospecting and diamond drilling are recommended.

Bob Boaz, CEO states, “we are very pleased with the latest round of drill results as for the first time drilling has intersected gold mineralization that appears to be continuous over several holes rather than an isolated drill intercept. Both structural and alteration features are present in the area of south Aura Lake as are the high-grade boulders. The Company expects that exploration will stay focused on this area in 2018.”

Agnico Eagle Completes First Phase of Option Agreement

Agnico Eagle has completed phase one of the option agreement to acquire a 51% interest in Aura Silver’s Greyhound property in Nunavut, Canada. This included completion of the \$1,750,000 expenditure requirement at the end of May 2017 as well as option payments to Aura Silver totaling \$210,000. Aura Silver is now in discussions with Agnico Eagle to plan the 2018 Greyhound drill program.

About Aura Silver

Aura Silver is a TSX Venture listed company engaged in the acquisition, exploration and development of precious metal prospects in Canada (49% owned Greyhound project) and in Oaxaca, Mexico (100% owned East Taviche project). Aura Silver has 128,116,558 common shares outstanding.

Mr. Paul Pitman, B.Sc., P.Geo. is a qualified person as defined by NI 43-101 and has reviewed and approved the technical contents of this press release regarding the Greyhound project.

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:

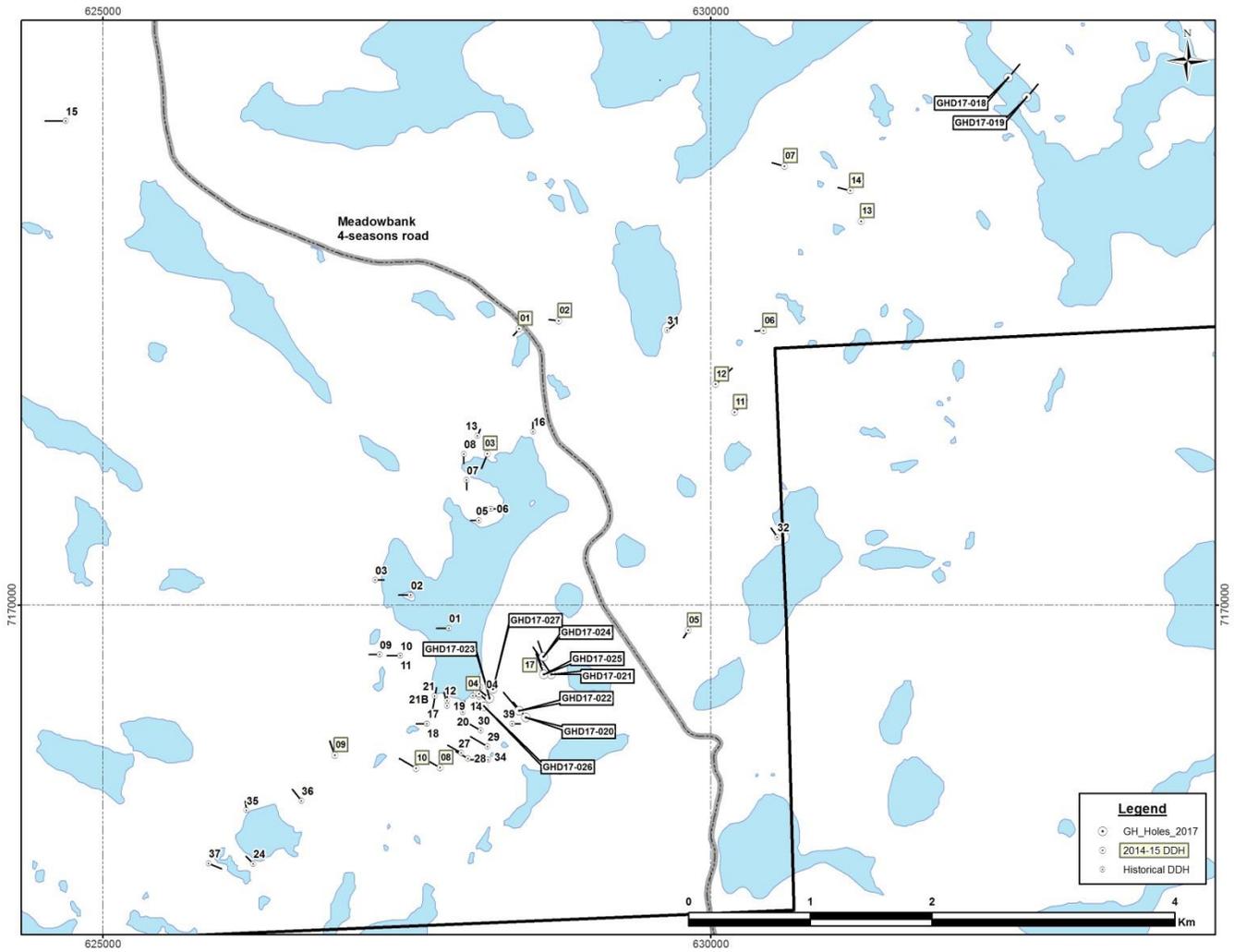
This press release may contain forward looking statements that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve risks and uncertainties associated with our business including the uncertainty as to whether further exploration will result in 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.

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The above map illustrates the totality of drill holes on the Greyhound Project since inception

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