



---

1305-1090 W Georgia, Vancouver, BC, V6C-2Z4 Phone: 604.685.9316 Fax: 604.683.1585

## Salazar Resources Ltd: President's Letter to Shareholders

**VANCOUVER, BRITISH COLUMBIA September 17, 2009 - Salazar Resources Ltd. (TSX VENTURE: SRL.V) (FRANKFURT: SRLZF.F)** is pleased to provide an update from President and CEO Fredy Salazar.

Dear Shareholders;

As President and CEO of Salazar Resources Ltd., I am pleased to provide an update of the Company's accomplishments to date and the progress made in Ecuador over the recent months.

After the first two years of being a Public Company, I am satisfied with the strong foundation that we have laid in Ecuador. We have delivered successful results quickly and have shown that our projects have the potential and merit to deliver world class mining assets. We have established our business model of making significant discoveries from prospective 'greenfield' areas; that we have the ability to identify these targets and efficiently develop these areas from reconnaissance prospects to significant discoveries. Ecuador is a country that lends itself well to our Company's strengths because of the country's abundant 'greenfield' opportunities and our detailed knowledge of local geology, numerous past discoveries and internal Company efficiencies to take full advantage of these qualities.

Salazar Resources Limited was listed on March 8, 2007 and closed the acquisition of Curimining S.A. where the Company acquired all of the issued shares of Curimining in exchange for 15,000,000 common shares of the Company. We quickly assembled a strong local technical team, particularly geologists with proven track records of major discoveries. Our technical teams have had extensive experience with international mining companies such as Newmont, IAM Gold, Ecu Corriente, International Minerals Corp. and Aurelian Resources Ltd. In the beginning we built a comprehensive portfolio of prospective assets which included the Curipamba, Rumiñahui, Mendez and La Aventura projects. All these projects were in the reconnaissance phase of exploration with several promising anomalies identified.

With this proven team, successful track record and promising assets, Salazar was successful in raising \$12 million+ in a period of six months, including a bought deal led by Canaccord Capital Corporation and Dundee Securities Corporation for total gross proceeds of Cdn\$10,401,000. This was a testament not only to strong financiers who understood our Company strengths and past successes of discoveries in Ecuador but also to the quality of our highly prospective projects.

Sample and trenching results from these projects included:

- Sesmo Sur: 68m at 2.6 g/t Gold and 82 g/t Silver
- Sesmo: 15 m at 39.1 g/t Gold and 741 g/t silver
- El Gallo: 17m at 11.2 g/t Gold and 505 g/t Silver
- Caracol 1: 10 m at 5.72 g/t Gold and 155 g/t Silver
- Cade 1: 7m at 9.8 g/t Gold, 409 g/t Silver and over 1% Zinc
- Cade Sur: 10 meters at 7.63 g/t Gold and 291 g/t Silver

These results supported our phase 1 drill program which commenced in September, 2008. Within four months of commencing drilling, we made a new discovery with the support of ground geophysics. The target was located at Las Naves in the central portion of the Curipamba project and the discovery was named El Domo. The Company completed a further twelve drill holes and were able to generate a NI 43-101 compliant Inferred resource estimate of approximately **4.08 million tonnes grading 3.48 g/t gold, 76.33 g/t silver, 2.51 % copper, 4.55 % zinc and 0.47 % lead**. The Company is encouraged that a phase 1 drill program, interrupted by the Mining Mandate, was able to report such significant results while not yet defining the boundaries of the deposit.

Although I am very proud of the El Domo discovery, and look forward to further developing it once exploration activity in Ecuador resumes, what I am most excited about is the fact that we have discovered not only a new deposit but more importantly, potentially a new VMS District. The significance of this should not be understated, as controlling such a district has allowed many a small exploration company to grow and mature into a producing mid-tier or major mining company. This is because within a *typical* VMS District, deposits most often form in clusters of 10 or more, and deposit size distribution is NOT random with 80% of metal content contained in the top two ranked deposits within a district. This means that with more exploration work we have a very good opportunity of making several additional new discoveries with the hope and expectation of turning Curipamba into a new VMS mining camp. Examples of well known VMS mining camps are Flin Flon and Noranda which have been in operation for decades and have produced tens of millions of tonnes of ore.

The potential of the Curipamba Project has been confirmed by several experts who have evaluated the area and discovery. Persons such as Bernardo Beate, Warren Pratt, and James Franklin have stated that we have discovered a significant new massive sulphide district in Western Ecuador with the richest grades encountered in the Western Andean region. These individuals are regarded as some of the top individuals in the field of VMS geology.

The next phase of our exploration program will focus on delineating and expanding the El Domo deposit. To date we have only tested approximately 40% of the geophysical anomaly during our abbreviated phase 1 drill program; in addition, and in my mind, more importantly, we intend to test numerous other high priority targets in the vicinity which reflect similar geophysical signatures to the El Domo deposit. Again, with the discovery of one VMS deposit, up to 10 or more VMS deposits are anticipated to be encountered.

We recently purchased our own drill rig which will be dedicated solely to Salazar's exploration projects and will allow the Company to mobilize the drill immediately following the permitting approval process. We anticipate this purchase to lower operating costs and maximize productivity. An aggressive drill program is planned at Curipamba as well as preliminary metallurgical testing. Also, a comprehensive regional geophysics program has been outlined that will encompass the entire Curipamba Property from Sesmo Sur in the south up to the Piedras Blancas anomaly in the north. We believe we have encompassed the entire VMS district potential as defined by the Curipamba Project land position.

In April 2008 the Government of Ecuador suspended all mining operations. Since then, Salazar has been working closely with the Ecuador government to assist with building responsible mining and establishing a solid foundation for the future development of the mining industry in Ecuador. Many positive steps have been made this year including:

- The Ministry of Mines and Petroleum of Ecuador (the "MMP"), announcing that suspension on mining activities had been lifted
- Salazar's Environmental Approval Management Plan has been granted
- Salazar received its water permit for the Curipamba project from the new National Water Authority

Salazar is now awaiting the final Environmental permit to be issued by Direccion Nacional de Minas, and the Environmental bond to be issued by Ministerio del Ambiente. This generally coincides with

the issuance of the Environmental license. We intend to recommence operations immediately once these last permits are received.

The Company is well financed with approximately \$5 million in working capital as of June 30, 2009. We have been able to manage and conserve capital over the past eighteen months not putting ourselves in the position of having to recapitalize at weaker market prices. We were able to raise our capital in a timely manner and have managed to keep ahead of the curve and maintain a strong treasury so we can effectively execute on our business plan.

Looking to fiscal 2009-10, increasing shareholder value will remain our top priority. This will be executed in four key areas that will drive this goal. Our first target will be to increase the resource and resource category at El Domo by further definition drilling; secondly, we will focus on discovering multiple new VMS deposits on all priority anomalies surrounding El Domo; thirdly, we will further develop the gold intersects we encountered at Sesmo Sur during the phase 1 drill program; and, fourthly, test the Piedras Blancas anomaly in the northern part of the Curipamba property. Salazar will also continue to methodically review other prospective areas within Ecuador and outside the country which fits our geological model of large tonnage deposit potential.

I would like to take this opportunity to thank all employees of Salazar Resources for another year of hard work and dedicated service; to our shareholders for their loyal support and patience; and to our directors and officers who have maintained strong belief and focus in what we are trying to accomplish. We look forward to a prosperous 2009-10 as we continue to explore and develop our projects and implement strategies to increase shareholder value.

Sincerely,

Fredy Salazar,  
President & CEO  
***Salazar Resources Limited***

John Buckle, P.Geo., P.Geoph., the qualified person for the company, has reviewed this news release for its accuracy.

Salazar Resources Ltd. is a publicly-listed (TSX-V:SRL; FSE: SRLZF) mineral resource company engaged in the exploration and development of new highly prospective areas in Ecuador. Led by a senior Ecuadorian management team and most notably by its namesake Fredy Salazar, this team has been instrumental in other major discoveries throughout Ecuador. Being an Ecuadorian based company gives the company a strategic advantage enabling the company to complete exploration at a rapid pace. With an excellent property portfolio (3 projects - 42,900 hectares), good geopolitical positioning and a number of strategic corporate and financial partnerships, Salazar has positioned itself to be a strategic player in Ecuador and throughout South America.

For further information,  
please contact:

Fredy Salazar, President & CEO, Salazar Resources Limited  
T. 593.22278975 or E: [fsalazar@salazarresources.com](mailto:fsalazar@salazarresources.com)

Nick DeMare, Director & Secretary, Salazar Resources Limited  
T. 604.685.9316 or E: [ndemare@chasemgt.com](mailto:ndemare@chasemgt.com)

Jeff Tindale, Investor Relations, Empire Communications Inc.  
T: 604.484.0066 or E : [info@salazarresources.com](mailto:info@salazarresources.com)

*“Neither 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.”*