

August 17th, 2011

Dear Shareholders,

With the beginning of a new era for Netco, the board is pleased to issue the following communication to shareholders. At the most recent AGM, the Company officially approved the change of its name from Netco Energy Inc. to Netco Silver Inc, which properly reflects the company's strategic focus as a play on high-grade silver assets. The name change occurred on July 11, 2011. Going forward, Netco's initial prospect is its newly-acquired interest in the Toruel Project, located in the Rio Negro Province of Argentina, an area which has shown significant potential for high-grade silver.

The Toruel Project consists of numerous epithermal veins that have variable amounts of significant silver, copper, gold, indium, lead and zinc. Based on the opinions of the geologists who have identified the property for us, we believe the Toruel Project will be a significant silver prospect for Netco going forward.

To date, the property has had a total of 4,300 meters of diamond drilling and 1,590 meters of reverse circulation in three rounds of drilling performed by our partner, Marifil Mines. From this drilling, a significant amount of mineralization has been defined, but not quantified. Drill results are described in our National Instrument 43-101 compliant technical report entitled "Toruel Project, Rio Negro Province - Argentina", dated June 15, 2011, authored by Mr. James Ebisch, and filed on SEDAR on June 22, 2011. The report describes how surface samples from the property have resulted in 0.0 to 5,871 g/t silver, and drilling has intercepted strong mineralization ranging from 0.0 to 3,759 g/t silver over 0.5 m within a 5.0 meter zone that averaged 960 g/t silver along with another 5.4 meter interval that averaged 981 g/t silver and 6.31% copper.

As promising as these numbers look so far, we consider the Toruel Property to be underexplored, with the true potential for the project yet to be seen.

Management has just returned from a trip to Argentina, which included a site visit on the Toruel Project with the consulting geologist that oversaw the exploration work previously performed. Over the next three months, Netco will embark upon its first phase of exploration on the Toruel Project, which will include detailed mapping and sampling of the property, as well as geophysical work and trenching. The goal is to gain a better understanding of the true scope of the previously discovered Toruel vein system, as well as to investigate the entire property for additional veins and potential that may exist outside of the Toruel vein structure.

Andrew Gourlay (P.Geol.) President: "Sound geology begins with the systematic mapping and sampling of the property to truly understand its potential. We already know have a high-grade vein structure in the Toruel system, but this work will help us to determine if there are additional targets that we have yet to uncover on this property."

Along with tapping the potential of the property itself, Netco is working to assemble a strategic Argentina geological advisory team. Through our due diligence process we have built relationships with a network of geologists with considerable South American expertise, and, as we add new members to our team and execute on our strategy, we believe that Netco and the Toruel Project will deliver significant shareholder value.

We are pleased to officially become a part of the silver community, and thank you for following us on our journey to get here.

Sincerely,

Colin Bowkett

Director
Netco Silver Inc.

Technical information in this letter has been reviewed and approved by Andrew Gourlay, our President and, a qualified person as defined in National Instrument 43-101.

Disclaimer for Forward-Looking Information

This letter contains projections and forward-looking information that involve various risks and uncertainties regarding future events such as statements: (i) regarding the potential return to the era of primary silver mines; (ii) that the Toruel Project may be a significant silver play going forward; (iii) that the true potential of the project is yet to be seen; (iv) regarding our future exploration plans and business strategy; and (v) that the Toruel Project will deliver significant shareholder value. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the inherent uncertainties and speculative nature associated with silver exploration, (3) a decreased demand for silver, (4) any number of events or causes which may delay exploration and development of our property interests, such as environmental liabilities, weather, mechanical failures, safety concerns and labour problems, (5) uncertainty of governmental policy in Argentina; (6) inability to obtain all necessary permitting and financing, and (7) other factors beyond our control. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Except as required by law, we assume no obligation to update forward-looking information should circumstances or management's estimates or opinions change.

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