

Kootenay Silver

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Kootenay Silver gains after new high grade area found at Promontorio

Shares of Kootenay Silver (CVE:KTN) are rising after the silver explorer released drill results from the company's flagship Promontorio silver project in Mexico, saying it found a high grade silver zone between the pit and the northeast zones.

The news comes not even a month after the company released an updated resource at the Promontorio project that approached the 100 million ounce mark on the back of new metallurgical data that supported the recovery and inclusion of gold. Despite the new gold content, the latest resource did not include any drilling completed since the previous resource report was announced in August last year.

Today's results are from the fifth phase of a drill and resource expansion program at the site, and include highlights such as 301 grams per tonne (g/t) silver equivalent over 31.7 metres, including 1,046 g/t silver equivalent over 5 metres in hole 186.

"Not only do results from Holes such as 186 and 185 represent some of the highest grades drilled to date, they occur in an area between the North East and Pit zones where these grades were not expected," said president and CEO James McDonald in the statement released Tuesday.

"This underscores the potential to delineate additional high-grade silver zones within the diatreme system," he adds.

Indeed, the new area of high grade silver found is open along strike and dip, the company says, and appears to be on strike with other high grade intercepts previously returned from drilling in the northeast zone.

The holes released Tuesday were drilled to follow up mineralization in an area of wide-spaced drilling, with grades occurring both within and outside some of the inferred resource blocks between the pit and northeast zones. According to the company statement, the grades are "significantly higher" than the average resource, and the area is considered by management to be "very prospective" for additional ounces.

In addition, four new targets have been found through an IP survey, and will be tested with further drilling. So far, 16,300 metres have been drilled at the site as part of the fifth phase drill program.

Kootenay Silver, which last month put to bed a \$4.75 million investment from Agnico-Eagle Mines (NYSE:AEM), earlier this month revealed 92 million contained silver equivalent ounces in the measured and indicated category for its Promontorio project resource, with another 24.3 million ounces in the inferred resource category.

A further resource update is expected once the company's current 30,000 metre drilling campaign is finished, sometime in the third quarter of this year.

Price: C\$0.205

Market Cap: C\$52810700M

1 Year Share Price Graph



Share Information

Code: KTN

Listing: TSX-V

52 week High Low
C\$0.23 C\$0.11

Sector: Precious Metals - Gold & Silver [T3]

Website: www.kootenaysilver.com

Company Synopsis:

Kootenay Silver Inc is a success driven exploration company; focused on the aggressive development of its flagship Promontorio Silver Project in Sonora State, Mexico. Kootenay has drilled over 67,000 meters through several individual campaigns at Promontorio over 5 years and recently reported a significant increase in the size of Promontorio's Measured and Indicated mineral resources (August 21, 2012).

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Shares of Kootenay Silver were lately up 5 cents on the back of the latest high grade silver results, at 97 cents, rising as high as \$1.02 earlier Tuesday.

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