



**FOCUS:**

Kootenay Gold Inc.

**WEBSITE:**

[www.kootenaygold.ca](http://www.kootenaygold.ca)

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Issued:	44,373,100
Warrants:	9,150,750
Options:	3,675,500
Fully Diluted:	57,199,350
Cash in Treasury:	~\$10 million

## A Mine In The Making

Kootenay's Flagship Promontorio Silver Project Displays Earmarks of the Region's Major Silver Producers



They say mines are made, not discovered. Kootenay Gold would prefer to call it *strategic development*. From the moment Kootenay first acquired the rich, past producing

Promontorio Silver Project in Sonora Mexico in late 2006, the Company's objectives have remained clear.

- 1) Implement a multi-phase exploration and drilling strategy to systematically exploit the vast untapped mineral resources believed to exist throughout the 90,000-hectare property.
- 2) Develop a minable silver resource on par with several of the regions top producers.
- 3) Advance the project to feasibility and full production.

Backed by one of the region's premier underdeveloped silver projects, Kootenay has wasted no time setting out to meet its challenge head on. In less than three years, under the direction of Company CEO and Chief Geologist James McDonald, Kootenay has been highly successful in its strategic program, while rapidly advancing the Promontorio towards its ultimate goal of developing a world-class ore body.

## INVESTMENT Highlights

- » 10,000 meter multi-phase drilling program underway on Promontorio Silver Project.
- » Infill drilling "Connector holes". Goal to double or triple current resource at Promontorio.
- » Multiple well-defined drill targets.
- » Mineralization remains open to the West, East and at depth.
- » Multiple joint-venture agreements provide maximum exposure in prolific district.
- » Recent \$6 million financing led by Sprott Asset Management.
- » ~ \$10 million cash in the treasury.
- » Exemplary Management with proven track record.



Proven In Finance, Exploration &amp; Development

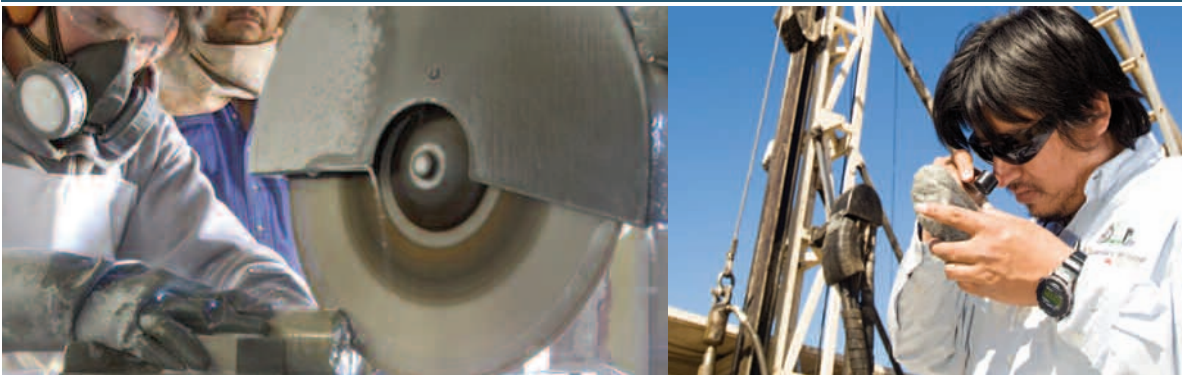
**James M. McDonald, PGeo**  
President & CEO

**Kenneth E. Berry, BComm**  
Chairman & Director

**Brian Groves, BSc Geophysics**  
Director

**Joseph Giuffre, BA LLB**  
Director

**Rajwant Kang, CMA**  
CFO & Corporate Secretary



**Multi-phase Discovery Program.** Included a comprehensive airborne geophysical survey, geological mapping, rock sampling, prospecting along cut gridlines, 3D IP Survey and more than 25,000 meters of detailed drilling. Drill Results received to date indicate wide spread mineralization in the Pit Discovery Zone, the Dorotea Zones and the Ranch EM Anomaly. Assays from extensive surface sampling have also identified an additional 7 separate zones of surface mineralization north of the Pit and Dorotea Discoveries.

**Excellent grades, Widespread Mineralization.** Drilling dimensions of the Pit Discovery Zone tested to date are approximately 200 meters by 300 meters in plan by 440 meters vertically. Mineralization remains open to the West, East and to depth. The mineralized zone tested to date covers approximately 10% of the 3D IP Geophysical target which comprises a large "L" shaped area of chargeability, with one "arm" measuring 1.6 km and the other 900 meters, and with widths ranging from 250 to 600 meters. Highlights from 49 drill holes at Pit Discovery included 18.4 meters grading 950 g/t and 151 meters grading 162 g/t silver-equivalent. Step-out drilling 1 km to the east of the Pit Discovery has encountered mineralization to a depth of 650 Meters.

**Initial resource estimate in.** In a breaking development, Kootenay recently released a 43-101 Resource Estimate conducted by AGP Mining Consultants (AGP) for the Pit Discovery Zone at Promontorio. The AGP resource estimate comprises indicated mineral resources of 8.9 million oz. silver (52.7 g/t), 99.3 million pounds of lead (0.86%) and 110.8 million pounds of zinc (0.96). In the inferred category AGP estimated Promontorio contains 1.17 million oz. silver (55.7 g/t), 13.4 million pounds of lead (0.94%) and 14.3 million pounds of zinc (1.00%).

The AGP report pegs the total contained metal values in the ground at Promontorio at over \$320 million. The resource estimate is further validation of Promontorio's maturing stature as the Company enters one of the most exciting phases in its corporate development.

#### **Drilling program to accelerate development.**

A 10,000 meter multi-phase drill program now underway on Promontorio is expected to sharply expand the Pit Zone resource through a series of 'connector' holes and will also drill test a 700 meter mineralized corridor trending to the North East. The comprehensive drill program will prioritize targets from the Promontorio Pit area in the South for approximately 25 kilometers to the Northwest.

The objective of the current program is to significantly boost the tonnage and contained metal values at Promontorio. Results from the first four drill holes have already extended silver mineralization 100 meters outside the current 43-101 Pit Discovery Zone with mineralization remaining open to the West, North, East and to depth.

#### **The Mineral Rich Sierra Madre Trend.**

The Sierra Madre region of Mexico is responsible for discoveries in excess of 520 million oz silver, and 15 million oz of gold. Prior to 2001 the Sierra Madre Trend had no major producers, just nine years later it now has seven producing mines each containing multi million oz reserves of silver, gold and base metals. In addition, there is one project under construction and one more in feasibility. Kootenay has drilled over 25,000 meters at Promontorio. Results to date suggest the possibility of a large-scale mineral system similar to major deposits within this region.

## AT THE HELM

Kootenay CEO and Chief Geologist James McDonald P. Geo is no stranger to the complexities of advancing an exploration project to commercial production, having been a driving force behind the success of several juniors including Alamos Gold Inc. (160k oz. gold annually). McDonald believes Kootenay is in an enviable position with both the Promontorio Silver project and the Company's growing list of generative J/V properties.

"I don't think in the four year history of Kootenay there's ever been the level of expectation which surrounds this Company now." Says McDonald "In every major exploration project there are critical windows for success. With Promontorio, we believe we're in that window."

Backed by a new robust 43-101 resource estimate and a host of well-defined drill targets derived from extensive ground and drill data, combined with 3-D modeling and 3-D geophysics, McDonald says the upcoming drill program on Promontorio will be the Company's most focused ever in terms of understanding the project's geology and control.

"We have definitely done our home work and have substantially minimized the risk on this project". Says McDonald "The resource doesn't even have to get a lot bigger to start looking like it could be a mine. Having said that, we believe with the upcoming fall drill program we have a viable shot of expanding the resource as much as three to four times in size, or more. which would clearly put us in the drivers seat towards reaching our ultimate goal of advancing Promontorio into a significant mining entity."

On the generative side of the Company McDonald is equally optimistic. "Kootenay continues to strengthen its joint Venture model by securing partnerships on its generative property portfolio. Our strategy leverages high-reward exploration expenditures by drill testing multiple projects.

Through our experience in Mexico and Canada we have been successful acquiring, advancing and packaging a host of premier projects for option for both junior and major companies. Through the Joint Venture Model, Kootenay has positioned itself for multiple shots for success and revenue generation well into the future." Says McDonald



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