Silver Mountain Provides Overview of Exploration and Drilling Results from Its Ptarmigan Property, BC

05.07.2012 | Marketwire

CALGARY, ALBERTA -- (Marketwire - July 5, 2012) - Silver Mountain Mines Inc. (TSX VENTURE:SMM) ("Silver Mountain" or the "Company") is pleased to provide an overview of results of the 2008 - 2011 exploration programs on its 100% owned Ptarmigan Property (the "Property") in southeast British Columbia.

The Property is 9,287 hectares (ha) and is located in the Purcell Mountains, a mountain belt rich in mineralization, in the southern Canadian Cordillera. The Property area hosts an abundance of documented MINFILE (mineral) occurrences, ranging from mineralized showings to past producing mines, including the former Ptarmigan, Mineral King, Blue Bell and Paradise Mines.(See Area Mineralization and Mine Occurrences Map).

Please see http://www.silvermountainmines.com/maps.asp for updated maps.

Mineralization is interpreted to include both polymetallic Ag-Au-Cu-Pb-Zn veins and Ag-Au-Pb manto-style mineralization within the Ptarmigan Basin. Results include the East Ptarmigan (PT11-55 - 9.05 meters (m) grading 72 g/t Ag and 1.94% Pb), Upper Ptarmigan (PT09-13 - 6.92 m grading 53 g/t Ag) and within the former Ptarmigan Mine (1.8 m chip sample grading 1,761 g/t Ag, 0.78 g/t Au and 0.97% Cu).

Occurrences of analogous Ag+/-Au+/-Cu+/-Pb+/-Zn mineralization have been reported elsewhere on the Property immediately south of the Ptarmigan Basin. Exploratory work completed by the Company located the five reported adits exposing polymetallic Ag-Pb-Zn veins within the Iron Cap Trend in which grab samples returned grades up to 1,368 g/t Ag, 0.99 g/t Au, 50.87% Pb, 1.42% Zn and 0.59% Cu. In addition, recent exploratory work has resulted in new discoveries of high grade, Ag-Cu vein mineralization at the Hidden Vein (slightly west of the Iron Cap Trend including 3,928 g/t Ag. 2.08 g/t Au and 3.97% Cu) and Au-Ag-enriched, vein-style mineralization on the North Ridge (West Vein chip sample (average) - 517 g/t Ag and 1.99 g/t Au), at the north end of the Ptarmigan Basin. (See Ptarmigan Basin Mineralization Map). Results available at http://www.silvermountainmines.com/reports.asp.

Key advances and results on the Property to date include the following:

• Prospecting and collection of silt, soil and rock samples in areas beyond the Ptarmigan Basin.

• Geological mapping in the Ptarmigan Basin has refined stratigraphic correlations; identified and delineated structural features that are probable controls to mineralization.

• Mapping and sampling in the North Ridge area; interpreted to be controlled by, and within the same fault panel as that associated with mineralization in the Ptarmigan Mine.

• Lithological, structure and mineralization mapping of the Ptarmigan mine workings comprising 540 m of underground development.

• A 6.28 line-km Induced Polarization (IP) survey in the southern portion of the Ptarmigan Basin. A number of IP and/or magnetic anomalies were identified including a large conductive zone. Results include PT09-13 - 6.92 m grading 53 g/t Ag and East Ptarmigan Showings PT11-55 - 9.05 m grading 72 g/t Ag and 1.94% Pb. (See Geophysical Survey Map).

• Both an airborne magnetic gradiometer and VLF-EM geophysical survey and an Aeroquest Aerotem III airborne geophysical survey over an expanded Ptarmigan Basin area. Survey results identified abundant high conductivity anomalies, extending from the Iron Cap Basin north through the Ptarmigan Basin to the North Ridge and east into Law Creek. (See Geophysical Survey Map).

• Recovery of highly anomalous soil and rock samples from the North Ridge area, more specifically, the West Vein area, interpreted to represent the northern projection of the same mineralized fault panel which hosts mineralization in the Ptarmigan Mine (SMM 2011 Geochemical

Highlights-http://www.silvermountainmines.com/downloads/SMM_GeochemSample2011_Highlights.pdf).

• Confirmation of polymetallic signature in the Ptarmigan Basin, with grades up to 3,610 g/t Ag, 1.82 g/t Au, 1.33% Cu, 4.16% Pb and 3.01% Zn.

• 55 diamond drill holes (6,650 m), comprising 2,115 m in the immediate vicinity of the Ptarmigan Mine, 1,552 m in the Upper Ptarmigan and 2,719 m in the East Ptarmigan area. In addition, a single hole 264 m long was completed as an initial test of the Iron Cap Structure. (SMM Results - http://www.silvermountainmines.com/reports.asp).

• Highlights of drilling to date include the following:

- Two significant mineralization styles have been identified, manto (carbonate replacement) and vein style mineralization, with mineralized intercepts documented to depths at least 160 metres below surface. Textures suggest extensive alteration and replacement of carbonate host rock. Tetrahedrite and galena (and possibly other sulphosalt minerals) are visible in many of the intercepts.

- Extends the known manto/vein system from an area of 100 m x 50 m x 40 m, comprising the underground workings of the historic Ptarmigan Mine, to approximate dimensions 500 m north-south by 150 m east-west and over a stratigraphic interval at least 250 m.

- At least two fault panels have been identified, hosting high grade Ag+/-Au+/-Cu+/-Pb+/-Zn mineralization with strike length of at least 1.4 km north-northeast from the Iron Cap Trend (through the Upper Ptarmigan and Ptarmigan Mine to the West Vein area of the North Ridge). (See Mineralized Panel Map).

- Identification of a pyrite-rich, massive sulphide horizon, the Upper Ptarmigan Zone, at surface and in the near sub-surface, comprising two pyritic, massive sulphide manto horizons (PT09-13 - 6.92 m grading 53 g/t Ag).

- Identification of a second silver-lead (Ag-Pb) zone to the east, the East Ptarmigan Zone, in the proposed hinge area of an anticlinal closure (PT11-55 - 9.05 m grading 72 g/t Ag and 1.94% Pb).

- Drilling results to date are interpreted to suggest an anticlinal structure has been segmented into a series of fault panels. North-trending faults are the controlling structures and are associated with tetrahedrite + galena mineralization documented in the Upper / East Ptarmigan Showings, Ptarmigan Mine and Adit #3 (average of 4 samples - 1,341 g/t Ag, 9.13 g/t Au and 1.40% Cu).

- Silver-rich mineralization documented in the Upper Ptarmigan - East Ptarmigan area is hosted in, and controlled by, faults in a manner similar to the historic high grade Ag-Cu vein and manto mineralization of the Ptarmigan Mine. This newly discovered mineralization in the southern portion of the Ptarmigan Basin is characterized by silver-rich tetrahedrite and galena, with highly subordinate sphalerite, associated with massive to semi-massive pyrite within brecciated and/or silicified dolomite.

- Drill hole (PT11-42), targeting the Ag-Pb Iron Cap Trend south of the Iron Cap #5 adit, confirmed high grade vein potential west of projected structures. The hole intersected a tetrahedrite-bearing vein (0.4m at 3,610 g/t Ag, 1.33% Cu), interpreted to suggest high grade mineral potential correlative to the Iron Cap Trend exists. These results are remarkably similar to results reported in 2010 for the Hidden Vein (3,928 g/t Ag, 4% Cu), interpreted to further support potential for this proposed high-grade mineralization farther west.

- Preliminary metallurgical testing has been initiated on samples of pyrite-rich, semi-massive to massive sulphide mineralization remaining in the underground workings of the Ptarmigan Mine, as well as a composite sample of drill core from the Upper Ptarmigan / East Ptarmigan Zones. Sample results were as follows:

Phase I

- Two grab samples weighing approximately 16 kilograms (kg) each were collected from Adit #1 (Pyrite #1) and from Adit #2 (Pyrite #2) and were tested in Phase I. Head grades of the samples:

• Pyrite #1: 387 g/t Ag, 0.55 g/t Au, 0.23% Cu, 0.12% Pb and 0.02% Zn

• Pyrite #2: 1199 g/t Ag, 1.37 g/t Au, 0.37% Cu, 0.15% Pb and 0.03% Zn

Phase II

- Two 'bulk' samples were collected from Adit #1 (Pyrite #1) and Adit #2 (Pyrite #2) and reported a total weight of 326.3 kg:

• Pyrite #1: 422 g/t Ag, 0.47 g/t Au, 0.27% Cu, 0.13% Pb and 0.03% Zn

• Pyrite #2: 367 g/t Ag, 1.02 g/t Au, 0.09% Cu, 0.07% Pb and 0.01% Zn

DIDS-II

- Composite sample DIDS-11, submitted for metallurgical testing, represented mineralized intercepts from five diamond drill holes completed in 2012. The samples weighed 29 kg and were tested to assess metallurgical characteristics of the newly discovered East and Upper Ptarmigan Zones that are mineralogically different from Pyrite #1 and #2. Head grade of the composite samples indicates lower precious metal (Ag & Au) values but higher base metal (Pb & Zn) values:

• East/Upper Ptarmigan: 103 g/t Ag, 0.25 g/t Au, 0.09% Cu, 3.37% Pb, and 0.45% Zn

On-going metallurgical testing, together with work undertaken to characterize the nature of the minerals, is expected to form the basis for determination of the potential value of extracting ore from the Ptarmigan Mine.

Summary

Results from exploration within the Upper Ptarmigan Basin has documented extensive mineralization ranging from low grade massive Ag-Au-bearing pyrite to high grade Pb-Ag, Cu-Ag and Pb-Zn-Ag mineralization. Mineralization of structures extends north-northwest from the Iron Cap Trend, through the Upper Ptarmigan Zone and Ptarmigan Mine to the North Ridge, a distance of approximately 1.4 kilometers (km). Correlations are interpreted to suggest similar fault controlled mineralization may extend from the East Ptarmigan Zone. The correlations between faults, with associated mineralization, are interpreted to suggest significant potential for identification of additional lenses of high grade vein-style mineralization along these fault structures. In addition, identification of manto- (carbonate replacement) style mineralization in carbonate-rich intervals in the resulting fault panels, analogous to Level 1 and Adit#2 of the Ptarmigan Mine and the Upper Ptarmigan Zone, is also considered to be high.

Similarities between the North Ridge (more specifically, the recently discovered West Vein) and the Ptarmigan Mine area are interpreted to suggest high potential for identification of additional mineralization to the north of the Ptarmigan Mine, both at surface and in the sub-surface. This interpretation is further supported by an association between highly anomalous surface geochemical results (average of 3 samples - 517 g/t Ag and 1.99 g/t Au) and the projected surface trace of the faults.

Comparison with other carbonate replacement deposits in the area (i.e. the Mineral King and Bluebell mines) confirm metal-bearing fluids interacting with carbonate-rich strata may have produced economic deposits. Management believes excellent potential exists for identification of additional polymetallic ore-bearing, carbonate/dolomite hosted manto horizons; together with additional high-grade zones associated with structural controls throughout the Ptarmigan Property.

The content of this news release has been reviewed by Rick Walker, B.Sc., M.Sc., P. Geo., a Qualified Person for the purposes of National Instrument (NI) 43-101, with the ability and authority to verify the authenticity and validity of the data herein.

A complete table of results to date is available on the Company website at www.silvermountainmines.com, under Projects.

About Silver Mountain Mines Inc. (TSX VENTURE:SMM)

Silver Mountain Mines Inc. is a Canadian based exploration and development company with 100% ownership of a 9,200 ha property centered on the historical silver rich Ptarmigan Mine in south eastern, BC. The property hosts two styles of mineralization: silver rich, high grade polymetallic epithermal veins and manto style massive / semi-massive sulphide mineralization.

For further information on Silver Mountain Mines Inc. please visit the Company's website www.silvermountainmines.com and SEDAR (www.sedar.com).

This news release may contain forward-looking statements including but not limited to comments regarding

the timing and content of upcoming work programs, geological interpretations, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements. These statements are based on a number of assumptions and factors that could cause actual results to differ materially from those in forward looking statements Silver Mountain Mines Inc. does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent required by applicable law.

ON BEHALF OF THE BOARD

Steve Konopelky
President and CEO

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