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THE TIMELESS PRECIOUS METAL FUND

ECU SILVER MINING INC. (TSXV: ECU) FOLLOW-UP NO 1/February 21, 2006

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<u>ECU SILVER MINING INC: RETURN ON CAD 10,000 INVESTMENT</u>					
Purchase Date	No. of Shares	Purchase Price	Cost (CAD)	Price Today	Value Today
February 10, 2006	13'000	0.77	10'010.00		
<b>Total</b>	<b>13'000</b>	<b>0.77</b>	<b>10'010.00</b>	<b>0.77</b>	<b>10'010.00</b>
<b>Profit</b>					<b>0.00</b>
<b>Profit (in %)</b>					<b>0%</b>



<u>SHARES OUTSTANDING / FULLY DILUTED</u>	<u>MARKET CAP</u>
162,314,525 / 197,315,047	CAD 135.7 Million
<u>52 WEEK LOW / HIGH</u>	<u>AVERAGE VOLUME OTC BB</u>
CAD 0.195 to 0.79	368,700 (200-day)
<u>RECOMMENDATION</u>	<u>RISK RATING</u>
BUY ON WEAKNESS	HIGH

## SILVER MINING IN THE STATE OF DURANGO, MEXICO

### Business Summary

ECU Silver's operations are located in the **Velardeña mining district** in the state of **Durango, Mexico**.

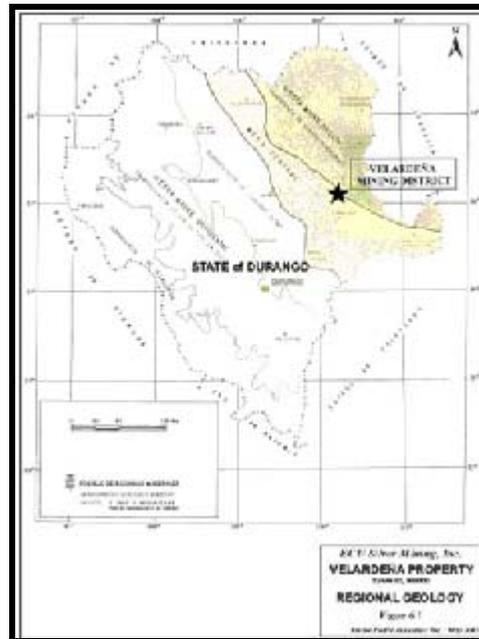
7 former producing mines are located on the Velardeña property but 100% of the current production comes from a sector of the **Santa Juana mine**, supplying ore for our milling facility. (May, 2005).

The milling facility is also located in the Velardeña mining district and is a short distance from the mines. The milling facility is currently operating at 250tpd, and has recently undergone a major expansion that has allowed it to more than double its output of concentrate. Prior to the expansion, the milling facility was processing 180tpd of ore.

The mill is constantly being fine tuned and the company is currently in the process of:

- Reaching the medium **goal of 400tpd production** by purchasing and installing the necessary equipment;

- Adjusting the reagents to improve recoveries;
- Completing the installation of the pyrite circuit to recover 75% of our future Gold production;
- Process 20,000 tonnes of tailings grading 5 g/t Au with the same pyrite circuit;
- Finalizing negotiations to get better conditions from the smelter.



In addition to the current operations, ECU Silver continues to remain active looking at new milling facilities and properties in the Velardeña mining district.

The company also controls the **San Diego property**, located approximately 10 kilometers to the northeast. This property has an estimated historic resource of 1.4 million tonnes of near-surface silver-lead-zinc mineralization, with low grade gold values, but it has seen almost no exploration activity from ECU to date.

### Velardeña Projects

The Velardeña Property contains three blocks consisting of 24 concessions totaling 563.3 hectares located in the Velardeña Mining District in Durango State, central Mexico.

The Property is situated approximately 95 kms south-southwest of the city of Torreón, Coahuila State, and 140 kms northeast of the state capital Durango. A four lane toll highway connecting Torreón and Durango passes 3 kms east of the village of Velardeña. A 7 km gravel road leads from the village to the mine site.

The Property includes five mines; **Santa Juana, Terneras, and San Juanes**, which are interconnected, plus **the San Mateo and San Diego** mines. The Property is currently in production with development muck and mineralized stope material coming from the Santa Juana Mine for treatment at the Velardeña mill.

The local geology is characterized by a thick sequence of limestones and subordinate calcareous clastic rocks of Cretaceous age, intruded by Tertiary stocks of felsic to intermediate composition. Tertiary volcanic rocks unconformably overlie these units. The Aurora Formation limestones host the Santa Juana, Terneras, San Juanes and San Mateo deposits on the Velardeña Property. The limestones are intruded by a series of multi-phase diorite or monzodiorite stocks and dikes of Tertiary age that outcrop over a strike length of approximately 2.5 kms.

The deposits on the Velardeña Property consist of low-temperature epithermal calcite-quartz veins with associated Pb, Zn, Ag, Au and Cu mineralization, typical of the polymetallic vein deposits of northern Mexico. The veins are usually thin, normally in the range of 0.2 m to 0.5 m, but remarkably consistent along strike and down dip. Within limestone host rocks, some of the veins are oxidized down to level 17 or 18, up to 450 m below surface. Oxide material is also found in the veins hosted by intrusive rocks near the La Tres Aguilas fault. Sulphide vein mineralization consisting of pyrite, arsenopyrite, sphalerite, galena and chalcopyrite and tetrahedrite, generally occurs within intrusive and skarn host rocks.

### **Santa Juana**

The Santa Juana Vein accounts for all the current production. During 2005, opened stopes were doubled to 6.

In 2004, 16,232 tonnes of ore were processed from the Santa Juana Mine. The oxide zone was drifted 17.3 m on level 18 and the shaft was sunk 32 m to reach level 17. The sulfide zone saw 315.7 m of drifts and raises.

In 2005, a decline was completed to reach the 18th level. Access drifts on the CC and Santa Juana Veins were extended on the 15th and 16th level.

### **San Mateo**

Accesses to levels 1 to 3 of the San Mateo Mine are by an adit located about 500 m east of the entrance of the access drift for the Terneras Mine. Additionally, a new access is being driven from the main access drift to Santa Juana, in order to reach the veins of this mine on level 6.

In 2004, production was obtained from levels 1 and 2 including 98.55 m of development for 568 tonnes of ore grading 1.13g/t gold, 294g/t silver, 1% lead, and 0.07% arsenic. Stope production consisted of 1,932 tonnes containing 1.91g/t gold, 616g/t silver, 2.14% lead, 0.87% zinc, and 0.06% arsenic. The new access drift to reach level 6 of the San Mateo Mine is scheduled to reach the vein in Q4 of 2005. Then a vein will be developed on that level with the objective of producing from this silver-rich zone.

### **San Juanes**

Until 2004, the San Juanes Mine was accessed by the same underground access as the Santa Juana and Terneras mines by way of an adit on level 6 of the Terneras Mine and a small drift close to the surface. A new adit was opened in 2004, located more than 1 km north of the opening of the access drift to Terneras. In 2004, the Company drifted 388.22 m on level 1, producing 5,577 tonnes of ore with a content of 2.42g/t of gold and 163g/t of silver. ECU also extracted 1,718 tonnes grading 2.70 g/t gold and 246 g/t silver from stopes and drifted 88.78 m of crosscuts that yielded 1,492 tonnes of waste material. In 2005 the Company anticipates developing this zone on level 6 for a minimal length of 150 m, and will be preparing for production from that new area.

### **Recent News: ECU Silver averages 1,809 g/t Ag at level 16**

- The fifth mineralized vein in Tres Aguilas enters base metals-rich section;
- **9 meters (30 ft) averaging 0.67 meter width (2.2 ft) grading 10.8 g/t Au and 1,809 g/t Ag (1.32 oz/t Au-eq(a)) with 5.48% lead, 11.46% zinc and 2.92% copper;**

ECU Silver Mining Inc. announced additional assay results from drifting on the 16th level in the Tres Aguilas area of the Santa Juana mine. These results were compiled from the extension of the newly discovered fifth mineralized vein on the 17th level, the "A4", which was also found to extend on to level 16.

The results were obtained from 9 meters of drift driven along the "A4" vein on level 16. This section is at the junction where the vein changes from a calcite-rich vein to a sulphide-rich vein with dramatic increases in base metals and silver contents. The assay results averaged, 0.67 meter grading 10.8 g/t Au, 1,809 g/t Ag, 5.48% Pb, 10.46% Zn and 2.92% Cu. Again we see a strong association between copper and silver. The vein has been opened along strike for another 23 meters and assays are pending.

The remaining 23 meters, out of a total of 50 meters, of drift are sulphide-rich type of vein and work will be commencing shortly to find this vein on levels 15.5 and 15. Establishing continuity is necessary so a clear boundary can be defined in three-dimension for the change from calcite-rich to sulphide-rich as that data can then be used as a powerful exploration tool to pinpoint the direction from which came the mineralization.

**Given the extensive planned drilling program the Company is currently embarking on, a significant amount of data will continue to be collected that will further verify the depth, grade, and continuity of the five veins already encountered in the Tres Aguilas sector, as well as identify the remaining eleven veins in the same area.**

**Fundamental Considerations**

ECU Silver continues to report excellent drill results:

- February 09, 2006** ECU Silver averages 1,809 g/t Ag at level 16
- February 06, 2006** ECU Silver Drills 56.52 g/t Au, 361 g/t Ag over 0.5 m
- January 30, 2006** ECU Silver Averages 41.84 g/t Au at Santa Juana
- January 23, 2006** ECU Silver Major Exploration Program in Full Blast
- January 19, 2006** ECU Silver Finds Fifth Vein on Santa Juana's Level 17
- January 13, 2006** ECU Silver Finds High Au, Ag values at Santa Juana

**Technical Considerations**



400 to 450 points in the HUI-Index could be reached within twelve months or even exceeded.



While a consolidation seems likely at this stage, continued good drill results and a strong silver price could easily propel the share price higher over the medium term.

**Peter Zihlmann**



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