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NEWS RELEASE

**PRECIOUS METALS COMPANY NETCO SILVER ANNOUNCES THE DISCOVERY
OF TWO NEW MINERALIZED VEIN SYSTEMS AT THE TORUEL PROJECT**

Vancouver, BC, Canada, May 31, 2012 – Netco Silver Inc. (TSX-V:NEI) (“Netco” or the “Company”) is pleased to announce the following update on its prospecting, trenching and sampling program at the Toruel Property, Rio Negro Province, Argentina. The Toruel Property is located approximately 23 kilometres southeast of the town of Los Menucos and approximately 100 kilometres from Pan American Silver's Navidad project, one of the world’s largest undeveloped silver deposits.

Multiple vein structures have been identified on the Toruel Property to date, with approximately 50 percent of the property having been properly explored and mapped. Recent prospecting and sampling has identified two additional vein structures, the “El Cumpa” vein and the “Capo” vein.

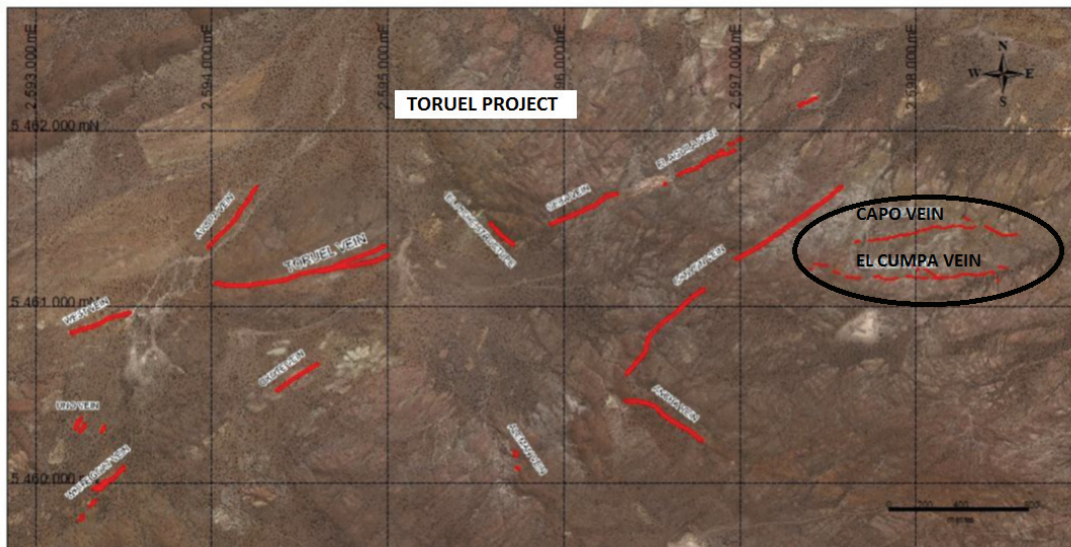


Figura N°1: Estructuras mineralizadas del proyecto Toruel.

The El Cumpa vein was discovered 2,500 metres east of the Toruel vein where past drilling had intersected 6.7 metres of almost 2 kilograms silver and 5.34% copper (See Marifil news release of November 28, 2005). This new vein outcrops in a semi-

continuous manner for approximately 1,100 metres, with a surface expression width of 1 metre.

The El Cumpa vein is genetically similar to the known Toruel vein system and is composed of multi-phased silica events. The mineralizing environment consists of hydrothermal replacement breccias and numerous drusy (and, to a lesser extent, chalcedonic) silica veinlets that present a colloform texture. The breccia fragments correspond to crystal tuff partially replaced by silica. The breccias show the traditional cockscomb or cockade textures typical of epithermal mineralized systems. Towards the eastern end of the vein, there is scarce fluorite veinlets associated with the structure. These veinlets suggest a position in the upper portion of the mineralizing system.

The Capo vein lies approximately 250 metres to the north of the El Cumpa vein. This new vein outcrops in a semi-continuous manner for approximately 950 metres, with a surface expression width of approximately 1 metre.

To date, trenches have been opened across both mineralized structures and rock samples (including the corresponding quality control samples) were collected. The resulting samples have been sent to ACME Labs for analysis.

These results continue to support the geological model, which indicates that the Toruel vein is at a lower level of an epithermal system, with tectonically down-thrown blocks to the east and west. Up-thrown blocks have been exposed to a deeper level of erosion whereas downthrown blocks have not. The consequence of this is that many of the lower level anomalies discovered quite likely represent surface expressions of buried epithermal mineralization. Prospecting and mapping efforts are ongoing to tie the complete geological picture together, including identifying the intrusive source for the Ag and Au mineralized systems.

As part of these efforts, a selection of the historic diamond drill core from the Toruel vein is scheduled to be resampled and analyzed for silver (Ag) and gold (Au), and also for indium (In) and gallium (Ga), both important metals for the high tech electronics sector.

Dr. Michael Hitch, P. Geo., P. Eng., VP of Exploration for the Company, states, “Our objective has been to execute a more systematic examination of the entire land package and to prioritize mineralized vein occurrences for eventual testing in the third dimension and diamond drilling. Historically, efforts have focused on the Toruel vein set itself, with little attention being paid to discovering additional and possibly better zones elsewhere on the property. The veins themselves are important targets and accumulate tonnage quickly. The prize that remains to be won is the mineralizing intrusive body.”

All samples and standards were submitted to ACME Labs, Santiago, Chile, an ISO 17025 accredited analytical laboratory, for preparation and analysis. Sample preparation used procedure D60, R200-500, with digestion and analysis using method IEX, and precious metal determination by method G6-50.

Netco is a publicly traded exploration company focused on the discovery and development of high-value precious metals deposits in the Americas. The Company holds an option to acquire up to 75% of the Toruel property.

The Company's disclosure of a technical or scientific nature contained in this press release has been reviewed and approved by Andrew Gourlay, P. Geo., President and a director of the Company, who is a qualified person as defined in NI 43-101. For additional technical information about the Toruel property, see the Company's technical report on the Toruel property, available on SEDAR at www.sedar.com, entitled "Toruel Project, Rio Negro Province - Argentina", dated effective November 21, 2011, and authored by James F. Ebisch, MSc. The results disclosed in this press release do not represent conclusive evidence of the likelihood of the occurrence of a mineral deposit on the Toruel property.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

NETCO SILVER INC.

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Colin Bowkett

Director

For further information, please contact the Company at (604) 683-7588 or visit Netco's website at www.NetcoSilver.com.

Disclaimer for Forward-Looking Information

This press release contains projections and forward-looking information that involve various risks and uncertainties regarding future events related to the Company's proposed exploration plans with respect to the Toruel Property, including the timing of commencement of its proposed drilling program, and statements regarding the potential for mineralization on the Toruel Property. Such forward-looking information can include statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as the Company's ability to finance its planned exploration; the failure of the actual mineralization to meet the Company's expectations; the Company's ability to source the necessary infrastructure to effect its exploration plans; current economic conditions and the state of mineral exploration; and mineral prices in general. These risks and uncertainties could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. The Company can offer no assurance that its exploration and development plans will be completed in the time expected or at all. 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 disclaimer. Except as required by law, the Company assumes no obligation to update forward-looking information should circumstances or management's estimates or opinions change.