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KOOTENAY ANNOUNCES HIGH-GRADE SILVER INTERCEPTS FROM DRILL PROGRAM ON LA NEGRA OPERATED BY PAN AMERICAN SILVER CORP. INCLUDES 534 GPT AG OVER 8.7 METERS WITHIN 237 GPT AG OVER 32 METERS

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce drilling has returned a series of high-grade silver intercepts from the latest 13 holes of a multi-phase drill program being conducted and operated by Pan American Silver Corp. (“Pan American”) on its La Negra silver discovery in Sonora, Mexico. The definition drill program on La Negra is part of an earn-in option agreement between Kootenay and Pan American that provides Kootenay with a series of work and cash commitments and a carried to production interest on La Negra. All holes reported are infill and step out drilling down dip on the La Negra breccia.

Kootenay President and CEO, James McDonald states, “We are very pleased with results from the 13 holes of our current drill program on La Negra with Pan American. The confirmation of additional, multiple zones of high-grade silver mineralization within a 600 meter strike length of the breccia, remaining open at depth, further underscores the future development potential of La Negra’s contained silver resource. We are excited with the continued success at La Negra and look forward to receiving results from the remaining four holes of the program.”

Drill highlights include:

- **LN-54-16** returning 77 gpt silver (“Ag”) over 30.95 meters including 341 gpt Ag over 3.75 meters
- **LN-57-16** returning 149 gpt Ag over 44.15 meters including 449 gpt Ag over 9.15 meters and 1786 gpt Ag over 1.5 meters
- **LN-58-16** returning 352 gpt Ag over 8.7 meters including 516 gpt Ag over 5.7 meters
- **LN-59-16** returning 237 gpt Ag over 32.15 meters including 534 gpt Ag over 11.2 meters and 815 gpt Ag over 2.90 meters and 991 gpt Ag over 1.65 meters
- **LN-61-16** returning 98 gpt Ag over 14.4 meters including 237 gpt Ag over 4.4 meters
- **LN-65-16** returning 145 gpt Ag over 28.55 meters including 460 gpt Ag over 8.15 meters and 738 gpt Ag over 3.55 meters and 1208 gpt Ag over 0.6 meters

Click to view: [drill plan and cross sections](#).

A summary of the infill drilling within the mineralized zone is provided in the table below:

Drill hole	From	To	Interval	Ag gpt	Au gpt	Cu ppm	Pb ppm	Zn ppm	Breccia
LN-54-16	0	30.95	30.95	77	0.02	120	3366	74	LN Bx Principal
Incl.	1.25	5	3.75	341	0.03	147	5179	48	LN Bx Principal
Incl.	1.25	2.6	1.35	429	0.01	175	5404	30	LN Bx Principal
LN-57-16	59.9	104.05	44.15	149	0.07	124	1836	109	LN Bx Principal
Incl.	70.65	79.8	9.15	449	0.08	61	2447	78	LN Bx Principal
Incl.	72.15	73.65	1.5	1786	0.21	57	4765	93	LN Bx Principal
Incl.	92.55	93.55	1	384	0.18	499	733	104	LN Bx Principal
Incl.	100.45	104.05	3.6	228	0.08	637	346	166	LN Bx Principal

Incl.	103.25	104.05	0.8	520	0.18	1849	558	171	LN Bx Principal
LN-58-16	119.35	128.05	8.7	352	0.35	1856	5793	6737	LN Bx Principal
Incl.	119.35	125.05	5.7	516	0.53	2739	8485	8021	LN Bx Principal
	148.15	151.35	3.2	170	0.09	433	9341	214	LN Bx Principal
Incl.	149.85	151.35	1.5	295	0.17	731	14700	268	LN Bx Principal
	219.95	257.05	37.1	124	0.18	287	2765	252	LN Bx Inferior
Incl.	232.3	239.5	7.2	245	0.46	577	699	577	LN Bx Inferior
Incl.	249.25	254.05	4.8	264	0.07	699	2110	216	LN Bx Inferior
LN-59-16	105.55	109.4	3.85	88	0.21	212	12229	197	LN Bx Principal
Incl.	106.55	107.2	0.65	172	0.33	457	9424	329	LN Bx Principal
	135.6	138.6	3	157	0.09	230	10939	169	LN Bx Principal
Incl.	136.6	137.4	0.8	423	0.25	663	28000	318	LN Bx Principal
	200	232.15	32.15	237	0.1	448	2229	353	LN Bx Inferior
Incl.	209.65	220.85	11.2	534	0.18	968	694	437	LN Bx Inferior
Incl.	211	212.65	1.65	991	0.32	1734	1035	994	LN Bx Inferior
Incl.	216.55	219.45	2.9	815	0.18	1428	1213	364	LN Bx Inferior
LN-60-16	133	134.9	1.9	82.7	0	216	10400	3284	LN Bx Principal
Incl.	234.9	266.65	31.75	69.5	0	170	366	94	LN Bx Inferior
Incl.	234.9	240.2	5.3	154	0.06	418	625	183	LN Bx Inferior
Incl.	239.15	240.2	1.05	297	0.17	846	465	239	LN Bx Inferior
Incl.	260.7	266.65	5.95	92	0.03	220	130	95	LN Bx Inferior
	260.7	261.5	0.8	221	0.04	623	108	171	LN Bx Inferior
LN-61-16	167.75	182.15	14.4	98	0.14	169	5644	163	LN Bx Principal
Incl.	167.75	172.15	4.4	237	0.26	430	10316	268	LN Bx Principal
Incl.	170.65	172.15	1.5	325	0.21	587	16800	540	LN Bx Principal
LN-62-16	174.9	176.1	1.2	97	0.05	205	5429	297	LN Bx Principal
	233.55	234.45	0.9	178	0.44	288	798	103	LN Bx Principal
	281.4	282.2	0.8	155	0.1	417	97	122	LN Bx Principal
	333	337.45	4.45	163	0.04	1146	84	304	LN Bx Inferior
Incl.	333	334.4	1.4	288	0.08	1866	143	425	LN Bx Inferior
	351.2	352.4	1.2	313	0.23	3067	52	400	LN Bx Inferior
	381.8	385.65	3.85	115	0.06	626	1030	175	LN Bx Inferior
Incl.	381.8	383.4	1.6	235	0.07	1294	1910	296	LN Bx Inferior
LN-63-16	197.7	208.35	10.65	67	0.03	94	6085	135	LN Bx Inferior
Incl.	207.35	208.35	1	351	0.11	581	28900	427	LN Bx Inferior
LN-64-16	40.55	41.5	0.95	61	0.01	865	780	327	LN Bx Principal
LN-65-16	0	28.55	28.55	145	0.05	66	6769	53	LN Bx Principal
Incl.	17.05	25.2	8.15	460	0.12	170	19186	30	LN Bx Principal
Incl.	21.65	25.2	3.55	738	0.19	285	38963	42	LN Bx Principal

Incl.	24.6	25.2	0.6	1208	0.54	422	16100	75	LN Bx Principal
LN-66-16	0	17.75	17.75	67	0.03	95	2307	153	LN Bx Principal
Incl.	10.55	15.05	4.5	147	0.04	106	2312	116	LN Bx Principal

LN-55-16 and LN-56-16 reporting no significant results.

There are currently four additional holes remaining from the 2016 Phase I program with Pan American which will be reported once assay results are received and compiled by the Company.

Results from Phase I Exploration and First 11 holes of Drilling Program:

Pan American began managing the exploration program in April 2016 and commenced re-logging drill core, geological mapping and re-interpretation, and completed 62 kilometers of magnetic ground surveys. Pan American initiated a 3,500 meters drilling program in July 2016 with the objective of infilling the La Negra drill coverage to 50 meter centres and testing along-strike and down dip extents as well as following up on geophysical and geological anomalies found elsewhere within the exploration concessions.

Pan American reported that a series of deeper infill drill holes from the first 11 holes of the current program confirmed high-grade results from previous drilling conducted by Kootenay on La Negra (See Kootenay News release [October 25, 2016](#)) as well as the presence of a second breccia zone further to the south, which currently remains open at depth. Based on the initial success of the Phase I program, in October 2016 Pan American increased the drill program by an additional 2,000 meters.

QA/QC

Samples were assayed by Inspectorate of Hermosillo, Mexico, using four acid digestion 35 element ICP analytical methods with fire assay for Au and Ag with atomic absorption finish and gravimetric finish, respectively. Pan American has followed a Quality Assurance/Quality Control program comprised of the insertion of blank material and certified standard samples at a frequency of one each for every 20 samples. There is no known drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to in the table.

Qualified Persons

The Kootenay technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) and reviewed on behalf Kootenay by James McDonald, P. Geo, President, CEO & Director for Kootenay, a Qualified Person.

About Kootenay Silver Inc.

Kootenay Silver Inc. is an exploration company actively engaged in the discovery and development of mineral projects in the Sierra Madre Region of Mexico and in British Columbia, Canada. Supported by one of the largest portfolios of silver assets in Mexico, Kootenay continues to provide its shareholders with significant leverage to silver prices. The Company remains focused on the expansion of its current silver resources, new discoveries and the near-term economic development of two of its priority silver projects located in prolific mining districts in Sonora, State and Chihuahua, State, Mexico, respectively.

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

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at February 14, 2017. Certain statements in this news release, referred to herein as "forward-looking statements", constitute "forward-looking statements" under the provisions of Canadian provincial securities laws. These statements can be identified by the use of words such as "expected", "may", "will" or similar terms.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Kootenay as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many factors, known and unknown, could cause actual results to be materially different from those expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, Kootenay expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in Kootenay's expectations or any change in events, conditions or circumstances on which any such statement is based.

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