



May 15, 2017

**KOOTENAY SILVER COMMENCES 7,500 METER DRILL PROGRAM AT
LA CIGARRA SILVER PROJECT, MEXICO**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that a core drill program (the “Program”) is underway at its 100% owned La Cigarra silver project, located in the Parral Mining District of Chihuahua State, Mexico.

The Program will total approximately 7,500 meters and will focus on the expansion of the La Cigarra NI 43-101 mineral resource by first targeting an 800-meter region between the Las Venadas and Las Carolinas zones. This includes the southern boundary of Las Carolinas, where previous drilling conducted by Northair Silver Corp. in 2014 encountered widespread mineralization and a series of high-grade silver intercepts. ([See Northair News Release dated Dec 15, 2014](#)). The focal region is characterized by significant soil and rock geochemical anomalies as well as historic mine workings that can be traced northward from Las Venadas on trend towards the southern boundary of the La Cigarra silver deposit (Click to view: [Las Venadas drilling area map](#)).

States Kootenay President and CEO James McDonald “We are very pleased to initiate our next drill and resource expansion program at La Cigarra. We believe that results from past drilling in this priority region of the property, combined with supporting data from recent exploration, clearly underscores La Cigarra’s immense potential for further resource expansion in 2017 and we look forward to exploiting that opportunity.”

Drilling will operate concurrently with ongoing geological mapping and sampling programs to prioritize peripheral target areas, for drill testing later in the year. Results from the Program will be ongoing and announced as assays are received and interpreted by the Company.

La Cigarra NI 43-101 Resource:

- **Measured and Indicated mineral resources of 51,470,000 ounces of silver within 18,540,000 tonnes at an average grade of 86.3 gpt silver;**
- **Inferred mineral resource of 11,460,000 ounces silver within 4,450,000 tonnes at an average grade of 80 gpt silver;**
- **Higher than average grade zones outcrop, which could improve the assumed project economics in the early years;**
- **Significant by-products include 41,000 ounces of gold in the measured and indicated categories as well as appreciable lead and zinc values, as provided in mineral resource estimate tables noted below.**

A summary of the mineral resource estimate contained in the resource shell is listed below, as calculated by GeoVector Management Inc., Effective Date January 14, 2015 and filed on SEDAR, at a 35 gpt silver cut-off grade and metallurgical recoveries of 84% silver:

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (gpt)	Au (gpt)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas + Ind	18,540,000	86.3	0.069	0.13	0.18	51,470,000	41,000	53,870,000	74,770,000

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (gpt)	Au (gpt)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Inferred	4,450,000	80.0	0.058	0.13	0.16	11,460,000	8,000	12,680,000	15,610,000

*Note: * Mineral resources are reported in relation to a conceptual pit shell at a 35 gpt silver cut-off grade and a \$22/oz silver price. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.*

Sampling and QA/QC

All technical information for the La Cigarra exploration program is obtained and reported under a formal quality assurance and quality control ("QA/QC") program. Samples are taken under the direction of qualified geologists and stored in sealed bags. Samples are delivered by the Company via courier to ALS Minerals ("ALS") in Chihuahua. The samples are dried, crushed and pulverized with the pulps being sent airfreight for analysis by ALS in Vancouver B.C. Systematic assaying of standards is performed for precision and accuracy. Analysis for silver, zinc, lead and copper and related trace elements was done by ICP four acid digestion, with gold analysis by 30-gram fire assay with an AA finish. All drilling will be with HQ core and has been contracted to BD Drilling from Guadalajara, Mexico.

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.

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.

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.

For additional information, please contact:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at May12, 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.

Cautionary Note to US Investors: *This news release may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC.*

U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties. 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, receipt of property titles, 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.

This press release uses the terms "Measured", "Indicated", and "Inferred" resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.

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