



March 22, 2017

KOOTENAY ANNOUNCES ANTOFAGASTA TO PROCEED WITH 3,000 METER DRILL PROGRAM ON SILVER FOX PROPERTY, BRITISH COLUMBIA

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that a wholly-owned subsidiary of Antofagasta Plc (LSE: ANTO), under an option agreement with the Company has informed Kootenay that a budget has been approved for the drilling of 5 separate targets on Kootenay’s Silver Fox Property located in south eastern British Columbia. An estimated 3,000 meter drill program is scheduled to commence on the Silver Fox Property during Q3 2017.

The Silver Fox Property is comprised of over 21,000 hectares of mineral claims covering the northern extension of an established copper-silver mineralized belt originating from Montana, where the 3 principal deposits either host or produced over 522 million ounces of silver and 2.39 million tonnes of copper at grades ranging from 1.7 to 2.0 ounce per ton silver and 0.7 to 0.8 % copper. This mineralized trend is best known as the Western Montana Copper Belt where the copper-silver deposits are hosted in Proterozoic aged sediments of the Revett or Creston Formations.

The Silver Fox Property covers approximately 35 kilometres of strike length of the prospective hosting stratigraphy in Canada. Exploration and field work conducted over the past two seasons has identified five prospective areas hosting copper and silver mineralization indicative of potential copper silver deposits similar to what occurs in the same stratigraphy in Montana. The focus areas are identified as the Oke, Jake, Yahk Mountain, Gilnockie and Ward targets.

Under the terms of the joint venture agreement, Antofagasta has the option to earn up to an 80% interest in the Silver Fox Property..

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.

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 March 21, 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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