



July 20, 2017

KOOTENAY IDENTIFIES SIGNIFICANT NEW SILVER TARGET AT LA NAVIDAD ZONE, ON LA CIGARRA SILVER PROJECT, MEXICO

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that recent detailed sampling and ground reconnaissance work completed by Kootenay has identified a well-defined silver bearing drill target within the La Navidad Zone on its La Cigarra silver project (the "Property") located in Chihuahua State Mexico.

Kootenay Silver President & CEO Jim McDonald states, "The geology of the newly identified silver bearing target contained within the La Navidad Zone bears striking similarities to the San Gregorio Zone to the west, which hosts a large portion of La Cigarra's contained NI 43-101 silver resource. Recent field results have made this region of the property a top priority for future drill testing, as its location and geological features offer considerable exploration upside to the potential that already exists within the main La Cigarra mineralized system"

The La Navidad Zone is situated approximately 500 meters to the east and parallel to the San Gregorio Zone, which currently contains approximately 60% of La Cigarra's NI 43-101 Mineral Resource Estimate of 51.47 million ounces of silver in the Measured & Indicated categories (18,540,000 tonnes) grading 86.3 gpt silver and 11.46 million ounces of silver in the Inferred category (4,450,000 tonnes) grading 80 gpt silver. [Click link to view: La Cigarra Resource Estimate.](#)

Rock and soil sampling programs completed on the La Navidad Zone have defined a new mineralized area measuring up to 1,000 meters long by 300 meters wide; similar in size and as anomalous in silver values as those previously found at the San Gregorio Zone. Highlights of recent sampling completed by the Company at the La Navidad Zone include eight samples, one meter length, returning silver values ranging between 13 gpt to 183 gpt. [Click link to view: Location, Sampling and Geological Setting Maps of La Navidad Zone on the La Cigarra Property.](#)

The La Navidad Zone is one of eight prospective targets that have been identified proximal to the La Cigarra deposit with the potential to add near surface silver resources to the project. Kootenay is currently conducting further studies at La Cigarra to define and prioritize targets for possible future drilling.

La Cigarra Drilling Update

In addition to the ongoing La Cigarra exploration program, as previously announced on May 15, 2017 Kootenay is also carrying out a 7,500 meter core drilling program to focus on the expansion of the La Cigarra NI 43-101 mineral resource between the Las Venadas and Las Carolinas Zones. This includes the southern boundary of Las Carolinas, where previous drilling in 2014, conducted by Northair Silver Corp. encountered widespread mineralization and a series of high-grade silver intercepts. To date, Kootenay has completed approximately 2,234 meters over 9 drill holes. Drill results will be ongoing and announced as assays are received and interpreted by the Company. Drilling will operate concurrently with ongoing geological mapping and sampling programs to prioritize peripheral target areas.

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 of Kootenay by James McDonald, P.Geol, 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.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at July 19, 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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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

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