



February 1, 2018

**KOOTENAY REPORTS DRILLING INTERSECTS 139 METERS OVER 0.71 GPT GOLD
INCLUDING 20 METERS OF 2.1 GPT GOLD
ATCERVANTES PORPHYRY GOLD PROPERTY, SONORA, MEXICO**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to report that Aztec Minerals Corp. (TSXV: AZT) (“Aztec Minerals”) today announced the first five of 15 drill holes from its phase I, 3,000 drill program, currently underway at Kootenay’s Cervantes Project, located in Sonora State, Mexico. Drilling conducted by Aztec Minerals successfully intersected long intervals of porphyry gold, copper and silver mineralization including shorter intervals of high grade gold mineralization within the California Zone confirming excellent potential to host bulk tonnage porphyry mineralization.

Drill Highlights:

- 139.0 meters from surface grading 0.71 gpt gold, including 20 meters of 2.10 gpt gold in hole 17CER005 at the California Zone
- 117.0 meters from near surface grading 0.63 gpt gold, including 43.0 meters of 1.18 gpt gold in hole 17CER003 at the California Zone

To view a map of the drill area click on the following link: [Cervantes Drill Plan](#).

The Cervantes Property is held under an earn-in option to agreement whereby Aztec Minerals can acquire up to 100% interest in the property in two stages. Upon completion of the two stage earn-in, Kootenay will retain a 2.5 % NSR and receive a payment of US\$5.00 per ounce of gold or gold equivalent based on a NI 43-101 Resource Estimate. For more information see the Company’s news release dated October 13, 2015.

Drill Results

Hole ID	Zone	From (meters)	To (meters)	Interval (meters)	Gold (gpt)	Copper (%)	Silver (gpt)
17CER001	Jasper	15.8	42.5	26.7	anomalous		
17CER002	Jasper	7	227	220	anomalous		
17CER003	California	2	119	117	0.63	0.09	2.7
incl.		46	89	43	1.18	0.16	5.5
incl.		46	48	2	5.52	0.21	4.3
17CER004	California	2	56	51	0.19	0.06	2.3
incl.		34	38	4	0.16	0.12	2.6
17CER005	California	0	139	139	0.71	0.1	2.1
incl.		34	110	76	0.79	0.15	2.7
incl.		26	46	20	2.10	0.16	1.9
Incl.		40	42	2	4.05	0.16	2.3

Note: True widths cannot be accurately determined from the information available at this time therefore core lengths are reported.

The full news release issued by Aztec Minerals can be found at: <http://aztecminerals.com/>

Sampling and QA/QC

All core samples were split in half, placed into plastic bags, labeled with sample number, closed with zip ties, and placed in rice sacks by Aztec Minerals. Samples were typically collected in 2.0m intervals with occasional exceptions of 1.5 or 3.0m intervals. Blanks, duplicates, and certified standards were inserted into the sample stream and subsequently reviewed without any outliers or abnormal results. The samples were delivered to Bureau Veritas Laboratories in Hermosillo and analyzed for gold using a 30gram sample by fire assay fusion with AAS finish. Samples were shipped to Vancouver and analyzed with a 0.25gram sample using 4-acid ICP-MS providing analysis on 45 elements.

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.Geo, President, CEO & Director for Kootenay.

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:

James McDonald, CEO and President at 403-880-6016

Ken Berry, Chairman at 604-601-5652; 1-888-601-5650

or visit: www.kootenaysilver.com

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at January 31, 2018. 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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