



August 15, 2018

**KOOTENAY SILVER REPORTS EXPLORATION RESULTS AT
MALÉ GOLD PROJECT, SONORA STATE MEXICO
Sampling Highlights Include 260 gpt Gold, 328 gpt Silver, 3% Lead and 2.6% Zinc**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce high grade gold sampling results on its 100% owned Malé gold project (“Malé” or “Property”) located approximately 100 kilometers south east of the city of Hermosillo in the state of Sonora, Mexico. The Malé property was acquired through Kootenay’s generative exploration program.

Prospecting by the Company on Malé has outlined numerous zones of anomalous gold mineralization. Of the 426 predominately grab samples taken by Kootenay from old pits and hand-dug small trenches **thirty (30) samples analyzed gold values greater than 10 g/t, highlighted by individual samples returning 260.0 gpt, 85.5 gpt, 81.2 gpt and 53.4 gpt gold.** Overall, a very high number of the 426 samples taken on the Property returned elevated gold values as shown by the percentages below:

- 64% of all samples returned gold values greater than 0.1 g/t;
- 47% of all samples returned gold values > 0.5 g/t (500 ppb);
- 36% returned gold values > 1 g/t (1000 ppb); and
- 16% returned gold values > 5 g/t (5000 ppb).

Silver values from the samples are irregular, with twenty-one (21) returning greater than 100 g/t silver. Samples taken to date are predominately selective grab samples. See table below for further details and highlights from the program and [click this link to view maps](#).

Malé Gold Project - Sampling Highlights

Mineral Zone	Surface Area: (m)	No. of Samples	Gold >1 g/t	Significant gold values: g/t	Significant silver values: g/t
A-1	120 x 120	19	15	14.0, 19.5, 7.3, 9.7, 8.0, 11.2, 13.8	Low
A-2	50 x 150	13	12	9.5, 7.6, 11.7, 18.4, 6.9, 9.6,	Low
A-3	50x 100	14	8	21.4, 17.8, 29.9, 5.9	127, 52, 45,
B-1	50 x 100	8	3	11.7, 4.2	Low
B-2	50 x 80	13	9	4.9, 4.5, 3.3, 3.0	83, 33
B-3	75 x 75	7	5	7.5, 4.4, 4.8	463, 196, 90, 84
C-1	20 x 30	6	6	20.8, 6.9, 3.4, 3.4, 3.3	Low

C-2	50 x 150	12	8	9.1, 4.3, 6.9, 4.8, 3.9, 11.5	994, 108, 199
C-3	110 X 60	9	6	85.5, 28.6, 13.2	Low
E-1	70 X 20	12	10	8.6, 28.5, 5.1, 50.9, 27.5, 9.1, 15.0	324, 101, 119, 114, 102
E-2	65 X 100	22	11	260.0, 81.2, 10.4, 17.3, 8.8, 8.5	328
E-3	60X 100	14	12	8.8, 6.1, 6.5, 9.1, 8.7, 7.7	54, 45, 35, 30
E-4	50 X 100	19	8	3.1, 5.2, 9.2, 4.9, 4.9, 8.4	279, 46, 35
E-6	100 X 250	25	9	53.4, 22.0, 14.3, 8.3	40, 32

Malé is a granitic-hosted gold dominant polymetallic vein and vein stockwork system covering an area of 1500 x 1500 meters with numerous showings highly anomalous in gold that have significant potential for both high grade vein as well as well as bulk tonnage stockwork deposits. Mineralization occurs as narrow veins, veinlets and stockworks of quartz with or without sulphides within structures projecting in a dominant northeast trend and a secondary northwest trend. **Visible gold is noted in four areas of the Property and individual veins can be traced for over 200 meters of strike length. Despite the project area being an old bed-rock placer working operated by gambusinos some 50-70 years ago, there is little modern exploration and no evidence of previous drilling.**

Kootenay is currently carrying out additional mapping and sampling on the Property to identify drill targets. Since quartz veins are consistently anomalous in gold exploration will be concentrated on locating zones with sufficient density and areal extent of quartz veining or with sufficient strike continuity to host a deposit. Once the next phase of sampling and mapping is complete Kootenay will consider optioning the project. Results of the current mapping and sampling program will be announced once received and interpreted by the Company.

Sampling and QA/QC

Surface samples reported herein are a combination of grab, chip and panel chip. All technical information for the Male 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. Samples are then labeled placed in plastic bags, sealed and with interval, location and sample numbers recorded. Samples are delivered by the Company via courier to ALS Minerals ("ALS") in Hermosillo. 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, blanks and duplicates 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.

Qualified Persons

The Kootenay scientific and 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 and approved 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.

On Behalf of the Board of Directors of

KOOTENAY SILVER INC.

“James McDonald”

President & CEO

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

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CAUTIONARY NOTES:

The sampling results disclosed in this news release are not necessarily indicative and drilling is required to confirm a mineral deposit.

The information in this news release has been prepared as at August 14, 2018. This news release contains “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). All statements, other than statements of historical fact, that address activities, events or developments that Kootenay Silver Inc. (“Kootenay” or the “Company”) believes, expects or anticipates will or may occur in the future including, without limitation, the anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits and sampling results from the Male Project and other properties, the anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, the anticipated business plans and timing of future activities of the Company, future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of the business and operations, plans and references to the future success of the Company, and such other matters, are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to Kootenay and often use words such as “expects”, “plans”, “anticipates”, “estimates”, “believes”, “intends”, “potential”, “may” or variations thereof or the negative of any of these terms.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Kootenay. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to obtain sufficient financing to fund its business activities and plans, operating and technical difficulties in connection with mineral exploration and development and mine development activities for Company's projects generally, actual results of exploration activities (including the estimation or realization of mineral reserves and mineral resources), the timing and amount of estimated future production, costs of production, capital expenditures, the costs and timing of the development of new deposits, the availability of a sufficient supply of water and other materials, requirements for additional capital, future prices of gold and silver, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry,

delays in obtaining governmental and regulatory approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under “Risk Factors” in the Company’s most recent annual management’s discussion and analysis and other filings of the Company with the Canadian Securities Administrators, copies of which can be found under the Company’s profile on the SEDAR website at www.sedar.com.

Any forward-looking statement speaks only as of the date on which it was made, and except as may be required by applicable securities laws, Kootenay disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Kootenay believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

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.*

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