



June 7, 2019

KOOTENAY REGAINS 100% OF PROMONTORIO AND LA NEGRA

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) announces that it has received notice from Pan American Silver Corp. (“Pan American”) relinquishing its right to earn 75% interest in the Promontorio Mineral Belt which includes the Promontorio Resource (“Promontorio”) and La Negra high-grade silver discovery (the “Project”), located in the state of Sonora, Mexico.

Kootenay President and CEO, James McDonald stated: “We thank Pan American for the considerable work they have done on the Project, in particular the extensive drilling completed at the La Negra high-grade silver discovery. Combined with the existing large resource base of Promontorio and over US\$3.6million in exploration expenditures funded by Pan American in advancing the Project, we are regaining control of 100% of what we consider to be very valuable assets.”

The Company is conducting an internal review of the comprehensive work performed on both La Negra and Promontorio and will plan the next steps for advancing these assets. Pan American’s and Kootenay’s drilling results at La Negra established the presence of good silver grades and continuity of silver within a large hydrothermal breccia pipe measuring about 100 to 200 meters wide and 500 meters long at surface.

The Company is in the process of receiving and collating data of work performed by Pan American so that it may update its digital data room in response to recent requests from other interested parties to review the project's technical information.

About Promontorio and La Negra High Grade Silver Discovery

The Promontorio Resource is situated on the “Promontorio Mineral Belt” Property that includes the La Negra silver discovery; located in the state of Sonora, Mexico. Promontorio is a large bulk tonnage silver resource that currently hosts an estimated 44.5 million tonnes containing 92 million ounces of silver equivalent in the Measured & Indicated categories grading 64.3 gpt silver equivalent and 14.6 million tonnes containing 24.3 million ounces of silver equivalent in the Inferred category grading 52 gpt silver equivalent.

La Negra, situated 7 kilometers north of the Promontorio Resource, is a high-grade silver discovery which the Company believes has the potential to become a low strip, open pit mining operation. To date, 87 drill holes totaling approximately 17,000 meters have been completed by Kootenay and Pan American with most intercepts returning widespread silver mineralization from surface to a vertical depth of over 300 meters.

NI 43-101 Compliant Silver Resource

The mineral estimate on Promontorio effective date March 31, 2013 (See May 14, 2013 news release) contains a combined Measured and Indicated silver resource of 92,428,000 silver equivalent ounces (39.9M oz's Ag, 508K oz's Au, 394.8M lb's Pb, 462.2M lb's Zn). In addition to the measured and indicated silver resources, there are an additional 26,814,000 silver equivalent ounces in the Inferred category (12.8M oz's Ag, 147 oz's Au, 99.5M lb's Pb, 109.1M lb's Zn). Measured and Indicated

resources include open pit resources of 44,504,000 tonnes grading an average of 64.32 gpt silver equivalent (27.77 gpt Ag, 0.35 gpt Au and 0.87% Pb+Zn) and measured and indicated resources outside of the open pit of 215,000 tonnes grading an average of 56.96 gpt silver equivalent (22.89 gpt Ag, 0.28 gpt Au and 0.95% Pb+Zn). Inferred resources include open pit resources of 14,564,000 tonnes grading an average of 51.95 gpt silver equivalent (24.95 gpt Ag, 0.28 gpt Au and 0.59% Pb+Zn) and inferred resources outside of the open pit of 1,265,000 tonnes grading an average of 61.17 gpt silver equivalent (26.57 gpt Ag, 0.37 gpt Au and 0.74% Pb+Zn).

The NI 43-101 Resource Estimation was conducted on Promontorio by SRK Consulting Inc. (U.S.) of Lakewood, Colorado.

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:

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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.

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 June 6, 2019. 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 Promontorio Mineral Belt 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.