



July 22, 2020

KOOTENAY INTERCEPTS 1,297 GPT SILVER & 0.285 GPT GOLD OVER 3.2 METERS AT COPALITO SILVER-GOLD PROJECT, MEXICO

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce assay results from 3 new drill holes at the Copalito silver-gold project (the “Property”) in Sinaloa State, Mexico. These are the second, third and fourth core holes to be announced since the restart of the 3,000 meter, 2020 drill campaign (the “Program”) designed to target high-grade silver and gold showings of the 6 principal veins exposed at surface on the Property.

James McDonald, President and CEO of Kootenay, stated: "Encountering high silver grades so early in the inaugural drill program at Copalito is very exciting. We are optimistic about the potential of both Copalito and Columba hosting high-grade silver resources to add to our existing silver equivalent resource base of 144 million ounces in the measured and indicated category plus 35.7 million ounces in the inferred category at our La Cigarra and Promontorio properties. These projects represent a very strong portfolio of silver projects for the Company and shareholders as we enter a higher silver price environment."

Holes, BDH-20-002 to BDH-20-004, tested the 5 Senores Vein located in the southern area of the Property. These holes, along with the previously released BDH-20-001 (see KTN news release dated June 16, 2020), show good continuity for at least 500 meters of strike length along 5 Senores. In addition, drilling has shown high-grade mineralization matching up with the promising results garnered from surface sampling.

Two holes contained particularly exciting results. At a shallow depth hole BDH-20-004 intercepted **2,830 gpt silver** with **0.145 gpt gold** over **1 meter** within **3.2 meters** of **1,297 gpt silver** and **0.285. gpt gold** all within **13.1 meters** of **347 gpt silver** and **0.216. gpt gold**. BDH-20-002 hit **10.3 meters** of **80 gpt silver** and **0.905 gold** including **1.7 meters** of **3.2 gpt gold** beginning at a depth of 42 meters.

Highlights from BDH-20-002 to BDH-20-004:

BDH-20-002

- **118 gpt silver** and **0.346 gpt gold** over 6.0 meters includes:
- **1.69 gpt gold** over 4.3 meters and **3.02 gpt gold** over 1.7 meters

BDH-20-004

- **2,830 gpt silver** and **0.145 gpt gold** over 1.0 meters within
- **1,297 gpt silver** and **0.285 gpt gold** over 3.2 meters and
- **347 gpt silver** and **0.216 gpt gold** over 13.1 meters within the 5 senores vein; this interval encapsulates the first two highlights.

Hole BDH-20-005, drilled beneath BDH-20-004, hit a calcite breccia along the vein projection and is interpreted to be fault offset.

Detailed Drill Results from BDH-20-001 to BDH-20-004

Hole ID	From (meters)	To (meters)	Interval (meters)	Silver (gpt)	Gold (gpt)	Silver Eq. (gpt)
BDH-20-001	8	64	56.0	58.0	-	58
including	29	51	22.0	106.0	-	106
including	29	32	3.0	244.0	1.09	342
including	46	51	5.0	250.0	0.247	272
BDH-20-002	42	52.25	10.3	80.0	0.905	161.5
Including	42	48	6.0	118.0	0.346	149.1
including	48	52.25	4.3	26.7	1.69	178.8
including	50.6	52.25	1.7	3.0	3.02	274.8
BDH-20-003	31	38.1	7.1	29.7	0.307	57.33
including	33	37	4.0	33.8	0.516	80.24
including	34	35	1.0	40.0	1.18	146.2
BDH-20-004	20.82	21.25	0.4	146.0	-	-
BDH-20-004	41	42	1.0	100.0	-	
BDH-20-004	54	67.1	13.1	347.0	0.216	366.44
including	57.78	61	3.2	1,297.0	0.285	1,322.65
including	60	61	1.0	2,830.0	0.145	2,843.1

Note: Silver Equivalent based on 90:1 (silver to gold ratio)

Mineralization occurs in both classically banded quartz veins (+/- calcite) and silicified breccia within the vein structures accompanied by 2 to 5% disseminated pyrite in chlorite altered wall rocks. Sulfides in veins include pyrite, galena and sphalerite.

The strategy is to put a few holes into each of the principle outcropping veins to establish which are most promising for hosting high grade deposits and then test those areas with a larger follow up program. Thus, drilling will continue to systematically move from one outcropping vein set to another with the objective of establishing vein geometry (strike and dip), grades and widths and finding veins not exposed at surface. Most holes are quite shallow in this first phase.

Results will continue to be released as assays are received and interpreted by the Company. To date approximately 1,600-meters of the 3,000-meter program has been completed.

Click to view [plan maps](#) and [cross sections](#).

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 and approved on behalf of Kootenay by James McDonald, P.Geo, President, CEO & Director for Kootenay, a Qualified Person.

Sampling and QA/QC

All technical information for the Copalito exploration program is obtained and reported under a formal quality assurance and quality control (“QA/QC”) program. Samples are taken from core cut in half with a diamond saw under the direction of qualified geologists and engineers. Samples are then labeled, placed in plastic bags, sealed and with interval and sample numbers recorded. Samples are delivered by the Company to ALS Minerals (“ALS”) in Hermosillo, Sonora. The samples are dried, crushed and pulverized with the pulps being sent airfreight for analysis by ALS in North 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. All drilling reported is HQ core and has been contracted to Globexplore Drilling from Hermosillo, Mexico.

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 junior 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 its priority silver projects located in the states of Sonora, Sinaloa and Chihuahua, Mexico, respectively.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at July 21, 2020. 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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