



October 5, 2020

**KOOTENAY DISCOVERS BROAD AREA OF SILVER MINERALIZATION AT J-Z ZONE  
HOSTING NEW HYDROTHERMAL & STOCKWORK SYSTEM AT COLUMBA PROJECT,  
MEXICO**

**Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay)** is pleased to announce recent drilling results confirm the discovery of a broad zone of high grade hydrothermal breccias and encompassing low to medium grade quartz stockwork system at the J-Z Zone at the Columba silver project located in Chihuahua State, Mexico.

The highly prospective J-Z Zone is located approximately 700 meters east of the F Vein and measures at least 320 meters long, 460 meters deep and an average width of 60 meters. This system continues to be open laterally on strike and at depth. Detailed surface mapping and sampling indicates the strike potential of the area may extend up to 800 meters in length. The hydrothermal breccias and stockwork is a distinct style of silver mineralization in comparison to the classic banded quartz vein typical of the F Vein.

*James McDonald, President and CEO of Kootenay stated:* “We are excited about the resource and grade potential of these breccias and stockworks because they offer potential for both high grades and large tonnages. At the present time, we are drilling the previously undrilled areas of the E Vein, located 100 to 400 meters east of the F Vein. Drilling will then move onto the B and D veins to follow up on previous hits such as 628 gpt silver over 1.5 meters in drilling from last year.”

*Gustavo Gallego, Chief Geologic Engineer of Kootenay, commented:* “The Technical team is working on a detailed geological mapping and structural study, while the prospector team is sampling newly discovered mineralization at surface to determine the geometry of the high-grade mineralization in the J-Z Zone. Once this program is complete and assay results from drilling and surface sampling have been received, compiled and interpreted, a drill plan will be designed immediately to further establish continuity, grade and size of hydrothermal breccia and stock-work within the J-Z Zone.”

**Drill Highlights of J-Z breccias & veins system:**

New holes reported in this release include holes CDH-20-061 to CDH-20-066. Click the following links to view a [drill plan map](#), [set of cross sections](#) and [video of the J-Z Zone](#).

**CDH-20-061** (two mineralized zones intercepted)

- 43 gpt silver over 30.85 meters hitting hydrothermal breccias and quartz stockwork includes:
  - **164 gpt silver over 1.0 meter**
  - **63 gpt silver over 8.0 meters; and**
  - 54 gpt silver over 7.85 meters in Hydrothermal breccias and quartz stockwork includes:
  - **144 gpt silver over 2.0 meters**

#### **CDH-20-062**

- **93 gpt silver over 11.6 meters hitting hydrothermal breccias and quartz stockwork includes:**
  - **115 gpt silver over 8.3 meters**
  - **161 gpt silver over 1.0 meter**

#### **CDH-20-063** (two mineralized zones intercepted)

- **762 gpt silver over 0.49 meters in hydrothermal breccias and quartz stockwork within 187 gpt silver of 2.49 meters and**
- **91 gpt silver over 9.0 meters**

#### **CDH-20-064**

- **67 gpt silver over 7.69 meters hitting a banded quartz vein and hydrothermal breccia includes:**
  - **100 gpt silver over 4.5 meters in a banded quartz vein**

#### **CDH-20-065**

- **106 gpt silver over 7.0 meters hitting a banded quartz vein.**

#### **CDH-20-66** (two mineralized zones intercepted)

- **22 gpt silver over 19.0 meters in hydrothermal breccia and stockwork and**
- **773 gpt silver over 1.5 meters within 9.0 meters of 154 gpt silver and 25.5 meters of 69 gpt silver**

Highlights of previously announced drill holes in the J-Z Zone of hydrothermal breccia and quartz stockwork.

#### **CDH-19-030** (two zones one in J Vein and the other in breccia-stockwork)

- **76 gpt silver over 8.9 meters hitting J vein includes 173 gpt silver over 3.33 meters and**
- **200 gpt silver over 25.85 meters hitting hydrothermal breccias and quartz stockwork includes:**
  - **415 gpt silver over 11.15 meters**
  - **721 gpt silver over 4.07 meters**
  - **982 gpt silver over 1.9 meters**

#### **CDH-19-031**

- **314 gpt silver over 3.0 meters hitting hydrothermal breccias and quartz stockwork includes:**
  - **776 gpt silver over 0.63 meters in hydrothermal breccia**

#### **CDH-20-060** (two mineralized zones intercepted)

- **132 gpt silver over 64.0 meters hitting hydrothermal breccias and quartz stockwork includes:**
  - **226 gpt silver over 9.0 meters**
  - **1025 gpt silver over 1.0 meter and**

- **229 gpt silver over 22.0 meters in hydrothermal breccias and quartz stockwork** includes:
  - **608 gpt silver over 5.0 meters**
  - **1160 gpt silver over 1.0 meter**

Holes CDH-20-67 to hole CDH-20-070 intercepted notable hydrothermal breccias as well as quartz stockwork and results will be announced once assays are received and compiled.

The J-Z zone is currently defined by a total of 4,587.1 meters in 21 holes drilled intermittently in the area since 2019. The holes have been multipurpose, trying in the first instance to intersect the banded quartz veins outcropping in the area, and second utilizing the teams experience to try to define the resource potential of the breccia and stock work zone.

***Detailed Drill Results – Holes CDH-20-061 to CDH-20-066***

Hole ID	From (meters)	To (meters)	Interval (meters)	Silver gpt	Pb %	Zn %	Geologic Intersection
<b>CDH-20-061</b>	180	210.85	30.85	43	0.02	0.06	Hydrothermal Breccia & Stockwork
Includes	180	181	1	<b>164</b>	0.15	0.1	
Includes	180	188	8	63	0.35	0.72	
Includes	194	197	3	72	0.05	0.06	
Includes	203	204	1	108	0.03	0.06	
Includes	203	210.85	7.85	54	0.02	0.06	
	222	224	2	144	0.1	0.52	
<b>CDH-20-062</b>	69.4	81	11.6	93	0.03	0.1	Hydrothermal Breccia & Stockwork
Includes	71	79.3	8.3	115	0.04	0.13	
Includes	71	72	1	<b>161</b>	0.09	0.2	
Includes	72	73	1	141	0.056	0.14	
Includes	73	74.7	1.7	111	0.05	0.1	
Includes	76.25	77.75	1.5	103	0.01	0.04	
Includes	77.75	79.3	1.55	141	0.06	0.23	
<b>CDH-20-063</b>	66	75	9	91	0.04	0.08	Hydrothermal Breccia & Stockwork
Includes	70	73.2	3.2	<b>165</b>	0.1	0.11	
	161.51	164	2.49	<b>187</b>	0.05	0.06	
Includes	161.51	162	0.49	<b>762</b>	0.15	0.15	
<b>CDH-20-064</b>	61.31	69	7.69	67	0.02	0.04	Quartz Vein

Includes	62.5	67	4.5	100	0.03	0.05	
<b>CDH-20-065</b>	72	79	7	106	0.02	0.11	Quartz Vein
<b>CDH-20-066</b>	129	148	19	22	0.01	0.03	Hydrothermal Breccia & Stockwork
Includes	144	148	4	52	0.01	0.03	
	189.5	215	25.5	69	0.05	0.15	
Includes	206	215	9	<b>154</b>	0.1	0.3	
Includes	213.5	215	1.5	<b>773</b>	0.4	0.8	

All widths are drilled widths. At this time, it is estimated true widths will range from 60 to 80% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

#### *Detailed Drill Results – Previously Released Holes In J-Z Zone*

Hole ID	From (meters)	To (meters)	Interval (meters)	Silver gpt	Pb %	Zn %	Geologic Intersection
<b>CDH-19-024</b>	29.8	31	1.52	198	0.05	0.14	J Vein
Includes	30.5	31	0.5	<b>358</b>	0.033	0.34	
And	48.8	74	25.2	47	0.02	0.09	
Includes	53.4	54.9	1.5	160	0.064	0.17	Hydrothermal Breccia & Quartz Stockwork
<b>CDH-19-025</b>	135.2	233.3	98.1	32	0.03	0.12	Hydrothermal Breccia & Quartz Stockwork
Includes	186.05	193.65	7.6	105	0.103	0.41	
<b>CDH-19-026</b>	89	172	83	28	0.02	0.06	Hydrothermal Breccia & Quartz Stockwork
<b>CHD-19-027</b>	120.09	147	26.91	43	0.05	0.1	J Vein
Includes	121	127.56	6.56	115	0.18	0.25	
Includes	126.17	127.56	1.39	<b>247</b>	0.8	0.56	
<b>CDH-19-028</b>	138	205	67	40	0.03	0.08	Hydrothermal Breccia & Quartz Stockwork
Includes	153	167	14	72	0.03	0.09	
Includes	160	162	2	163	0.23	0.31	
Includes	195	205	10	95	0.11	0.21	
<b>CDH-19-029</b>	42.7	45.35	2.65	73	0.02	0.04	J Vein
	114	166	52	26	0.01	0.04	Hydrothermal Breccia & Stockwork
Includes	128	136	8	67	0.02	0.05	
	130.21	132.3	2.09	172	0.05	0.1	
	164	166	2	104	0.02	0.06	
<b>CDH-19-030</b>	67.1	76	8.9	76	0.02	0.11	J Vein
And	149.15	175	25.85	200	0.03	0.15	Hydrothermal Breccia & Quartz Stockwork
Includes	150.5	161.65	11.15	<b>415</b>	0.07	0.26	
Includes	154	158.07	4.07	<b>721</b>	0.08	0.33	
Includes	156.17	158.07	1.9	<b>982</b>	0.08	0.4	
<b>CDH-19-031</b>	223	226	3	<b>314</b>	0.2	0.28	E Vein
	224.15	224.78	0.63	<b>776</b>	0.41	0.32	

<b>CDH-19-032</b>	165	175	10	24	0.27	0.6	E Vein
	238.85	289	50.15	20	0.02	0.07	Hydrothermal Breccia
<b>CDH-19-033</b>	105.2	165	59.8	48	0.03	0.13	J-E & Z Vein Intersection
Includes	150.95	160.52	9.57	146	0.27	1	
<b>CDH-19-034</b>	38.15	54	15.85	68	0.02	0.05	E Vein
Includes	41.2	47.83	6.63	103	0.04	0.04	
And	107	130.21	23.21	20	0.16	0.03	Hydrothermal Breccia & Quartz Stockwork
	117	118	1	124	0.04	0.04	
<b>CDH-20-060</b>	144	208	64.0	132	0.03	0.1	Hydrothermal Breccia & Quartz Stockwork
Includes	147	156	9.0	226	0.03	0.13	
Includes	152	153	1.0	<b>1025</b>	0.08	0.21	
And	183	205	22	229	0.05	0.14	
Includes	190	201	11	<b>361</b>	0.08	0.18	
Includes	191	196	5	<b>608</b>	0.09	0.12	
Includes	193	194	1	<b>1160</b>	0.1	0.13	

*All widths are drilled widths. At this time, it is estimated true widths will range from 60 to 80% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.*

### ***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 at Columba***

All technical information for the Columba 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 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, 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.

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### **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 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 October 4, 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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*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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