



February 23, 2022

**KOOTENAY REPORTS AZTEC – KOOTENAY JV DRILLS
4.2 GPT GOLD OVER 24.4 METERS WITHIN 167 METERS OF 1.0 GPT GOLD
AT THE CERVANTES PROJECT, SONORA, MEXICO**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that its joint venture (“JV”) partner and JV operator, Aztec Minerals Corp. (“Aztec”) continues to intersect broad, high-grade, gold mineralization during the 2022 RC drill program at the California target on the Cervantes property located in Sonora, Mexico.

The best of three drill holes reported in this news release is CAL22-004 which intercepted:

- **167.2 meters grading 1.002 gpt gold including 24.4 meters grading 4.247 gpt gold.**

Two fences of drilling have now been completed on each side of the previously drilled fence of holes on the California shallow oxide gold target with the objective of expanding the size of the zone identified in 2017-2018 drilling. This has been successful so far with a foot print now measuring 250 to 500 meters wide and 900 meters long with mineralization continuous vertically to at least 245 meters.

California Zone Drill Highlights

- **1.002 gpt gold over 167.2 meters** in mineralized quartz feldspar porphyry, including **24.4 meters of 4.247 gpt gold** in CAL22-004, located in the central part of the mineralized zone
- **0.374 gpt gold over 99.1 meters** in mineralized porphyries and hydrothermal breccias in CAL22-002 located at the west end of the mineralized zone
- **0.451 gpt gold over 45.7 meters** in mineralized porphyries in CAL22-003, including **13.7 meters of 0.868 gpt gold** located at the south end of the mineralized zone

View drill section here:

[Link to section view hole CAL22-002](#)

[Link to section view hole CAL22-003](#)

[Link to section view holes CAL22-004](#)

Reported lengths are apparent widths, not true widths, and the observed gold mineralization appears to be widely distributed in disseminations, fractures and veinlets within quartz-feldspar porphyry, feldspar porphyry stocks and related hydrothermal breccias.

[California 2022 RC Drill Program Plan Map](#)

Holes CAL22-002 and 003 intersected extensive gold mineralization, see table below, extending the known mineralized zone at depth and to the north, west, and CAL22-004 to the south. The porphyry gold-copper mineralization is still open in all directions.

Detailed Drill Results – CAL-22-001 to CAL-22-004

Drill Hole	From (meters)	To (meters)	Interval (meters)	Gold (gpt)	Comments
CAL22-001	16.77	77.74	60.97	1.451	230 Az, -60
Including	30.49	45.73	15.24	3.962	
	86.89	112.8	25.91	0.348	
CAL22-002	4.6	103.7	99.1	0.374	225 Az, -60
CAL22-003	45.7	91.5	45.7	0.451	235 Az, -60
Including	60.9	74.7	13.7	0.868	
CAL22-004	0	167.2	167.2	1.002	235 AZ, -60
Including	131.1	155.5	24.4	4.247	

The Aztec-Kootenay JV has now completed its Phase 2 Reverse circulation (RC) program of 26 holes, totaling 4,649 meters at the **Cervantes Property**. Four holes drilled into the Purisma target have been previously reported. The single drill holes at Jasper and California North found mineralized quartz feldspar porphyry with results pending.

The Aztec-Kootenay JV will now carry out channel sampling and geologic mapping of the new drill roads at California, California Norte and Jasper, as well as to expand surface sampling and mapping on the property in general to continue the 2021 phase 1 surface program.

Drill samples cuttings are collected every 5 feet (1.52 meters) from all drill holes. The samples are analyzed by Bureau Veritas for gold with a 30-gram sample size using the method FA430 followed by MA300. Over limits, when present, are analyzed by AR404 or FA550. All holes contain certified blanks, standards, and duplicates as part of the quality control program. The QA/QC has delivered excellent results to date good data integrity. The samples are shipped to and received by Bureau Veritas Minerals laboratory for the gold and multielement geochemical analysis and additional gold results will be received and reported in the next several weeks. Final multielement ICP results are expected to follow the release of the preliminary gold assays and are expected to be received during the second quarter 2022.

Cervantes Property Highlights

[View: Cervantes Project Location Map](#)

- **Large well-located property** (3,649 hectares) with good infrastructure, road access, local town, all private land, water wells on property, grid power nearby
- **Seven prospective mineralized zones related** to high level porphyries and breccias along an 7.0km east-northeast corridor with multiple intersecting northwest structures
- **Distinct geophysical anomalies**, California target marked by high magnetic and low resistivity anomalies, high radiometric and chargeability anomalies responding to pervasive alteration

- **Extensive gold mineralization at California zone**, 118 soil samples average 0.44 gpt gold over 900 m by 600 m area, trench rock-channel samples up to 0.47 gpt gold over 222m
- **Already drilled the first discovery hole** at the California zone, intersected gold oxide cap to a classic gold-copper porphyry deposit, drill results up to 0.77 gpt gold over 160 m
- **Excellent gold recoveries** from preliminary metallurgical tests on drill core from California zone; oxide gold recoveries in bottle roll tests range from 75% to 87%
- **California geophysical anomaly wide open** laterally and at depth, IP chargeability strengthens and broadens to >500m depth over an area 1100 m by 1200 m
- **Three-Dimensional IP Survey** conducted in 2019 extends strong chargeability anomalies to the southwest covering Estrella, Purisima East, and Purisima West, coinciding well with alteration and Au-Cu-Mo soil geochemical anomalies, all undrilled.

Cervantes Property Overview

Cervantes is a highly prospective porphyry gold-copper property located in southeastern Sonora State, Mexico located 160 km east of Hermosillo, Sonora, Mexico within the prolific Laramide porphyry copper belt approximately 265 km southeast of the Cananea porphyry copper-molybdenum mine (Grupo Mexico). Cervantes also lies along a northeast-southwest transverse trending gold belt that includes the Mulatos epithermal gold mine (Alamos Gold) 60 km to the east, 35 km northeast of the Osisko San Antonio gold mine, 45 km west of the La India mine (Agnico Eagle), and 40 km northwest of Santana gold deposit (Minera Alamos). The property was acquired by Kootenay Silver by prospecting and staking and later optioned to Aztec Minerals who earned a 65% interest under the agreement. The property is now a 65/35 JV operated by Aztec with Kootenay holding a 35% interest and both parties contributing their pro rata interests to the project.

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.

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.

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. 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 February 22 2022. 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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