



January 27, 2022

KOOTENAY REPORTS AZTEC JOINT VENTURE COMPLETES FIRST 14 HOLES OF PHASE 2 DRILL PROGRAM AT THE CERVANTES GOLD-COPPER PROPERTY, MEXICO

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that Aztec Minerals Corp. (“Aztec”) has reported that the Aztec / Kootenay Joint Venture has completed the first 14 holes totaling 2,810.6 metres (m) of the current 5,000 m, 22-hole Phase 2 reverse circulation (RC) drill program at the Cervantes Property located in Sonora State, Mexico.

Four main targets will be tested. The primary objectives of the 2021 – 2022 exploration program are:

- Better define the open pit, heap leach gold potential of the porphyry oxide cap at California where previous drilling as reported encountered up to **0.77 gpt gold over 160 meters** of drill length;
- Evaluate the potential for deeper copper-gold porphyry sulfide mineralization underlying the oxide cap;
- Test for north and west extensions of the California mineralization at California North and Jasper;
- And assess the breccia pipe potential of Purisima East.

Drill samples were shipped to the Bureau Veritas Minerals laboratory in Hermosillo for geochemical analysis and results are anticipated in the next several weeks.

Four holes were drilled for 769.6 m to test the southern portion of the Purisima East target, an area which hosts historic underground mines and prospects. This area is coincident with IP chargeability and gold-copper-molybdenum anomalies within a breccia along the rim of a porphyry intrusion. All four holes intersected pervasively fractured, oxidized, argillic and silicified sediments and quartz feldspar porphyry dikes and hydrothermal breccias.

Ten holes thus far have been drilled into the principal California gold-copper porphyry target, where the Aztec – Kootenay JV previously discovered extensive porphyry gold-copper mineralization (drill intercepts up to **0.77 gpt gold over 160 m**). The 10 step-out holes for 2,041 m are at 50 m spacings to expand and better define the area of oxide gold mineralization at California. There remain several drill holes to be completed to be followed by two 500 m deep holes to test the depth extent of the strong underlying IP chargeability anomaly which is hoped to be a large gold-copper porphyry. This mineralization is associated with massive silicification and extensive hydrothermal brecciation of the hosting quartz feldspar porphyry and the surrounding sedimentary rocks.

The remaining Phase 2 drill exploration program will test the California Norte prospect - one hole will test a small part of the coincident IP chargeability/gold-copper-molybdenum anomaly, and the Jasper prospect - one hole will test the outcropping strong oxide copper mineralization and extensive copper-molybdenum soil anomaly.

After drilling concludes, company geologists will turn their attention to channel sampling and geologic mapping of the newly cut 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.

The full news release issued by Aztec Minerals can be found at: <http://aztecminerals.com/>

Cervantes Property Overview

Cervantes is a highly prospective porphyry gold-copper property located in southeastern Sonora state, Mexico. The project lies 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 an east-west trending gold belt 60 km west of the Mulatos epithermal gold mine (Alamos Gold), 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). View: Cervantes Project Location Map

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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 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 January 27, 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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