



January 8, 2020

**KOOTENAY INTERCEPTS 650 GPT SILVER OVER 7.45 METERS WITHIN
159 GPT SILVER OVER 39.9 METERS AT COLUMBA SILVER PROJECT, MEXICO
Drill Highlights Include Overall Strike Length of F Vein Increased to 700 Meters**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce assay results from the last seven core drill holes completed from its 2019 drill program at its Columba high-grade silver project (the “Property”), located in Chihuahua State, Mexico.

Kootenay President and CEO James McDonald states, “We continue to be pleased with drill results from Columba that now indicate significant strike extensions to the F vein and a potential new zone in the B vein south of the old mine workings. Hole CDH-19-35 extends F vein mineralization approximately 225 meters from high grade intercepts in holes CDH-19-11 and 12. High silver grades have now been encountered in the F vein for over 700 meters of strike length and remains open to depth and strike. Additionally, hole CDH-19-38 is also very positive as it intercepted 628 gpt silver over 1.5 meters in the B vein; 650 meters from old mine workings.”

Highlights of holes CDH-19-35 to CDH-19-041:

Hole CDH-19-035:

- **405 gpt silver over 2.28 meters** within a wider interval of **103 gpt silver over 11.35 meters** in a footwall vein to the F Vein;
- **494 gpt silver over 1.35 meters in the F Vein** within **274 gpt silver over 3.0 meters** and **60 gpt silver over 23.0 meters**;
- **547 gpt silver over 1.0 metre** within a wider interval of **114 gpt silver over 7.05 meters** in a hydrothermal breccia in the E Vein.

Hole CDH-19-038:

- **628 gpt silver over 1.5 meters** within a wider interval of **301 gpt silver over 4.63 meters** and **175 gpt silver over 10.0 meters** in the B Vein. Quartz, quartz-barite veins and veinlet stock work and silicified rhyolite.

The following are highlights of twinned holes to test triple tube drilling for achieving better recoveries. Results showed a 1 to 9% increase in recovery across mineralized intervals. Within intervals grade and widths with triple tube show both increases and decreases relative to better recoveries. More holes are needed to determine the effect of recovery on grade and widths.

Hole CDH-19-040: Twin of CDH-19-005:

- **808 gpt silver over 0.88 metres** over a wider intercept of **194 gpt silver over 4.9 metres** intercepting banded quartz vein (F Vein).

Hole CDH-19-041: Twin of CDH-19-008:

- **650 gpt silver over 7.45 meters** within a wider interval of **159 gpt silver over 39.9 meters** intercepting banded quartz vein (F Vein);
- Including: **919 gpt silver over 1.15 meters; 953 gpt silver over 1 meter; 527 gpt silver over 1 meter; 860 gpt silver over 1 meter and 715 gpt silver over 1.8 meters.**

Click the following links to view: [Plan Map](#) and [Cross Sections for holes CDH-19-035 to 041](#)

A follow up drill program is being designed based on the results of the 2019 drill program. Numerous priority areas have been identified and additional structures remain untested all of which will be addressed in the upcoming 2020 drill program. This program is expected to start in the next few weeks toward the beginning of February and once the program has been reviewed and approved details of number of holes and meters will be provided.

The 2019 drill program totaled 6,853 meters in 41 holes. Detailed results for all drill holes can be viewed by clicking the following link: [Columba Drill Results](#).

Detailed Drill Results – Holes CDH-19-35 to CDH-19-041

| Hole ID | From (meters) | To (meters) | Interval (meters) | Silver gpt | Pb % | Zn % | Geologic Intersection |
|--|-----------------------|-------------|-------------------|------------|-------|-------|--|
| CDH-19-035 | 39 | 50.35 | 11.35 | 103 | 0.02 | 0.07 | Quartz- Calcite Veinlet Stockwork in Footwall of F Vein |
| Includes | 46 | 48.28 | 2.28 | 405 | 0.054 | 0.1 | |
| | 119 | 142 | 23 | 60 | 0.04 | 0.16 | |
| Includes | 119 | 122 | 3 | 274 | 0.18 | 0.6 | F Vein, Banded Quartz |
| Includes | 120.65 | 122 | 1.35 | 494 | 0.327 | 1.14 | |
| | 179 | 186.05 | 7.05 | 114 | 0.04 | 0.08 | Quartz Calcite Veinlet Stockwork |
| Includes | 179 | 180 | 1 | 547 | 0.1 | 0.2 | Hydrothermal Breccia E Vein |
| | 181 | 182 | 1 | 134 | 0.05 | 0.06 | |
| CDH-19-036 | No significant values | | | | | | |
| CDH-19-037 | No significant values | | | | | | |
| CDH-19-038 | 161.51 | 165.53 | 4.02 | 65 | 0.03 | 0.05 | Hydrothermal Breccia |
| Includes | 164.7 | 165.53 | 0.83 | 198 | 0.104 | 0.09 | Banded Quartz (F Vein?) |
| | 195.2 | 196 | 0.8 | 106 | 0.02 | 0.03 | Quartz barite vein |
| | 244 | 254 | 10 | 175 | 0.03 | 0.12 | B Vein Quartz, Quartz-Barite veins, veinlet stockwork and silicified rhyolite |
| Includes | 247.05 | 251.68 | 4.63 | 301 | 0.05 | 0.15 | |
| Includes | 247.05 | 248.55 | 1.5 | 628 | 0.108 | 0.284 | |
| Includes | 248.55 | 250.6 | 2.05 | 106 | 0.007 | 0.113 | |
| Includes | 250.6 | 251.68 | 1.08 | 218 | 0.07 | 0.06 | |
| CDH-19-039 (twinned CDH-19-003) | 15.25 | 21.35 | 6.1 | 67 | 0.01 | 0.06 | F Vein close to surface |
| CDH-19-040 (twinned CDH-19-005) | 21 | 25.9 | 4.9 | 194 | 0.07 | 0.19 | F Vein Banded Quartz |
| Includes | 22.85 | 23.73 | 0.88 | 808 | 0.28 | 0.42 | |
| Includes | 23.73 | 24.16 | 0.43 | 173 | 0.05 | 0.14 | |

| | | | | | | | |
|--|-------|------|-------------|------------|-------|-------|---------------------------------|
| CDH-19-041 (twinned CDH-19-008) | 15 | 54.9 | 39.9 | 159 | 0.05 | 0.13 | F Vein Banded Quartz |
| Includes | 42.85 | 50.3 | 7.45 | 650 | 0.23 | 0.26 | |
| Includes | 42.85 | 44 | 1.15 | 919 | 0.361 | 0.092 | |
| Includes | 44 | 45 | 1 | 953 | 0.337 | 0.373 | |
| Includes | 45 | 46 | 1 | 527 | 0.163 | 0.213 | |
| Includes | 46 | 47 | 1 | 860 | 0.242 | 0.417 | |
| Includes | 47 | 48.8 | 1.8 | 715 | 0.302 | 0.259 | |

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.

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 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 7, 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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