October 27, 2020

KOOTENAY ANNOUNCES RESULTS FROM 29 HOLES OF THE FIRST EVER DRILL PROGRAM AT THE COPALITO SILVER-GOLD PROJECT, MEXICO

Kootenay Silver Inc. (TSXV: KTN) (the "Company" or "Kootenay") is pleased to announce results from the first ever drill program (the "Program") completed at the Copalito Silver-Gold Project in Sinaloa, Mexico. A total of 4,153 meters, increased from the originally planned 3,000 meter Program, over 40 drill holes. Reported in this release are holes 5 to 33 with holes 1 to 4 previously announced in July 2020, highlighted by hole BDH-20-004 intercepting 3.2 meters of 1,297 gpt silver and 0.285 gpt gold (see news release dated July 22, 2020).

The objective of the first Program was to drill a number of holes into each of the known vein structures to determine grade, continuity potential and build a prioritized inventory of veins. The Program successfully verified the existence and continuity of mineralized gold and silver veins at the project, where there is no evidence of modern exploration. Results demonstrate several areas having potential to host high grade deposits that will be the focus of follow up drilling.

Results of forty short holes, averaging approximately 100 meters a hole, targeting a range from 50 to 184 meters in depth, confirm that gold and silver mineralization continue at depth. This mineralization is associated with a significant percent of other elements including lead, zinc and copper, which provide an important addition to the precious metals. The best intersections are related to dilation zones, "mineralized shoots", within the veins of the low sulphidation system.

Luis Moya, Chief Exploration Geologist for Kootenay, states "The mineral is related to tabular shaped veins with high-grade bodies or mineralized shoots inside the veins. The location, geometry, trend, and plunge of those bodies is key. Several holes have already hit what we hope are high-grade mineralized bodies. The follow up drill program aided by detailed mapping and structural mapping will help determine continuity, grade and size of these areas."

James McDonald, President and CEO of Kootenay, adds "These holes set the stage for an exciting follow up drill program testing the extension and continuity of the high-grade areas. In addition to silver significant gold values up to 7 gpt have now been hit in drilling along with lead plus zinc of over 13% and copper to 1.2%. As we look forward to results from the remaining 7 holes detailed mapping is underway to efficiently target the high-grade zones in the follow up program".

Highlights of assays completed from holes BDH-20-005 to BDH-20-033 are reported below:

BDH-20-009

- 95.4 gpt silver Equivalent ("AgEq"); 63 gpt silver, 0.15 gpt gold and 0.47% lead + zinc ("Pb+Zn") over **18.0 meters includes:**
    - **1,047 gpt AgEq; 936 gpt silver, 0.29 gpt gold and 3.31% Pb+Zn over 1 meter.**

BDH-20-015

- 110.60 gpt AgEq over 7.0 meters with 1.2% Pb+Zn, includes:

- **394 AgEq.; 51 gpt silver, 2.28 gpt gold, 6.18 % Pb+Zn over 1.2 meters.**

BDH-20-022, with copper mineralization

- **431.43 gpt AgEq; 307 gpt silver, 0.154 gpt gold, 0.15% Pb+Zn and 1.27% Cu over 0.7 meters**

BDH-20-025

- 24.8 gpt AgEq over 11.3 meters with 0.15 %Pb+Zn, includes:
  - **• 242 gpt AgEq, 209 gpt silver, 0.196 gpt gold and 0.67 % Pb+Zn over 0.4 meters.**

BDH-20-031

• 205.25 gpt AgEq; 45 gpt silver, 0.86 gpt gold 3.46 % Pb+Zn over 1.2 meters.

BDH-20-033

- **215.27 gpt AgEq; 101 gpt silver, 0.7 gpt gold, 2.28 % Pb+Zn over 2.7 meters includes**
  - **1209.59 gpt AgEq; 59 gpt silver, 7.05 gpt gold, 13.55 % Pb+Zn over 0.2 meters.**

High grades were also encountered in the first 4 holes released most notably BDH-20-04 which hit **379 gpt AgEq (347 gpt silver, 0.216 gpt gold and 0.56% lead+zinc) over 13.1 meters** including **2,897 gpt AgEq (2,830 gpt silver, 0145 gpt gold and 2.1% lead+zinc).**

Follow links to plan map and drill sections

Results from the final seven holes will be released after the assays are received, compiled, and interpreted by the Kootenay team.

Detailed Drill Results – Holes BDH-20-005 to BDH-20-029

Hole ID	From (meters)	To (meters)	Interval (meters)	Silver (gpt)	Gold (gpt)	Lead+ Zinc (%)	Copper (%)	Silver Eq (gpt)
BDH-20-005	115	126	11.0	**6.7**	**0.108**	**0.40**	**-**	26.12
includes	117.4	122	4.6	**6.2**	**0.134**	**0.40**	**-**	27.81
BDH-20-006	1.5	3.05	1.55	**303.0**	**0.063**	**0.14**	**-**	**311.67**
and	27	36.96	9.96	**25.0**	**0.061**	**0.19**	**-**	**34.81**
and	66	68	2.0	**99.0**	**0.258**	**1.16**	**-**	**150.44**
BDH-20-007	13	27	14.0	**11.5**	**0.051**	**0.15**	**-**	**19.64**
includes	24	25	1.0	**57.0**	**0.082**	**0.32**	**-**	**71.35**
BDH-20-008	56	58	2.0	**35.0**	**0.006**	**0.07**	**-**	**37.24**
and	68	69	1.0	**56.0**	**0.111**	**0.75**	**-**	**84.45**
BDH-20-009	33	51	18.0	**63.0**	**0.153**	**0.74**	**-**	**95.41**
includes	33	34	1.0	**936.0**	**0.294**	**3.31**	**-**	**1,047.82**
and	49	50	1.0	**40.0**	**1.01**	**1.39**	**-**	**157.08**
BDH-20-010	No Significant Values							
BDH-20-011	No Significant Values							

BDH-20-012	6	11	5.0	**11.0**	**0.171**	**0.26**	**-**	**31.35**
BDH-20-013	14	43	29.0	**14.0**	**0.165**	**0.20**	**-**	**32.37**
Includes	31	33	2.0	**55.0**	**0.591**	**0.42**	**-**	**112.64**
and	61	64.5	3.6	**9.9**	**0.236**	**0.56**	**-**	**43.09**
and	71	72	1.0	**10.0**	**0.59**	**0.26**	**-**	**63.22**
and	82	84.6	2.6	**50.0**	**0.322**	**1.64**	**-**	**119.57**
BDH-20-014	57	62.5	5.5	**27.0**	**0.267**	**0.67**	**-**	**66.33**
Includes	59	59.9	0.9	**42.0**	**0.434**	**2.07**	**-**	**132.61**
and	62.5	96	33.5	**4.8**	**0.103**	**0.03**	**-**	**13.79**
Includes	93.8	94.2	0.4	**36.0**	**1.06**	**0.01**	**-**	**120.10**
BDH-20-015	50	57	7.0	**40.0**	**0.482**	**1.2**	**-**	**110.60**
Includes	54.9	56.1	1.2	**51.0**	**2.28**	**6.18**	**-**	**394.11**
BDH-20-016	66	72	6	1.5	0.116	**0.576**	**-**	**26.65**
BDH-20-017	40	45	5.0	**12.0**	**0.19**	**1.32**	**-**	**60.51**
Includes	41.15	42.1	1.0	**27.0**	**0.413**	**4.67**	**-**	**176.12**
BDH-20-018	58	67	9.0	**4.0**	**0.427**	**0.43**	**-**	**45.61**
Includes	63.8	66	2.2	**10.9**	**1.07**	**0.54**	**-**	**110.09**
BDH-20-019	22	40	18.0	**9.6**	**0.203**	**0.20**	**-**	**31.14**
Includes	26	32	6.0	**15.0**	**0.27**	**0.33**	**-**	**45.38**
BDH-20-020	33	40	7.0	**3.0**	**0.262**	**0.29**	0.0025	**31.94**
Includes	35.6	36.3	0.7	**21.0**	**0.739**	**1.62**	0.0120	**125.32**
BDH-20-021	7	12	5.0	**4.4**	**0.126**	**0.04**	0.085	**22.78**
Includes	7	8	1.0	**3.0**	**0.453**	**0.034**	0.016	**41.17**
Includes	11	12	1.0	**22.0**	**0.085**	**0.06**	**0.376**	**62.53**
BDH-20-022	15	24	9.0	**28.3**	**0.13**	**0.058**	0.125	**50.82**
Includes	18.3	19	0.7	**307.0**	**0.154**	**0.15**	**1.270**	**431.43**
BDH-20-023	7.9	11	3.1	**6.8**	**0.166**	**0.03**	0.126	**31.53**
BDH-20-024	22	26	4.0	**3.0**	**0.28**	**0.028**	**-**	**25.93**
and	40	48	8.0	**1.8**	**0.122**	**0.028**	**-**	**12.19**
BDH-20-025	4	15.25	11.3	**14.7**	**0.076**	**0.151**	**-**	**24.80**
Includes	6.65	7	0.4	**209.0**	**0.196**	**0.672**	**-**	**242.04**
and	18	20	2.0	**4.0**	**0.134**	**0.05**	**-**	**15.94**
and	61.48	61.88	0.4	**27.0**	**0.226**	**0.123**	**-**	**48.09**
BDH-20-026	12.1	15	2.90	**14.0**	**0.22**	**0.028**	0.071	**41.80**
includes	14.05	14.25	0.20	**38.0**	**0.45**	**1.04**	**0.200**	**116.09**

BDH-20-027	No Significant Values							
BDH-20-028	11	14.4	3.40	**20.0**	**0.20**	**1.32**	**-**	**70.50**
BDH-02-030							**-**	
BDH-20-031	15.2	20.05	4.85	**14.0**	**0.22**	**0.028**	**-**	**34.39**
and	22	24.4	2.40	**2.0**	**0.20**	**0.01**	**-**	**17.71**
and	26	31.3	5.30	**29.9**	**0.40**	**0.25**	**-**	**68.52**
and	56.8	59.3	2.50	**34.0**	**0.88**	**1.80**	**-**	**151.78**
includes	56.8	58	1.20	**45.0**	**0.86**	**3.46**	**-**	**205.25**
BDH-20-032	No Significant Values							
BDH-20-033	90.4	93.1	2.70	**101.0**	**0.689**	**2.28**	**-**	**215.27**
Includes	92.9	93.1	0.20	**59.0**	**7.05**	**13.55**	**-**	**1,209.59**

** Silver equivalent based $24/oz silver $1900/oz gold, $1/lb zinc, $0.8/lb lead*

Note: Estimated true widths range from 85 to 90% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

Drilling Discussion

Drilling tested 7 of 9 known veins along a cumulative strike length of 2,500 meters of an estimated 10,000 meters of vein length. Mineralized vein widths in drill hole varied from less than one meter to 56 meters. The deepest intercept was 123 meters below surface and graded 0.689 gpt gold, 101 gpt silver, and 2.28% lead plus zinc over 2.7 meters including 7.0 gpt gold, 59 gpt silver and 13.55% lead plus zinc over 0.2 meters.

Although there is continuity laterally and to depth, the grade is variable and the structural complexity requires closer holes to delineate the geometry and continuity of high-grade bodies.

Sampling in old mine dumps **(Agua Vein)** with discarded material, grades of up to 7.2 gpt gold and 303 gpt silver were observed, which shows the presence of mineral areas with better grades. **Similar values were intersected in other veins (Pilar vein) with 7.05 gpt gold, 59 gpt silver and 13.55 % lead + zinc**.

The presence of lead and zinc sulfides (up to 6.18%) and copper (up to 1.27%) increases the silver equivalent values obtained on the property.

Some of the higher-grade shoots detected with the drill program are related to changes in the direction of the veins that create a dilational open space to host mineralization.

Geologic Description

The project is located in a regional graben NW-SE called the “San Jose Fault” that extends more than 30 kilometers. The veins are hosted in the west border of the graben in the “lower cretaceous aged” volcanic sequence of andesites against a Jurassic-lower cretaceous unit of volcanic-sediment with shales-hornsfel beds.

The quartz-chalcedony veins with crustiform-colloform texture, calcite veins, weak alteration of the host rock, barite and areas of bladed calcite indicate the upper part of the epithermal system. The occurrence of multiples veins and breccias with cross cutting relationships show the evolution of a hydrothermal system, with a long history of multiple events. The mineralization is hosted mainly in the formal tabular shape veins and leaking to areas of stock works in weak permeable rocks.

About Copalito Silver-Gold Project

The Copalito Project is a classic low sulphidation epithermal vein system which has numerous small old workings and no evidence or reports of historic exploration drilling. The Property consists of seven concessions totaling approximately 3,700 hectares and is located 35 kilometers east of McEwen Mining's "El Gallo Mine" complex in Sinaloa State, along the western fringes of the Sierra Madre Occidental in northwestern Mexico. The Copalito Project has good access, topography and infrastructure.

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.

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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 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 October 26, 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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