



August 15, 2017

## **KOOTENAY ANNOUNCES CORE DRILLING DISCOVERS SIGNIFICANT NEW MINERALIZED SILVER ZONE, 1,000 METERS SOUTH OF NI 43-101 RESOURCE**

**Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”)** is pleased to announce the discovery of a substantial new mineralized silver zone within the Las Venadas target area of its La Cigarra silver project in Chihuahua State, Mexico. The strength and intensity of brecciation, veining and alteration is much stronger than anything observed within the La Cigarra resource itself.

**Kootenay President and CEO James McDonald states,** “The discovery of a mineralized zone of this magnitude and strength of veining in the world-class Parral mining district is a highly significant development for the company. The large-scale nature and intensity of the mineralized zone offers exceptional future growth potential and is characteristic of other major silver deposits in the district such as the San Francisco Del Oro and Santa Barbara mines located closely to the immediate south.”

Management believes this new area of mineralization holds outstanding potential to add significant new resources to the La Cigarra deposit, which remains open along strike and to depth, and currently stands at 18.5 million tonnes grading 86.3 gpt containing 51.5 million ounces in the Measured and Indicated category, and an Inferred silver resource of 4.45 million tonnes grading 80.0 gpt containing 11.4 million ounces (Click to view: [La Cigarra Resource](#) or [NI 43-101 technical report on La Cigarra updated resource estimate](#)).

This discovery area is blind to surface and lies approximately 1,000 meters south of the edge of the La Cigarra resource as defined to date. More than 250 meters in core length of quartz-calcite and quartz vein breccia and veining within altered sediments was intercepted in hole CC-17-26 which bottomed in veining. Textures are indicative of a variant of an epithermal hydrothermal breccia complex.

The zone is anomalous throughout. Individual samples grade as high as 799 gpt silver over 1.1 meters and 692 gpt silver over 1 meter in two different zones indicating excellent grade potential. The best weighted average intervals are:

### **Hole CC-17-26**

- 91.32 gpt silver over 29.5 meters, including
- 123.24 gpt silver over 19.25 meters, with
- 435.36 gpt silver over 2.5 meters, and
- 113.78 gpt silver over 10.75 meters

All intervals are core length as the strike, dip and shape of the zone and thus true widths are unknown at this time.

A second hole, CC-17-28 stepped out 100 meters to the northeast of the CC-17-26 intercept to test the strike extent of the new zone. The hole was lost in a fault zone but not before entering a zone of veining believed to be the start of the new mineralized zone. Assays are pending and will be reported once received.

The remainder of the holes tested various other targets in Las Venadas. The best intercept to date elsewhere in the Las Venadas area is CC-17-27 which returned 107.15 gpt silver over 9.5 meters. Full results from the first 10 holes in Las Venadas are shown in the following table. To view a set of maps click on the following link: [Las Venadas Plan and Cross Sections Maps](#).

Hole ID	From (meters)	To (meters)	Interval (meters) <sup>(1)</sup>	Silver gpt	Pb %	Zn %
CC-17-19	6.00	52.00	46.00	8.23	0.159	0.187
Including	33.00	36.00	3.00	15.66	0.387	0.187
CC-17-20	33.00	37.00	4.00	27.00	0.036	0.078
	84.00	89.00	5.00	27.00	0.023	0.08
CC-17-21	9.00	19.00	10.00	19.50	0.279	0.332
Including	9.00	16.00	7.00	24.85	0.344	0.337
	66.00	69.00	3.00	35.00	0.114	0.229
	77.00	79.00	2.00	<b>166.00</b>	0.063	0.205
CC-17-22	8.00	20.00	12.00	<b>73.50</b>	0.304	1.22
Including	12.00	15.00	3.00	<b>189.33</b>	0.336	3.29
	31	36	5.00	16.6	0.334	0.288
	57	60	3.00	26.33	0.318	0.067
CC-17-23	7.50	32.00	24.50	24.38	0.336	0.643
	127.00	134.50	7.50	22.62	0.364	0.076
CC-17-24	174.00	184.00	10.00	47.50	0.129	0.13
	190.00	192.00	2.00	31.50	0.022	0.08
CC-17-25	54	73	19.00	20.76	0.382	0.151
	146	156	10.00	17.70	0.008	0.209
	201	205	4.00	58.75	0.034	0.088
CC-17-26	33	43.5	10.50	17.76	0.272	0.923
	60.00	75.00	15.00	15.80	0.276	0.208
	246	282	36.00	26.59	0.014	0.031
	297	301.5	4.50	<b>105.44</b>	0.146	0.428
Including	298	301.5	3.5	<b>135.57</b>	0.169	0.478
	342	348	6	31.25	0.177	0.459
	387.5	417	29.5	<b>91.32</b>	0.224	0.162
Including	387.5	406.75	19.25	<b>123.24</b>	0.254	0.23
Including	387.5	390	2.5	<b>435.36</b>	0.553	0.991
Including	396	406.75	10.75	<b>113.78</b>	0.318	0.164
	456	462	6	43.25	0.003	0.007
	487.5	491	3.5	<b>72.71</b>	0.113	0.259

	499	501	2	<b>169.00</b>	0.281	0.325
CC-17-27	48	64	16.00	14.50	0.582	0.073
	136.5	146	9.50	<b>107.15</b>	0.028	0.098
Including	143	146	3.00	<b>281.00</b>	0.054	0.139

<sup>(1)</sup> True widths cannot be accurately determined from the information available at this time therefore core lengths are reported.

### ***New Discovery Zone Proximity***

The new discovery zone is contained within La Cigarra's Las Venadas target, which comprises a broad area of alteration and mineralization containing various different structures with vein-breccia, veins and veinlets, over an area measuring 500 by 800 meters. It is part of a trend of distinct mineralized structures, extending from La Borracha to the southward through the La Cigarra deposit (which includes the San Gregorio and Las Carolinas zones) into Las Venadas and further into Soledad and Las Chinas, over a distance of six kilometers.

### ***Upcoming Drilling and Development***

Drilling will now shift to testing the new zone at a shallower depth from the collar at CC-17-26 to help determine the trend of the zone. It will then move to the La Borracha and Navidad areas and then continue on the new discovery once compilation and interpretation is complete. There are two rigs available on site with one operating so both areas can be drilled at the same time.

Further results from the 7,500-meter drilling on the La Cigarra will be announced as soon as assays received from the program are compiled and interpreted by the Company.

### ***Sampling and QA/QC***

All technical information for the La Cigarra 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. Samples are then labeled placed in plastic bags, sealed and with interval and sample numbers recorded. Samples are delivered by the Company via courier 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 will be with HQ core and has been contracted to BD Drilling from Guadalajara, Mexico.

### ***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 on behalf Kootenay by James McDonald, P.Geol, President, CEO & Director for Kootenay, a Qualified Person.

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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 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 two 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 August 14, 2017. 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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