



July 19, 2018

**KOOTENAY SILVER REPORTS RESULTS OF SURFACE SAMPLING AT  
COPALITO SILVER-GOLD PROJECT, MEXICO**  
*Highlights Include 5.2 Meters of 109 gpt Silver and 0.18 gpt Gold in Chip Sampling; and  
2510 gpt Silver with 2.7 gpt Gold in Grab Sampling*

**Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”)** is pleased to announce that recent surface sampling of outcropping veins is returning consistent anomalous silver and gold results within the newly optioned Copalito Silver-Gold Project (“Copalito Project” or “Property”) located in the State of Sinaloa, Mexico.

**Kootenay President and CEO James McDonald states**, “Based on consistent anomalous silver and gold values both along strike and across excellent vein widths of up to 15 meters, we see good potential for the discovery of a classic high-grade vein hosted silver-gold deposit. The exploration team will continue to systematically map and sample the surface exposures found on the Property in the coming weeks to delineate drill targets.”

Individual veins are found to be up to 15 meters in true width and have been traced along strike for 2,000 meters, which remain open along strike. Thus far 4 principal veins have been identified in addition to numerous smaller veins. The first chip and grab sampling from two of the four veins is reported here.

Results of initial mapping and sampling completed by the Company on two of the principal veins, the Cobriza and El Pilar veins, located in the northern area of the Copalito Project, returned impressive gold and silver values.

- Cobriza Vein: 11 samples (5 chip and 6 grab) returned silver grades from 47 gpt to 2,510 gpt with gold from 0.03 gpt to 2.70 gpt.
- El Pilar Vein: 22 samples (17 chip and 5 grab) returned silver grades from 2 gpt to 166 gpt and gold grades from 0.04 gpt to a high of 1.05 gpt.

See table below for further details and highlights from recent sampling. [Click this link to view maps as well as sampling details.](#)

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. Ongoing follow-up work will include detailed chip sampling of vein outcrops along with mapping and prospecting. The objective is to determine grade distribution along the veins for drill targeting and to find both new veins and the limits of the known veins at surface.

Mapping and sampling results on the La Chiva and 5 Senores veins located in the southern area of the Copalito Project are forthcoming.

**Sampling Results (Cobrizo & El Pilar)**

<b>Zone</b>	<b>Sample Type</b>	<b>Width</b>	<b>Gold gpt</b>	<b>Silver gpt</b>	<b>Copper ppm</b>	<b>Lead ppm</b>	<b>Zinc ppm</b>
Cobrizo	Channel	1.4	0.032	139	15,200	340	590
Cobrizo	Channel	1.9	0.506	104	7,870	420	330
Cobrizo	Channel	2.3	0.481	95	2,860	600	170
Cobrizo	Channel	1.5	0.179	93	1,330	230	200
Cobrizo	Channel	2	1.4	201	990	290	100
Cobrizo	Grab	n/a	0.042	54	300	780	940
Cobrizo	Grab	n/a	0.522	76	3,050	1,270	1,290
Cobrizo	Grab	n/a	0.404	67	580	2,570	1,310
Cobrizo	Grab	n/a	1.165	101	2,350	12,250	14,700
Cobrizo	Grab	n/a	2.7	2,510	16,300	540	260
Cobrizo	Grab	n/a	0.207	47	560	1,550	5,320
El Pilar	Channel	1	1.055	37	290	12,750	6,440
El Pilar	Grab	n/a	0.571	27	330	900	2,120
El Pilar	Channel	1	0.302	101	540	6,930	12,400
El Pilar	Channel	1	0.573	20	530	4,260	13,750
El Pilar	Channel	1.4	0.343	24	30	2,620	1,690
El Pilar	Grab	n/a	0.523	76	280	98,900	174,500
El Pilar	Channel	1.7	0.047	2	10	20	50
El Pilar	Channel	1	0.068	16	20	180	280
El Pilar	Channel	2	0.281	166	130	1,180	1,300
El Pilar	Channel	2	0.311	49	70	890	1,000
El Pilar	Channel	1.5	0.227	29	50	170	390
El Pilar	Channel	0.5	0.07	4	10	50	30
El Pilar	Channel	0.7	0.063	4	10	20	20
El Pilar	Channel	1	0.192	10	20	370	1,160
El Pilar	Grab	n/a	0.356	10	10	50	50
El Pilar	Channel	2	0.201	44	90	2,640	1,120
El Pilar	Channel	2	0.086	13	20	320	210
El Pilar	Channel	1.6	0.124	80	60	1,490	1,200
El Pilar	Channel	1.6	0.206	10	10	60	30
El Pilar	Channel	1.5	0.286	80	100	1,380	1,450
El Pilar	Grab	n/a	0.043	23	30	260	430
El Pilar	Grab	n/a	0.173	13	10	90	100

**About Copalito Silver-Gold Project**

The Copalito Project consists of seven concessions totaling approximately 3,700 hectares and is located 35 kilometres 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. Kootenay’s wholly owned Mexican subsidiary can acquire a 100% ownership in the concessions by making staged payments over a 4-year period totaling US\$985,000.

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

*Surface samples reported herein are a combination of grab, chip and panel chip. 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 under the direction of qualified geologists. Samples are then labeled placed in plastic bags, sealed and with interval, location and sample numbers recorded. Samples are delivered by the Company via courier to ALS Minerals ("ALS") in Hermosillo. 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.*

## ***Qualified Persons***

*The Kootenay scientific and 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 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 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.*

On Behalf of the Board of Directors of

## **KOOTENAY SILVER INC.**

*"James McDonald"*

President & CEO

### **For additional information, please contact:**

**James McDonald, CEO and President** at 403-880-6016

**Ken Berry, Chairman** at 604-601-5652; 1-888-601-5650

or visit: [www.kootenaysilver.com](http://www.kootenaysilver.com)

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### **CAUTIONARY NOTES:**

*The sampling results disclosed in this news release are not necessarily indicative and drilling is required to confirm a mineral deposit.*

*The information in this news release has been prepared as at July 18, 2018. This news release contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). All statements, other than statements of historical fact, that address activities, events or developments that Kootenay Silver Inc.*

*(“Kootenay” or the “Company”) believes, expects or anticipates will or may occur in the future including, without limitation, the anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits and sampling results from the Copalito Project and other properties, the anticipated content, commencement, and cost of exploration programs in respect of the Company's projects and mineral properties, the anticipated business plans and timing of future activities of the Company, future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of the business and operations, plans and references to the future success of the Company, and such other matters, are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to Kootenay and often use words such as “expects”, “plans”, “anticipates”, “estimates”, “believes”, “intends”, “potential”, “may” or variations thereof or the negative of any of these terms.*

*Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Kootenay. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to obtain sufficient financing to fund its business activities and plans, operating and technical difficulties in connection with mineral exploration and development and mine development activities for Company's projects generally, actual results of exploration activities (including the estimation or realization of mineral reserves and mineral resources), the timing and amount of estimated future production, costs of production, capital expenditures, the costs and timing of the development of new deposits, the availability of a sufficient supply of water and other materials, requirements for additional capital, future prices of gold and silver, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental and regulatory approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under “Risk Factors” in the Company's most recent annual management's discussion and analysis and other filings of the Company with the Canadian Securities Administrators, copies of which can be found under the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).*

*Any forward-looking statement speaks only as of the date on which it was made, and except as may be required by applicable securities laws, Kootenay disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Kootenay believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.*

**Cautionary Note to US Investors:** *This news release may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.*