



March 15, 2017

KOOTENAY REPORTS FOLLOW UP METALLURGICAL LEACH TESTING UNDERWAY ON BULK SAMPLES FROM LA CIGARRA SILVER RESOURCE

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to report additional leach testing of oxide and sulfide silver mineralization (the “Phase II Program”) has begun on bulk samples from the Company’s La Cigarra silver deposit in Chihuahua State, Mexico, applying the proprietary *SILVOX* Technologies Inc. (“*SILVOX*”) process.

The purpose of the Phase II Program is to determine if silver mineralization at La Cigarra is amenable to low cost heap leach processing using the *SILVOX* process, which could have a positive impact on potential capital requirements and operating costs. Previous metallurgical work was focused on silver recovery through production of a concentrate via conventional floatation. This work was very positive achieving recoveries up to 88% silver producing a high grade lead-silver concentrate that graded 34% lead and 23,000 gpt silver for every tonne of concentrate (see [Northair Silver News Release dated June 29, 2015](#)).

The Phase II Program was initiated based on positive results from preliminary metallurgical testing of the oxide mineralization hosted within the La Cigarra deposit that showed a significant improvement in silver recoveries when using standard leaching with the *SILVOX* process, versus industry standard leaching without the *SILVOX* process (See [Kootenay News Release dated January 2, 2017](#)).

Phase II testing will involve bottle roll testing (“BR testing”) on different crush sizes of ¼ and ¾ inch for oxide material and initial evaluation on ¼ inch for sulfide material, which was not previously tested. Metallurgical testing will involve applying industry standard (“standard”) leach testing in addition to utilizing the *SILVOX* process to establish differences in recoveries and optimization.

The metallurgical test work is part of a larger comprehensive approach to the La Cigarra property aimed at maximizing the project’s near and long-term economic viability through resource expansion and optimization of the existing silver deposit.

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 under the direction of qualified geologists and stored in sealed bags. 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 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 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.Geo, President, CEO & Director for Kootenay, a Qualified Person.

About SILVOX

Silvox Technologies Inc. is a Canadian private company providing a proprietary process ("SILVOX") to the mining industry that enhances silver recoveries by simply augmenting standard heap leach technology and conventional milling methods. The SILVOX process requires minimal capital investment and has been confirmed with certified lab testing and associated fieldwork on several deposits over the past two years. Test results show additional silver recoveries of up to 30% with potential attractive profit margins for increased recovery over processing costs. Successful introduction of SILVOX could make an economic project more robust or mean the difference between a sub-economic project and one that is economically viable.

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.

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.

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at March 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.

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. This press release uses the terms "Measured", "Indicated", and "Inferred" resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.*