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KOOTENAY REPORTS DRILLING INTERSECTS 0.48 GPT GOLD, 0.07% COPPER OVER 85.2 METERS INCLUDING 0.66 GPT GOLD OVER 30.2 METERS AT CERVANTES GOLD PROPERTY, SONORA, MEXICO

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to report that Aztec Minerals Corp. (“Aztec Minerals”) today announced the results of the final 6 core drill holes from its 17-hole phase I drill program totaling 2,674 meters conducted on Kootenay’s Cervantes gold project, located in Sonora State, Mexico.

The final six holes successfully intersected long intervals of porphyry-type gold (copper, silver) mineralization and extended the strike length to more than 800 meters at the California and the Jasper prospect areas. Recent drill highlights include 0.48 grams per tonne (“gpt”) gold, 0.07% copper and 2.0 gpt silver over 85.2 meters (approximate true width) in hole CER15, with a higher-grade intercept of 0.66 gpt gold over 30.2 meters. Click the following links to view a [drill plan](#) and [long section](#).

The full news release issued by Aztec Minerals can be found at: <http://aztecminerals.com/>

The Cervantes Property is held under an earn-in option agreement whereby Aztec Minerals can acquire up to 100% interest in the property in two stages. If Aztec earns 100% interest, Kootenay will retain a 2.5% NSR and receive a payment of US\$5.00 per ounce or gold equivalent based on a NI 43-101 compliant resource estimate. See Kootenay news release dated October 13, 2015.

Drill Results

Hole ID	From (meters)	To (meters)	Interval (meters)	Gold (gpt)	Copper (%)	Silver (gpt)
*18CER012	36.4	52.9	16.5	0.25	0.12	2.2
18CER013	0.5	101	100.5	0.22	0.12	2.1
incl.	16.8	93	76.2	0.25	0.15	2.4
and	41	63	22	0.37	0.38	3.2
18CER014	0	98.5	98.5	0.41	0.13	2.2
incl.	16	49	33	0.60	0.02	2.2
and	54.5	98.5	44	0.38	0.26	2.2
and	116.9	125	8.1	0.35	0.07	2.4
18CER015	1.8	87	85.2	0.48	0.07	2.0
Incl.	1.8	32	30.2	0.66	0.02	3.0
and	42	60	18	0.51	0.24	0.5
18CER016	1.5	92	90.5	0.29	0.06	1.4
Incl.	1.5	36	34.5	0.55	0.03	1.5
18CER017	4	120	116	0.35	0.06	1.6
Incl.	20	82	62	0.50	0.06	2.0
and	56	70	14	0.84	0.07	1.9

**hole 18CER012 was abandoned at 52.85m due to drilling problems.*

Notes: Drill holes were oriented to cross the most prominent mineralized structures seen in outcrops so core lengths reflect the approximate interpreted true width of the California zone mineralization.

Sampling and QA/QC

All core samples were split in half, placed into plastic bags, labeled with sample number, secured with zip ties, and placed in rice sacks by Aztec Minerals. Samples were typically collected in 2.0-meter intervals with occasional exceptions up to 6.0-meter intervals due to lower core recovery. Blanks, duplicates, and certified standards were inserted into the sample stream and subsequently reviewed without any outliers or abnormal results. The core samples were delivered to Bureau Veritas Laboratories in Hermosillo and analyzed for gold using a 30-gram sample by fire assay fusion with AAS finish. Core sample pulps were shipped to Vancouver and analyzed with a 0.25-gram sample using 4-acid ICP-MS providing analysis on 36 elements.

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 of Kootenay by James McDonald, P. Geo, President, CEO & Director for Kootenay.

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 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 June 25, 2018. 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.

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