



September 20, 2018

**KOOTENAY SILVER REPORTS CONTINUED EXPLORATION SUCCESS AT
COPALITO SILVER-GOLD PROJECT, MEXICO
Sample Results in Southern Area of the Property Include 1.0 Meter of 1,155 gpt Silver and
1.96 Meters of 2.36 gpt Gold**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that additional encouraging assay results have been received from surface sampling program conducted on the outcropping veins within the recently optioned Copalito Silver-Gold Project (“Copalito Project” or “Property”) located in the State of Sinaloa, Mexico.

Sampling of the La Chiva, Agua and the 5 Senores veins, located in the southern portion of the Property returned consistent anomalous silver and gold values, which continue to demonstrate the potential of the Copalito Project. These veins are part of the main principal vein system currently identified within the Property, ([click here to view maps](#)) and are situated south of the Coribiza and El Pillar veins. (See Company’s news release announcing initial sampling results dated July 19, 2018).

Kootenay President and CEO James McDonald states, “In this classic low sulfidation vein system it is very encouraging to see chip results returning 1,700 gpt, 1,030 gpt, 1,155 gpt silver with gold up to 1.2 gpt. These grades indicate potential for discovery of truly high-grade ore shoots. It is also positive that sampling is returning consistently anomalous silver and gold. The next stage of work will consist of continued mapping and detailed chip and panel sampling across the veins once the rainy season ends.”

Highlights of initial mapping and sampling completed by the Company on the La Chiva, Agua and the 5 Senores veins include:

- La Chiva Vein: 25 samples (20 chip, 4 grab and one panel) returned silver grades from a trace to 1,700 gpt with gold grades from a trace to 2.36 gpt;
- Agua Vein: 7 Chip samples returning silver grades from 65 gpt to 474 gpt with gold grades from 0.019 gpt to 0.154 gpt
- 5 Senores Vein: 27 samples (25 chip and 2 grab) returned silver grades from 7 gpt to 3,770 gpt and gold grades from a trace to 1.82 gpt.

See table below for further details and highlights from recent sampling.

Sampling Results (La Chiva, Agua and 5 Senores Veins)

Zone	Sample Type	Width	Gold gpt	Silver gpt	Lead ppm	Zinc ppm
La Chiva	Chip	1.0	0.052	11	470	1030
La Chiva	Chip	1.0	0.016	5	180	140
La Chiva	Chip	0.5	0.109	26	930	2010
La Chiva	Chip	0.5	0.054	62	3670	1780

La Chiva	Chip	0.5	0.134	60	620	2610
La Chiva	Chip	1.0	0.233	104	1350	6750
La Chiva	Chip	1.5	traces	14	250	180
La Chiva	Grab	N/A	0.280	111	15450	1850
La Chiva	Chip	1.5	0.496	32	8530	3980
La Chiva	Chip	1.6	0.123	68	1350	6370
La Chiva	Chip	0.5	0.176	13	1230	2420
La Chiva	Chip	1.9	2.360	50	5000	7190
La Chiva	Grab	N/A	0.207	12	240	1130
La Chiva	Grab	N/A	0.007	trace	190	360
La Chiva	Panel	3X3 metres	0.716	12	1190	3400
La Chiva	Chip	1.5	0.453	122	3420	12700
La Chiva	Chip	1.5	0.144	9	890	2830
La Chiva	Chip	1.0	0.130	179	2070	2940
La Chiva	Chip	1.5	0.032	57	1220	7000
La Chiva	Chip	1.5	0.109	1,700	2620	710
La Chiva	Chip	1.3	0.494	49	3230	7710
La Chiva	Chip	1.1	0.073	45	980	2000
La Chiva	Chip	1.0	0.405	1,030	770	1020
La Chiva	Chip	1.5	0.011	375	420	1090
La Chiva	Grab	N/A	0.041	91	570	470
Agua	Chip	2.0	0.019	474	2610	8680
Agua	Chip	2.0	0.056	90	1450	4660
Agua	Chip	2.0	0.048	163	410	300
Agua	Chip	1.1	0.154	309	1100	1770
Agua	Chip	1.0	0.080	204	620	1160
Agua	Chip	1.0	0.048	207	1500	590
Agua	Chip	1.0	0.101	65	1660	1310
5 Senores	Chip	0.7	0.018	82	550	1240
5 Senores	Chip	1.0	0.064	29	1840	2910
5 Senores	Chip	1.0	1.230	1,155	9620	16850
5 Senores	Chip	1.0	0.032	14	1270	3230
5 Senores	Chip	1.0	1.820	396	7050	11750
5 Senores	Chip	1.9	0.040	301	380	580
5 Senores	Chip	1.5	0.055	194	80	130
5 Senores	Chip	1.5	0.017	165	60	100
5 Senores	Chip	0.5	0.039	90	150	130
5 Senores	Chip	2.0	0.240	143	2160	6670
5 Senores	Chip	1.2	0.131	39	150	360
5 Senores	Chip	1.4	0.018	113	130	140
5 Senores	Chip	2.0	0.149	83	560	1530
5 Senores	Chip	2.0	0.391	89	950	1680
5 Senores	Chip	1.5	0.054	31	340	140
5 Senores	Chip	1.5	0.006	21	160	140

5 Senores	Chip	2.0	0.123	83	200	110
5 Senores	Chip	2.0	0.114	87	170	150
5 Senores	Chip	2.5	0.138	16	470	830
5 Senores	Chip	2.0	0.042	67	220	100
5 Senores	Chip	2.0	0.045	174	890	450
5 Senores	Chip	2.5	0.015	109	340	400
5 Senores	Panel	1.5	trace	7	120	140
5 Senores	Chip	1.6	0.044	68	130	60
5 Senores	Grab	N/A	0.006	21	30	50
5 Senores	Chip	1.0	0.007	46	130	40
5 Senores	Grab	N/A	0.046	3,770	1460	210

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 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 an aggregate of 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 dprojects 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

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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 September 19, 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.

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.*

2018 number 21