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KOOTENAY REPORTS HIGH GOLD RECOVERIES ACHIEVED AT CERVANTES GOLD PROJECT, SONORA, MEXICO - UNDER OPTION TO AZTEC MINERALS COMPLETION OF 3,649 HECTARE AIRBORNE GEOPHYSICAL SURVEY

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to report that Aztec Minerals Corp. (“Aztec Minerals”) today announced high gold recoveries were achieved by cyanide leach analysis of five (5) drill holes from the California porphyry gold-copper prospect on the Cervantes property in Sonora, Mexico. The drill holes were selected from a northeast to southwest fence to represent the following main types of mineralization: oxide, mixed oxide-sulphide, copper enriched, and sulphide.

Gold recoveries by cyanide leach analysis include 87% gold and 45% silver recovery over 98 meters in hole 18CER007, 84% gold and 54% silver over 106 meters in 18CER006, and 84% gold and 49% silver over 93.5 meters in hole 17CER003. Silver recoveries around 50% are considered normal for most oxide gold deposits, as silver has slower leach kinetics compared to gold.

In conjunction with the recoveries from oxide material, significant cyanide leach results were also obtained from sulphide mineralization including 52% gold recovery in hole 18CER015 over 16 meters at 71-87 meters; and 73% gold recovery in hole 18CER010 over 40 meters at 96 to 136 meters. Lower cyanide leach gold recoveries were recorded in material where copper sulphide enrichment is abundant, however this type of mineralization represents only around 20% of the overall California zone.

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 to agreement whereby Aztec Minerals can acquire up to 100% interest in the property in two stages, with Kootenay retaining a 2.5 % NSR and receiving a payment of US\$5.00 per ounce of gold equivalent based on a NI 43-101 Resource Estimate. See [Kootenay news release dated October 13, 2015](#).

Airborne Geophysical Survey

Aztec also reported that a helicopter-based airborne magnetic, radiometric, and VLF survey was recently completed at Cervantes covering the entire 3,649 hectare claim block with 100 meter spaced lines. The preliminary data shows an extensive magnetic high under the California target extending and broadening towards the north. Other targets such as Purisima and Jacobo have either low to very high magnetic responses respectively, suggesting that there is more than one phase of porphyry intrusions on the property. The radiometrics highlight the prominent Northeast-Southwest mineral trend and illuminate individual targets by their high total count (TC) responses.

A large and interesting northwest-southeast oriented magnetic high was detected on the northwest side of the survey and corresponds to a newly identified area of extensive gossan oxide and pyrrhotite-pyrite-chalcopyrite-arsenopyrite mineralization in hornfels and sediments intruded by feldspar-quartz porphyry dykes. The pyrrhotite indicates a reduced copper-gold system and likely contributes to the magnetic high.

Aeromagnetic and radiometric images are forthcoming and will be posted on our website once final processing has been completed. Interpretation of results will follow.

Sampling and QA/QC

Bulk samples were transported from Aztec's secure warehouse to the ALS prep lab in Hermosillo then split for leach tests. The cyanide leach analyses were performed at ALS-Chemex with certified standards inserted into the sample stream and passed protocol. The new cyanide leach sample data was treated the same as prior drill hole geochemistry by calculating weighted average composites for true averaging. All data passed quality control and review under NI43-101 standards.

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.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at December 17, 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.