



July 15, 2021

Kootenay Silver Hires Blue Coast Research Ltd. for Metallurgical Testing on La Negra Silver Mineralization

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that Blue Coast Research Ltd. has been contracted to conduct metallurgical testing on Kootenay’s 100% owned La Negra silver discovery, situated 7 km north of the Company’s Promontorio Resource located in the state of Sonora, Mexico.

The purpose of the metallurgical work (the “Program”) is to further investigate the best recovery process for La Negra mineralization. Results from the Program will be used by the Company to advance La Negra along the path towards an initial mineral resource estimate and a preliminary economic assessment (PEA). Work will include:

- Sample characterization including QEMSACN mineralogy.
- Bond Ball Work Index test and grind calibration testing.
- Cyanidation Testwork including kinetic bottle roll and coarse kinetic bottle roll tests.
- Flotation Testwork including bench scale rougher floatation tests and a locked cycle test.

The above tests will help determine the preferred process for recovery of La Negra silver mineralization, whether it be whole ore leaching, leaching of a floatation concentrate or the production and sale of a lead concentrate.

Previous Metallurgical Testing

Earlier metallurgical work conducted on La Negra by Kappes Cassiday and Associates (KCA) and McClelland Laboratories Inc. indicates very good potential for high silver recoveries.

The work completed by KCA showed leach recoveries in bottle roll tests ranging from 70 to 90% with an average of 81% testing head grades ranging from 62 to 242 gpt silver. Rougher floatation tests indicated recoveries of 85 to 98% with head grades testing 66 to 143 gpt silver.

The McClelland Laboratories work indicated leach recoveries in bottle roll tests ranging from 78 to 96.5%, averaging 86.7%, and that mineralization is amenable to whole ore milling/cyanidation treatment at 80% passing a feed size of 75 micrometers. Head grades of samples used ranged from 73 to 247 gpt silver.

The Company looks forward to Blue Coast beginning their evaluation of La Negra to further elucidate the potential that this property holds.

About La Negra High Grade Silver Discovery and Promontorio Resource

La Negra, situated 7 kilometers north of the Promontorio Resource, is a high-grade silver discovery which the Company believes has the potential to become a low strip, open pit mining operation. To date, 95 drill

holes totaling approximately 17,000 meters have been completed with most intercepts returning widespread silver mineralization from surface to a vertical depth of over 300 meters.

Previous drill highlights include:

Hole 21-14 ([See November 26, 2014 News Release](#))

- 200 m of 156 gpt Ag with 0.1 gpt Au including 50 m of 420 gpt Ag with 0.18 gpt Au and 1337 gpt Ag with 0.47 gpt Au over 6 m.

Hole 5-14 ([See October 15, 2014 News Release](#))

- 119 m of 91 gpt Ag including 183 gpt Ag over 40 m and 367 Ag gpt with 0.11 gpt Au over 14 m.

Hole 43-16 ([See October 25, 2016 News Release](#))

- 44.5 m of 363 gpt Ag and 0.12 gpt Au including 720 gpt Ag and 0.13 gpt Au over 19 m.

Promontorio is a large bulk tonnage silver resource that currently hosts an estimated 44.5 million tonnes containing 92 million ounces of silver equivalent in the Measured & Indicated categories grading 64.3 gpt silver equivalent and 14.6 million tonnes containing 24.3 million ounces of silver equivalent in the Inferred category grading 52 gpt silver equivalent.

NI 43-101 Compliant Silver Resource

The mineral estimate on Promontorio effective date March 31, 2013 ([See May 14, 2013 news release](#)) contains a combined Measured and Indicated silver resource of 92,428,000 silver equivalent ounces (39.9M oz's Ag, 508K oz's Au, 394.8M lb's Pb, 462.2M lb's Zn). In addition to the measured and indicated silver resources, there are an additional 26,814,000 silver equivalent ounces in the Inferred category (12.8M oz's Ag, 147 oz's Au, 99.5M lb's Pb, 109.1M lb's Zn). Measured and Indicated resources include open pit resources of 44,504,000 tonnes grading an average of 64.32 gpt silver equivalent (27.77 gpt Ag, 0.35 gpt Au and 0.87% Pb+Zn) and measured and indicated resources outside of the open pit of 215,000 tonnes grading an average of 56.96 gpt silver equivalent (22.89 gpt Ag, 0.28 gpt Au and 0.95% Pb+Zn). Inferred resources include open pit resources of 14,564,000 tonnes grading an average of 51.95 gpt silver equivalent (24.95 gpt Ag, 0.28 gpt Au and 0.59% Pb+Zn) and inferred resources outside of the open pit of 1,265,000 tonnes grading an average of 61.17 gpt silver equivalent (26.57 gpt Ag, 0.37 gpt Au and 0.74% Pb+Zn).

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 and approved on behalf of 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 junior 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 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 July 14, 2021. 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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