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**KOOTENAY / AZTEC JOINT VENTURE PLANS TWO PHASE EXPLORATION PROGRAM  
IN 2021 AT CERVANTES GOLD-COPPER PROJECT, MEXICO**

**Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”)** announces that an exploration program has been approved by the Cervantes Joint Venture. The plan calls for a two-phase, \$1.13 million CDN exploration program in 2021 for the Cervantes porphyry gold-copper property in Sonora, Mexico. The first phase calls for an \$85,000 program of sampling and mapping. The second phase is a \$1.05 million dollar drilling program to start sometime in the fall. Aztec and Kootenay recently formed a 65/35 joint venture (“JV”) respectively and the JV Management Committee met last week to review and approve the 2021 program as detailed by the operator in an Aztec news release today and paraphrased below.

The JV plans to commence work in the first quarter on a Phase 1, \$85,000 program of soil and rock sampling and geological mapping (525 soils and 150 rocks will be analyzed) to extend the 100 meter (m) by 100m geological and geochemical grid to the north, west and east boundaries of the property. Mapping will focus on detailed lithological, structural, and alteration mapping of the California, California North, and Estrella targets. View: [Cervantes Phase 1 Proposed Sampling and Mapping Plan](#)

Subject to the results from Phase 1 and available funding, the JV plans to initiate a Phase 2, \$1.05 million, 22 hole, 5,000m reverse circulation (“RC”) drill program during the late third quarter of 2021. Four main targets will be tested. View: [Cervantes Proposed Phase 2 RC Drilling Plan](#)

- 1) At the California target, previously discovered extensive porphyry gold-copper mineralization (drill intercepts up to 0.77 gpt gold over 160m), the JV will drill 14 infill and step-out holes at a 50m spacing to expand and define the area of mineralization, followed by two 500m deep holes to test the depth extent of the strong IP chargeability anomaly
- 2) At the California North prospect, one hole will test the coincident IP chargeability/gold-copper-molybdenum anomaly
- 3) At the Jasper prospect, one hole will test the outcropping copper mineralization and copper-molybdenum anomaly
- 4) At the Purisima East target, four holes will test the high-grade gold mineralization in the Glory Hole mine working and coincident IP chargeability and gold-copper-molybdenum anomaly within a breccia along the rim of a porphyry intrusion

The primary objectives of the two phase 2021 exploration program are to better define the open pit, heap leach gold potential of the porphyry oxide cap at California, evaluate the potential for deeper copper-gold porphyry sulfide mineralization underlying the oxide cap, test for north and west extensions of the California mineralization at California North and Jasper, and assess the breccia potential of Purisima East.

### ***Cervantes Project Overview***

Cervantes is a highly prospective porphyry gold-copper-molybdenum property located in southeastern Sonora state, Mexico. The project lies 160km east of Hermosillo, Sonora, Mexico within the famous Laramide porphyry copper belt approximately 265km southeast of the Cananea porphyry copper-molybdenum mine (Grupo Mexico). Cervantes also lies along an east-west trending gold belt 60km west of the Mulatos epithermal gold mine (Alamos Gold), 45km west of the La India mine (Agnico Eagle), and 40km northwest of Santana gold deposit (Minera Alamos). View: [Cervantes Project Location Map](#)

- Large well-located property (3,649 hectares) with good infrastructure, road access, local town, all private land, water wells on property, grid power nearby
- Seven prospective mineralized zones related to high level porphyries and breccias along a 7.0km east-northeast corridor with multiple intersecting northwest structures
- Distinct geophysical anomalies, California target marked by high magnetic and low resistivity anomalies, high radiometric and chargeability anomalies responding to pervasive alteration
- Extensive gold mineralization at California zone, 118 soil samples average 0.44 gpt gold over 900m by 600m area, trench rock-channel samples up to 0.47 gpt gold over 222m
- Already drilled the first discovery hole at the California zone, intersected gold oxide cap to a classic gold-copper porphyry deposit, drill results up to 0.77 gpt gold over 160m
- Excellent gold recoveries from preliminary metallurgical tests on drill core from California zone; oxide gold recoveries in bottle roll tests range from 75% to 87%
- California geophysical anomaly wide open laterally and at depth, IP chargeability strengthens and broadens to >500m depth over an area 1100m by 1200m
- Three-Dimensional IP Survey conducted in 2019 extends strong chargeability anomalies to the southwest covering Estrella, Purisima East, and Purisima West, coinciding well with alteration and Au-Cu-Mo soil geochemical anomalies, all undrilled.

### **California Target**

In 2017-18, while earning into the property, Aztec completed a Phase 1, 17 diamond core hole drill program, totaling 2,675m (see news release dated June 26, 2018). Phase 1 drilling tested the California target 900 m by 600 m gold-in-soils anomaly that averaged 0.44gpt covering hydrothermal breccias within a quartz feldspar porphyry stock intruding Paleozoic siliciclastic sediments.

The Phase 1 drill program consistently intersected an oxidized gold cap to a porphyry-type gold-copper-silver system at California, including multiple 100+ meter widths of exceeding 0.40 gpt gold, spanning an 800m length and a 200m breadth, to a maximum vertical depth of 150m. The area tested by drilling represents only 30% of the surface gold soil anomaly.

Mineralization at the California zone is open in all directions. Highlights of the 2017-18 Phase 1 drill program are as follows:

- 160m @ 0.77 gpt gold incl 80m @ 1.04 gpt gold, 0.11% copper in 18CER010
- 139m @ 0.71 gpt gold incl 20m @ 2.10 gpt gold, 0.16% copper in 17CER005
- 118m @ 0.63 gpt gold incl 43m @ 1.18 gpt gold, 0.16% copper in 17CER003
- 122m @ 0.60 gpt gold incl 62m @ 0.88 gpt gold, 0.06% copper in 18CER007
- 170m @ 0.42 gpt gold incl 32m @ 0.87 gpt gold, 0.06% copper in 18CER006

Preliminary metallurgical tests on California drill cores were conducted in 2019 (see news release dated March 12, 2019). Drill core samples were grouped into 4 separate types of mineralization: Oxide 1, Oxide 2, Mixed Oxide/Sulfide and Sulfide. The preliminary results of bottle roll tests showed excellent potential for heap leach gold recovery, as follows:

- 85.1% recovery on 2.0mm material and 94.3% on 75-micron material in sample Oxide 1
- 87.7% recovery on 2.0mm material and 94.2% on 75-micron material in sample Oxide 2
- 77.9% recovery on 2.0mm material and 89.0% on 75-micron material in sample Mixed Oxide/Sulphide
- 51.2% recovery on 2.0mm material and 78.7% on 75-micron material in sample Sulphide

### **Additional Targets**

Purisima East – outcropping gossans, altered and mineralized diatreme breccias and porphyry intrusions marked by a 700m by 600m geochemical soil anomaly in 193 samples that average 0.25 gpt gold, a small historic ‘glory hole’ mine where rock chip sampling returned high-grade mineralization up to 44.6 gpt gold.

Estrella – outcrops of gossan and sulfides in silicified Paleozoic sediments near quartz porphyry dikes with rock chip samples up to 3.9 gpt gold and 2,010ppm copper.

Purisima West – a mirror image of Purisima East in size and type of gossans, altered and mineralized breccias and intrusions in association with gold and copper soil anomalies.

Jasper – 2017 trenching returned skarn/replacement-type mineralization up to 0.52% copper and 0.62 gpt gold over a 92.4m length.

California North – coincident IP chargeability and gold-copper-molybdenum soil geochemical anomalies may be a north extension of the California target

Other targets – porphyry alteration and geochemical soil anomalies mark the Jacobo and Brasil prospects but more work is required to expand and define these targets.’

James McDonald, B.Sc., P.Geo., is the Qualified Person for Kootenay Silver who reviewed and approved the technical disclosures in this news release.

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## **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 the states of Sonora, Sinaloa and Chihuahua, Mexico, respectively.*

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