



May 16, 2018

KOOTENAY OPTIONS COPALITO SILVER-GOLD PROPERTY IN MEXICO

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to announce that through the Company’s wholly owned Mexican subsidiary has entered into an option agreement (the “Agreement”) to acquire a 100% interest in the Copalito Silver-Gold Project (“Copalito Project”) located in the State of Sinaloa, Mexico.

The Copalito Project covers a gold and silver epithermal vein system comprised of numerous veins, with individual veins currently traced over strike lengths up to 2 kilometres. Veins vary in width from 0.5 to 10 meters at surface and grade from background to highs of 7.2 gpt gold and 1,620 gpt silver in grab samples. The highest chip samples graded 573 gpt silver and 2.1 gpt gold over widths of 1 meter. [Click this link to view maps and sample details.](#)

Kootenay President and CEO James McDonald states, “We are very excited about the potential at Copalito. It is a rare opportunity to find a project with such good surface values and vein widths in Mexico that has not been thoroughly drilled. We will be mapping and sampling the veins at surface to identify the best grading areas in the first step towards drill testing.”

There are numerous small to medium sized old workings within the Copalito Project area; however, there is no evidence of any modern-day exploration.

The Company’s management believes there is significant potential for the discovery of a high grade silver-gold vein deposit based on the anomalous values and good vein widths at surface. Vein textures are indicative of a classic low or intermediate sulfidation vein system.

The Copalito Project is located about 35 km east of McEwen Mining’s “El Gallo mine” complex along the western fringes of the Sierra Madre Occidental in northwestern Mexico with good access, topography and infrastructure. The project lies within a prospective northeast trending transform geological belt approximately 350 kilometres in length that includes the districts and projects of Parral, Santa Barbara, Dolores, Guanacevi, La Pitarilla and Palmarejo.

The Copalito Project consists of seven concessions totaling approximately 3,700 hectares. Under the terms of the Agreement, Kootenay can acquire a 100% ownership in the concessions by making staged payments over a 4-year period totaling US\$985,000. The Company at its option may accelerate the payments due under the Agreement. Upon earn-in the vendors will retain a 0.5% net smelter return. Subject to TSXV approval, the Company shall pay an arms length party a finders fee of 100,000 common shares and a cash payment of C\$10,000.

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 Kootenay by James McDonald, P.Geol, President, CEO &

Director for Kootenay, a Qualified Person.

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.

For additional information, please contact:

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at May 15, 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.*

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