



August 10, 2016

## **Kootenay Announces Drilling Underway at La Cigarra Silver Project, Mexico**

**Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”)** is pleased to announce the commencement of a core drill program on its 100% owned La Cigarra silver project located in Chihuahua State, Mexico.

The drill program will total approximately 3,000 metres and is designed to test the high priority RAM target and expand the La Cigarra resource estimate with a focus on determining continuity of high-grade trends recently identified within the resource. (Click the following link to view a map of the [La Cigarra Resource and RAM drill targets](#)).

Kootenay President and CEO James McDonald, stated, “We are excited to start our drill program at La Cigarra, which will begin with the first ever drill test of the high-grade RAM silver target. The primary objectives of the program are to test this high priority target and to expand the existing La Cigarra resource which is open in three directions with particular attention to intercepting higher-grade silver. These are the first steps toward a new resource estimate and to proceeding with a Preliminary Economic Assessment on the project.”

Initial drilling will focus on the RAM Zone, where the first 8 holes are planned to target a potential high-grade silver area within a large structurally controlled anomalous silver trend measuring 3.8 kilometres in length. A program of re-logging aimed at gaining a deeper understanding of what controls the high grades is well advanced and will guide drilling along the extensions of the La Cigarra resource where several underlying high-grade silver zones have been identified. An example is at the southern boundary of the Las Carolinas Zone where hole 155 returned 23 metres of 138 g/t silver (See Northair News Release dated Dec 15, 2014) and remains open down dip and along strike to the southeast. Anomalous silver mineralization and alteration indicate an additional two kilometres of strike potential.

Results from the drill program will be announced as soon as the assays are received and interpreted by the Company. A larger drill program will be designed as progress and results of re-logging to assess the potential to model the high-grade zones and the 3,000 metre program are made and received.

### ***Sampling and QA/QC***

All technical information for the La Cigarra 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 and stored in sealed bags. Samples are delivered by the Company via courier to ALS Minerals (“ALS”) in Chihuahua. 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 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. All drilling will be with HQ core and has been contracted to BD Drilling from Guadalajara, Mexico. Further Quality Assurance and Control procedures and details on assays procedures and laboratories used are disclosed on the Kootenay Silver Inc. website.

### ***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.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 Mexico and in British Columbia, Canada. The Company's top priorities are the advancement of the La Cigarra silver project and the Promontorio Mineral Belt, in Chihuahua, Mexico and Sonora, Mexico, respectively. The La Cigarra property is 26 kilometres from the historic mining city of Parral and boasts nearby power, good road access, gentle topography, and established infrastructure. La Cigarra currently hosts a resource estimate of 18.54 million tonnes containing 51.47 million ounces of silver in the Measured & Indicated categories grading 86.3 g/t silver and 4.45 million tonnes containing 11.46 million ounces of silver in the Inferred category grading 80 g/t silver. The mineralized system at La Cigarra has been traced over 6.5 kilometres and is defined at surface as a silver soil anomaly and by numerous historic mine workings. The La Cigarra silver deposit is open along strike and at depth and is approximately 25 kilometres north, and along strike, of Grupo Mexico's Santa Barbara mine and Minera Frisco's San Francisco del Oro mine. The Promontorio Mineral Belt includes the Company's La Negra high-grade silver discovery and its Promontorio Silver Resource. The Promontorio Mineral Belt is under option to Pan American Silver whereby they can earn a 75% interest in the project with US\$16 million of expenditures and payments with Kootenay retaining a 25% carried to production interest (see news release February 16 and March 4, 2016). The Promontorio Silver Resource currently hosts a resource estimate of 44.5 million tonnes containing 92 million ounces of silver equivalent in the Measured & Indicated categories grading 64.3 g/t silver equivalent and 14.6 million tonnes containing 24.3 million ounces of silver equivalent in the Inferred category grading 52 g/t silver equivalent. The Company's core objective is to create value by acquiring silver resources through discovery and acquisition and testing those resources with the ultimate goal of developing them into silver production if they are proven to be economically viable.

### **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 August 9, 2016. 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.*