

Kootenay partner Pan American Silver drilling at Promontorio

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A 3,400-metre diamond drilling program is underway and will consist of about 18 drill holes. The program will further test the La Negra Breccia and two additional targets.

James McDonald, President and CEO of Kootenay Silver, said, *"We are very pleased with the results to date from Pan American's exploration activities on Promontorio-La Negra. The La Negra silver discovery is a premier exploration target that demonstrates excellent potential to evolve into a low-cost, open-pittable silver resource. We are excited the drill campaign on La Negra is underway and look forward to reporting results as they are received from the program."*

Promontorio – La Negra Silver Discovery

An updated measured and indicated resource at Promontorio contains an estimated 92,035,000 silver equivalent ounces with another 24,326,000 silver equivalent ounces categorised as inferred. The Promontorio deposit also hosts significant quantities of gold. Estimated measured and indicated gold resources contained within the mineralized diatreme system total 506,000 ounces with an additional 132,000 ounces inferred.

The La Negra Breccia prospect is situated approximately 6.5 km north of Kootenay's Promontorio silver resource and is contained within a 25 x 15 km mineralised corridor known as the Promontorio Mineral Belt. Initial exploration on La Negra included a successful trenching and surface sampling program that confirmed extensive silver mineralisation over a large 100 to 200 metres by 500 metres area on surface.

A follow up Phase I drill program on La Negra returned significant and consistent intervals of high-grade, widespread silver mineralisation extending from surface to depth, confirming a substantial new silver discovery.

Results from a Phase II drilling program on La Negra further confirmed the continuity of silver grades and the consistency of silver mineralisation to depth within the core of the diatreme breccia.

The program also further reinforced La Negra's future potential as a low-cost, open pittable silver resource. Development of La Negra is currently under an option agreement

with Pan American Silver

Pan American can earn a 75% interest Kootenay Silver's Promontorio Mineral Belt silver properties, including the Promontorio and La Negra deposits, by paying US \$8,050,000 over four years and spending US \$8,000,000 on exploration. Pan American invested CDN \$2,000,000 in Kootenay by subscribing for 9,090,909 Kootenay shares at CDN \$0.22 per share.

Kootenay Silver began drilling its 100%-owned La Cigarra silver project in Chihuahua. The program is designed to test the RAM target and to expand La Cigarra's resource by targeting continuity of high-grade trends recently identified within the resource.