Kootenay Plans 3,000 Metre Drill Program at La Cigarra Project, Mexico

Kootenay Silver Inc. {TSX.V: KTN}) announced that it is preparing to conduct a 3,000 metre drill program on its 100% owned La Cigarra silver project located in Chihuahua State, Mexico.

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Jun 16, 2016

Kootenay Silver Inc. {TSX.V: KTN}) is pleased to announce that it is preparing to conduct a 3,000 metre drill program on its 100% owned La Cigarra silver project located in Chihuahua State, Mexico.

The targeted drill program, scheduled to commence in Q3 2016 is designed to test the high priority RAM target and to expand La Cigarra's current mineral resource estimate by targeting continuity of high-grade trends recently identified within the resource.

Kootenay President and CEO James McDonald Stated "We are very excited to proceed with a targeted drill program on La Cigarra mineral resource and the nearby RAM target. The objective will be to further enhance the size and grades of our established silver resource estimate on La Cigarra prior to proceeding with a Preliminary Economic Assessment on the project.

Concurrently, we will conduct the first drill test on our high priority RAM target that is a large, structurally controlled trend that demonstrates significant potential to further add to our current silver resources."

Drill testing on La Cigarra will test the continuity of several high-grade trends identified within the deposit with focus on stepping out from existing mineralization along the extensions of what appear to be underlying high-grade zones. This includes the southern boundary of the Las Carolinas Zone where hole 155 returned 23 metres of 138 g/t silver. (See Kootenay/Northair News Release dated Dec 15, 2014). This area remains open down dip and along strike to the southeast, which could potentially extend an additional two (2) kilometers.

In conjunction with the preparation of the drill program, Kootenay's technical team has been focused on advancing the La Cigarra deposit with the objective of moving towards a Preliminary Economic Assessment ("PEA"). The Company has been assessing the potential to increase grade, in order to demonstrate the economic potential of the project by seeing if there are contiguous zones of higher grade within the current NI 43-101 silver resource estimate. This approach shows promise as several north trending higher grade zones have been identified. These zones also correspond nicely with the resource blocks above a 75 g/t Ag cutoff contained within the current resource estimate. Although the existing resource estimate did not publish silver resources at a 75 g/t Ag cutoff, the ounces at a 50 g/t Ag cutoff total 44.47 million ounces of Measured and Indicated ounces grading 103 g/t Ag with another 9.6 million ounces of Inferred grading 97 g/t. *(See resource estimate below and as filed on SEDAR).

The RAM Zone, located approximately 750 meters to the west of the main La Cigarra Resource, underlies an area of anomalous silver mineralization greater than the area of the La Cigarra deposit. The target area hosts several old mine workings developed along a structurally focused quartz veining and stockwork in west dipping mineralisation with similarities to the east dipping main La Cigarra trend.

Previously reported sampling along a 35 meter length of a small underground exploration adit averaged 285 g/t silver across a 1.5 meter width. Surface trenching of this area completed above the adit returned 35.45 metres averaging 67.3 g/t silver (including 16.20 meters of 99.6 g/t silver and 4.85 meters of 141.4 g/t silver). Mineralization at RAM occurs at surface within the north trending RAM fault that has been traced for approximately two (2) kilometers in length within a larger target zone that measures 3.8 kilometers in length.

A larger drill program will be designed once re-logging to assess the potential to model the high-grade zones and the 3,000 meter program are complete. This subsequent program is anticipated to begin at the end of Q3 and could possibly run seamlessly from one program to the next.

La Cigarra Resource Estimate

La Cigarra's updated NI 43-101 resource estimate was completed by Allan Armitage, PhD, P. Geo. and Joe Campbell, B.Sc., P. Geo., of GeoVector Management Inc. Resource Statement for the La Cigarra silver project located in Chihuahua State, Mexico: Effective Date January 14, 2015.

The resource estimate was calculated based on results from 156 of 173 holes totaling 27,617 meters drilled along the open ended La Cigarra mineralized system which has a defined strike length of at least three (3) kilometers. The 156 holes included in the Property's resource estimate were positioned within a potentially surface minable area comprised of the San Gregorio and Las Carolinas mineralized zones, which combined form a total strike length of 2.4 kilometers. The resource estimate was constrained by a constrained pit shell utilizing a \$22 /oz silver price and reported at a 35 g/t silver cut-off grade, and considers metallurgical recoveries of 84% silver.

A summary of the mineral resource estimate is listed on the

company website, to read them please CLICK HERE