Kootenay release promising results from 2xFred drill campaign in B.C.

Kootenay Silver {TSX .V: KTN} released drill results from their recent drill campaign on the 2x's Fred Property conducted with partner **Theia Resources**.

The holes were tested to the shallow depth of 100 metres, and showed good potential.

Comment

Another good set of drill results from Kootenay, in a better market this would produce a positive move on the share price, but of course the market remains moribund.

The intention of exploring these non core areas is to clearly identify new mineralisation so that the project will be attractive to a suitor, and the cash generated from a sale would assist the funding of the core project in Mexico.

It's a good strategy by management in my opinion, and one that hopefully will produce the required result.

Until now management have been very prudent in expenditure and have not issued too many shares during limited placings, a tight share structure is their goal,and they have succeeded so far.

News release

VANCOUVER, Jan. 25, 2016 – **Kootenay Silver {TSX .V: KTN}** is pleased to report results from the 2015 drill program

conducted under an option with partner Theia Resources on the 2x's Fred property, located 62 kilometers north of Vanderhoof in the Nechacko Plateau, British Columbia.

The 2015 drill program follows up trenching conducted in 2014 which successfully identified a series of high-level, low-sulphidation epithermal gold and silver bearing quartz veins over a 1.3 x 1 km area (Saki, Gold Hill, Borrow Pit, Scud vein systems). New quartz vein exposures discovered during the drill program extended the vein system to an area of 3.0 by 1.4 kilometers.

Kootenay President and CEO James McDonald stated "*The results from recent drilling in the Nechacko Plateau underscore the significant potential of the gold and silver bearing quartz vein systems, contained within the parameters of the 2x's Fred property. The 2x's Fred property, a new discovery made by Kootenay's generative program, is an example of the generator model dimension of Kootenay and the option to Theia is a part of the business plan to monetise generative stage properties*."

The 2015 drilling program on 2x's Fred focused on providing information on the dip and width of the Saki and Gold Hill veins. Eight holes were drilled for a total of approximately 717 meters with four holes drilled on the Saki vein and four on the Gold Hill vein.

Veins are steep dipping to the northwest and southeast directions. True widths vary from 15 to 30 meters and are composed of vein, vein stockwork and vein breccia within altered basalt. Veins bifurcate and coalesce with the widest

single vein being 30 meters true width and varying from about 2m to 30 meters in width.

Highlights of composited intervals are shown in the full news release on the website. The best interval was 3.2 gpt Au and 46.48 gpt Ag over 1.9 meters within 7.6 meters of 1.69 gpt Au and 29.36 gpt Ag. The longest interval was 0.370 gpt Au and 7.2 gpt Ag. Holes 6 and 8 bottomed in vein material with hole 6 just entering the vein when it had to be abandoned due to hole conditions.

* Holes 2XF-15-06 to 07 reported no significant results.

To view the 2015 drill plan map and cross sections see the website

Drilling Program on 2x's Fred Property

The veins were tested at a maximum depth of approximately 100 meters below surface (2xF-15-08), no significant change of grade was shown in assays and no change in vein character was seen indicating that the boiling horizon and possible increase in grade remains to be tested at depth or along strike.

Four holes were drilled on the Saki Vein system to test the veins at various levels (2xF-15-01/02, 07/08). All holes intersected steep to vertically dipping banded, bladed, colloform, crustiform, to open-space veins, vein and wallrock breccias, and stockwork zones entirely within a sequence of argillically altered Endako Group basalts.

Four holes were drilled on the Gold Hill vein system (2xF-15-03 to 06). Drilling intersected significant zones of high level silica hosted entirely within argillically altered basalt. Vein and breccia textures intersected at Gold Hill were consistent with those found at Saki and show that the system is also a steep to vertically dipping resurgent conduit approximately 40 meters wide.

Size Expansion of Vein System

Prospecting and mapping during the drill program discovered new vein occurrences along trend of the veins discovered by Kootenay Silver in 2011. Reconnaissance grab samples collected from these areas returned multi-gram gold and silver as well as elevated values for pathfinder elements (As, Sb, Hg). Thick, flat lying quartz veins in the newly discovered areas are associated with sinter textures and felsic to mafic volcanic rocks and local conglomerates. These features are consistent with the top levels of a shallow low-sulphidation vein system. To date veins have been shown to occur along a 3 km long, 1.4 km wide, north-northeast trending mineralized corridor associated with a topographic low. This feature is consistent with a graben or half-graben structure defined by the current mapping and drill-hole program.

To view full drill results visit: www.kootenaysilver.com

QA/QC

Drilling was conducted by Ridgeline Drilling of Smithers, B.C. Core was cut in halves with a diamond saw and one half was catalogued, marked with a unique number corresponding to the hole and interval, placed in a plastic bag and zip locked and

sent to Bureau Veritas of Vancouver, B.C. an independent assay lab. Analysis were conducted using agua regia digestion ICP-MS analysis (AQ 201 Bureau Veritas code) followed by a fire assay-gravimetric finish for gold (FA 530 Bureau Veritas code). Blanks and standards were inserted at regular intervals. Further Quality Assurance and Control procedures and details on assays procedures and laboratories used are disclosed on the Kootenay Silver Inc. website.

The foregoing geological disclosure has been reviewed and verified by Kootenay's CEO, James McDonald, P.Geo (a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects). Mr. McDonald is a director of Kootenay.

ABOUT KOOTENAY

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. The Company's top priority is the advancement of precious metals projects contained within its Promontorio Mineral Belt in Sonora, Mexico. This includes its La Negra high-grade silver discovery and its Promontorio Silver Resource. Kootenay's core objective is to develop near term discoveries and long-term sustainable growth. Management comprises proven professionals with extensive international experience in all aspects of mineral exploration, operations and venture capital markets. Multiple, ongoing J/V partnerships in Mexico and Canada maximize potential for additional new discoveries while maintaining minimal share dilution.

Neither 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.

Forward-Looking Statements: The information in this news release has been prepared as at January 24, 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.

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conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

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SOURCE Kootenay Silver.

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