Kootenay Silver announces a CAD $2,500,000 non brokered private placement

Kootenay Silver Inc. {TSX.V: KTN}

Announced a non-brokered private placement of up to $2,500,000 consisting of approximately 17,858,000 Units at a price of $0.14 per Unit .

Each Unit shall consist of one common share and one transferable common share purchase warrant at an exercise price of $0.20 for a period of 60 months.

KOOTENAY ANNOUNCES $2.5 MILLION NON-BROKERED PRIVATE PLACEMENT

Kootenay Silver Inc. (TSX.V: KTN) **(the “Company” or “Kootenay”)** announces a non-brokered private placement of up to $2,500,000 (the “Private Placement”) consisting of approximately 17,858,000 Units (the “Units”) at a price of $0.14 per Unit (the “Placement Price”).

Each Unit shall consist of one common share (“Common Share”) and one transferable common share purchase warrant (“Warrant”). Each Warrant entitles the holder to acquire one Common Share at an exercise price of $0.20 for a period of 60 months immediately following the closing date of the Private Placement. A finder’s fee of up to 6% shall be paid at the election of the Company in cash or Common Shares, of the portion of the proceeds raised in the Private Placement through the efforts of arm’s length finders.

Net proceeds of the Private Placement will be used to fund the exploration of the Company’s Columba Silver Project in Chihuahua State, Mexico, other projects and for general working capital purposes.

All securities to be issued pursuant to the Private Placement will be subject to a four month hold period from the closing date under applicable securities laws in Canada and among other things, receipt by Kootenay of all necessary regulatory approvals, including the TSX Venture Exchange.

The securities being offered under the Private Placement have not been, nor will they be registered under the United States Securities Act of 1933, as amended, or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. federal and state registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

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.