

# **Kootenay Silver Announces Initial Drill Results from La Negra Silver Discovery**

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## **Kootenay Silver Announces Initial Drill Results from La Negra Silver Discovery**

**}ANCOUVER, Oct. 25, 2016 – Kootenay Silver Inc. {TSX.V: KTN}** is pleased to announce results from the first 11 holes of the ongoing 3,400 meter drill program on its La Negra silver discovery in Sonora, Mexico currently being conducted and operated by **Pan American Silver Corp. {TSX: PAA}**.

The current definition drill program on La Negra is part of an option agreement completed in February 2016 between Kootenay and Pan American that provides Kootenay with a series of work and cash commitments and a carried to production interest on La Negra.

A series of deeper infill drill holes from the current program have confirmed the results from previous drilling conducted by Kootenay on La Negra (See Kootenay “High-Grade Results” news release issued on April 30, 2015), as well as the presence of a second breccia zone further to the south, which currently remains open at depth and to the east.

**Kootenay President and CEO James McDonald** states: *"We are very pleased with Pan American's work and the results to date from the first 11 holes of the program. The confirmation of multiple high-grade intercepts of silver mineralization at depth is a significant development and further indicates potential for the silver resources to be amenable to both open pit and underground exploitation. We are also very pleased that based on the encouraging results achieved to date, Pan American is extending the program by a full 2,000 meters until the end of the year."*

Drill highlights include:

LN 42-16

returning three high grade intervals within 122.5 meters of 124 gpt silver and 0.15 gpt gold including:

693 gpt silver and 0.39 gpt gold over 6.25 meters;

672 gpt silver and 0.13 gpt gold over 4.65 meters; and

631 gpt silver and 0.18 gpt gold over 3.45 meters.

LN 43-16

returning from a new more southerly breccia 720 gpt silver and 0.13 gpt Au over 19 meters within 44.5 meters of 363 gpt silver and 0.12 gpt gold.

Higher in the hole the previously known breccia graded 1,226 gpt silver and 0.28 gpt gold over 6.15 meters within 235 gpt silver and 0.09 gpt gold over 38 meters.

These two holes are from infill drilling and identified a second more southerly breccia. The zone remains open at depth and along strike to the east.

A summary of the infill drilling within the mineralized zone is provided on the company website.

Pan American Silver geologists have increased the

understanding of the La Negra breccia. There are three phases of hydrothermal magmatic development (La Negra, Gravilla and Rica breccias) emplaced within the host volcanic agglomerate (andesitic composition) Tarahumara Formation. The breccia has been controlled on a regional east-west structure. Epithermal Ag-Zn-Pb mineralisation has over printed the different phases of brecciation associated with illite and silicification; the mineralogy has currently been described as Ag sulphides (acanthite – tetrahedrite), galena and sphalerite; pyrite occurs as veinlets, matrix fill in breccia and dissemination.

#### QA/QC

Samples were assayed by Inspectorate of Hermosillo, Mexico, using four acid digestion 35 element ICP analytical methods with fire assay for Au and Ag with atomic absorption finish and gravimetric finish, respectively. Pan American has followed a Quality Assurance/Quality Control program comprised of the insertion of blank material and certified standard samples at a frequency of one each for every 20 samples. There are no known drilling, sampling, recovery, or other factors that could materially affect the accuracy or reliability of the data referred to in the table.

#### 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 of 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 the Sierra Madre Region of 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 kilometers 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 and 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 kilometers 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 kilometers 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 dated 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 and 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.

SOURCE Kootenay Silver Inc.