Kootenay Silver – Positive metallurgical results from their Cervantes Gold , optioned to Aztec Minerals

Kootenay Silver Inc. {TSV.V: KTN}

Partner Aztec Minerals Corp. has released positive bottle roll gold recoveries from metallurgical testwork conducted by Bureau Veritas on the California porphyry gold-copper drill core from the Cervantes property in Sonora, Mexico.

Kootenay Silver met test yields up to 94.3% recovery.

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Mr. James McDonald reports

KOOTENAY REPORTS POSITIVE METALLURGICAL RESULTS FROM CERVANTES GOLD PROJECT, SONORA, MEXICO – UNDER OPTION TO AZTEC MINERALS

Kootenay Silver Inc. {TSV.V: KTN} partner Aztec Minerals Corp. has released positive bottle roll gold recoveries from metallurgical testwork conducted by Bureau Veritas on the California porphyry gold-copper drill core from the Cervantes property in Sonora, Mexico.

Drill core samples were grouped into 4 separate types of mineralization ("Domains"), "Oxide 1", "Oxide 2", "Mixed Oxide/Sulfide" and "Sulfide". Theses Domains were defined by mineralization type, gold grade, and depths to fit the possibility of a future open pit mining scenario. Testing was conducted for 240 hours, although good recoveries generally plateaued at 48 hours, and the tests showed low cyanide and lime consumption.

Highlights of the bottle roll gold recovery results are as follows:

- 85.1% recovery on 2.0mm material and 94.3% on 75 micron material in sample "Oxide 1"
- 87.7% recovery on 2.0mm material and 94.2% on 75 micron material in sample "Oxide 2"
- 77.9% recovery on 2.0mm material and 89.0% on 75 micron material in sample "Mixed Oxide/Sulphide"
- 51.2% recovery on 2.0mm material and 78.7% on 75 micron material in sample "Sulphide"

The Cervantes Property is held under an earn-in option to agreement whereby Aztec Minerals can acquire up to 100% interest in the property in two stages, with Kootenay retaining a 2.5 % NSR and receiving a payment of US$5.00 per ounce or gold equivalent based on a NI 43-101 Resource Estimate. See Kootenay news release dated October 13, 2015 .

Financing Update:

Additionally, the Company has closed a final tranche to its non-brokered private placement financing (the “Private Placement”) announced on February 5, 2019 and March 5, 2019. The Private Placement, which was originally for gross proceeds of $2,500,000, and closed oversubscribed for total gross proceeds to the Company from both tranches of $7,043,331.54. The Company received gross proceeds of $43,041.88 for the final tranche and issued an additional 307,442 units (each a “Unit”) at a purchase price of $0.14 per Unit. Each Unit consists 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 per share until March 5, 2024. Cash finder’s fees to arm’s length parties totaling $2,582.51 have been paid on a portion of the Private Placement and total finder’s fees for both tranches amounted to $258,763.89.

The Company intends to use the net proceeds of the Private Placement for drill testing Columba; the advancement of Copalito to drill ready stage, advancement of Mecatona to drill targeting and further drill targeting and target prioritization at La Cigarra. The Company will also use a portion of the net proceeds of the Private Placement for maintenance of existing properties, investigating future acquisitions with the focus on large high-grade deposits as well as general working capital.

All securities issued pursuant to the Private Placement are subject to a four month hold period under applicable securities laws in Canada ending on July 6, 2019. The Private Placement is subject to the final acceptance of the TSX Venture Exchange.

Sampling and QA/QC

Drill core sample composites were prepared by Bureau Veritas' Hermosillo, Sonora Laboratory and shipped to their Richmond, British Columbia lab for the cyanide leach testing. The samples were delivered to the prep lab in Hermosillo by the QP, Joey Wilkins, who also designed and authorized the program. The samples were split, combined, and homogenized prior to shipping to Richmond. Head grade samples were analyzed by methods Fire Assay for gold and MA200 for multi-elements. The QP reviewed the results and is satisfied they meet high standards and can be used by the company for reporting and further metallurgical understanding of the Cervantes property.

Qualified Persons

The Kootenay scientific and 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 and approved on behalf Kootenay by James McDonald, P.Geo, President, CEO & Director for Kootenay, a Qualified Person.