

Kootenay Silver updates on La Cigarra drilling

Kootenay Silver Inc. {TSX.V: KTN} is pleased to report 11 core drill holes totaling 2,100 meters have been completed and submitted for assaying on the Ram Zone on its 100% owned La Cigarra silver project.

La Cigarra is located in Chihuahua State, Mexico.

Kootenay reports progress from LA Cigarra

VANCOUVER, Oct. 31, 2016 – **Kootenay Silver Inc. {TSX.V: KTN}** is pleased to report 11 core drill holes totaling 2,100 meters have been completed and submitted for assaying on the Ram Zone as part of its initial 3,000 meter drill program on its 100% owned La Cigarra silver project , located in Chihuahua State, Mexico.

The 11 holes tested the northern 500 meters of strike on the Ram structure. Management believes the RAM target has potential to host high-grade silver mineralization within a large structurally controlled anomalous silver trend measuring 3.8 kilometers in length. Assay results will be released once received and compiled.

The Company further reports it is currently mobilising the drill rig to the La Soledad Zone, located approximately 1,000 meters south of the La Cigarra silver resource.

The current program on La Cigarra is the first stage of a planned multi-phased approach focused on drill testing several new highly prospective targets on the property that lie adjacent to and in close proximity to the main NI 43-101 silver resource. These include the Ram Zone and the Las Venadas – La Soledad-La Chinas mineralised trend, which extends southward from the La Cigarra Resource and has been traced over a length of 3 kilometers.

The extended multi-phase drill program is expected to be executed over the next 12-18 months with the objective of discovering entirely new silver resources that sit adjacent to and outside of the main resource. In conjunction with the new discovery program, the Company is currently conducting a strategic exploration and assessment program that includes extensive re-logging and mapping to aid in optimisation of project economics and guide drilling for expansion of the La Cigarra resource.

Upcoming drilling on La Cigarra will aim to expand the size and define the limits of the resource and underlying high-grade silver zones known to extend in three different directions from the deposit. Upon compilation of future exploration and drill results the Company plans to immediately proceed to an updated independent resource calculation and a Preliminary Economic Assessment on the La Cigarra resource.

NI 43-101 Technical Report on the Updated Mineral Resource Estimate on the San Gregorio/Las Carolinas Zones, La Cigarra Silver Project, Chihuahua, Mexico, effective date January 14, 2015 prepared by GeoVector Management Inc. Note: Mineral resources are reported in relation to a conceptual pit shell at a 35 g/t silver cut-off grade and a \$22/oz silver price.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.

Sampling and QA/QC

All technical information for the La Cigarra exploration program is obtained and reported under a formal quality assurance and quality control ("QA/QC") program. Samples are taken under the direction of qualified geologists and stored in sealed bags. Samples are delivered by the Company via courier to ALS Minerals ("ALS") in Chihuahua. The samples are dried, crushed and pulverized with the pulps being sent airfreight for analysis by ALS in Vancouver B.C. Systematic assaying of standards is performed for precision and accuracy. Analysis for silver, zinc, lead and copper and related trace elements was done by ICP four acid digestion, with gold analysis by 30 gram fire assay with an AA finish.

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 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 & 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 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 & 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