



June 30, 2015

Shares Outstanding: 74,778,897

KOOTENAY ADDS TO GENERATIVE PORTFOLIO UNDER GRUBSTAKE AGREEMENTS

Kootenay Silver Inc. (TSX VENTURE: KTN.V) (“Kootenay” or the “Company”) is pleased to announce that it has exercised its option to acquire 100% interest in four mineral properties which were acquired under a Grub Stake Option Agreement. The properties are known as the Silver Fox and Spikes Vacation, which are located in South Eastern, British Columbia and Walter the Water Buffalo and Two Times Fred, located in the Nechako Region of British Columbia. The company has the right to terminate the property agreements at any time.

The Company exercised its option under a Grub Stake Option Agreement with the Kennedy Group to acquire a 100% interest in Silver Fox, Spikes Vacation and Walter the Water Buffalo. Pursuant to the terms of the Grub Stake Option Agreement, the Company must issue for each of the three properties a total of 100,000 common shares over three years with 25,000 issuable for each on receipt of TSX Venture Exchange (“TSXV”) approval. The Kennedy Group retains an underlying 2% net smelter royalty, which can be purchased by the Company in all or in part for \$500,000 per each one-half percent (0.5%).

Pursuant to a Grub Stake Option Agreement with Critchlow Contracting Ltd. (“Critchlow”), the Company exercised its option under the area of exclusivity granted to Critchlow within the Grub Stake Option Agreement to acquire a 100% interest in Two Times Fred property. Under the terms of Grub Stake Option Agreement, the Company must issue an aggregate total of 130,000 common shares over five years with 15,000 issuable on receipt of TSXV approval and make staged cash payments totaling an aggregate \$80,000 over four years, with \$5,000 having been paid on election. Additionally, the Kennedy Group will receive an aggregate total of 100,000 common shares over three years with 25,000 issuable on receipt of TSXV approval.

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 that includes, its new 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. Its management and technical team are 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.

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For additional information, please contact:

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or visit: www.kootenaysilver.com

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 June 29, 2015. 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.

Cautionary Note to US Investors: This news release may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC's mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties. This news release may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

This press release uses the terms "Measured", "Indicated", and "Inferred" resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of Measured or Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of a Mineral Resource is economically or legally mineable.

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