Kootenay announces continued high-grade results from 2016 drill program on La Negra operated by Pan American Silver

RESULTS INCLUDE 529 GPT SILVER OVER 7.5 METERS WITHIN 194 GPT SILVER OVER 40.8 METERS

VANCOUVER, April 3, 2017 /CNW/ - **Kootenay Silver Inc. (TSXV: KTN) (the "Company" or "Kootenay")** is pleased to announce drilling has returned more high-grade silver intercepts from the remaining 6 holes of the 2016 drill program conducted and operated by Pan American Silver Corp. **("Pan American Silver")** on its La Negra silver discovery within the Promontorio project located in Sonora, Mexico. The definition drill program on La Negra is part of an option agreement between Kootenay and Pan American Silver that provides Kootenay with a series of work and cash commitments and a carried to production interest on Promontorio. Of the 6 drill holes reported in this release four were drilled into the La Negra Breccia with 2 into a target south of the breccia. Pan American Silver is scheduled to recommence drilling in late June-early July 2017.

Kootenay President and CEO James McDonald states, "We are very pleased with results from the final holes of our 2016 drilling program on La Negra with Pan American Silver. The consistent confirmation of multiple zones of high-grade silver mineralization within a 600-meter strike length of the breccia, remaining open at depth, supports further work on the Promontorio/La Negra project. Upcoming exploration and drilling by Pan American Silver will focus on defining the potential size of the magmatic hydrothermal silver-lead breccia and testing additional targets."

Drill highlights include:

- **LN-67-16** returning 121 gpt silver over 47.1 meters including 582 gpt silver over 2.55 meters
- **LN-68-16** returning 194 gpt silver over 40.85 meters including 529 gpt silver over 7.5 meters and 90 gpt silver over 10.65 meters including 137 gpt silver over 5.55 meters
- **LN-69-16** returning 98 gpt silver over 59.25 meters including 378 gpt silver over 3.65 meters

Click to view: Drill plan and cross sections.

A summary of the infill drilling within the mineralized zone is provided in the table below.

Drill hole	From	To	Interval	Silver gpt	Gold gpt	Copper ppm	Lead ppm	Zinc ppm	Breccia
LN-67-16	**26.2**	**73.3**	**47.1**	**121**	**0.11**	**189**	**2630**	**59**	LN Bx Principal
Incl.	37.3	50.35	13.05	216	0.18	93	1411	58	LN Bx Principal
incl.	37.3	38.8	1.5	458	0.39	91	1032	86	LN Bx Principal
Incl.	47.8	50.35	2.55	582	0.14	47	2113	31	LN Bx Principal
incl.	49.3	50.35	1.05	973	0.19	65	3012	34	LN Bx Principal
LN-68-16	**1**	**41.85**	**40.85**	**194**	**0.06**	**172**	**4070**	**299**	LN Bx Principal
Incl.	2.4	14.05	11.65	441	0.08	367	10318	426	LN Bx Principal
incl.	6.55	14.05	7.5	529	0.09	298	7446	312	LN Bx Principal
Incl.	6.55	8.05	1.5	784	0.08	384	19400	377	LN Bx Principal
incl.	12.55	14.05	1.5	1613	0.24	553	3765	290	LN Bx Principal
Incl.	28.7	30.2	1.5	772	0.12	106	1872	226	LN Bx Principal
	91.5	**102.15**	**10.65**	**90**	**0.09**	**421**	**8822**	**34**	LN Bx Principal
Incl.	96.05	101.6	5.55	137	0.11	666	12645	35	LN Bx Principal
LN-69-16	**5.1**	**64.35**	**59.25**	**98**	**0.04**	**71**	**1759**	**100**	LN Bx Principal
Incl.	5.1	6.6	1.5	514	0.08	76	4950	79	LN Bx Principal
incl.	35.7	49.4	13.7	189	0.08	63	1506	65	LN Bx Principal
Incl.	45.75	49.4	3.65	378	0.13	88	2529	33	LN Bx Principal
incl.	48.1	49.4	1.3	602	0.18	112	2378	26	LN Bx Principal
LN-70-16	**119.75**	**120.45**	**0.7**	**85**	**0.64**	**244**	**37300**	**729**	LN Bx Principal
	136.05	**137.25**	**1.2**	**121**	**0.03**	**241**	**880**	**874**	LN Bx Principal
	254.7	**256.25**	**1.55**	**68**	**0.02**	**193**	**132**	**112**	LN Bx Inferior

Drill holes LN 71 and LN 72 drilled a target a few hundred meters south of the La Negra Breccia returned no significant results.

Pan American Silver 2016 Program

Pan American Silver began managing the exploration program in April 2016 and commenced re-logging drill core, geological mapping and re-interpretation, and completed 62 km of magnetic ground surveys. Pan American Silver initiated a 3,500-meter drilling program in July 2016 with the objective of infilling the Kootenay operated La Negra drill program with coverage to 50 meter centres and testing the along-strike and down dip extents, as well as following up on geophysical and geological anomalies located elsewhere within the Promontorio concessions.

Pan American Silver reported that a series of deeper infill drill holes from the first 12 holes of the 2016 program confirmed high-grade results from previous drilling conducted by Kootenay on La Negra (See Kootenay News release October 25, 2016) as well as the presence of a second breccia zone further to the south, which currently remains open at depth. Based on the initial success Pan American Silver extended the drill program by an additional 2000 meters.

Drilling on the subsequent 13 holes of the program returned consistent high-grade silver results at depth. (See Kootenay News release February 15, 2017). The latest 4 holes mark the completion of the 2016 drill program on La Negra with an approximate total of 6800 meters of drilling and in 31 holes.

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. 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.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at April 2, 2017. 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.

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