



Kootenay Announces \$5 Million Investment by Strategic Investor Eric Sprott

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VANCOUVER, Aug. 13, 2019 /CNW/ - **Kootenay Silver Inc. (TSXV: KTN) (the "Company" or "Kootenay")** is pleased to announce a non-brokered private placement of \$5,000,000 consisting of 31,250,000 units (the "Units") at a price of \$0.16 per Unit (the "Placement Price").

James McDonald President and CEO stated "We are very pleased to have the support of Mr. Eric Sprott as a major investor in Kootenay. Having Mr. Sprott make a significant investment in the Company is a strong endorsement of our silver asset base. This financing puts us in a very strong financial position and allows us to move aggressively forward on not just Columba, but our other key assets as well."

Each Unit consists of one common share ("Common Share") and one-half of one common share purchase warrant ("Warrant"). Each whole warrant entitles the holder to acquire one Common Share at an exercise price of \$0.22 for a period of 36 months immediately following the closing date of the Private Placement.

The entire Private Placement is being fully subscribed and invested into by Mr. Eric Sprott. Upon completion of the financing Eric Sprott will hold 11.28% on a non-diluted basis and 16.02% on a partially diluted basis.

A finder's fee of 4% of the gross proceeds of the Private Placement, will be paid to Mackie Research Capital Corporation who are an arms length finder and is payable in cash or Units, subject to TSX Venture Exchange approval.

Net proceeds of the Private Placement will be used to advance exploration of the Columba Silver Project in Chihuahua State, Mexico, potentially adding a further drill rig to expedite the current drill program, and to fund further work at Copalito, La Cigarra and other projects as well as for general working capital purposes.

All securities to be issued pursuant to the Private Placement will be subject to a four month hold period from the closing date under applicable securities laws in Canada and among other things, receipt by Kootenay of all necessary regulatory approvals, including the TSX Venture Exchange.

The securities being offered under the Private Placement have not been, nor will they be registered under the United States Securities Act of 1933, as amended, or state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons absent U.S. federal and state registration or an applicable exemption from the U.S. registration requirements. This release does not constitute an offer for sale of securities in the United States.

Neither the 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.

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 August 12, 2019. 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. More particularly, this release contains statements concerning the anticipated Private Placement. Accordingly, there is a risk that the Private Placement will not be closed, or the Private Placement will be completed within the anticipated time or at all.

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