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**KOOTENAY ANNOUNCES INCREASE IN NON-BROKERED PRIVATE PLACEMENT
AND CLOSING FOR PROCEEDS OF \$7.0 MILLION**

Kootenay Silver Inc. (TSXV: KTN) (the “Company” or “Kootenay”) is pleased to report that, due to significant interest, the Company has increased the size of its non-brokered private placement financing (the “Private Placement”) announced on February 5, 2019. The Private Placement, which was originally for gross proceeds of \$2,500,000, closed today for gross proceeds to the Company of \$7,000,289.66.

Kootenay President & CEO, James McDonald stated, “The successful acquisition of two new projects in 2018 with the potential for the discovery of high-grade silver deposits has generated substantial interest. Moving forward particular focus will be on the Columba Property due to the very high grades of silver reported from historic mine records. The Company is very excited about this prospect’s size potential indicated by numerous undrilled veins as well as the high level of preservation of the system. We are very pleased to now have sufficient funds to conduct the first modern drill program at Columba to begin as soon as permits are in hand which is expected to be in early April.”

The Columba Property, located in the state of Chihuahua, is a classic epithermal vein system with the potential for the discovery of high-grade silver deposits. Historic mining records indicate that up to approximately 100,000 tonnes of silver ore was mined during two different periods dating back to 1900. Mapping and sampling completed by Kootenay of mineralized veins exposed at surface returned grades of up to 692 g/t silver as well as silver grades found in tailings from historic mining endorse the information found in the reports: [click link to view map](#). Furthermore, recent programs also support the observation that grades, vein continuity and vein widths improve as one moves into lower elevations, being deeper into the system. These observations are also seen in historic underground mining data that indicate grades continue to increase with depth as reported in the Company’s news releases dated November 19, 2018 and January 8, 2019. For a visual of historic underground adits at Columba [click on this link to view a video](#). (Please note historic data has not been verified and thus cannot be relied upon for accuracy.) Full results of sampling completed by Kootenay on the Columba Property can be found in Kootenay’s press releases dated November 19, 2018 and January 8, 2019, copies of which can be found on Kootenay’s SEDAR profile at www.sedar.com.

The Financing:

The Company has closed its non-brokered Private Placement and has issued an aggregate of 50,002,069 units (each a “Unit”) at a purchase price of \$0.14 per Unit for gross proceeds to the Company of \$7,000,289.66. 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 \$256,181.38 have been paid on a portion of the Private Placement.

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.

The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any State Securities Laws and may not be offered or sold in the United States or to the account or benefit of a U.S. person absent an exemption from the registration requirements of such Act. This release does not constitute an offer for sale of securities in the United States.

Sampling and QA/QC

Surface samples reported herein are a combination of grab, chip and panel chip. All technical information for the Columba 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. Samples are then labeled placed in plastic bags, sealed and with interval, location and sample numbers recorded. Samples are delivered by the Company via courier to ALS Minerals ("ALS") in Hermosillo. 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, blanks and duplicates 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 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 has been reviewed and approved 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.

On Behalf of the Board of Directors of

KOOTENAY SILVER INC.

"James McDonald"

President & CEO

For additional information, please contact:

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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.

CAUTIONARY NOTES:

The sampling results disclosed in this news release are not necessarily indicative and drilling is required to confirm a mineral deposit.

*The information in this news release has been prepared as at March 5, 2019. This news release contains “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “**forward-looking statements**”). All statements, other than statements of historical fact, that address activities, events or developments that Kootenay Silver Inc. (“**Kootenay**” or the “**Company**”) believes, expects or anticipates will or may occur in the future including, without limitation, the anticipated exploration program results from exploration activities, the discovery and delineation of mineral deposits and sampling results from the Columba Project and other properties, the anticipated content, commencement, and cost of exploration programs in respect of the Company’s projects and mineral properties, the anticipated business plans and timing of future activities of the Company, future capital expenditures (including the amount and nature thereof), business strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of the business and operations, plans and references to the future success of the Company, and such other matters, are forward-looking statements. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to Kootenay and often use words such as “expects”, “plans”, “anticipates”, “estimates”, “believes”, “intends”, “potential”, “may” or variations thereof or the negative of any of these terms.*

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Kootenay. Factors that could cause actual results or events to differ materially from current expectations include, among other things: the ability of the Company to obtain sufficient financing to fund its business activities and plans, operating and technical difficulties in connection with mineral exploration and development and mine development activities for Company’s projects generally, actual results of exploration activities (including the estimation or realization of mineral reserves and mineral resources), the timing and amount of estimated future production, costs of production, capital expenditures, the costs and timing of the development of new deposits, the availability of a sufficient supply of water and other materials, requirements for additional capital, future prices of gold and silver, changes in general economic conditions, changes in the financial markets and in the demand and market price for commodities, possible variations in ore grade or recovery rates, possible failures of plants, equipment or processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in obtaining governmental and regulatory approvals (including of the TSX Venture Exchange), permits or financing or in the completion of development or construction activities, changes in laws, regulations and policies affecting mining operations, hedging practices, currency fluctuations, title disputes or claims limitations on insurance coverage and the timing and possible outcome of pending litigation, environmental issues and liabilities, risks related to joint venture operations, and risks related to the integration of acquisitions, as well as those factors discussed under “Risk Factors” in the Company’s most recent annual management’s discussion and analysis and other filings of the Company with the Canadian Securities Administrators, copies of which can be found under the Company’s profile on the SEDAR website at www.sedar.com.

Any forward-looking statement speaks only as of the date on which it was made, and except as may be required by applicable securities laws, Kootenay disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although Kootenay believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to their inherent uncertainty. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

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.*