

VANCOUVER, June 29, 2017 /CNW/ - [Kootenay Silver Inc.](#) (TSXV: KTN) (the "Company" or "Kootenay") is pleased to announce that a 3,000 meter diamond drill program (the "Program") is underway at its 100% owned Silver Fox Project (the "Project"), located in south eastern British Columbia.

The Program is being operated by Kootenay under the guidance of a technical committee comprised of appointees from a wholly-owned subsidiary of Antofagasta plc ("Antofagasta") and Kootenay. Antofagasta will be funding 100% of the costs under its earn-in agreement for Silver Fox, and drilling will focus on 5 separate targets on the Project. These drill areas have been identified as the Oke, Jake, Yahk Mountain, Gilnockie and Ward targets. Location Map of Silver Fox Drill Targets.

Kootenay President and CEO James McDonald stated, "Kootenay is pleased to have a strong and supportive partner, Antofagasta conduct this initial drill program at Silver Fox." "We look forward to drill testing the first bona-fide sediment hosted silver copper mineralized system to be found on the Proterozoic aged Creston Formation in Canada. This is the product of three years of commitment and persistence by our exploration team supported by Antofagasta and we are pleased to successfully bring Silver Fox to the drill stage."

Silver Fox Project – Background Information

The Silver Fox Property is comprised of over 21,000 hectares of mineral claims covering the northern extension of an established copper-silver mineralized belt originating from Montana, where the 3 principal deposits either host or produced over 522 million ounces of silver and 2.39 million tonnes of copper, at grades ranging from 1.7 to 2.0 ounce per ton silver and 0.7 to 0.8 % copper. This mineralized trend is best known as the Western Montana Copper Belt where the copper-silver deposits are hosted in Proterozoic aged sediments of the Revett Formation, referred to as the Creston Formation in Canada.

Terms of the Agreement

The terms of the Agreement grant Antofagasta the right to earn a 65% interest ("First Option") by funding or incurring an aggregate total of US\$2.5 million (the "First Option Expenditures") in exploration expenditures on or before the sixth anniversary of the Agreement (September 29, 2021). Antofagasta has the right to accelerate the First Option Expenditures.

Upon exercising the First Option, Antofagasta will have the right to acquire a further 15% interest ("Second Option") by incurring an additional aggregate total US\$1.65 million in exploration expenditures within two years of the First Option exercise date. Upon the exercise of the Second Option Antofagasta will have earned an 80% interest and Kootenay will hold a 20% interest in Silver Fox under a joint venture basis under the terms of the Agreement. If Antofagasta decides not to exercise the Second Option, a joint venture based on a 65/35% interest will form under the Agreement in relation to the property.

Sampling and QA/QC

All technical information for the Silver Fox 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 Acme Labs, British Columbia. The samples are dried, crushed and pulverized with the pulps being sent airfreight for analysis. 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. All drilling will be with HQ core and has been contracted to Atlas Drilling from British Columbia, Canada.

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 June 27, 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.

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.

SOURCE [Kootenay Silver Inc.](#)

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