

**KOOTENAY ZINC CORP.**

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**SULLY PROJECT EXPLORATION UPDATE**

**Vancouver, Canada, May 8, 2017** – Kootenay Zinc Corp. (the “**Company**”) (CSE:ZNK; OTCQB:KTNNF; FSE:KYH) provides the following update on exploration activities at the Sully project. Field programs have commenced with the arrival of excellent weather conditions and the project team is currently undertaking a number of activities at the site, including, at the East anomalies: a drill campaign at E1, detailed gravity surveying of E2, E3 and E4, prospecting and mapping, and access reconnaissance for planned drilling at E3; and new gravity surveying at the WEST anomaly.

The project team completed three diamond drill holes at E1, two at site E1S and one at E1N. As previously described, the E1 anomaly presents as a narrow north-south trending feature that has been significantly disturbed by local faulting and folding. Until recently, the E1S and E1N drill sites were among the only available permitted drill locations suitable for testing any of the East anomalies.

The three relatively shallow ‘proof of concept’ test holes each confirmed the complex and dissected nature of the E1 anomaly, intersecting numerous major and local fault zones in the vicinity of the target, as well as in other sections of the holes. All holes intersected significant lengths of equivalent A1f stratigraphy, with thin beds of argillite and numerous phyrrotite laminations in a CWL (carbonaceous wacke laminite)-dominant lithology. Hole SY17-14 also intersected a distinct very pale weakly dolomitic shale, Unit A1d. The lower part of the Aldridge Formation in the Hughes Range, designated A1, is unique to the range and is divided into lithostratigraphic units a (oldest), b, c, d, f and e; distinctive quartzites that characterize sub-unit e are found within sub-units c, d and f. Equivalent Sullivan-time stratigraphy occurs within unit A1c.

Drilling did not intersect any rocks with sufficiently high specific gravity values that could account for the gravity anomaly observed at E1, which remains unexplained. It is now clear that targeting such a highly-dissected anomaly is very difficult. The latest detailed gravity survey along with the drill results have further refined its geometry; cross faulting and offsets of the E1 anomaly can now be resolved.

Due to the structural complexity now evident at E1, the project team has refocused exploration on the still-undrilled E2, E3, and E4 gravity targets with detailed gravity surveying, prior to planned drilling. It is believed these significantly larger anomalies - both in strength and footprint - will be less structurally dissected. The project team will also extend its surveying to cover the WEST anomaly to assist in defining that target’s dimensions and potential. Access to the proposed new drill and survey sites is readily achieved along an existing road network.

Brian Jones, principal of Excel Geophysics stated, “the Sully property hosts several compelling large-scale gravity anomalies that require drill testing to properly evaluate their cause. Since making the original gravity discovery during a reconnaissance-level program in the mid 1990s there have been an additional five gravity surveying campaigns that have each confirmed the presence and added to the understanding of several large anomalies. Challenges in drill testing the E1 anomaly are a direct result of its now observed structural complexity, both in modeling and in drill core. We believe the E2, E3 and E4 anomalies present better opportunities to discover intact sources of the gravity masses.”

The project team has also completed additional prospecting and sampling over the EAST anomaly area and has collected outcrop samples from a number of sites for analysis. A soil geochemical survey is planned to extend existing coverage and to complement existing property-wide geological mapping completed by Paul Ransom, Project Manager.

### **About the Company**

Kootenay Zinc Corp. is a mineral exploration and development company based in Vancouver, British Columbia that is presently targeting the Sully Property. The Company is focused on discovering large-scale sedimentary-exhalative (“SEDEX”) deposits.

The Sully Property comprises 1,375 hectares located approximately 30 kilometres east of Kimberley, B.C., and overlies rocks of similar age and origin as those which host the world-class Sullivan deposit, owned by Teck Resources Ltd. Sullivan was discovered in 1892, and is known to be one of the largest SEDEX deposits in the world. Over its 100-year lifetime, Sullivan produced approximately 150 million tonnes of ore, including approximately three hundred million ounces of silver, eight million tonnes of zinc and eight million tonnes of lead. The equivalent level of strata as at Sullivan and that formed on the margin of that same basin are present at the Sully Property. The Company cautions that past results or discoveries on proximate land are not necessarily indicative of the results that may be achieved on the Sully Property.

The scientific and technical information contained in this news release has been reviewed and approved by the Company’s Project Manager, Paul Ransom, P.Ge., a “Qualified Person” as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

### **KOOTENAY ZINC CORP.**

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### **Forward Looking Information**

This news release includes certain statements that constitute “forward-looking information” within the meaning of applicable securities law, including without limitation, statements that address the Sully Property, comments regarding the timing and content of upcoming work programs, geological interpretations, costs and timing of future exploration and development, requirements for additional capital, other statements relating to the financial and business prospects of the Company. Forward-looking statements address future events and conditions and are necessarily based upon a number of estimates and assumptions. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved), and variations of such words, and similar expressions are not statements of historical fact and may be forward-looking statements. Forward-looking statement are necessarily based upon a number of factors that, if untrue, could cause the actual results, performances or achievements of the Company to be materially different from future results, performances or achievements express or implied by such statements. Such statements and information are based on numerous assumptions regarding present and future business strategies and the environment in which the Company will operate in the future, including the price of zinc

and other metals, anticipated costs and the ability to achieve goals. While such estimates and assumptions are considered reasonable by the management of the Company, they are inherently subject to significant business, economic, competitive and regulatory uncertainties and risks. Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events, level of activity, performance or results to differ materially from those reflected in the forward-looking statements, including, without limitation: (i) risks related to zinc, base metal and other commodity price fluctuations; (ii) risks and uncertainties relating to the interpretation of exploration results; (iii) risks related to the inherent uncertainty of exploration and cost estimates and the potential for unexpected costs and expenses; (iv) that resource exploration and development is a speculative business; (v) that the Company may lose or abandon its property interests or may fail to receive necessary licences and permits; (vi) that environmental laws and regulations may become more onerous; (vii) that the Company may not be able to raise additional funds when necessary; (viii) the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; (ix) exploration and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in exploration and development; (x) competition; (xi) the potential for delays in exploration or development activities or the completion of geologic reports or studies; (xii) the uncertainty of profitability based upon the Company's history of losses; (xiii) risks related to environmental regulation and liability; (xiv) risks associated with failure to maintain community acceptance, agreements and permissions (generally referred to as "social licence"); (xv) risks relating to obtaining and maintaining all necessary government permits, approvals and authorizations relating to the continued exploration and development of the Company's projects; (xvi) risks related to the outcome of legal actions; (xvii) political and regulatory risks associated with mining and exploration; (xix) risks related to current global financial conditions; and (xx) other risks and uncertainties related to the Company's prospects, properties and business strategy. These risks, as well as others, could cause actual results and events to vary significantly. There can be no assurance that planned exploration will be completed as proposed or at all, or that economic resources will be discovered or developed at the Sully Property. Accordingly, actual results may differ materially from those currently anticipated in such statements. Factors that could cause actual results to differ materially from those in forward looking statements include, but are not limited to, continued availability of capital and financing and general economic, market or business conditions, the loss of key directors, employees, advisors or consultants, equipment failures, failure of counterparties to perform their contractual obligations and fees charged by service providers. Investors are cautioned that forward-looking statements are not guarantees of future performance or events and, accordingly are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty of such statements. The forward-looking statements included in this news release are made as of the date hereof and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this news release.