



July 23, 2009

Kootenay Expands 3D IP Survey Over New Dorotea Discovery at Promontorio

Kootenay Gold Inc. ("Kootenay") (TSX Venture: KTN) is pleased to announce commencement of a 3D Induced Polarization ("IP") geophysical survey over the new Dorotea Discovery at their wholly owned Promontorio Gold/Silver Property, Sonora, Mexico.

The Dorotea Zone has been traced for more than 2 kms, surface sampling and trenching indicate **mineralization along at least 1,000 meters of its length (see attached map). Drilling encountered 34.5 meters grading 1.73 grams per tonne ("gpt") gold, 74.83 gpt silver** and 2.4% lead + zinc reported in hole KP 56 and 6.0 meters grading 5.92 gpt gold, 167.20 gpt silver and 1.625% lead + zinc reported in hole KP 55 (see news release dated February 5, 2009 for full results).

Jim McDonald, CEO of Kootenay commented: "The initial geophysical survey of 3D IP conducted over the Promontorio Mine area was very successful in mapping out sulfide mineralization (see news release dated May 14, 2008) and proved to be a valuable predictive tool for drill targeting. The current 3D IP survey on the Dorotea Zone will extend the original 2km x 2km 2008 survey by an additional 2km x 1.2 km to the NW and help provide the drill targets along the Dorotea zone."

[To view 3D DRILL MODEL visit "http://www.cs.ca/KTN/KTNVideo.html" or click here](http://www.cs.ca/KTN/KTNVideo.html)

2008 "Pit Discovery" IP Results

The 3D IP conducted over the Pit Discovery in 2008 revealed the outline of a large area of chargeability at +20m millivolts/volt contour ("mV/V"), which correlates to areas of well known mineralization. The area of chargeability was 'L' shaped with one 'arm' measuring 1,600 meters and the other 900 meters with widths being 250 to 600 meters. (Chargeability is a measure of the voltage decay of an electric current put into the ground and is used to help map out areas of sub-surface mineralization.)

The +30mV/V and +40mV/V contour corresponds well with drilling when using a IP mineralization footprint overlay. Mineralization also extends within the 20mV/V contour as shown by mineralization at surface and in drill holes which sit within the +20mV/V contour.

Systematic Trenching

Kootenay Gold Inc. has completed excavation work relating to trenching in and around the Promontorio mine area that totalled 47 trenches for 2,613 metres. Twelve mineralized zones were tested and were sought to test mineralization identified by prospecting and known showings. Results will be reported once complete and compiled.

Dorotea Discovery Geology

The Dorotea structural zone is comprised of several phases and types of breccia and semi-ductile shearing may prove to be up to 60 metres wide and extend for over 1,000 metres to the northwest. The structure has strike potential beyond the 1,000 metres as it projects into the Pit discovery area about 1,600 metres to the southeast and is covered to the northwest by postmineral conglomerates. Mineralization is hosted by a silicified and quartz veined, semi-ductile shear zone and breccias within a sequence of sandstones, siltstones and andesite/dacite. Anomalous mineralization within this broad area occurs in a silica-rich sheared zone of 10 metres true width or less within the broader 60-metre-wide shear. Steep dip and apparent lateral extent combined with highly anomalous drill and grab sampling values make this a highly attractive target.

The foregoing geological disclosure has been reviewed and verified by Kootenay's CEO, James McDonald, P.Geol (a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects). Mr. McDonald is a director of the Company.

About Kootenay

Kootenay is an emerging exploration Company actively developing mineral projects in British Columbia, Canada and the Sierra Madre Region of Mexico. The Company's top priority remains the ongoing development of its 100% owned Promontorio Gold/Silver project, which encompasses the former producing Promontorio Silver Mine in Northwest Mexico.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or the accuracy of this release.

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