

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Kootenay Silver Inc. (the “**Company**” or “**Kootenay**”)
1125 – 595 Howe Street
Vancouver, British Columbia V6C 2T5
Fax: 604.683.2249

Item 2: Date of Material Change

November 8, 2022

Item 3: News Release

The news release was disseminated on November 8, 2022 through Canada NewsWire and filed on SEDAR.

Item 4: Summary of Material Change

The Company closed a private placement offering previously announced on October 18, 2022, October 24, 2022 and November 2, 2022 (the “**Offering**”) of units of the Company (each, a “**Unit**”) at a purchase price of \$0.09 per Unit (the “**Offering Price**”) for aggregate gross proceeds of \$5 million.

Item 5: Full Description of Material Change

The Company closed its previously announced brokered Offering for gross proceeds of approximately \$3.56 million consisting of 39,561,110 Units, including the full exercise of the option granted to the Agents, at the Offering Price, with a non-brokered portion of the Offering for gross proceeds of approximately \$1.44 million consisting of 15,994,445 Units at the Offering Price, for aggregate gross proceeds to the Company of \$5 million.

The Offering was led by Research Capital Corporation, as the lead agent and sole bookrunner, on behalf of a syndicate of agents, including Red Cloud Securities Inc. (collectively, the “**Agents**”).

Each Unit is comprised of one common share of the Company (a “**Common Share**”) and one Common Share purchase warrant (a “**Warrant**”). Each Warrant is exercisable to acquire one Common Share (a “**Warrant Share**”) at an exercise price of \$0.135 per Warrant Share for a period of 36 months from the closing of the Offering.

In connection with the Offering, the Agents received a cash fee of \$251,229.99. In addition, the Company granted the Agents 3,043,874 non-transferable compensation warrants (the “**Compensation Warrants**”). Each Compensation Warrant entitles the holder thereof to purchase one Unit at an exercise price of \$0.09 per Unit for a period of 36 months following the Closing of the Offering. The Company also paid aggregate cash finders’ fees of \$22,858.20 to two arm’s length finders, Canaccord Genuity Corp. (“**Canaccord**”) and Discovery Financial SARL in connection with the Offering and issued to Canaccord non-transferable finder’s warrants exercisable into 216,960 common shares of the Company at an exercise price of \$0.135 per common share for a period of 36 months from the closing of the Offering. All securities issued in connection with the Offering are subject to a Canadian securities law resale restriction period expiring on March 9, 2023.

A certain related party of the Company participated in the Offering, as set out below. The participation in the Offering by the related party of the Company constitutes a related party transaction pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the participation of the insider in the Offering in reliance on the exemptions contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, respectively. The Offering was unanimously approved by the board of directors of the Company.

Mr. Raj Kang, the Chief Financial Officer and Corporate Secretary of the Company and a related party to the Company within the meaning of MI 61-101, subscribed for 136,778 Units. Mr. Kang now beneficially owns, or exercises control or direction over 634,278 Common Shares or approximately 0.15% per cent of the issued and outstanding Common Shares (or approximately 0.25% per cent of the issued and outstanding Common Shares on a partially diluted basis including all convertible securities of the Company owned or controlled by Mr. Kang).

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This material change report does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

The material change report is being filed after closing of the Offering. This was necessary in order to permit the Company to close the Offering in a timeframe consistent with usual market practice for transactions of this nature.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

N/A.

Item 7: Omitted Information

N/A.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Rajwant Kang, Chief Financial Officer and Corporate Secretary
Telephone: 604.601.5650

Item 9: Date of Report

November 17, 2022.