



ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2022

(Dated as at November 22, 2023)

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PRELIMINARY NOTES

Date of Information

All information contained in this Annual Information Form (“AIF”) is current as of December 31, 2022, unless otherwise stated.

Financial Information

The Company’s financial results are prepared and reported in accordance with International Account Standard issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

Documents Incorporated by Reference

The report, titled “Technical Report for the Promontorio Property: Promontorio & La Negra Resource Estimate”, was prepared by independent consultants Moose Mountain Technical Services and was authored by Sue Bird P.Eng., with an effective date of August 27, 2023, and an issue date of November 22, 2023.

The report, titled “Technical Report for the Columba Silver Property”, was prepared by independent consultants Moose Mountain Technical Services and was authored by Sue Bird P.Eng., with an effective date of March 17, 2023, and an issue date of July 28, 2023.

The report, titled “Technical Report on the Updated Mineral Resource Estimate on the San Gregorio/Las Carolinas Zones, La Cigarra Silver Project, Chihuahua Mexico”, was prepared by independent consultants GeoVector Management Inc. and was authored by Allan Armitage, Ph. D., P.Geo and Joe Campbell, B.Sc.(H), P.Geo., with an effective date of January 14, 2015, and an issue date of February 27, 2015.

The Technical Reports was prepared in accordance with National Instrument 43-101 is specifically incorporated by reference into this Annual Information Form and may be obtained online at the SEDAR website at www.sedar.com.

Currency and Exchange Rates

The Company’s business activities are carried out through its subsidiaries in Mexico and are conducted in Canadian dollars. Accordingly, the Company’s financial accounts are maintained in Canadian dollars.

All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated. “US\$” is used to indicate United States dollar values.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

	Year Ended December 31		
Canadian Dollars into U.S. Dollars	<u>2020</u>	<u>2021</u>	<u>2022</u>
Rate at end of period	1.2732	1.2678	1.3544
Average rate for period	1.3415	1.2535	1.3011

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

<u>To convert from Imperial</u>	<u>To metric</u>	<u>Multiply by</u>
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

Forward-Looking Statements

This AIF contains certain statements, which may constitute "forward-looking statements" within the meaning of Canadian securities law requirements and Section 21E of the Securities Exchange Act of the United States. Forward-looking statements include, but are not limited to, statements with respect to anticipated commencement dates of mining or metal production operations, projected quantities of future metal production, anticipated production rates and mine life, operating efficiencies, costs and expenditures and conversion of mineral resources to reserves. In certain cases, forward-looking statements can be identified by the use of words such as "could", "expect", "believe", "will", "estimate", "anticipate", "project" and similar expressions and statements relating to matters that are not historical facts. Forward-looking statements involve known and unknown risks and uncertainties and other factors, including those described under the heading "Risk Factors", which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, price volatility of gold and silver; volatility of commodity prices and other input costs; mining industry operational hazards and environment concerns; uncertainty of estimates of mineral resources and reserves; requirements for additional financing which may not be available; changes in political conditions or governmental policies and political and financial instability in the countries in which the Company's properties are located; government regulation and requirements for permits and licenses and competition. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE STRUCTURE

Name, Address, and Incorporation

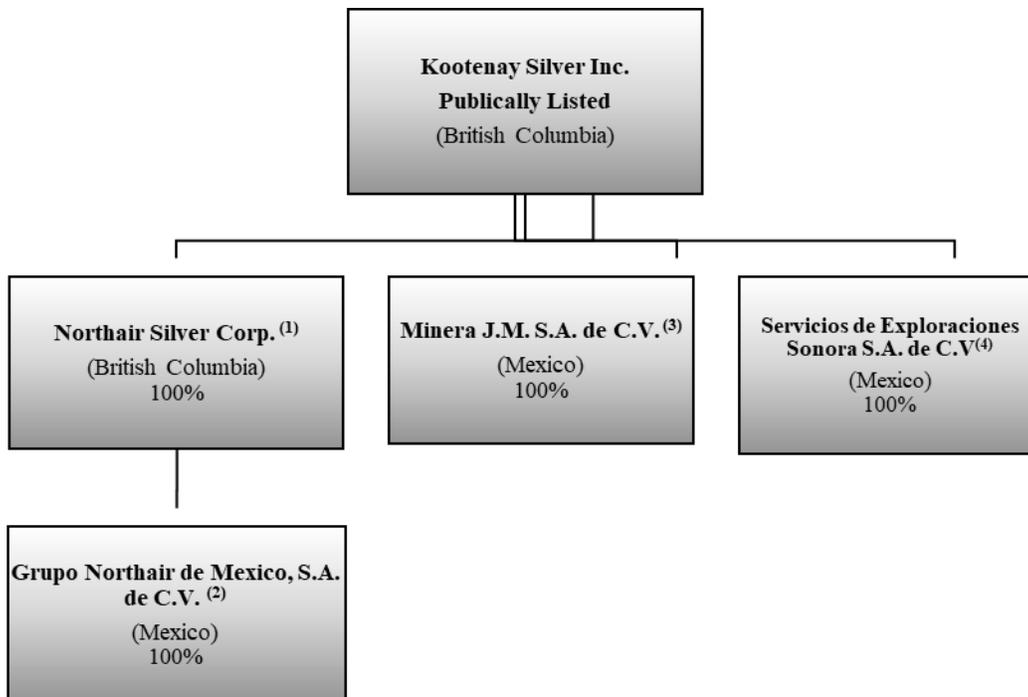
Kootenay Silver Inc. (the “Company”) was incorporated under the the *Business Corporations Act* (Alberta) on March 7, 2003 under the name Kootenay Gold Corp. On November 9, 2006, the Company continued into British Columbia from the Jurisdiction of Alberta, under the Business Corporations Act, with the name of Kootenay Gold Inc.

The registered office of the Company is located at Suite 910, 800 Pender Street, Vancouver, British Columbia V6C 2V6. The Company’s principal office is located at Suite 1125, 595 Howe Street, Vancouver, British Columbia V6C 2T5.

The Company’s common shares are listed on the TSX Venture Exchange under the trading symbol “KTN”.

Intercorporate Relationships

As of the date of this AIF, the Company has three wholly owned subsidiaries. All references herein to the Company include the Company, Northair Silver Corp. (“Northair”), Grupo Northair de Mexico, S.A. (“Grupo”), Minera J.M. S.A. de C.V. (“MJM”) and Servicios de Exploraciones Sonora S.A. de C.V. (“SES”). The diagram sets forth the Company’s inter-corporate relationships with each of its subsidiaries, Kootenay Silver Inc. and Northair, Vancouver, British Columbia, MJM and SES in Hermosillo, Sonora, Mexico, and Grupo in Chihuahua, Mexico including the jurisdiction of incorporation or organization and the Company’s percentage ownership.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is an exploration stage mining company with a primary objective and business plan of discovering or acquiring silver dominant mineral deposits that have the potential to become economically viable for further development in Mexico and, until 2021, Canada. In August of 2021 the Company spun out all Canadian assets into the separate entity Kootenay Resources Inc. The core management and technical team are industry professionals that have international experience in all aspects of mineral property acquisition, mineral exploration, operations, and financing.

The Company has been successful in discovering mineral resources through grassroots exploration with three significant silver discoveries in Mexico, two of which are on its Promontorio property in Sonora, namely Promontorio and La Negra and another La Cigarra Property, located in the Parral mining district of Chihuahua State.

Since late 2018, the Company has been focussed on the Columba Project (“Columba”) in Chihuahua State, Mexico which is a classic epithermal vein system demonstrating potential for discovery of high-grade resources. The Company continues to seek joint venture partners to option its generative exploration projects to conduct exploration and make option payments to the Company to obtain a right to an earn-in interest in the project. From 2019 to 2022 drilling occurred on two projects being Columba and Copalito which is located in Sonora, Mexico. The Company terminated its option on Copalito in 2022.

The following is a discussion of the general development of the Company’s business over the last three years, and the major events or conditions that have influenced that development. For further information please refer to “Narrative Description of the Business”.

2020 Developments

During 2020, the Company was focused on its Columba and Copalito properties.

On January 8, 2020, the Company announced assay results from the final seven holes of the 2019 drill program at the Columba Property. The 2019 Drill Program totaled 6,853 metres in 41 holes. The final seven holes, CDH-19-035 to CDH-19-041, explored the F Vein (site of historical mine workings), B Vein, and E Vein. A follow up drill program was designed based on the results of the 2019 drill program. Numerous priority areas were identified, and additional structures remain untested all of which are addressed in the 2020 drill program.

Highlights of holes CDH-19-35 to CDH-19-041:

Hole CDH-19-035:

- 405 gpt silver over 2.28 metres within a wider interval of 103 gpt silver over 11.35 metres in a footwall vein to the F Vein;
- 494 gpt silver over 1.35 metres in the F Vein within 274 gpt silver over 3.0 metres and 60 gpt silver over 23.0 metres;
- 547 gpt silver over 1.0 metre within a wider interval of 114 gpt silver over 7.05 metres in a hydrothermal breccia in the E Vein.

Hole CDH-19-038:

- 628 gpt silver over 1.5 metres within a wider interval of 301 gpt silver over 4.63 metres and 175 gpt silver over 10.0 metres in the B Vein. Quartz, quartz-barite veins and veinlet stock work and silicified rhyolite.

The following are highlights of twinned holes to test triple tube drilling for achieving better recoveries. Results showed a 1-9% increase in recovery across mineralized intervals. Within intervals grade and widths with triple tube show both increases and decreases relative to better recoveries. More holes are needed to determine the effect of recovery on grade and widths.

Hole CDH-19-040: Twin of CDH-19-005:

- 808 gpt silver over 0.88 metres over a wider intercept of 194 gpt silver over 4.9 metres intercepting banded quartz vein (F Vein).

Hole CDH-19-041: Twin of CDH-19-008:

- 650 gpt silver over 7.45 metres within a wider interval of 159 gpt silver over 39.9 metres intercepting banded quartz vein (F Vein);
- Including: 919 gpt silver over 1.15 metres; 953 gpt silver over 1 metre; 527 gpt silver over 1 metre; 860 gpt silver over 1 metre and 715 gpt silver over 1.8 metres.

All widths are drilled widths. At this time, it is estimated true widths will range from 60 to 80% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

On February 9, 2020, the Company announced the commencement of the 2020 drilling program at Columba. The Phase II 7,000-metre core drilling program was designed to follow up on high grade results from the 2019 campaign. Follow up drilling focused on the results of the Phase I program, which targeted six different veins on the Property. Phase II plans for two drill rigs, with the first drill rig concentrating on the historically mined F Vein, infilling large gaps between phase I holes and defining the open strike length and depth extent. The Phase I drilling along the F Vein intercepted high-grade silver over a strike length of 700 metres and to depths of over 200 metres. A second drill rig is planned to arrive in March once camp preparations are made. The second drill rig will test numerous other high-grade hits on different veins such as CDH-19-030, 31 and 38 mentioned above. Drill testing will include several other priority areas and structures that provide excellent potential for high-grade discovery; specifically, along veins where Phase I drilling intercepted favorable widths and appreciable silver grades.”

On March 31, 2020, the Company reported it had temporarily suspended drilling at the Columba and Copalito Properties in Chihuahua and Sinaloa, Mexico, respectively. These actions were taken in response to the novel coronavirus (“COVID-19”) to minimize potential exposure to the Company’s employees, contractors, families, and communities and to comply with the Mexico Presidential Decree issued March 30, 2020. Prior to the work stoppage at Columba, the Company completed a total of 1,679 metres over 10 drill-holes of the planned 7,000-metre phase II program. At the Copalito silver-gold project, located in Sinaloa State, the Company completed the first hole of a planned 3,000-metre drill program. The first drill-hole, totaling 105.2 metres in length, successfully intercepted the 5 Senores Vein over a drill width of nearly 40 metres.

On May 19, 2020, the Company announced assays from the first six of ten drill holes completed at Columba before the COVID-19 related shutdown. These holes tested the F Vein structure along 400 metres of strike length with holes 42 to 45 focusing on gaps in the Phase I drill program, while holes 46 and 47 were step outs along strike. These holes showed good continuity across the area of the F Vein tested to date. They also returned some of the highest grades reported to date with two of the best holes, CDH-20-046 and 047, expanding the tested area toward previously reported CDH-19-035, which encountered 494 gpt silver over 1.35 metres in the F Vein and sits about 140 metres to the southeast of CDH-20-046 and 047.

On May 26, 2020, the Company announced assay results from the four remaining holes. These drill results showed continuity and high grades along nearly 600 metres of strike on the F Vein at depths from 15 to 200 metres. Holes 51 and 49 with silver grades exceeding 800 gpt and 2000 gpt, respectively. These grades are in new veins that are additive to the F Vein. The hanging-wall structure in particular shows high grades of silver and good continuity along 400 metres of strike. Holes 51 and 49 also hit high silver grades of 769 gpt and 484 gpt in the F Vein, successfully extending high grade silver mineralization 100 and 150 metres down dip from holes 45 and 42.

On June 9, 2020, the Company announced the recommencement of drilling at the Columba high-grade silver project following the temporary COVID-19 related work stoppage, assuring it would remain vigilant to any changes that may arise due to the COVID-19 pandemic. The Company completed 1,800 metres in ten holes prior to the shutdown in March 2020.

On June 10, 2020, the Company announced its partner on the Cervantes project, Aztec Mineral Corp. (“Aztec”), provided an updated review in anticipation of signing a joint venture agreement and developing the first joint venture exploration program. Aztec reported that an “integrated review of the geological, geochemical, and geophysical data on Cervantes (has) identified 11 targets in total of which 7 were ready for drilling.”

Drilling conducted during 2017 successfully discovered and partially outlined an oxide gold cap to a significant new porphyry gold-copper discovery at the California Zone. Mineralization within the California Zone remains open in all directions. Highlights from the 2017 drilling program include the following intercepts:

- 160m @ 0.77 gpt gold incl 80m @ 1.04 gpt gold, 0.11% copper in 18CER010
- 139m @ 0.71 gpt gold incl 20m @ 2.10 gpt gold, 0.16% copper in 17CER005
- 118m @ 0.63 gpt gold incl 43m @ 1.18 gpt gold, 0.16% copper in 17CER003
- 122m @ 0.60 gpt gold incl 62m @ 0.88 gpt gold, 0.06% copper in 18CER007
- 170m @ 0.42 gpt gold incl 32m @ 0.87 gpt gold, 0.06% copper in 18CER006

On June 11, 2020, the Company announced that drilling had recommenced at Copalito in Sinaloa, Mexico. This is the continuation of the initial drill program that began in March 2020, before operations were halted due to health restrictions imposed by the Government of Mexico in wake of the COVID-19 pandemic. One-hole totalling 105.2 metres of the planned 3,000-metre program was completed before the temporary work stoppage. The Program is the first drilling to date on the Property and will test positive surface sampling and mapping.

Copalito is host to a classic epithermal vein system that has never been drilled. Several principal veins with strike lengths up to 2 kilometres and widths from 0.5 to 15 metres have been identified at surface. Over 10 kilometres of untested vein strike has been mapped with high-grade silver and gold discovery potential.

On June 17, 2020, the Company announced assay results from the first core hole completed at its Copalito property. The results were derived from the initial 105.2 metres of the 3,000-metre drill campaign and returned a cumulative 8 metres grading 248 gpt silver and 0.562 gpt gold.

On July 16, 2020, the Company reported high grade silver intercepts from five drill holes at the Columba project. Mineralization on the F Vein remains open along strike and to depth and continues to be a promising target for further investigation after other veins have been explored. To date the spacing of drill holes along the F Vein has varied from 50 metres to over 200 metres thus more drilling is required. It was determined that sufficient drilling of the F Vein had been completed and the focus was moved to other veins.

Highlights from the additional 5 holes include:

CDH-20-052

- 601 gpt silver over 1.23 metres within a wider intercept of 279 gpt silver over 4.08 metres and 199 gpt silver over 7.53 metres within the F Vein.

CDH-20-053

- 753 gpt Ag over 0.95 metres within 620 gpt silver over 2 metres, 496 gpt silver over 3 metres and 116 gpt silver over 34 metres within the F Vein.
- CDH-20-053 is about 53 metres down dip and 15 metres north of CDH-20-052

CDH-20-054

- 319 gpt silver over 1.8 metres within 158 gpt silver over 5 metres within the F Vein.
- CDH-20-054 is 20 metres south of CDH-19-035 and approximately 20 metres further down dip.

CDH-20-055

- Returned two lower grade intervals within the F Vein approximately 100 metres and 125 metres down dip of holes CDH-19-035 and CDH-20-054 respectively.

On July 22, 2020, the Company announced assay results from three new drill holes at the Copalito silver-gold project in Sinaloa State, Mexico. These were the second, third, and fourth core holes to be announced following the restart of the 3,000 metre, 2020 drill campaign designed to target high-grade silver and gold showings of the six principle veins exposed at surface on Copalito.

Holes BDH-20-002 to BDH-20-004 tested the 5 Senores Vein located in the southern area of the Property. These holes, along with the previously released BDH-20-001 (see KTN news release dated June 16, 2020), showed good continuity for at least 500 metres of strike length along 5 Senores. In addition, drilling showed high-grade mineralization matching up with the promising results garnered from surface sampling.

Two holes contained particularly exciting results. At a shallow depth hole BDH-20-004 intercepted 2,830 gpt silver with 0.145 gpt gold over 1 metre within 3.2 metres of 1,297 gpt silver and 0.285 gpt gold all within 13.1 metres of 347 gpt silver and 0.216 gpt gold. BDH-20-002 hit 10.3 metres of 80 gpt silver and 0.905 gold including 1.7 metres of 3.2 gpt gold beginning at a depth of 42 metres.

Highlights from BDH-20-002 to BDH-20-004:

BDH-20-002

- 118 gpt silver and 0.346 gpt gold over 6.0 metres includes:
- 1.69 gpt gold over 4.3 metres and 3.02 gpt gold over 1.7 metres

BDH-20-004

- 2,830 gpt silver and 0.145 gpt gold over 1.0 metres within
- 1,297 gpt silver and 0.285 gpt gold over 3.2 metres and
- 347 gpt silver and 0.216 gpt gold over 13.1 metres within the 5 senores vein; this interval encapsulates the first two highlights.

On July 28, 2020, the Company announced that it entered into an agreement with Mackie Research Capital Corporation as lead agent and sole bookrunner on its own behalf, and if applicable, on behalf of a syndicate of agents in connection with a best efforts, private placement of units of the Company (the “Units”) at a price of \$0.40 per unit for gross proceeds of up to \$5,000,000. On the same day, the offering was increased to \$7,000,000.

The Units each comprised of one common share of the Company and one-half of one Common Share purchase warrant. Each warrant is exercisable to acquire one Common Share at a price of \$0.55 per warrant Share for a period of 24 months from the closing of the offering. The Agents were given the option to offer for sale up to an additional 15% of the number of Units sold in the Offering at the Offering Price, which Agents Option is exercisable, in whole or in part at any time up to 48 hours prior to the closing of the Offering. The Company stated the proceeds would be intended for working capital requirements and other general corporate purposes.

On August 13, 2020, the Company announced results from four additional holes from its 7,000-metre drill program at the Columba Project. Two holes, CDH-20-057 and CDH-20-059, tested the F Vein. Hole CDH-20-060 intercepted the J and Z Vein system and encountered a well mineralized breccia and quartz vein stockwork zone located approximately 700 metres away from the F Vein. CDH-20-058 hit an old mine working at target depth.

Highlights from J and Z Vein system include:

CDH-20-060

- 132 gpt silver over 64 metres including two notable intervals:
- 1,025 gpt silver over 1.0 metres within 226 gpt silver over 9.0 metres.
- 361 gpt silver over 11 metres including 608 gpt silver over 5.0 metres, and 1,160 gpt silver over 1.0 metres all within 229 gpt silver over 22 metres.

Hole CDH-20-060 is about 40 metres deeper and 20 metres along strike from previously announced hole CDH-19-030 (see news release dated December 12, 2019). This Phase I drill hole hosted the following high-grade mineralization:

On August 25, 2020, the Company announced the closing of a \$7,000,000 equity private placement. The Company issued 17,500,000 Units at a price of \$0.40 per Unit for aggregate gross proceeds of approximately \$7,000,000. The offering was led by Mackie Research Capital Corporation, as lead agent and sole bookrunner, on behalf of a syndicate which also included PI Financial Corp. Eric Sprott, through 21764123 Ontario Ltd., participated in the Offering to maintain his proportionate equity interest in the Company by acquiring 2,500,000 Units.

The securities issued under the Offering are subject to the four-month hold period prescribed under Canadian securities laws expiring on December 26, 2020. In connection with the Offering, the Agents received an aggregate cash fee equal to 6.0% of the gross proceeds from the Offering (other than in respect of certain subscribers on which a cash fee equal to 3.0% was paid). In addition, the Company issued to the Agents 1,050,000 non-transferable broker warrants (the "Broker Warrants"). Each Broker Warrant entitles the holder to purchase one Unit at an exercise price equal to the Offering Price until August 25, 2022. The Offering is subject to the final acceptance of the TSX Venture Exchange (the "Exchange").

On October 5, 2020, the Company announced the discovery of a broad zone of hydrothermal breccias encompassing low to medium grade quartz stockwork system at the J-Z Zone at the Columba project, as confirmed by drilling assays.

Drill Highlights of J-Z breccias & veins system:

New holes reported in this release include holes CDH-20-061 to CDH-20-066. Click the following links to view a [drill plan map](#), [set of cross sections](#) and [video of the J-Z Zone](#).

CDH-20-061 (two mineralized zones intercepted)

- 43 gpt silver over 30.85 metres hitting hydrothermal breccias and quartz stockwork includes:
 - 164 gpt silver over 1.0 metre
 - 63 gpt silver over 8.0 metres; and
 - 54 gpt silver over 7.85 metres in Hydrothermal breccias and quartz stockwork includes:
 - 144 gpt silver over 2.0 metres

CDH-20-062

- 93 gpt silver over 11.6 metres hitting hydrothermal breccias and quartz stockwork includes:
 - 115 gpt silver over 8.3 metres
 - 161 gpt silver over 1.0 metre

CDH-20-063 (two mineralized zones intercepted)

- 762 gpt silver over 0.49 metres in hydrothermal breccias and quartz stockwork within 187 gpt silver of 2.49 metres and
- 91 gpt silver over 9.0 metres

CDH-20-064

- 67 gpt silver over 7.69 metres hitting a banded quartz vein and hydrothermal breccia includes:
 - 100 gpt silver over 4.5 metres in a banded quartz vein

CDH-20-065

- 106 gpt silver over 7.0 metres hitting a banded quartz vein.

CDH-20-66 (two mineralized zones intercepted)

- 22 gpt silver over 19.0 metres in hydrothermal breccia and stockwork and
- 773 gpt silver over 1.5 metres within 9.0 metres of 154 gpt silver and 25.5 metres of 69 gpt silver

On October 27, 2020, the Company announced drilling results from 29 holes of the first ever drill program at the Copalito Silver-Gold Project in Sinaloa, Mexico. A total of 4,153 metres were drilled over 40 holes, an increase from the originally planned 3,000-metre program. Holes BDH-20-005 to BDH-20-033 were reported in this release. The objective of the first Program was to drill a number of holes into each of the known vein structures to determine grade, continuity potential and build a prioritized inventory of veins. The Program successfully verified the existence and continuity of mineralized gold and silver veins at the project, where there is no evidence of modern exploration. Results demonstrate several areas having potential to host high grade deposits that will be the focus of follow up drilling.

Highlights of assays completed from holes BDH-20-005 to BDH-20-033 are reported below:

BDH-20-009

- 95.4 gpt silver Equivalent (“AgEq”); 63 gpt silver, 0.15 gpt gold and 0.47% lead + zinc (“Pb+Zn”) over 18.0 metres includes:
 - 1,047 gpt AgEq; 936 gpt silver, 0.29 gpt gold and 3.31% Pb+Zn over 1 metre.

BDH-20-015

- 110.60 gpt AgEq over 7.0 metres with 1.2% Pb+Zn, includes:
 - 394 AgEq; 51 gpt silver, 2.28 gpt gold, 6.18 % Pb+Zn over 1.2 metres.

BDH-20-022, with copper mineralization

- 431.43 gpt AgEq; 307 gpt silver, 0.154 gpt gold, 0.15% Pb+Zn and 1.27% Cu over 0.7 metres

BDH-20-025

- 24.8 gpt AgEq over 11.3 metres with 0.15 %Pb+Zn, includes:
 - • 242 gpt AgEq, 209 gpt silver, 0.196 gpt gold and 0.67 % Pb+Zn over 0.4 metres.

BDH-20-031

- 205.25 gpt AgEq; 45 gpt silver, 0.86 gpt gold 3.46 % Pb+Zn over 1.2 metres.

BDH-20-033

- 215.27 gpt AgEq; 101 gpt silver, 0.7 gpt gold, 2.28 % Pb+Zn over 2.7 metres includes
 - 1209.59 gpt AgEq; 59 gpt silver, 7.05 gpt gold, 13.55 % Pb+Zn over 0.2 metres.

High grades were also encountered in the first 4 holes released most notably BDH-20-04 which hit 379 gpt AgEq (347 gpt silver, 0.216 gpt gold and 0.56% lead+zinc) over 13.1 metres including 2,897 gpt AgEq (2,830 gpt silver, 0145 gpt gold and 2.1% lead+zinc).

* Silver equivalent based \$24/oz silver \$1900/oz gold, \$1/lb zinc, \$0.8/lb lead. Silver equivalent calculations assume 100% metallurgical recovery for all metals to estimate a silver equivalent grade. No metallurgical work has been conducted to determine recoveries.

Note: Estimated true widths range from 85 to 90% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

On November 12, 2020, the Company announced results from the remaining seven holes of the 40-hole program at the Copalito silver-gold project. These results make up part of the first ever drill program at Copalito. The drill program tested 4,153 metres along a classic Mexican epithermal vein system.

The drill program returned high-grade values from other previously released drill holes targeting such veins as the Pilar Vein with gold values up to 7.05 gpt and 13.55% lead plus zinc (BDH-20-33); the Chiva Vein with silver values up to 936 gpt (BDH-20-09); and the Cobriza Vein with silver values up to 307 gpt. The seven remaining holes, BDH-20-34 to BDH-20-40, focused on the Pilar and 5 Senores veins located within the southeast region of the Property.

Along with previous drill holes, good continuity and grade potential has been shown for at least 600 metres of strike length along the 5 Senores vein. Previously released BDH-20-04 drilled into 5 Senores contained silver equivalent values up to 2,843 gpt. Grade highlights from drilling ranged to 2,830 gpt silver (BDH-20-04) and 16.95 gpt gold (BDH-20-40).

On December 17, 2020, the Company announced that it entered into a joint venture agreement with Aztec Minerals Corp. in respect of the Cervantes porphyry gold-copper project in Sonora, Mexico. Aztec completed its earn-in and exercised the option to acquire 65% interest in Cervantes in July 2019. Kootenay retains the remaining 35% interest. The joint venture company owns 100% of Cervantes indirectly through its wholly owned subsidiary, Minera Azteca Dorado S.A. de CV.

2021 Developments

On January 26, 2021, the Company announced that an exploration program was approved with its joint venture partner Aztec Minerals, for the Cervantes porphyry gold-copper project. The plans call for a two phase, \$1.3 million CDN exploration program in 2021. The first phase planned for an \$85,000 program of sampling and mapping. Phase two is a planned \$1.05 million drilling program to start in the fall of 2021. Under the 65/35 joint venture between Kootenay and Aztec respectively, Aztec is the operator of the exploration program.

Phase 1 is dedicated to sampling and geological mapping, extending the 100 metre by 100 metre geological and geochemical grid to the north, east and west boundaries of Cervantes. Based on results from phase 1 and available funding, the phase 2 drill program is a planned 22-hole, 5,000-metre reverse circulation drill program. Four main targets were initially identified for phase 2 drilling: California, California North, Jasper, and Purisima East. The primary objectives of the 2021 exploration program were to better define open pit, heap leach gold potential, evaluate potential for deeper mineralization, test the north and west extensions of the California North and Jasper mineralization, and assess the breccia of Purisima East.

On February 23, 2021, the Company with its joint venture partner Aztec Minerals initiated the 2021 exploration program on the Cervantes porphyry copper-gold property. Aztec, as operator of the Cervantes JV, mobilized a field crew to conduct a 500+ soil sample program to extend previous soil grids and cover targets with limited historic exploration. The soil sample grid will cover 518 hectares (5.18 square kilometres) with 100 by 100-metre spaced samples to extend coverage over the Estrella and California North targets to the western, northern, and eastern limits of the property.

On March 3, 2021, the Company announced it had commenced drilling at its Columba high-grade silver project. The program was planned to focus on step out and infill drilling guided by drilling results to date in the F Vein and its associated hanging wall vein, a new discovery blind to surface. Following the F Vein drilling, focus shifted to expanding on numerous other high-grade results such as the JZ Area and B Vein.

On March 17, 2021, the Company announced it had discovered significant gold on its 100% owned Maria Elena gold project ("Male" [Mall-eh]), located 100 kilometres southeast of Hermosillo city in Sonora, Mexico. Trenching exposed several exciting gold results over a total of 8 trenches in four areas. Of the eight trenches, positive results

from five (trenches 0, 2, 4, 5, 6) were received with results from the remaining trenches (1, 3, and 7) not encountering significant veining or values.

Trench 6

- 33 metres averaging 2.67 gpt gold
 - Includes 9 metres of 5.29 gpt gold
 - Includes 1 metre of 23.7 gpt gold

Trench 4

- 24 metres averaging 1.81 gpt gold
 - Includes 8 metres of 3.98 gpt gold
 - Includes 1 metre of 17.25 gpt gold

Trench 2

- 9 metres averaging 2.01 gpt gold
 - Includes 1 metre of 15.45 gpt gold

Initial trenching was completed by an excavator with chip samples taken across one-metre lengths. Trench 0 returned narrow anomalous gold values to 0.38 gpt gold over one metre.

Gold mineralization is hosted by stock works of quartz and quartz carbonate veins formed by conjugate sets of veins striking northeast and northwest. These stock working veins form zones that range in apparent width, from a scale of one metre to over 30 metres. The zones form mineralized “structures” or trends that can be traced individually for hundreds of metres (generally 200 to 1000 metres). Further trenching is required to better determine true widths and continuity along strike.

The mineralized stock works are made of multiple veins that individually range from tens of centimetres to 1.7 metres in width. Numerous conjugate vein sets and associated stock work zones occur within a 1.5 by 1.5-kilometre area hosted within a diorite intrusion and are the source of the placer gold historically mined on the property.

Follow up steps involve interpretation of the geophysics to determine its usefulness in mapping the gold zones in covered zones, more trenching and then a decision on whether to drill or option the project.

On March 25, 2021, the Company announced that it commenced a 3,500-metre core drilling program at its Copalito gold and silver project. The Program was designed to follow up on the results of 40 shallow drill holes totaling 4,153 metres completed in 2020. Drilling is guided by detailed structural mapping to test veins such as 5 Senores.

On March 30, 2021, the Company announced that it signed an option agreement with a wholly owned subsidiary of Centerra Gold Inc. (“Centerra”) whereby Centerra was granted an option to earn a 70% interest in the Two Times Fred property located in the Nechako Plateau of Central British Columbia. A total of \$6 million CDN in exploration expenditure and \$500,000 CDN in cash payments must be incurred and made over a four-year period for Centerra to earn a 70% interest. The first year requires \$1 million of work expenditure with a minimum commitment of \$650,000. Plans for work in 2021 included up to 1,000 metres of trenching and 10 drill holes. Upon fulfillment of these conditions, the two companies will enter into a standard joint venture agreement with Kootenay retaining 30% interest.

The Two Times Fred property is host to a large classic low-sulphidation epithermal gold vein system. It is a grass roots discovery made by the Kootenay Silver team. Over the past several years Kootenay has advanced the project with limited drilling, mapping, sampling, and geophysical surveys. The project comprises numerous northeast trending veins over a 1.5 by 3.0-kilometre trend. Select rock chip sampling at surface has returned assays as high as 12.8 gpt gold and 194 gpt silver. Limited drilling (2,628 metres over 13 drill holes) shows the main identified veins occur as classic vein and vein breccia zones from a few metres to 40 metres wide. Best drill results to date include 7.6 metres of 1.69 gpt gold and 29 gpt silver.

On April 15, 2021, the Company provided a drilling update on the 5,000-metre drill program underway at the Columba property, 12 core drill holes totaling over 1,800 metres, testing the F Vein. The drill rig was then moved to test an area

east of the JZ Zone where mapping in 2020 indicated the down faulted extension of northeast trending veins. This area, known as the East Block, is approximately 1,000 metres to the east of the F Vein.

On April 22, 2021, the Company provided an update on the drill program at Copalito silver-gold property, stating that drilling was proceeding as scheduled. To date, the company had completed 1,600 of the planned 1,500 metres over 19 shallow drill holes, ranging from 50 to 160 metres in depth.

On May 6, 2021, the Company announced assay results from the first six core drill holes completed in the 2021 drill program at Columba. Notable high-grade intercepts were found in the F Vein and Hanging Wall.

Drill Highlights:

CDH-21-90

- 503 gpt silver over 1.2 metres including 889 gpt silver over 0.55 metres in the Hanging Wall Vein
- Hole CDH-21-90 is a shallow test about 65 metres below surface and includes 2.4 metres of 245 gpt silver including 365 gpt silver over 0.6 metres in the F Vein.

CDH-21-89

- 439 gpt silver over 2.7 metres including 533 gpt silver over 0.57 metres and 511 gpt silver over 0.65 metres in the F Vein.
- The high grade sits within a wide interval of 162 gpt silver over 15.45 metres
- 411 gpt silver over one metre within 4 metres of 233 gpt silver in a footwall vein to the F Vein
- Hole CDH-21-89 is important as it tests a large 100 by 150-metre gap in drilling where six peripheral drill holes encountered grades from 456 gpt over 1.5 metres (CDH-20-45) to 782 gpt over 1.05 metres (CDH-20-47) and 755 gpt silver over 1.75 metres (CDH-19-12) some 75 metres below. See the longitudinal section for reference.

CDH-21-87

- 559 gpt silver over 1.09 metres within 4 metres of 200 gpt silver in the F Vein
- CDH-21-87 was filling an untested area in the F Vein of about 100 by 75 metres where 5 peripheral holes hit grades ranging from 456 gpt over 1.5 metres (CDH-20-45) to 911 gpt silver over 1.4 metres (CDH-20-46). See the longitudinal section for reference.

Notes: All widths are drilled widths. At this time, it is estimated true widths will range from 65 to 94% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

On May 13, 2021, the Company announced results from the first four drill holes completed from the 2021 drill program at the Copalito silver-gold project. These results complement high grade drill holes previously intercepted in 5 Señores Vein, which returned 2,830 gpt silver and 0.145 gpt gold over 1 metre. There are 9 more holes to report from this vein the results of which will start to define the scope and continuity of high grade and where follow up drilling will be focused. Drilling has moved on to testing good results on the Cobriza, Aguilar, and Pilar veins.

Highlights from Holes BDH-21-041 to BDH-21-044 include:

BDH-20-041 in the 5 Señores Vein

- 325.52 gpt silver equivalent ("silver Eq") over 1 metre consisting of 303 gpt silver, 0.09 gpt gold and 0.58% lead plus zinc within 86.28 gpt silver Eq over 5.75 metres consisting of 0.049 gpt gold, 75.3 gpt silver and 0.27% lead plus zinc;
- 101.33 silver Eq over 2 metres consisting of 1.10 gpt gold, 13 gpt silver and 0.30% lead plus zinc within 55.37 silver Eq over 8.61 metres consisting of 0.456 gpt gold, 11.70 gpt silver and 0.38% lead plus zinc.

- This hole tested about 40° down dip of the high-grade intercept in hole BDH-20-040.

BDH-20-042 in the 5 Señores Vein

- 2,176.84 gpt silver Eq over 1.18 metres consisting of 1,965 gpt silver, 0.575 gpt gold, and 6.35% lead plus zinc within 213.68 gpt silver Eq over 21 metres consisting of 178.30 gpt silver, 0.187 gpt gold, and 0.81% lead plus zinc
- BDH-21-042 filled an approximate 100-metre gap in drilling.

** Silver equivalent based \$24/oz silver, \$1750/oz gold, \$1/lb zinc, \$0.80/lb lead. Silver equivalent calculations assume 100% metallurgical recovery for all metals to estimate a silver equivalent grade. No metallurgical work has been conducted to determine recoveries.*

Note: Estimated true widths range from 65 to 90% of drilled widths depending on dip of the vein and inclination of the hole.

On May 25, 2021, the Company announced additional high-grade silver results from the 5,000 metre drill program at Columba. Augmenting the high-grade, in some areas, are thick zones of mineralization coming into the high-grade such as hole CDH-21-96 where over 30 metres of continuous mineralization averaged 86 gpt silver. A number of other areas within the F Vein show similar thick intervals coming into the high-grade such as holes CDH-20-41 (39.9 metres of 159 gpt silver), CDH-20-47 (15.65 metres of 166 gpt silver), CDH-20-51 (36 metres of 72 gpt silver), CDH-20-52 (42.43 metres of 61 gpt silver), CDH-20-53 (34 metres of 116 gpt silver) and CDH-21-89 (70.5 metres of 112 gpt silver). These thick zones of silver mineralization preceding the high grade have the potential to add significantly to the amount of silver within the F Vein.

Drill Highlights - Holes CDH-21-091 to 096:

CDH-21-091

- 271 gpt silver over 0.85 metres within 189 gpt silver over 1.55 metres in the F Vein

CDH-21-092

- 368 gpt silver over 0.94 metres within 217 gpt silver over 2.44 metres in the Hanging-wall structure
- 439 gpt silver over 1.14 metres within 321 gpt silver over 2.94 metres in in the F Vein
- 255 gpt silver over 2.9 metres within 130 gpt silver over 8.0 metres in the Footwall
- Hit 3 different Vein sets in the Hanging-Wall Vein, F Vein and a Footwall Vein.
- 425 gpt silver over 2.37 metres within 230 gpt silver over 9 metres and 86 gpt silver over 30 metres in the F Vein System.
- Hole CDH-21-096 is about 50 metres along strike and 30 metres deeper than CDH-21-94 and also tested a large area with no drilling.
- CDH-21-95 hit a fault and thus missed the F Vein.

CDH-21-094

- 985 gpt silver over 1.5 metres and 809 gpt silver over 2.63 metres within 354 gpt silver over 9 metres in the F Vein

- CDH-21-94 tested an area about 200 metres from the old shaft in a large undrilled segment.

CDH-21-096

- 425 gpt silver over 2.37 metres within 230 gpt silver over 9 metres and 86 gpt silver over 30 metres in the F Vein System.
- Hole CDH-21-096 is about 50 metres along strike and 30 metres deeper than CDH-21-94 and also tested a large area with no drilling.
- CDH-21-95 hit a fault and thus missed the F Vein.

Notes: All widths are drilled widths. At this time, it is estimated true widths will range from 55 to 94% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

On June 7, 2021, the Company announced results from five additional core holes completed on the 5 Señores Vein at the Copalito property. The 5 Señores Vein is proving to be a well mineralized structure with excellent potential to host significant gold and silver resources. Drilling has now tested 600 metres of the 1 kilometre known vein strike on surface. Ten of the twelve holes drilled less than 100 metres from surface indicate that mineralization remains open along strike and to depth providing lots of room for expansion. Thus far 12 holes have tested 600 metres of strike and 175 metres of dip extent to depth with vein mineralization open along strike and to depth. Only two holes have drill tested a depth greater than 100 metres vertically from surface although topographic relief has enabled testing to 175 metre down dip.

Highlights from Holes BDH-21-045 to BDH-21-049 include:

BDH-21-045

- 325.59 gpt silver equivalent (“Eq.”) over 1.31 metre within 126.51 gpt silver Eq. over 8.35 metres
- This hole tested the 5 Señores Vein at a depth of about 26 metres vertically below surface.

BDH-21-046

- 3,488.77 gpt silver Eq. over 0.22 metres within 306.04 gpt silver Eq over 19.43 metres
- BDH-21-046 is a test 25 metres directly below BDH-21-045.

BDH-21-047

- 114.56 gpt silver Eq. over 1.00 metre
- Parallel vein to 5 Señores Vein
- 5 Señores Vein is displaced by a fault and not intercepted.

BDH-21-48

- 288.60 gpt silver Eq. over 2.2 metres within 12 metres grading 96.05 gpt silver Eq.
- 5 Señores Vein of quartz, chalcedony and calcite.

BDH-21-49

- 248.07 gpt silver Eq. over 1.68 metres within 79.19 gpt silver Eq. over 10 metres
- 5 Señores Vein.

** Silver equivalent based on 65:1 silver to gold ratio, \$1/lb zinc, \$0.8/lb lead. Silver equivalent calculations assume 100% metallurgical recovery for all metals to estimate a silver equivalent grade. No metallurgical work has been conducted to determine recoveries.*

Note: Estimated true widths range from 50 to 70% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number

On July 7, 2021, the Company announced that Hans Smit, P. Geo., agreed to join the Kootenay team as a technical advisor. Mr. Smit is a Professional Geologist with over 35 years of experience in all aspects of the mineral industry. Career successes include being one of the founders of Orla Mining Ltd. and guiding the evaluation of the Camino Rojo oxide gold project in Zacatecas State, Mexico as Orla's former Chief Operating Officer (COO). After managing a positive feasibility study, permitting and the start of construction engineering and procurement for an open pit mine and heap leach facility at Comino Rojo, Mr. Smit retired as COO of Orla in December of 2019. The Camino Rojo project is currently in construction with production planned at the end of 2021.

The Company also announced stock purchase options have been granted under the Company's stock option plan to an employee and consultant to purchase up to an aggregate of 650,000 shares of Kootenay at a price of \$0.265 per common share for a period of five years.

On August 20, 2021, announced its Board of Directors unanimously approved a spin-out of 80% of the Company's Canadian exploration assets to its shareholders by way of a share capital reorganization effected through a statutory plan of arrangement. The Canadian Assets are held through Kootenay's wholly owned subsidiary, Kootenay Resources Inc. ("Spinco"). Kootenay will distribute 80% of the common shares of Spinco to Kootenay's shareholders.

Under the Arrangement, Kootenay's current shareholders will receive Spinco Shares by way of a share exchange, pursuant to which each existing common share of Kootenay will be exchanged for one new common share of Kootenay (each, a "New Kootenay Share") and 0.04 of a Spinco Share. Under the Plan of Arrangement, outstanding options and warrants to purchase common shares of the Company will be adjusted or replaced so that upon exercise, holders will receive one New Kootenay Share and 0.04 Spinco Shares for each option or warrant exercised.

On August 26, 2021, the Company reported the discovery of a potential new high-grade zone known as the East Block within the Columba Property. This extension to the Columba veining occurs under the surface of an area which appears to be barren and adds to the numerous other high-grade zones and potential identified to date. We look forward to further testing of this exciting new area.

Drill Highlights to Hole CDH-21-101

- 459 gpt silver over 1.6 metres including:
 - 1,190 gpt silver over 0.5 metres and
 - 127 gpt silver over 1.1 metres

On September 17, 2021, the Company announced the results of its annual and special meetings of shareholders held on September 15, 2021. At the Meeting, the shareholders of the Company approved all resolutions placed before them by management as set out in the Company's management information circular dated August 12, 2021, including: (i) fixing the number of directors at five and electing Kenneth E. Berry, James M. McDonald, Brian Groves, Jon Morda and Antonio Reda as directors of the Company for the ensuing year; (ii) the re-appointment of MNP LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year at a remuneration to be fixed by the directors; (iii) the ratification of the Company's stock option plan; (iv) the adoption of a share unit plan and deferred share unit plan for the Company; (v) the statutory plan of arrangement (the "Plan of Arrangement") among the Company, the Company's securityholders and Kootenay Resources Inc. ("Spinco"), a wholly-owned subsidiary of the Company; and (vi) the adoption of a rolling 10% stock option plan, share unit plan and deferred share unit plan for Spinco.

On October 6, 2021, the Company announced results from six additional drill holes from Columba. These holes, CDH-21-102 to CDH-21-107, tested across the JZ trap zone. Importantly CDH-21-103 is the third hole that appears to be defining a very high-grade mineralized body intersected now in three holes and defining a zone in drilling thus

far in a 40 by 60 metre east west orientation with at least 80 metres of dip extent. The body appears to be pipe like in shape and plunge moderately to the northeast and is open up and down dip.

Drill Highlights – Holes CDH-21-102 to CDH-21-107:

CDH-21-103

- 805 gpt silver over 17 metres within 333 gpt silver over 44 metres including:
- 2,035 gpt silver over 6 metres within 1,201 gpt silver over 11 metres; and a high of
- 9,840 gpt silver over 0.92 metres

CDH-21-104

- 154 gpt silver over 2.45 metres within 100 gpt silver over 5 metres; and
- 168 gpt silver over 2.5 metres within 124 gpt silver over 4.12 metres; and
- 800 gpt silver over 1 metre

CDH-21-105

- 288 gpt silver over 2 metres within 174 gpt silver over 2.5 metres
- 417 gpt silver over 2 metres within 316 gpt silver over 4.0 metres; and
- 34 gpt silver over 21 metres

On October 14, 2021, announced it had made application to significantly increase its land holdings contiguous to the original Columba silver property. The Company's area of interest was expanded from just under 1,000 hectares to more than 10,000 hectares with the application of a new concession surrounding Columba. Application for the new 10,825 hectare concession is in response to the excellent results from the Company's 2021 exploration program indicating that the mineral system and extent of silver rich veins is much more extensive than what is seen at surface. Results from drilling and mapping completed by the Company have significantly extended several potential mineralized structures laterally along strike within several prospective areas at Columba. Due to the Mexican mining reform of 2023 the application is yet to be granted and the Company have filed a claim with the courts in Mexico.

On October 27, 2021, the Company announced that the previously announced spinout transaction of the Canadian assets was to be effective as of 12:01 a.m. PST on October 29, 2021. Pursuant to the Arrangement, the holders of common shares of the Company on October 28, 2021 will receive one new common share of the Company (each, a "Kootenay Silver Share") and 0.04 common shares of Spinco (each, a "Spinco Share").

On November 2, 2021, the Company announced the completion of the spinout transaction whereby Kootenay Silver spun-out 80% of the common shares of Kootenay Resources to its shareholders by way of a share capital reorganization effected through a statutory plan of arrangement was completed effective at 12:01 am PST on October 29, 2021. The CUSIP numbers of the New Kootenay Silver Shares and the Kootenay Resources Shares are 500583703 and 50058V107, respectively.

On November 3, 2021, the Company announced multiple high-grade drill results from three holes that intercepted the D Vein on the Columba property.

Drill Highlights from holes CDH-21-108 to CDH-21-110 are as follows:

CDH 21-110:

- 453 gpt silver over 29.9 metres; including
- 650 gpt silver over 17.8 metres; including
- 932 gpt silver over 6 metres
- Intercept includes a high of 1,915 gpt silver over 0.85 metres

CDH 21-109:

- 193 gpt silver over 14.56 metres; including
- 294 gpt silver over 7.11 metres; including
- 476 gpt silver over 2.31 metres
- Intercept includes a high of 592 gpt silver over 0.75 metres

CDH 21-108:

- 98 gpt silver over 77 metres; including
- 328 gpt silver over 11 metres; including
- 504 gpt silver over 5.9 metres
- Intercept includes a high of 1,100 gpt silver over 1.0 metre
- All hosted in wide mineralized zone averaging 57 gpt silver over 166 metres

These three holes were completed to follow-up on previous drill results which demonstrated high-grade silver potential within the D Vein. Earlier holes drilled along the D Vein included hole CDH-20-079 returning 525 gpt silver over 1.58 metres within 5.35 metres of 290 gpt silver and hole CDH-19-022 returning 373 gpt silver over 1.5 metres within 6.25 metres of 244 gpt silver. Drill hole CDH-21-110 happens to be the second richest intercept at Columba to date on a gram per metres basis. It is also the deepest drill test on the D Vein to date hitting the vein at about a 1650-metre elevation. Higher silver grades have been typically intercepted at and below this elevation across many of the veins at Columba and these recent results continue to confirm the Company's general exploration model.

On December 2, 2021, the Company reported results from the final drill holes of the 2021 program at the Copalito silver-gold property. These holes reported on the Agua, 5 Senores, and Chive veins. All veins continued to show excellent grades and grade potential.

Highlights from Agua Vein:

BDH-21-056

- 135.39 gpt silver Eq. over 21 metres (101 gpt silver, 0.22 gpt gold and 0.86% lead plus zinc) including:
 - 198.62 gpt silver Eq. (162.9 gpt silver, 0.28 gpt gold and 0.76% lead plus zinc) over 7 metres and 492 gpt silver Eq. over 1.50 metres.

CDH-21-80

- 422.78 gpt silver. Eq. over 0.43 metres (133 gpt silver, 0.69 gpt gold and 10.63% lead plus zinc) within 1.84 metres of 199.44 gpt silver Eq (63 gpt silver, 0.42 gpt gold and 4.75% lead plus zinc).

Highlights from Chiva Vein in Holes BDH-21-057 to BDH-21-065:

BDH-21-057

- 546 silver Eq. over 0.82 metres (513 gpt silver, 0.229 gpt gold, and 0.80% lead plus zinc) within 118.14 Silver Eq. over 6.33 metres consisting (106.5 gpt silver, 0.059 gpt gold, and 0.33% lead plus zinc).

BDH-21-058

- 1,364.03 gpt silver Eq. over 0.35 metres (300.0 gpt silver, 0.506 gpt gold, and 1.39% lead plus zinc) within 47.83 gpt silver Eq. over 12 metres (40.8 gpt silver, 0.070 gpt gold, and 0.11% lead plus zinc).

BDH-21-063

- 1,343.77 gpt silver Eq. over 0.32 metres (453 gpt silver, 4.49 gpt gold, 27.05% lead plus zinc) within 268.8 gpt silver Eq. over 1.82 metres (86.1 gpt silver, 0.924 gpt gold, and 5.46% lead plus zinc).

Highlights from Pilar Vein in Holes BDH-21-66 to BDH-21-79

The Pilar Vein is showing higher gold and base metal grades as compared to other veins with a notable 5.2 gpt gold and 15.94% lead plus zinc with 103 gpt silver over 0.85 metres (CDH-21-63) in this news release.

CDH-21-69

- 275.21 silver Eq. over 1.24 metres (198 gpt silver, 0.78 gpt gold and 1.24 % lead plus zinc).

CDH-21-73

- 437.6 gpt silver Eq over 0.9 metres (4.36 gpt gold, 13.8 gpt silver and 6.12% lead plus zinc) within 3.52 metres of 163.5 gpt silver Eq. (16 gpt silver, 1.28 gpt gold and 2.8% lead plus zinc).

CDH-21-74

- 329.38 gpt silver Eq. over 0.9 metres (4.0 gpt gold, 20.1 gpt silver and 2.15% lead plus zinc) within 5.3 metres of 172.13 gpt silver Eq. (185 gpt silver, 1.1 gpt gold and 3.57 % lead plus zinc).

CDH-21-76

- 810.1 gpt silver Eq. over 0.85 metres (103.1 gpt silver, 5.2 gpt gold and 15.94 % lead plus zinc).

CDH-21-79

- 315.62 gpt silver Eq. over 0.45 metres (10 gpt silver, 3.37 gpt gold and 3.69% lead plus zinc) within 4.45 metres of 176.32 gpt silver Eq. (36 gpt silver, 1.05 gpt gold and 3.21% lead plus zinc).

Silver Equivalent uses 65:1 Silver to gold ratio and lead at \$0.80 per pound and zinc at \$1.00 per pound; silver equivalent calculation assumes 100% recovery of all metals. All widths are drilled widths with true widths generally ranging from 50 to 90% depending on vein dip and hole inclination.

A total of 81 holes for 8,012 metres have been completed during the 2020 and 2021 drill programs.

December 16, 2021, the Company announced drill results from the final three holes of the 2021 Phase 3 program on the Columba property. The last three holes tested the B Vein.

Drill Highlights:

CDH-21-111

- 105 gpt silver over 5.29 metres including;
- 190 gpt silver over 2.15 metres.

CDH-21-112

- 219 gpt silver over 29.5 metres including
 - 434 gpt silver over 13.05 metres including;
 - 1,050 gpt silver over 2 metres within 667 gpt silver over 7.05 metres.

CDH-21-113

- 156 gpt silver over 3.5 metres; and
- 628 gpt silver over 1.1 metres within 393 gpt silver over 2.05 metres.

All widths shown are drilled widths. True widths are estimated to be between 55% and 70% of drilled widths based on the interpreted dip and strike of the veins.

2022 Updates

On January 27, 2022, the Company reported that the Aztec Minerals/Kootenay Silver joint venture completed the first 14 holes, totaling 2,810.6 metres of the current 5,000-metre, 22-hole Phase 1 reverse circulation drill program at Cervantes. Four holes were drilled for 769.6 m to test the southern portion of the Purisima East target, an area which hosts historic underground mines and prospects. This area is coincident with IP chargeability and gold-copper-molybdenum anomalies within a breccia along the rim of a porphyry intrusion. All four holes intersected pervasively fractured, oxidized, argillic and silicified sediments and quartz feldspar porphyry dikes and hydrothermal breccias.

Ten holes thus far have been drilled into the principal California gold-copper porphyry target, where the Aztec – Kootenay JV previously discovered extensive porphyry gold-copper mineralization (drill intercepts up to **0.77 gpt**

gold over 160 m). The 10 step-out holes for 2,041 m are at 50 m spacings to expand and better define the area of oxide gold mineralization at California. There remain several drill holes to be completed to be followed by two 500 m deep holes to test the depth extent of the strong underlying IP chargeability anomaly which is hoped to be a large gold-copper porphyry. This mineralization is associated with massive silicification and extensive hydrothermal brecciation of the hosting quartz feldspar porphyry and the surrounding sedimentary rocks.

On February 9, 2022, the Company announced a \$4,000,000 private placement financing of units. With Research Capital Corporation, as sole agent and sole bookrunner, in connection with a best efforts, a private placement of the Company units of \$0.16 per unit for a gross proceeds of up to \$4,000,000 was offered. Each unit comprised one common share of the Company and one Common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.22 for a period of 36 months. The offering was increased to \$5,000,000 on February 11, 2022. *On February 14, 2022,* the Company announced a further upsizing of the marketed private placement to \$5,400,000.

On February 16, 2022, the Company announced that JV operator Aztec Minerals Corp. reported a broad, high grade, gold intercept at the Cervantes Property in its first drill hole. This is the first hole in the California target in the current program and represents a significant step out from a previous fence of holes that established a broad area of shallow oxide gold mineralization. The best hole from which graded a drill length of 160 metres of 0.77 gpt Au, 0.13% copper and 3.4 gpt silver.

California Zone Drill Highlights

- 1.1 gpt Au over 88.41 m in mineralized quartz feldspar porphyry
 - Including 1.56 gpt Au over 54.9 m with 2.8 gpt Au over 24.4 metres

On February 23, 2022, the Company reported that its joint venture partner and operator, Aztec Minerals Corp., intersected further broad, high-grade, gold mineralization over three holes during the 2022 RC drill program.

California Zone Drill Highlights

- 1.002 gpt gold over 167.2 metres in mineralized quartz feldspar porphyry, including 24.4 metres of 4.247 gpt gold in CAL22-004, located in the central part of the mineralized zone
- 0.374 gpt gold over 99.1 metres in mineralized porphyries and hydrothermal breccias in CAL22-002 located at the west end of the mineralized zone
- 0.451 gpt gold over 45.7 metres in mineralized porphyries in CAL22-003, including 13.7 metres of 0.868 gpt gold located at the south end of the mineralized zone

On March 2, 2022, the Company announced that Aztec Minerals Corp. reported three more holes on the joint venture project, Cervantes.

Holes CAL22-005, 006 and 007 intersected extensive gold mineralization, see table below, extending the known mineralized zone at depth and to the north and to the south and covers an area now measuring approximately 900 metres long by 250 to 500 metres wide, with demonstrated, continuous mineralization up to 265 metres depth vertically. The porphyry gold-copper mineralization is still open in all directions.

California Zone Drill Highlights from mineralized quartz feldspar porphyry and hydrothermal breccias.

CAL22-008

- 0.884 gpt Au over 54.7 m including 13.7 metres of 1.965 gpt Au in, located at the southeastern edge of the mineralized zone

CAL22-009

- 0.50 gpt Au over 86.6 m at the southern edge of the central portion of the mineralized zone

CAL22-010

- 0.53 gpt Au over 138.3 m including 10.67 m of 1.622 gpt Au in, located in the central portion of the mineralized zone

On March 9, 2022, the Company announced the closing of \$6,250,000 private placement as announced on February 14, 2023. The brokered private placement offering (the “Offering”) totaled gross proceeds of \$4.78 million consisting of 29,881,000 units of the Company (the “Units”) at a price of \$0.16 per Unit (the “Offering Price”), with a non-brokered portion of the offering (“Non-Brokered Portion”) for gross proceeds of approximately \$1.47 million consisting of 9,181,500 Units at the Offering Price, for aggregate gross proceeds to the Company of \$6.25 million.

The Offering was led by Research Capital Corporation as the sole agent and sole bookrunner (the “Agent”).

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 \$0.22 per Warrant Share for a period of 36 months from the closing of the Offering.

In connection with the Offering, the Agent received a cash fee of \$361,740. In addition, the Company granted the Agent 2,260,875 non-transferable compensation warrants (the “Compensation Warrants”). Each Compensation Warrant entitles the holder thereof to purchase one Unit at an exercise price of \$0.16 per Common Share for a period of 36 months following the Closing. The Company also paid aggregate cash finder’s fees of \$13,260 to two arm’s length finders in connection with the Offering. All securities issued in connection with the Offering are subject to a Canadian securities law resale restriction period expiring on July 10, 2022. The Offering is subject to the final acceptance of the TSX Venture Exchange.

On March 22, 2022, the Company announced further drill results from the Cervantes property as reported by its JV partner Aztec Minerals.

California Zone Drill Highlights from mineralized quartz feldspar porphyry and hydrothermal breccias.

CAL22-008

- 0.884 gpt Au over 54.7 m including 13.7 metres of 1.965 gpt Au in, located at the southeastern edge of the mineralized zone

CAL22-009

- 0.50 gpt Au over 86.6 m at the southern edge of the central portion of the mineralized zone

CAL22-010

- 0.53 gpt Au over 138.3 m including 10.67 m of 1.622 gpt Au in, located in the central portion of the mineralized zone

On April 13, 2022, the Company announced additional positive drill results from the Aztec-Kootenay JV on the Cervantes Project located in Sonora, Mexico. CAL22-012 returned 152.4 metres grading 0.87 gpt Au including 33.5 metres grading 2.05 gpt Au.

California Zone Drill Highlights

- **CAL22-011**
 - 0.43 gpt Au over 132.2 metres, including 1.29 gpt Au over 12.2 metres along the north central edge of the mineralized zone.
- **CAL22-012**
 - 0.87 gpt Au over 152.4 metres, including 2.05 gpt Au over 33.5 metres along the north central edge of the mineralized zone.
- **CAL22-014**
 - 0.48 gpt Au over 54.9 metres located at the northern edge of the eastern portion of the mineralized zone

To-date, every hole drilled at California has intersected near surface, oxidized gold mineralization with minor copper oxides. There are eight more holes pending from the California zone including one pending from each of the Jasper and California North targets.

On May 5, 2022, the Company announced that JV operator Aztec Minerals Corp. released additional drill results on the California target at the Cervantes property.

California Zone Highlights

- CAL22-015 returned 0.421 gpt gold over 68.4 metres and a deeper interval of 2.246 gpt gold over 10.6 metres.
- CAL22-016 returned 0.475 gpt gold over 56.2 metres. The first multi-element ICP results show good relationships between Au, Cu, Bi, Ag and As, with prospective grades and widths for Cu and Ag for a potential porphyry deposit model.
- CAL22-015 is located at the southeastern edge of the California zone and CAL22-016 is located at the northeastern edge. Both holes intercepted mineralized porphyries and hydrothermal breccias.
- CAL22-017 returned 0.32 gpt gold over 24.3 metres and 1.65 gpt gold over 6.1 metres in porphyry, sediments and hydrothermal breccia 350 metres north of California target.

Additionally, at the Jasper target a new zone of copper mineralization was intercepted in drilling.

Widespread visible copper oxides and sulfides occur over 150 metres in quartz feldspar porphyry intrusion in RC drill hole at Jasper target 600 metres west of California Zone at Cervantes in Hole JAS22-001. This hole hit widespread visible copper oxide and secondary sulfide mineralization over 150 metres of quartz feldspar porphyry intrusion, including 0.332 gpt gold over 9.1 metres.

The Aztec-Kootenay JV has now completed its Phase 2 Reverse circulation (RC) program of 26 holes, totaling 4,649 metres at the Cervantes Property.

Reported lengths are apparent widths, not true widths, and the observed gold mineralization appears to be widely distributed in disseminations, fractures and veinlets within quartz-feldspar porphyry, feldspar porphyry stocks and related hydrothermal breccias.

On July 26, 2022, the Company announced that on July 22, 2022, Kootenay and Aztec Minerals entered into a Purchase and Sale agreement whereby Aztec will indirectly acquire Kootenay's 35% interest in the joint venture company that holds the Cervantes porphyry gold-copper project. Aztec will issue to Kootenay 10,000 common shares in the capital of Aztec, at a price of C\$0.25 per share, and Kootenay will retain a 0.5% Net Smelter Return Royalty ("NSR"). Upon completion of the transaction, JV Corp. will be a wholly owned subsidiary of Aztec.

On August 4, 2022, the Company provided an update on the drilling at the Columba silver project. Significant progress was made on the 15,000-metre drilling program announced earlier in 2022. As a considerable portion of assays were outstanding as of August 4, 2022, the Company initiated a pause to wait for the assay results—as these would assist in targeting of additional step-out drill holes.

On August 11, 2022, the Company announced a successful amendment to the option agreement for 100% of the Columba high-grade silver project. The amended agreement split the final November 2022 payment into a series of payments due in August, November, and December of 2022, and in January, April, and May of 2023. Payments range from US\$215,000 (August 2022 and May 2023) to US\$480,000 (November 2022), and US\$430,000 (December 2022, January, and April 2023).

On August 16, 2022, the Company announced assay results from the first six drill holes of the 2022 Columba drilling program that began in May 2022. The results detailed in this release extend known mineralization at both the D Vein and F Vein targets.

Drill Highlights:

D Vein

CDH-22-115

- Well mineralized zone averaging 449 gpt silver over 11.3 metres from 81.1 metres downhole.
- Highest grade intercept 795 gpt silver, 0.95% lead and 1.47% zinc over one metre.
- Extends vein mineralization 50 metres to west of nearest intercept (CDH-19-021).

CDH-22-119

- 1,395 gpt silver over 1.5 metres within 416 gpt silver over 7.74 metres.
- Highest grade intercept 1,550 gpt silver and 0.95% lead and 4.5% zinc over 0.89 metres.
- 100-metre step out below CDH-22-115.

F Vein

CDH-22-118

- 107 gpt silver over 7.0 metres
- 75 metres deeper than previously released hole CDH 21-96 with 425 gpt silver over 2.37 metres
- Remains open to depth

¹ True widths are estimated at between 65% and 85% of the downhole lengths.

On September 1, 2022, the Company released another batch of assay results from the Columba property. Results from five additional drill holes were reported with one hole from the D Vein, and four holes from the F Vein.

Drill Highlights:

F Vein

CDH-22-121

- High grade of 2,330 gpt silver, 0.06% lead and 0.80% zinc across drill length of 1.63 metres
- Extends F Vein 50 metres down-dip of previous intercept on-section (beneath CDH 20-053).
- Mineralization at F Vein remains open at depth and along strike.

D Vein

CDH-22-122

- Interval from 194.1 metres down hole averages 574 gpt silver with 0.19% lead and 0.66% zinc over 3.9 metres.
- Extends D Vein additional 55m beneath previously announced drill intercept (CDH-20-079).
- Highest individual assay grade of 956 gpt silver, 0.27% lead and 1.20% zinc over 0.72 metres.

On September 8, 2022, the Company announced the final assay results from the 2022 drill program at the Columba high-grade silver project. This release included results from a total of 11 drill holes including seven from the D Vein and four holes from the B Vein. Based upon the reported Phase 4 results, Kootenay has initiated design of an expanded drill program to target high priority veins to assess the large magnitude of the mineralized system at Columba. The F, D and B Veins will be targeted with step out along strike and to depth and numerous untested high-priority areas at Columba. Nearly all drill results across the project remain open to expansion.

The results below successfully extend known mineralization along strike and beneath existing drilling at both the D Vein and B Vein targets. The new results from Columba continue to demonstrate wide intervals of significant silver mineralization in wall rock zones adjacent the target veins, a feature often seen in mineralized drill intercepts across the project.

Drill Highlights:

D Vein

CDH-22-125

- 34.45 metres of 540 gpt silver with 0.26 gpt gold, 0.37% lead and 1.56% zinc in a wide stockwork zone includes:
 - 9.7 metres of 1,746 gpt silver, 0.88 gpt gold, 1.11 % lead and 5.2% zinc in D Vein with;
 - 2.45 metres of 5,840 gpt silver, 3.0 gpt gold, 3.08% lead and 17.25% zinc, a project best intercept to date.
- Extends wide high grade 90 metres directly beneath previously announced high grade intercept (CDH-21-110) with 17.8 metres of 650 gpt silver, 0.98% lead and 2.2% zinc within 29 metres of 453 gpt silver, 0.6% lead and 1.43% zinc.
- Total vertical extent of D Vein mineralization now 300 metres.

CDH-22-127

- 0.98 metres of 788 gpt silver, 0.64% lead and 1.33% zinc.

CDH-22-128

- 2.0. metres of 520 gpt silver within 20 metres of 136 gpt silver.

CDH-22-131

- 4.86 metres of 311 gpt Silver within 150 gpt silver over 16 metres.
- Extends D Vein 100 metres along strike to the southeast from previous drilling.
- Marks high-level expression of mineralized system at D Vein, an interpreted high-grade horizon preserved at depth.

B Vein

CDH-22-134

- Intersected broad zone of mineralization through the B Vein corridor including 1.5 metres of 251 gpt silver, 0.1% lead and 0.15% zinc
- Extends B Vein to the southeast, provides a test of the upper levels of the interpreted epithermal system.
- Lower grade expected as hole was drilled to confirm dips with a shallow test above expected high grade zone.

¹True widths are estimated at between 65% and 85% of the downhole lengths.

On October 18, 2022, the Company announced a \$4,000,000 million private placement financing of unit. The Company had entered into an agreement with Research Capital Corporation, as the lead agent and sole bookrunner, on behalf of a syndicate of agents, including Red Cloud Securities Inc., in connection with a best efforts, private placement of units of the Company at a price of \$0.10 per Unit.

Each Unit will be comprised of one common share of the Company (a “Common Share”) and one Common Share purchase warrant (a “Warrant”). Each Warrant shall be exercisable to acquire one Common Share (a “Warrant Share”) at a price of \$0.15 per Warrant Share for a period of 36 months from the closing of the Offering.

The Agents will have an option (the “Agents’ Option”) to offer for sale up to an additional 15% of the number of Units sold in the Offering at the Offering Price, which Agents’ Option is exercisable, in whole or in part, at any time up to 48 hours prior to the closing of the Offering.

The Company intends to use the net proceeds from the Offering for working capital requirements and other general corporate purposes.

On October 25, 2022, the Company announced an amendment of certain terms of its best-efforts private placement offering. Pursuant to the amended terms, the offering of units of the Company will be conducted at a price of \$0.09 per unit for gross proceeds of up to \$4,000,000.

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

On November 1, 2022, announced the unfortunate passing of Brian Groves, who was a director of the Company for 13 years. He had a long and productive career in minerals exploration, advancing from field work through to management and executive levels in both junior exploration companies and international mining companies. He was well regarded and respected by those who worked with him and knew him as a friend.

On November 2, 2022, the Company announced that it had increased the size of its previously announced private placement from \$4,000,000 to \$4,347,826 from the sale of up to 48,309,179 units of the Company at a price of \$0.09 per unit.

The Agents, Research Capital Corporation and syndicate agents including Red Cloud Securities Inc., have been granted an option (the “Agents’ Option”) to offer for sale an additional 15% of the number of Units sold in the Offering at the Offering Price. If the Agents’ Option is exercised in full, the total gross proceeds to the Company will be up to \$5,000,000.

On November 8, 2022, the Company announced that it had closed its previously announced brokered private placement offering (the “Offering”) for gross proceeds of approximately \$3.56 million consisting of 39,561,110 units of the Company (the “Units”), including the full exercise of the option granted to the Agents, at a price of \$0.09 per Unit (the “Offering Price”), with a non-brokered portion of the offering (“Non-Brokered Portion”) 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. 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 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.

On December 1, 2022, the Company announced the appointment of Mr. Dale Brittliffe, P. Geo, as the Vice President of Exploration. Dr. Tom Richards, who held the position of VP of Exploration for 14 years, will retain an advisory role for Kootenay.

Mr. Brittliffe is an accomplished geologist with over 25 years experience in exploration for precious and base metals deposits in Canada, Mexico and Australia. He has extensive experience in early-stage to late-stage precious and base metals exploration in a variety of geological settings. Mr. Brittliffe will be directly involved in the advancement of Kootenay’s Mexican projects, most notably the Columba Silver Project in Chihuahua, Mexico.

A graduate of Curtin University of Technology, Western Australia (1997), Mr. Brittliffe's early career included grassroots exploration for gold, nickel, copper and tantalum/niobium across Australia as well as open pit mine production and near-mine brownfields exploration in the West Australian goldfields. In 2006 Mr. Brittliffe relocated to Vancouver, B.C. Canada and has held key roles in junior exploration companies focussed on discovery and definition of gold and silver deposits in Western Canada and Mexico. Mr. Brittliffe worked previously for Kootenay Silver (2009-2010) as exploration geologist on projects in Sonora state Mexico, and most recently served as VP Exploration with Silver Viper Minerals Inc.

Mr. Brittliffe is a Professional Geoscientist in good standing with Engineers and Geoscientists of British Columbia (EGBC), holds a Bachelor of Science in Applied Geology, (Curtin University) in addition to a Bachelor of Science (Environmental) Botany from the University of Western Australia. Mr. Brittliffe has extensive experience in the natural sciences and a true passion for discovery.

Subsequent Events 2023

On January 13, 2023, the Company announced that it had appointed Joseph Giuffre as a director of the company. Mr. Giuffre is a lawyer with over 30 years of legal experience in private practice with Vancouver and National law firms and as in-house as general counsel. Mr. Giuffre advises private and public companies in complex corporate, commercial, securities legal and business transaction matters, including mergers and acquisitions, joint ventures, private and public debt and equity financings, regulatory compliance, corporate governance, and capital project development.

Mr. Giuffre has been a director of various public and private companies over the course of his 30-year career. He was previously the Chief Legal Officer of Nevsun Resources Ltd., which was acquired in 2019 for ~C\$1.8 billion by Zijin Mining. He is also director, trustee, and a founder of some of the Avenue Living Group of Companies that manages over \$3 billion in assets in multifamily, agriculture, commercial and self-storage real estate assets in Western Canada and the United States. He holds Bachelor of Laws (LLB) from the University of Alberta, Bachelor of Arts (Econ) from the University of Calgary and holds an ICD.D designation from the Institute of Corporate Directors.

The Company is also reported that it appointed Red Cloud Securities Inc. and Red Cloud Financial Services Inc. (together "Red Cloud") to provide the Company with a range of marketing and similar advisory services. Red Cloud is a Toronto-based financial services company that provides assistance to mineral exploration and mining companies in accessing capital markets and enhancing their corporate profile.

Under the engagement, Red Cloud will be paid a fee of \$50,000 for the services it will render for an initial five-month period and the arrangement can automatically renew month-to-month thereafter at the option of the Company. Red Cloud will provide services such as organizing and administering "roadshows" and targeting potential investors. The engagement of Red Cloud is subject to TSX Venture Approval. Red Cloud has no direct relationship with the Company, other than as contemplated in the current agreement.

Finally, the Company announced stock options were granted to officers, directors, employees, and consultants to purchase up to an aggregate of 21,450,000 million shares of Kootenay at a price of \$0.155 per common share for a period of five years.

On April 6, 2023, the Company announced that it amended the terms for the Columba option agreement to allow for 50% of the April 2023 payment of US\$430,000 plus 16% IVA to be paid in common shares of the Company. The payment will be made as US\$215,000 cash and US\$215,000 (plus 16% IVA) in Kootenay common shares calculated at the volume weighted average price of Kootenay over the previous twenty trading days. The price will be converted to US dollar value using the Bank of Canada's exchange rate over the same twenty-day period.

Additionally, the Company reached an agreement with an arm's length party dated March 31, 2023, to resolve conflicting property interests, pursuant to which Kootenay will issue 2,018,710 in common shares in consideration of US\$135,000 plus 16% IVA, based on the 20-day volume weighted average price prior to the agreement of \$0.1064 per common share, converted by the US dollar to Canadian dollar average exchange rate for the 20 day period prior to March 31, 2023 of \$1.3715.

On May 1, 2023, the Company announced a \$4 million private placement financing of units. Kootenay entered into an agreement with Research Capital Corporation, as co-lead agent and sole bookrunner, and together with Red Cloud

Securities Inc. as co-lead agents, on behalf of a syndicate of agents, including Canaccord Genuity Corp., in connection with a best-efforts, private placement of units of the Company at a price of \$0.10 per unit for gross proceeds of up to \$4,000,000.

Each Unit will be comprised of one common share of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant shall be exercisable to acquire one Common Share (a "Warrant Share") at a price of \$0.14 per Warrant Share for a period of 36 months from the closing of the Offering.

The Company will grant the Agents an option (the "Agents' Option") to increase the size of the Offering by up to 15% in Units by giving written notice of the exercise of the Agents' Option, or a part thereof, to the Company at any time prior to Closing.

On May 8, 2023, the Company reported that on May 5, 2023, it had sold common shares of Aztec Minerals Corp. in several market transactions. Prior to the sale of Aztec shares, Kootenay beneficially owned and had control over approximately 11.85% of outstanding Aztec shares. Following the sale, Kootenay's ownership of Aztec shares decreased to 7,601,500 Aztec shares, representing approximately 8.02% on a non diluted basis. As a result, Kootenay ceased to be an insider of Aztec. Total gross consideration received by Kootenay was \$962,445. Funds from the sale will be used for working capital purposes.

On May 24, 2023, the Company announced it had closed the private placement offering of units for gross proceeds of \$2.1 million with a non-brokered portion for gross proceeds of approximately \$1.6 million, at a price of \$0.10 per unit for aggregate gross proceeds of \$3,772,500. Each unit is comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable to acquire one common share at a price of \$0.14 per warrant share for a period of 36 months.

On June 13, 2023, the Company announced that it officially holds 100% ownership of the Columba high-grade silver project. The final payment of US\$215,000 was made paid in cash on May 12, 2023. The company has paid a total of US\$3,290,000 in staged payments (of which US\$215,000 was paid in common shares of the Company), commencing November 2018 to earn 100% ownership. The vendor retains a 2% royalty of which 1% can be purchased by the Company for \$US750,000.

On August 1, 2023, the Company provided an update on the Columba Project. Two of the three land access agreements due for renewal in 2023 were signed with a third in the final stages of negotiation. Completion of these agreements will provide the Company with access to drill vein targets out to the edges of the inferred mineralization system. While these agreements have been in negotiation, Kootenay has continued surface exploration to refine targets.

On August 9, 2023, the Company announced that it had filed the first technical report on its 100% owned Columba project. The report, titled "Technical Report for the Columba Silver Property", was prepared by independent consultants Moose Mountain Technical Services, and was authored by Sue Bird P.Eng., with an effective date of March 17, 2023, and an issue date of July 28, 2023. The Technical Report was prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

The report summarizes work done to date which entails just over 27,000 metres of drilling in 135 holes, detailed and regional geologic mapping and sampling over five principal veins and numerous subsidiary veins. The report recommends further drilling on the principal veins with both an increase of drill density to 50-metre spacing and exploratory drilling along undrilled and under drilled veins. It also recommends a metallurgical program on the principal areas of mineralization.

Columba hosts a vein district of classic epithermal veins which exhibit excellent potential for high grades as evidenced by drilling to date. The vein system is almost entirely preserved from erosion at the levels where silver mineralization begins.

On September 6, 2023, the Company announced that drilling had resumed at the Columba Project. The campaign that was initiated will drill a minimum of 3,000-metres comprising of 12 to 15 holes, and is focused on expanding on impressive, wide high-grade intercepts hit to date in the D Vein. Favourable results from the initial program would warrant an additional 7,000 metres in 19 holes to aggressively step out on D-Vein toward its projected intersection

with similarly mineralized B Vein. The Company has identified new vein targets in addition to known vein extensions warranting drill testing. The phase now underway represents the first stage of a comprehensive, project-wide program designed to step out along strike and to depth on multiple mineralized veins planned for completion within the next 12 months.

On September 28, 2023, the Company provided an update on the progress of diamond drilling at Columba Project. The first four holes of the program were drilled to target depth on the two westernmost sections of the planned campaign. Analyses are awaited, however visual confirmation of mineralization and veining typical of D-Vein has been reported by the logging geologists in the holes to date where modeling predicted. Veining and associated stockwork mineralization in drilled length in each hole was observed to measure approximately 5.0 m vein/ stockwork, 8.2 m vein and 23 m stockwork, 10 m vein and 26 m stockwork and 1.0 m vein, 3.0 m stockwork in holes CDH-23-136 through CDH-23-139 respectively.

On October 12, 2023, the Company announced an updated mineral resource estimate at the Promontorio-La Negra Project in Sonora, Mexico. The resource estimate is an update of the Promontorio deposit and a maiden mineral resource estimate for the La Negra deposit 7km to the north. The two deposits are part of the Promontorio Mineral Belt and are considered a single project.

The mineral resource estimates (“MRE”) were prepared by Sue Bird, M.Sc., P.Eng., Geological and Mining Engineer of by Moose Mountain Technical Services (“MMTS”) in accordance with NI 43-101 standards (May 9, 2016), CIM Definition Standards (May 19, 2014) with guidance from CIM Best Practice Guidelines (November 29, 2019).

Highlights from the 2023 Mineral Resource Estimate include:

- Increased Grades of the Promontorio deposit of 24% for Ag, 21% for Au and 22% and 21% for Pb and Zn respectively (see Table 1).
- A resulting 68% increase in Measured and Indicated (“M+I”) Ag Equivalent (“AgEq”) Metal content at the Promontorio deposit (see Table 1).
- Promontorio M+I mineral resources of 140.8 million ounces (“Moz”) AgEq contained in 42.1 million metric tonnes (“Mt”) averaging 104 grams per tonne (“g/t”),
- Promontorio Inferred mineral resources of 39.8 Moz contained in 14.6 Mt averaging 84.9 g/t. These results are calculated using 25 g/t AgEq cut off and are contained within a potentially economically mineable pit shell. (see Table 2)
- La Negra Indicated mineral resources of 22.0 Moz AgEq contained in 5.3 Mt averaging 129 g/t.
- La Negra Inferred mineral resources of 4.6 Moz contained in 1.2 Mt averaging 115 g/t These results are calculated using 40 g/t AgEq cut off and are contained within a potentially economically mineable pit shell (see Table 3 and 4).

The following two tables summarize the Promontorio comparison and the Mineral Resource estimate (“MRE”) for Promontorio. The effective date of the Promontorio-La Negra resource estimates is August 27, 2023.

Table 1: 2023 Promontorio Resource Compared to 2013 Pit Resource

Year	Class	kt	AgEq (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq (koz)	Ag (koz)	Au (koz)	Pb (klb)	Zn (klb)
2023 MMTS 150% Pit	Measured	12,451	111.7	37.03	0.46	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	29,664	100.7	33.50	0.41	0.47	0.55	96,072	31,950	393	306,716	360,996
	Meas+Ind	42,115	104.0	34.54	0.43	0.49	0.57	140,790	46,773	575	452,748	527,616
	Inferred	14,575	84.9	27.89	0.35	0.42	0.45	39,782	13,069	163	136,241	143,632
2013 SRK Pit	Measured	10,289	67.9	32.69	0.40	0.46	0.55	22,470	10,814	134	105,328	123,715
	Indicated	34,215	56.0	26.30	0.34	0.38	0.45	61,572	28,926	373	287,579	335,904
	Meas+Ind	44,504	58.7	27.77	0.35	0.40	0.47	84,042	39,740	506	392,907	459,619
	Inferred	14,564	46.3	24.95	0.28	0.28	0.31	21,700	11,683	132	89,430	98,462
Difference = (2023- 2013)/2013	Measured	21%	64%	13%	14%	16%	10%	99%	37%	36%	39%	35%
	Indicated	-13%	80%	27%	21%	23%	23%	56%	10%	5%	7%	7%
	Meas+Ind	-5%	77%	24%	21%	22%	21%	68%	18%	14%	15%	15%
	Inferred	0%	83%	12%	24%	51%	44%	83%	12%	24%	52%	46%

Table 2 : 2023 Resource Statement for the Promontorio Deposit

Class	Cutoff	In situ Tonnage, Grade and Metal Content										
		AgEq (g/t)	Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq Metal (kOz)	AG Metal (kOz)	Au Meta l (kOz)	Pb (klb)
Measured	15	13,538	104.3	34.5	0.428	0.49	0.57	45,419	15,012	186	147,440	168,631
	20	13,011	107.9	35.7	0.441	0.51	0.59	45,122	14,934	184	146,864	167,803
	25	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	30	11,903	115.6	38.4	0.470	0.55	0.63	44,233	14,691	180	144,854	164,797
	40	10,793	123.9	41.3	0.500	0.59	0.68	42,984	14,324	174	141,339	160,851
	50	9,710	132.7	44.4	0.532	0.64	0.73	41,423	13,848	166	136,790	155,200
Indicated	15	32,225	94.3	31.3	0.387	0.44	0.52	97,728	32,439	401	311,172	366,586
	20	30,993	97.4	32.4	0.399	0.45	0.53	97,033	32,235	398	309,525	364,187
	25	29,664	100.7	33.5	0.412	0.47	0.55	96,072	31,950	393	306,716	360,996
	30	28,179	104.6	34.8	0.426	0.49	0.57	94,756	31,564	386	302,544	355,970
	40	24,961	113.6	37.9	0.461	0.53	0.62	91,133	30,447	370	291,656	342,834
	50	21,907	123.1	41.3	0.497	0.58	0.68	86,721	29,089	350	278,188	326,002
Measured + Indicated	15	45,763	97.3	32.3	0.399	0.45	0.53	143,147	47,451	587	458,612	535,217
	20	44,004	100.5	33.3	0.411	0.47	0.55	142,155	47,169	582	456,389	531,990
	25	42,115	104.0	34.5	0.425	0.49	0.57	140,790	46,773	575	452,748	527,616
	30	40,082	107.9	35.9	0.439	0.51	0.59	138,989	46,256	566	447,397	520,768
	40	35,754	116.7	38.9	0.473	0.55	0.64	134,117	44,772	543	432,996	503,684
	50	31,617	126.1	42.2	0.508	0.60	0.69	128,144	42,937	516	414,978	481,202
Inferred	15	16,637	76.8	25.1	0.319	0.38	0.40	41,072	13,415	171	139,011	147,447
	20	15,433	81.4	26.7	0.335	0.41	0.43	40,401	13,238	166	137,797	145,622
	25	14,575	84.9	27.9	0.348	0.42	0.45	39,782	13,069	163	136,241	143,632
	30	13,671	88.7	29.2	0.362	0.44	0.47	38,980	12,830	159	133,819	141,052
	40	11,778	97.3	32.1	0.395	0.49	0.51	36,847	12,152	150	127,493	133,206
	50	9,980	106.8	35.3	0.432	0.54	0.56	34,256	11,327	139	119,031	123,652

Notes to the 2023 Promontorio Resource Table:

- Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
- The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
 - Metal prices of US\$22/oz Silver, US\$1800/oz Gold, US\$0.95/lb Lead and US\$1.25/lb Zinc. Metallurgical recovery of 74% Silver, 70% Gold, 81% Lead and 88% Zinc
 - Payable metal of 95% Silver, 99% Gold in dore 95% Au in Pb concentrate, 95% Lead and 85% Zinc. Lead payable assumes a concentrate grade of 65% Pb and a 3% unit deduction. Zinc payable assumes a concentrate grade of 52% Pb and an 8% unit deduction. Offsite costs (transport, smelter treatment and refining) of US\$1.5/oz Silver and gold in the Pb concentrate, US\$10 oz Gold, US\$

0.15/lb Lead and US\$0.31/ lb Zinc. Lead offsite costs assume 100 \$US/dmt transport, 100 \$US/dmt treatment. Zinc offsite costs assume 100 \$US/dmt transport, 200 \$US/ dmt treatment.

- Processing, General, and Administrative (“G&A”) costs of US\$ 12/ tonne milled. Mining cost of US\$2.00 / tonne
 - 50 degree pit slopes with the 150% price case pit shell is used for the confining shape
3. The resulting NSR = Ag*US\$0.63/g*74% + Au*US\$56.71/g*70% + 22.0462*(Pb*US\$0.77/lb*81% + Zn*US\$ 0.80/lb*88%)
 4. The specific gravity of the resource averages 2.79 and is calculated from the Lead and Zinc content. Non-mineralized material is assigned an SG of 2.73.
 5. Numbers may not add due to rounding.

At Promontorio the increase in M+I metal content is considered to be due primarily to the following:

- Additional drilling of 89 holes (23,220 m) in 2012-2013, that were not included in the previous resource estimate.
- Modelling of both high grade constrained mineralized shells and a lower grade mineralized halo to better limit the data used for the interpolations.
- Changes to the metal prices (particularly Ag and Au) with lower Ag price and higher Au price to conform to three-year trailing averages which caused a large increase in AgEq grade.

The following two tables summarize the La Negra total resource estimate, and the La Negra resource by Oxidation zone, respectively. La Negra is assumed to produce dore, with only Au and Ag recovered. The cutoff grades of 40 g/t AgEq more than covers the assumed cost of Processing + G&A.

Table 3: 2023 Resource Statement for the La Negra Deposit

ZONE	CLASS	Cutoff		In Situ Grades and Metal Content					
		AgEq (g/t)	Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	AgEq Metal (kOz)	Ag Metal (kOz)	Au Metal (kOz)
Total	Indicated	25	7,282	102.5	99.8	0.061	24,000	23,370	14.2
		30	6,463	112.0	109.2	0.063	23,280	22,690	13.2
		35	5,821	120.8	117.9	0.065	22,610	22,060	12.2
		40	5,285	129.3	126.3	0.067	21,970	21,450	11.4
		45	4,821	137.6	134.5	0.069	21,330	20,850	10.7
		50	4,425	145.7	142.5	0.071	20,730	20,280	10.0
	Inferred	25	1,831	88.8	86.5	0.055	5,230	5,090	3.2
		30	1,607	97.3	94.9	0.057	5,030	4,900	3.0
		35	1,415	106.1	103.7	0.059	4,830	4,720	2.7
		40	1,257	114.8	112.2	0.060	4,640	4,540	2.4
		45	1,111	124.2	121.6	0.061	4,440	4,340	2.2
		50	993	133.5	130.8	0.061	4,260	4,180	2.0

Table 4 : 2023 Resource Statement for the La Negra Deposit by Zone

ZONE	CLASS	Cutoff	In Situ Grades and Metal Content								
			AgEq (g/t)	Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	AgEq Metal (kOz)	AG Metal (kOz)	Au Metal (kOz)	
OXIDE	Indicated	25	2,383	98.8	95.1	0.049	7,570	7,280	3.7		
		30	2,157	106.3	102.4	0.051	7,370	7,100	3.5		
		35	1,964	113.6	109.5	0.053	7,170	6,910	3.3		
		40	1,798	120.6	116.4	0.054	6,970	6,730	3.1		
		45	1,661	127.0	122.7	0.056	6,780	6,550	3.0		
		50	1,524	134.2	129.8	0.057	6,580	6,360	2.8		
	Inferred	25	622	93.6	90.6	0.039	1,870	1,810	0.8		
		30	567	100.0	96.9	0.040	1,820	1,770	0.7		
		35	512	107.3	104.1	0.042	1,770	1,710	0.7		
		40	465	114.3	111.0	0.043	1,710	1,660	0.6		
		45	429	120.4	117.0	0.044	1,660	1,610	0.6		
		50	389	128.0	124.6	0.045	1,600	1,560	0.6		
	MIXED	Indicated	25	732	78.6	75.4	0.045	1,850	1,770	1.0	
			30	617	88.0	84.6	0.048	1,750	1,680	1.0	
35			526	97.6	94.1	0.050	1,650	1,590	0.9		
40			454	107.3	103.5	0.053	1,570	1,510	0.8		
45			394	117.0	113.1	0.055	1,480	1,430	0.7		
50			350	125.9	121.9	0.057	1,420	1,370	0.6		
Inferred		25	105	89.9	88.5	0.020	300	300	0.1		
		30	83	106.3	104.7	0.022	280	280	0.1		
		35	71	119.0	117.4	0.023	270	270	0.1		
		40	61	132.6	130.9	0.023	260	260	0.0		
		45	51	149.2	147.6	0.024	240	240	0.0		
		50	47	158.1	156.4	0.024	240	240	0.0		
		SULFIDE	Indicated	25	4,167	108.8	106.8	0.071	14,580	14,310	9.5
				30	3,689	119.4	117.3	0.073	14,160	13,910	8.7
35	3,331			128.7	126.6	0.075	13,790	13,560	8.1		
40	3,033			137.7	135.5	0.077	13,430	13,210	7.5		
45	2,766			146.9	144.7	0.079	13,060	12,870	7.0		
50	2,551			155.3	153.0	0.080	12,740	12,550	6.6		
Inferred	25		1,104	86.0	84.1	0.067	3,050	2,980	2.4		
	30		957	94.9	92.9	0.070	2,920	2,860	2.2		
	35		832	104.3	102.2	0.072	2,790	2,730	1.9		
	40		731	113.6	111.5	0.074	2,670	2,620	1.7		
	45		631	124.8	122.7	0.076	2,530	2,490	1.5		
	50		557	135.2	133.0	0.076	2,420	2,380	1.4		

Notes to the 2023 La Negra Resource Tables:

1. Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
2. The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
 - Metal prices of US\$22/oz Silver, US\$1800/oz Gold
 - Recovery is assumed to be as for dore. Metallurgical recovery of 82% Silver and 77% Gold in the Oxide zone, 85% Silver and 73% Gold in the Mixed zone, and 90% Silver and 31% Gold in the Sulfide zone.
 - Payable metal of 99% for Silver and Gold. Offsite costs (transport, smelter treatment and refining) of US\$0.25/oz Silver and US\$10/oz gold.
 - Processing, General, and Administrative (G&A) costs of US\$ 12/ tonne milled. Mining cost of US\$2.00/tonne
 - 50 degree pit slopes with the 150% price case pit shell is used for the confining shape
3. The resulting NSR = $Ag * US\$0.69/g * Zone\ Ag\ Recovery\% + Au * US\$56.97/g * Zone\ Au\ Recovery\%$
4. Silver Equivalent (AgEq) = $NSR / (US\$0.69/g * Ag\ Recovery\%)$
5. The specific gravity is assigned by rock type as 2.52 in Oxides, 2.59 in Mixes and 2.61 in Sulfides
6. Numbers may not add due to rounding.

Resource Estimate Uncertainty

Areas of uncertainty that may materially impact the mineral resource estimates include changes to: long-term metal price assumptions; interpretations of mineralization geometry, fault geometry and continuity of mineralized zones; net smelter return used to constrain the estimates; metallurgical recovery assumptions; input assumptions used to derive the conceptual open pit outlines used to constrain the estimate; variations in geotechnical, hydrogeological and mining assumptions and environmental, permitting and social license assumptions.

There are no other known environmental, legal, title, taxation, socioeconomic, marketing, political or other relevant factors that would materially affect the estimation of mineral resources that are not discussed in this news release.

Mineral Resource Estimate Methodology

Data

The Promontorio MRE uses 59,149 assays from 311 drill holes based on drilling up to and including 2013. The La Negra MRE uses 9,311 assays in 94 drill holes from drilling completed between 2014 and 2017.

Mineralization Envelopes

Confining shapes for the interpolations have been made using the geologic modeling shapes provided by Kootenay, the logged lithology and the metal grades. The shapes of the main mineralized zones target the breccias and a value of approximately US\$15/tonne Net Smelter Return (NSR). Dilution of lower grade intercepts has been added as necessary to produce smooth shapes.

At Promontorio there are six domains modeled, as well as a low-grade halo surrounding and connecting the two major areas. The shapes are illustrated in Figure 1.

At La Negra one domain has been modeled and it has been split into three oxidation zones based on logging data.

Grade Capping

The grade distributions within the mineralized domains are mainly lognormal except at very high grades where outliers are evident and therefore capping of assays has been done as summarized in the following tables. For clarity, also summarized in the tables are the Outlier Restrictions which has been applied to the composites during interpolation at

Promontorio. For composite grades above the Outlier value provided, and at distances greater than 5m from the data, the value is essentially capped to the outlier.

At both deposits 2m has been used for the base length when compositing, which is longer than the vast majority of the assays. The compositing also honored the domain boundaries. Assay intervals less than 1m have been added to the previous composite to limit the number of small assay intervals.

Table 5: Capping of Assays and Outlier Restriction of Composites by Domain – Promontorio

	Ag (g/t)		Au (g/t)		Pb (%)		Zn (%)	
	Cap	Outlier	Cap	Outlier	Cap	Outlier	Cap	Outlier
Low Grade	1,600	500	4	2	9	3	10	3
Domain 1	1,600	500	10	7	9	3	10	3
Domain 2	1,600	500	9	2	9	3	10	8
Domain 3	600	500	6	6	4	4	7	5
Domain 4	500	1,000	4	2	5	5	6	5
Domain 5	1,000	600	3	3	4	3	6	5
Domain 6	100	60	1	1	2	2	2	2

Table 6 : Capping of Assays by Oxidation Zone - La Negra

	Oxidation Zone	Cap, g/t
Ag	Oxide	3000
	Mixed	1500
	Sulfide	3000
Au	Oxide	0.5
	Mixed	0.5
	Sulfide	1

Variography

At Promontorio variograms have been made on each axis for each metal in Domain 1 and 2, which are the largest domains. The strongest correlations are steeply dipping down the major axis of the mineralization with ranges from 100m to 130m.

At La Negra the strongest correlation is at azimuth 255 dipping 15 degrees with a range of approximately 55m. The variograms have been used to aid in determining the search parameters for the interpolations, as well as distances for Classification to Measured and Indicated.

Specific Gravity

The Promontorio drilling database contains 4,510 specific gravity (“SG”) measurements in total and the SG is estimated based on the interpolated Pb and Zn grade using a regression formula.

The SG at La Negra is based on 1,541 measurements within the deposit area and has been assigned based on the mean grade within each of the oxidation zones.

Interpolations and Classification.

Interpolations have been done in five passes using composites coded with the domain shapes for model-composite domain matching. Searches are oriented along the major axis of each domain. Inverse Distance squared (ID2) is used at Promontorio and Ordinary Kriging at La Negra.

Classification methodology at the two deposits is similar, the primary difference being the search distances used, which are based on the variography.

Classification at Promontorio is based on the distance between drillholes using the following process:

- All interpolated blocks are initially classified as Inferred.
- Block are upgraded to Indicated if the if the average distance to the two nearest drillholes is $\leq 50\text{m}$ and if the distance to the furthest of those drillhole is $\leq 70\text{m}$, and the drillholes must be in at least two quadrants (directions).
- Blocks are further upgraded to Measured if the if the average distance to the three nearest drillholes is $\leq 30\text{m}$ and if the distance to the furthest of those drillhole is $\leq 50\text{m}$, and the drillholes must be in three quadrants (directions).
- The low grade halo is classified as Inferred

Classification at La Negra uses the following process:

- All interpolated blocks are initially classified as Inferred.
- Block are upgraded to Indicated if the average distance to the two nearest drillholes is $\leq 30\text{m}$, and the distance to the furthest of those drillhole is $\leq 50\text{m}$, and the drillholes must be in two quadrants (directions).

At both deposits additional manual checking and smoothing of the results has been done to ensure continuous shapes of Classification are produced.

Metallurgy

G&T Metallurgical Services Ltd, Kamloops, BC, Canada completed preliminary metallurgical programs on drill core composites from the Promontorio property for Kootenay in 2009, 2012, and 2013. The metallurgical program investigated a standard polymetallic sequential flotation flowsheet that includes crushing, grinding, lead flotation, zinc flotation and pyrite/arsenopyrite flotation. Pressure oxidation (POX) of the pyrite/arsenopyrite concentrate is required to extract the contained gold by cyanidation to produce dore. Promontorio will also produce lead concentrate, zinc concentrate. The metallurgical recovery assumptions are listed with Table 1. Overall gold recovery is estimated at 70% and is based on 65% gold recovery into the pyrite flotation concentrate followed by 94% cyanidation gold extraction from the pyrite concentrate after pressure oxidation, plus an average 9% gold recovery into the lead flotation concentrate.

Metallurgical testing on La Negra samples has been conducted by Kappes, Cassidy & Associates of Reno Nevada in 2015 and McClelland Laboratories of Sparks Nevada in 2018. The work in 2015 did initial comparisons of flotation to cyanide leaching recovery methods on 7 composites. Silver extractions from leaching ranged from 70% to 90% based on calculated heads which ranged from 61.71 to 242.64 grams per metric tonne and did not seem influenced by sulfide sulfur content. Follow-up in 2018 tested 10 composites representing material from four oxidation zones. The composites were all amenable to whole ore milling/cyanidation treatment with respect to silver recovery, but gold recoveries varied significantly.

La Negra is expected to produce silver and gold dore. The metallurgical recovery assumptions are listed with Table 2 and are based on the average results for each oxidation type tested in the 2018 test program.

Resource Pit Limits

Lerch Grossman (“LG”) pit optimization tools have been used to select a pit shape for limiting the resource. The LG pit targets Net Smelter Return (NSR) calculated in each block using interpolation results and the economic, metallurgical, and mining parametres shown with the resource tables 1–4.

Cut off Grade

The COG was selected using AgEq to cover, as a minimum, the processing and G&A costs and to account for the metallurgical recovery and smelter terms. For both deposits 25g/t AgEq will covers the assumed cost of US\$12/tonne; however, a higher cutoff has been used for the base case for La Negra.

Block Model Validation

Several validation techniques have been utilised to ensure that the estimates are reasonable. The global grades of the model with the de-clustered composites have been compared to ensure no bias was introduced. In addition, the total metal content for each metal at various cutoff have been compared to ensure that the total metal compares well to that of data. Grade-tonnage curves have been created to ensure that the appropriate smoothing of modelled grades has been accomplished with no over-prediction of metal throughout the grade distributions. Swath plots comparing the de-clustered composite grade to the ID2 modelled estimate in Easting, Northing and Elevation were completed to ensure the model is spatially predicting grade correctly. Visual comparisons on section and plan were also done to ensure the model compares well to the assay grades.

Qualified Persons

Ms. Sue Bird – P. Eng., (resource estimate) of MMTS is the Qualified Person (“QP”) who prepared the mineral resource estimate, and compiled and reviewed the resource estimate disclosed in this news release. Ms. Bird, as the Qualified Person, has approved the scientific and technical content of this news release. Dale Brittliffe, BSc. P. Geol., Vice President, Exploration of Kootenay Silver, is the Company’s nominated Qualified Person pursuant to National Instrument 43-101, Standards for Disclosure for Mineral Projects, has reviewed the scientific and technical information disclosed in this news release. Mr. Brittliffe is not independent of Kootenay Silver.

On October 17, 2023, the Company announced results from the first three drill holes from 2023 diamond drilling program at Columba Project.

Drill highlights are as follows:

CDH-23-138

- 13.56 metres core-length averaging 599 gpt silver, 0.5% lead and 1.2% zinc from 182.94 metres downhole.
 - Including 8 metres of 858 gpt silver, 0.78% lead and 1.88% zinc and
 - 1 metre of 2,060 gpt silver, 3.2% lead and 4.29% zinc.

CDH-23-137

- 4 metres core-length of 340 gpt silver, 0.06% lead and 0.08% zinc from 122 metres down hole
- including 1 metre of 864 gpt silver, 0.17% lead and 0.16% zinc

CDH-23-136

- 2.97 metres core-length of 335 gpt silver and anomalous lead and zinc from 76.03 metres down hole.
- Table 1. Highlights from D-Vein drilling

True widths estimated at between 65% and 80% of the downhole lengths.

Effective November 14, 2023, the Company consolidated the common shares of the Company on a ten-to-one basis (as announced on October 12, 2023). The Company previously had 457,669,033 Shares outstanding and post Consolidation the issued and outstanding Shares of 45,766,903 Shares. No fractional post-Consolidation Shares were issued pursuant to the Consolidation.

Along with all outstanding Shares, the Company’s equity incentive plan has been adjusted accordingly. The Consolidation also affected the issued and outstanding common share purchase warrants (each, a “Warrant”) of the Company, as the number of Shares issuable upon the exercise of each Warrant have been reduced and the exercise price will increase, all in accordance with the terms of the certificates governing the Warrants. The Consolidation does not materially affect the percentage ownership in the Company of Shareholders even though such ownership is now represented by a smaller number of Shares. The Consolidation has merely proportionally reduce the number of Shares held by Shareholders.

On November 22, 2023, the Company announced results from an additional three holes from its drilling program at Columba Project.

Highlights for drill holes CDH-23-139 to CDH-23-141 are as follows:

CDH-23-141

- 29 meters core-length averaging 208 gpt silver, 0.21% lead, and 0.46% zinc from 250 meters downhole
 - Including 9.67 meters of 510 gpt silver, 0.2 gpt gold, 0.5% lead, and 1.0% zinc; and
 - including 2.37 meters of 1,142 gpt silver, 0.1 gpt gpld, 0.9% lead, and 2.5% zinc from 274 meters downhole.

CDH-23-140

- 10.1 meters core-length of 152 gpt silver, 0.2% lead, and 0.4% zinc from 297 meters down hole
 - Including 0.58 meters of 745 gpt silver, 0.8% lead, and 1.3% zinc from 266.7 meters downhole.
- 3.1 meters core-length of 308 gpt silver, 0.14% lead, and 0.26% zinc in the Hanging Wall vein
 - Including 1.56 meters of 532 gpt silver, 0.25% lead, and 0.40% zinc.

True widths estimated at between 70% and 80% of the downhole lengths.

Material Mineral Projects

As at the date of this AIF, the Columba, Promontorio/La Negra and La Cigarra are the only material properties held in the Company.

Columba

The Columba Silver Project (“Columba”, “the Project” or “the Property”) involves a series of epithermal veins hosting silver mineralization located on the boundary between the municipalities of Galeana and Nuevo Casas Grandes, approximately 14 kilometres west of Galeana and 28 kilometres south of Nuevo Casas Grandes. The Project comprises seven (7) contiguous and overlapping mining concessions under option to Northair, a wholly owned subsidiary of the Company, by Minera Ches Mex, S. de R.L. De C.V. (“Ches Mex”). A final option payment to Ches Mex was made in May 2023 which will result in 100% ownership of the Project through its wholly owned subsidiary.

Columba is host to a low-sulphidation epithermal silver system that was the focus of intermittent underground mining activity during the early 1900’s and 1950’s. A hiatus in mining and exploration activity occurred with only minimal geological investigation completed until the Company initiated exploration on the property in 2018. Continuous exploration since 2018 has focussed on delineating the strike, depth and thickness of known veins while employing first-principled surface exploration and drilling to locate and delineate previously unknown veins.

From 2018 to 2022, the majority of the Property was geologically mapped and 739 surface rock samples submitted for geochemical analysis. To date, a total of 27,277.29 metres of drilling has been completed in 135 diamond drill holes on the Property.

Exploration since 2018 has focussed on defining the strike, depth and thickness of known veins while employing first-principled surface exploration and drilling to locate and delineate previously unknown veins.

2018: The Company executed a field program that included the collection of 275 surface samples for laboratory analysis (204 channel, 65 grab and six other samples), geological mapping and prospecting, and identification of historical workings (up to December 31, 2018).

2019: The Company executed an initial drilling program on the property as well as continued property-scale geological mapping and sampling. A total of 71 samples were collected for laboratory analysis (16 channel, 36 grab and 19 other samples) throughout 2019. Geological mapping continued to delineate additional vein structures on the

property. A surface access agreement was executed, and exploration roads were constructed. An exploration camp was erected to facilitate drilling activities. A total of 6,816 metres were drilled in 41 diamond drill holes.

2020: The Company continued property-scale geological mapping and sampling. A total of 121 samples were collected for laboratory analysis (54 channel, 63 grab and four other samples) between June and December 2020. Continued geological mapping and drilling led to characterisation of three areas of interest. A total of 9,111 metres were drilled in 43 diamond drill holes. A brief hiatus in exploration occurred due to restrictions related to the COVID-19 pandemic.

2021: The Company continued property-scale geological mapping, sampling and diamond drilling. A total of 233 samples were collected for laboratory analysis (33 channel and 200 grab samples) between February and December 2021. Continued geological mapping and drilling identified a down-dropped fault block east of the J-Z vein area. A total of 5,758 metres were drilled in 29 holes over all identified vein areas.

2022: Kootenay continued property-scale geological mapping, sampling and diamond drilling. A total of 39 grab samples were collected for laboratory analysis during January and February 2022. A total of 5,592 metres were drilled in 22 holes.

Promontorio / La Negra

The Promontorio-La Negra Project (“Promontorio-La Negra”, “the Project” or “the Property”) includes the La Negra and Promontorio resource areas. High-grade silver and gold with associated lead and zinc mineralization is hosted in hydrothermal diatreme breccias.

The Resource Estimate for the Promontorio-La Negra deposit is summarized in the following tables.

Table 0-1 summarizes the Total Project resource estimate at a Silver Equivalent (AgEq) cutoff of 25g/t for Promontorio and at a AgEq cutoff of 40g/t for the La Negra deposit. The cutoff of 25g/t AgEq more than covers the Processing + G&A costs of the project, based on the economic parameters detailed in the notes to the table. The effective date of the Promontorio-La Negra resource estimates is August 27, 2023.

Table 0-1: 2023 Total Promontorio-La Negra Project Mineral Resource Estimate

Pit	Class	In Situ Tonnage, Grades and Metal Content										
		Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq Metal (kOz)	AG Metal (kOz)	Au Metal (kOz)	Pb (klb)	Zn (klb)
Promontorio	Measured	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	29,664	100.7	33.5	0.412	0.47	0.55	96,072	31,950	393	306,716	360,996
	Meas+Ind	42,115	104.0	34.5	0.425	0.49	0.57	140,790	46,773	575	452,748	527,616
	Inferred	14,575	84.9	27.9	0.348	0.42	0.45	39,782	13,069	163	136,241	143,632
La Negra	Indicated	5,285	129.3	126.3	0.067			21,966	21,454	11	0	0
	Inferred	1,257	114.8	112.2	0.060			4,639	4,536	2	0	0
Total	Measured	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	34,949	105.0	47.5	0.360	0.40	0.47	118,038	53,404	404	306,716	360,996
	Meas+Ind	47,400	106.8	44.8	0.385	0.43	0.50	162,755	68,227	587	452,748	527,616
	Inferred	15,832	87.3	34.6	0.325	0.81	0.89	44,421	17,606	165	282,274	310,251

Table 0-2: 2023 Mineral Resource Estimate for the Promontorio Deposit

Class	Cutoff	In situ Tonnage, Grade and Metal Content										
	AgEq (g/t)	Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq Metal (kOz)	AG Metal (kOz)	Au Metal (kOz)	Pb (klb)	Zn (klb)
Measured	15	13,538	104.3	34.5	0.428	0.49	0.57	45,419	15,012	186	147,440	168,631
	20	13,011	107.9	35.7	0.441	0.51	0.59	45,122	14,934	184	146,864	167,803
	25	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	30	11,903	115.6	38.4	0.470	0.55	0.63	44,233	14,691	180	144,854	164,797
	40	10,793	123.9	41.3	0.500	0.59	0.68	42,984	14,324	174	141,339	160,851
	50	9,710	132.7	44.4	0.532	0.64	0.73	41,423	13,848	166	136,790	155,200
Indicated	15	32,225	94.3	31.3	0.387	0.44	0.52	97,728	32,439	401	311,172	366,586
	20	30,993	97.4	32.4	0.399	0.45	0.53	97,033	32,235	398	309,525	364,187
	25	29,664	100.7	33.5	0.412	0.47	0.55	96,072	31,950	393	306,716	360,996
	30	28,179	104.6	34.8	0.426	0.49	0.57	94,756	31,564	386	302,544	355,970
	40	24,961	113.6	37.9	0.461	0.53	0.62	91,133	30,447	370	291,656	342,834
	50	21,907	123.1	41.3	0.497	0.58	0.68	86,721	29,089	350	278,188	326,002
Measured + Indicated	15	45,763	97.3	32.3	0.399	0.45	0.53	143,147	47,451	587	458,612	535,217
	20	44,004	100.5	33.3	0.411	0.47	0.55	142,155	47,169	582	456,389	531,990
	25	42,115	104.0	34.5	0.425	0.49	0.57	140,790	46,773	575	452,748	527,616
	30	40,082	107.9	35.9	0.439	0.51	0.59	138,989	46,256	566	447,397	520,768
	40	35,754	116.7	38.9	0.473	0.55	0.64	134,117	44,772	543	432,996	503,684
	50	31,617	126.1	42.2	0.508	0.60	0.69	128,144	42,937	516	414,978	481,202
Inferred	15	16,637	76.8	25.1	0.319	0.38	0.40	41,072	13,415	171	139,011	147,447
	20	15,433	81.4	26.7	0.335	0.41	0.43	40,401	13,238	166	137,797	145,622
	25	14,575	84.9	27.9	0.348	0.42	0.45	39,782	13,069	163	136,241	143,632
	30	13,671	88.7	29.2	0.362	0.44	0.47	38,980	12,830	159	133,819	141,052
	40	11,778	97.3	32.1	0.395	0.49	0.51	36,847	12,152	150	127,493	133,206
	50	9,980	106.8	35.3	0.432	0.54	0.56	34,256	11,327	139	119,031	123,652

Notes to the 2023 Promontorio Resource Table:

- Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
- The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
 - Metal prices of US\$22/oz Silver, US\$1800/oz Gold, US\$0.95/lb Lead and US\$1.25/lb Zinc.
 - At Promontorio: Metallurgical recovery of 74% Silver, 70% Gold, 81% Lead and 88% Zinc.
 - Payable metal of 95% Silver, 99% Gold in dore 95% Au in Pb concentrate, 95% Lead and 85% Zinc. Lead payable assumes a concentrate grade of 65% Pb and a 3% unit deduction. Zinc payable assumes a concentrate grade of 52% Pb and an 8% unit deduction. Offsite costs (transport, smelter treatment and refining) of US\$1.5/oz Silver and gold in the Pb concentrate, US\$10 oz Gold, US\$ 0.15/lb Lead and US\$0.31/ lb Zinc. Lead offsite costs assume 100 \$US/dmt transport, 100 \$US/ dmt treatment. Zinc offsite costs assume 100 \$US/dmt transport, 200 \$US/ dmt treatment.
 - Processing, General, and Administrative ("G&A") costs of US\$ 12/ tonne milled. Mining cost of US\$2.00 / tonne
 - 50 degree pit slopes with the 150% price case pit shell is used for the confining shape
- The resulting NSR = Ag*US\$0.63/g*74% + Au*US\$56.71/g*70% + 22.0462*(Pb*US\$0.77/lb*81% + Zn*US\$ 0.80/lb*88%)
- The specific gravity of the resource averages 2.79 and is calculated from the Lead and Zinc content. Non-mineralized material is assigned an SG of 2.73.
- Numbers may not add due to rounding.

Table 0-3 summarizes the La Negra total Mineral Resource estimate (“MRE”).

Table 0-3: 2023 Resource Statement for the La Negra Deposit

ZONE	CLASS	Cutoff	In Situ Tonnage, Grades and Metal Content						
		AgEq (g/t)	Tonnage (kt)	AgEq (g/t)	Ag (g/t)	Au (g/t)	AgEq Metal (kOz)	Ag Metal (kOz)	Au Metal (kOz)
Total	Indicated	25	7,282	102.5	99.8	0.061	24,000	23,370	14.2
		30	6,463	112.0	109.2	0.063	23,280	22,690	13.2
		35	5,821	120.8	117.9	0.065	22,610	22,060	12.2
		40	5,285	129.3	126.3	0.067	21,970	21,450	11.4
		45	4,821	137.6	134.5	0.069	21,330	20,850	10.7
		50	4,425	145.7	142.5	0.071	20,730	20,280	10.0
	Inferred	25	1,831	88.8	86.5	0.055	5,230	5,090	3.2
		30	1,607	97.3	94.9	0.057	5,030	4,900	3.0
		35	1,415	106.1	103.7	0.059	4,830	4,720	2.7
		40	1,257	114.8	112.2	0.060	4,640	4,540	2.4
		45	1,111	124.2	121.6	0.061	4,440	4,340	2.2
		50	993	133.5	130.8	0.061	4,260	4,180	2.0

Notes to the 2023 La Negra Resource Tables:

- Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
- The base case Mineral Resource has been confined by "reasonable prospects of eventual economic extraction" shape using the following assumptions:
 - Metal prices of US\$22/oz Silver, US\$1800/oz Gold
 - Recovery is assumed to be as for dore. Metallurgical recovery of 82% Silver and 77% Gold in the Oxide zone, 85% Silver and 73% Gold in the Mixed zone, and 90% Silver and 31% Gold in the Sulfide zone.
 - Payable metal of 99% for Silver and Gold. Offsite costs (transport, smelter treatment and refining) of US\$0.25/oz Silver and US\$10/oz gold.
 - Processing, General, and Administrative (G&A) costs of US\$ 12/ tonne milled. Mining cost of US\$2.00/tonne
 - 50 degree pit slopes with the 150% price case pit shell is used for the confining shape
- The resulting NSR = Ag*US\$0.69/g*Zone Ag Recovery% + Au*US\$56.97/g*Zone Au Recovery%
- Silver Equivalent (AgEq) = NSR / (US\$0.69/g* Ag Recovery%)
- The specific gravity is assigned by rock type as 2.52 in Oxides, 2.59 in Mixes and 2.61 in Sulfides
- Numbers may not add due to rounding.

La Cigarra

Since acquiring the La Cigarra silver project in April 2016 from Northair Silver Corp, the Company completed several exploration programs including drilling, relogging of core and mapping of large areas of the project.

The Project is located in the southern part of the Mexican state of Chihuahua near the city of Hidalgo del Parral. Parral is best accessed by road from Chihuahua some 225 km to the north and the largest city in the state of Chihuahua with a population of about 843,000 people. Chihuahua is the political capital of the state and contains offices for many state and federal agencies overseeing mining operations and permitting. Chihuahua is also the closest city to the La Cigarra Project, serviced by an international airport. The General Roberto Fierro Villalobos International Airport (code: CUU) is located about a three hours drive north from the Project by either free or toll Highways.

Further exploration work on the La Cigarra Project was curtailed due to market conditions related to the silver price and general junior exploration market. A new internal geological model is underway to optimize resource grade dependant on results this could lead to an updated resource and a decision to undergo a PEA on the project.

In January 2015, Northair announced the results of an updated NI 43-101 Resource Estimate (“Resource Estimate”) completed by Allan Armitage, PhD, P. Geo. and Joe Campbell, B.Sc., P. Geo., of GeoVector Management Inc. and was filed on SEDAR on March 2, 2015. The Resource Estimate was calculated based on results from 156 of 171 holes totaling 30,443 metres within the potentially surface minable mineralized area comprised of the San Gregorio and Las Carolinas mineralized zones, which combine to form a total strike length of 2.4 kilometres. The resource estimate was constrained by a Whittle™ pit shell utilizing a USD \$22/oz silver price, an economic cutoff grade of 35 gpt of silver and metallurgical recoveries of 84% silver is tabulated below:

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (gpt)	Au (gpt)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas. + Ind	18,540,000	86.3	0.069	0.13	0.18	51,470,000	41,000	53,870,000	74,770,000
Inferred	4,450,000	80.0	0.058	0.13	0.16	11,460,000	8,000	12,680,000	15,610,000

**Note: Mineral resources are reported in relation to a conceptual pit shell at a 35 gpt silver cut-off grade and a USD \$22/oz silver price. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.*

RISK FACTORS

The Company is in the business of acquiring, exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than project management fees, and interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

FOREIGN COUNTRIES AND REGULATORY REQUIREMENTS

The Company’s principal property and some of its non-principal properties are located in Mexico and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability or governmental policies in those countries which may result in the impairment or loss of mineral concessions or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine safety. These uncertainties may make it more difficult for the Company to obtain any required production financing for these Mexican mineral properties.

Economic Uncertainty in Mexico

The Company's operations in Mexico may be adversely affected by economic uncertainty and related characteristics of Mexico. There can be no assurance that governmental action will be effective in ensuring economic stability, or that future governmental actions will not trigger economic instability. Additionally, changes in inflation or deflation

rates and governmental actions taken in response to such changes can also affect currency values in Mexico. Any such changes could have a material adverse effect on the Company's results of operations and financial condition.

Operations in Mexico are also subject to political risk. Mexico's current fiscal regime is generally favorable to the mining industry and has been relatively stable over the past ten years, but there is a risk that this could change in the future. In addition, labor in Mexico is customarily unionized and there are risks that labor unrest or wage agreements may adversely impact operations.

The Company believes that while current conditions in Mexico are relatively stable and conducive to conducting business, its future mineral exploration activities could be impacted by political or economic developments.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company anticipates future expenditures will require additional infusions of capital; there can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing common shares from treasury, control of the Resulting Issuer may change and investors may suffer additional dilution. Furthermore, if financing is not available, lease expiry dates, work commitments, rental payments, and option payments, if any may not be satisfied and could result in a loss of the shareholders entire investment.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral concessions to which the Company has a right to acquire an interest are in the exploration stages only, and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires,

flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

Supplies, Infrastructure, Weather and Inflation

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surfaces access, skilled labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. Power may need to be generated on site.

Due to the partial remoteness of its exploration projects, the Company is forced to rely on the accessibility of secondary roads and, in the case of the Elephant Mountain Property, air transport for the supply of goods and services. Air transport in Alaska is very susceptible to disruptions due to adverse weather conditions, resulting in unavoidable delays in planned programs and/or cost overruns. The rainy season in Mexico during the months of June through September can sometimes flood the main access road causing temporary delays.

Recent, improved market conditions for resource commodities after several years of record low prices have resulted in dramatic increase in mineral exploration which has resulted in widespread shortages of experienced technical personnel, and heavy demand for drillers, helicopters and crews, and geophysical surveying crews, as well as other goods and services required by exploration companies to perform work. With the recent global financial crisis mineral exploration expenditure has been reduced until the fall out from the crisis is truly known. The Company views access to service providers more readily available at this moment.

It is difficult at this stage to quantify the effect of the global financial crisis in respect to the demand for exploration goods and services, but it is forecast that field costs for the upcoming field season may well be less than has been seen in the past 12 months.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company and may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production, and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, or transfers, or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Alaska, British Columbia and Mexico provides restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is devolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various North American authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety, and other matters.

The Company believes that it is in substantial compliance with all material laws and regulations, which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability. Unfavorable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

ACQUISITION OF MINERAL CONCESSIONS

The Company currently, indirectly through its subsidiaries, holds, or has applied for, title to each of the mineral resource properties in which it has an interest. The third party agreements pursuant to which the Company acquired an interest in and title to such properties provide that, in most cases, the Company must make a series of cash payments over certain time periods, and in certain cases, expend certain minimum amounts on the exploration of the properties.

Failure by the Company to make such payments or make such expenditures in a timely fashion may result in the Company losing its interest in such properties.

CONFLICTS OF INTEREST

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

CURRENCY FLUCTUATION

The fact that the Company raises financing in Canadian funds and generally operates in United States dollars or Mexican pesos makes it subject to currency fluctuations and such fluctuations may materially affect the Company's financial position and results.

ENFORCEMENT OF CIVIL LIABILITIES

As substantially all of the assets of the Company and its subsidiaries are located outside of Canada, and certain of the directors and officers of the Company are residents outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company and its subsidiaries or the directors and officers of the Company residing outside of Canada.

DIVIDENDS

Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constating documents. The Company has not paid any dividends on its common shares since its incorporation. The Company has no present intention of paying dividends on its common shares, as it anticipates that all available funds will be invested to finance the growth of its business.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of common shares without par value. All of the Common Shares are ranked equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each Common Share carries with it the right to one vote.

Effective November 14, 2023, the Company consolidated the common shares of the Company on a ten-to-one basis. The Company previously had 457,669,033 Shares outstanding and post Consolidation the issued and outstanding Shares of 45,766,903 Shares. No fractional post-Consolidation Shares were issued pursuant to the Consolidation.

As of the date of this AIF, there are **45,766,903** Common Shares issued and outstanding. An additional 2,868,000 Common Shares may be issued upon the exercise of outstanding stock options and 18,419,080 Common Shares may be issued upon exercise of outstanding share purchase warrants. Based on a post consolidation basis.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are traded on the TSX-V under the trading symbol “KTN”. The table below summarizes the range and volume of trading prices for each of the months stated and is shown on a pre-consolidation basis:

Month	High	Low	Volume
December 2022	\$0.22	\$0.11	12,903,337
November 2022	\$0.13	\$0.09	6,860,310
October 2022	\$0.145	\$0.085	9,327,085
September 2022	\$0.155	\$0.095	11,891,063
August 2022	\$0.18	\$0.11	4,814,585
July 2022	\$0.165	\$0.095	6,887,430
June 2022	\$0.18	\$0.125	4,190,024
May 2022	\$0.165	\$0.13	3,842,434
April 2022	\$0.205	\$0.16	5,885,506
March 2022	\$0.235	\$0.155	15,755,606
February 2022	\$0.20	\$0.155	8,169,248
January 2022	\$0.245	\$0.185	2,761,873

Prior Sales

Stock Options

During the most recently completed financial year ended December 31, 2022, there were no incentive stock options granted. As of the date of this AIF the following incentive stock options remain outstanding.

Post Consolidation Number of Shares	Pre-Consolidation Number of Shares	Exercise Price	Expiry Date
658,000	6,580,000	0.14	June 26, 2024
65,000	650,000	0.27	July 06, 2026
2,145,000	21,450,000	0.155	January 13, 2028
2,868,000	28,680,000		

Effective November 14, 2023, post Consolidation options outstanding total 2,868,000

Common Share Purchase Warrants (description below is pre-consolidation basis)

On March 9, 2022, the Company completed a brokered private placement offering (the “Offering”) for gross proceeds of \$4.78 million consisting of 29,881,000 units of the Company (the “Units”) at a price of \$0.16 per Unit (the “Offering Price”), with a non-brokered portion of the offering (“Non-Brokered Portion”) for gross proceeds of approximately \$1.47 million consisting of 9,181,500 Units at the Offering Price, for aggregate gross proceeds to the Company of \$6.25 million. The Offering was led by Research Capital Corporation as the sole agent and sole bookrunner (the “Agent”).

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 \$0.22 per Warrant Share for a period of 36 months from the closing of the Offering. The Company intends to use the net proceeds from the Offering for exploration activities, working capital requirements and other general corporate purposes.

In connection with the Offering, the Agent received a cash fee of \$361,740. In addition, the Company granted the Agent 2,260,875 non-transferable compensation warrants (the “Compensation Warrants”). Each Compensation Warrant entitles the holder thereof to purchase one Unit at an exercise price of \$0.16 per Common Share for a period of 36 months following the Closing. The Company also paid aggregate cash finder’s fees of \$13,260 to two arm’s length finders in connection with the Offering. All securities issued in connection with the Offering are subject to a Canadian securities law resale restriction period expiring on July 10, 2022. The Offering is subject to the final acceptance of the TSX Venture Exchange.

On November 8, 2022, the Company closed a brokered private placement offering (the “Offering”) for gross proceeds of approximately \$3.56 million consisting of 39,561,110 units of the Company (the “Units”), including the full exercise of the option granted to the Agents, at a price of \$0.09 per Unit (the “Offering Price”), with a non-brokered portion of the offering (“Non-Brokered Portion”) 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 being 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. The Company intends to use the net proceeds from the Offering for exploration activities, working capital requirements and other general corporate purposes.

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, 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.

As at the date of this AIF, the following Warrants remain outstanding.

Post Consolidation Number of Shares	Pre-Consolidation Number of Shares	Exercise Price	Expiry Date
4,457,951	44,579,511	0.20	March 5, 2024
3,906,250	39,062,500	0.22	March 8, 2025
226,087	2,260,875	0.16	March 8, 2025
5,555,555	55,555,555	0.14	November 7, 2025
304,387	3,043,874	0.09	November 7, 2025
3,772,500	37,725,000	0.14	May 23, 2026
196,350	1,963,500	0.10	May 23, 2026
18,419,080	184,190,815		

Effective November 14, 2023, after Consolidation warrants outstanding will total 18,419,080.

ESCROWED SECURITIES

As at the date of this AIF the Company has no Common Shares held in Escrow.

DIRECTORS AND OFFICERS

Name, Occupation, and Security Holding

The following table sets out the names of the directors and officers of the Company as at the date of this AIF and their respective provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of each class of securities of the Company and percentage of such class beneficially owned, directly or indirectly, or subject to control or direction by that person.

Name, Province or State, Country of Residence, Position(s) with Corporation	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years(1)	Date(s) Served as a Director	No. and Class of Securities	Percentage of Class
Kenneth E. Berry British Columbia, Canada <i>Chairman, Director</i>	Chairman of the Corporation, formerly President; self-employed consultant, providing finance and corporate communications services to various public companies; former Director, President and CEO of Elevation Gold Mining Corporation (formerly Northern Vertex Mining Corp.); Director of Kootenay Resources Inc. 2021 to present.	November 27, 2002	64,350	0.14%
James M. McDonald Alberta, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of the Corporation; President of Makwa Exploration Ltd. (“ Makwa ”), a private geological consulting company; Director of Aldebaran Resources Inc. and former Director of Elevation Gold Mining Corporation; Director of Kootenay Resources Inc. 2021 to present.	March 7, 2005	403,820 ⁽²⁾	0.88%
Tony Reda ⁽¹⁾ British Columbia, Canada <i>Director</i>	Director, President & CEO of Tectonic Metals Inc. 2018 to present. Former Vice President, Corporate Development for Kaminak Gold Corp., a TSXV listed junior natural resource mining company, from November 2005 to July 2016.	April 21, 2016	Nil	Nil
Joseph P. Giuffre ⁽¹⁾ ⁽²⁾⁽⁴⁾⁽⁶⁾ British Columbia, Canada <i>Director</i>	Self employed corporate lawyer January 2019 to present. Former Chief Legal Officer and Corporate Secretary of Nevsun Resources Ltd. from January 2012 to January 2019.	July 9, 2008 to December 10, 2018 January 13, 2023	33,333	0.07%
Jon Morda ⁽¹⁾	Director of Besra Gold Inc. and Kiboko Gold Inc., Retired	December 12, 2011	2,500	0.005%

Name, Province or State, Country of Residence, Position(s) with Corporation	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years(1)	Date(s) Served as a Director	No. and Class of Securities	Percentage of Class
	in 2011 having been Chief Financial Officer for several mineral exploration and gold producing companies, including Alamos Gold Inc..			
Rajwant Kang British Columbia, Canada <i>Chief Financial Officer & Corporate Secretary</i>	Chief Financial Officer and Corporate Secretary of the Corporation; President of RSK Management Consulting Inc.; Director of Kootenay Resources Inc. 2021 to present.	November 28, 2007	63,427	0.14%
Dale Brittliffe British Columbia, Canada <i>Vice President Exploration</i>	Vice President, Exploration of the Corporation; VP Exploration with Silver Viper Minerals Inc. until November 2022.	December 1, 2022	Nil	Nil

(1) Member of the Corporation's Audit Committee

(2) Of these shares, 81,470 are held by Makwa, a private company controlled by Mr. McDonald.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Morda has been a director of Besra Gold Inc. (“**Besra**”) from August 16, 2005, to the present date. Besra was formerly listed on the Toronto Stock Exchange and the Australian Stock Exchange. On December 29, 2014, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order (“**CTO**”) ceasing all trading in securities of Besra which superseded a temporary order issued by the OSC on December 17, 2014, in connection with Besra’s failure to file its financial statements, management’s discussion and analysis and certifications of the foregoing filings for the financial year ended June 30, 2014, and for the three-month interim period ended September 30, 2014. Similar cease trade orders were subsequently issued against Besra by the British Columbia Securities Commission, the Autorité des Marchés Financiers and the Alberta Securities Commission.

On October 19, 2015, Besra filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act (Canada) and MNP Ltd. was appointed as proposal trustee. Besra subsequently filed a proposal on January 29, 2016. The amended proposal was considered and approved by Besra creditors during a meeting on April 7, 2016. Creditors of Besra needed to prove their claims by November 7, 2016. On November 16, 2016, the OSC issued an order amending an order it made on October 14, 2016, which partially revoked the CTO it issued on December 29, 2014. A Certificate of Full Performance under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), effectively releasing the Corporation from the BIA proceedings was issued in May 2017.

In September 2018, Besra filed the required continuous disclosure documents that would enable a revocation of the cease trade orders imposed by the Canadian securities regulators due to the failure of the Corporation to file required filings by the filing deadlines. Subsequently in November 2018 a full revocation of the CTOs was granted. A further CTO was issued by the OSC on November 1, 2019, and revoked on April 20, 2020.

No director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Conflicts of Interest

The Company’s directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the Business Corporations Act (BC) (“Corporations Act”) dealing with conflict of interest. These provisions state that where a director has such

a conflict, that director must, at a meeting of the Company's directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted by the Corporations Act. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

COMMITTEES

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the *Business Corporations Act* (British Columbia) the Corporation is required to have an Audit Committee, which, at the present time, is comprised of Antonio Reda (financially literate and an independent director), Jon Morda (financially literate and an independent director) and Joseph P. Giuffre (financially literate and an independent director).

The Corporation must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("NI 52-110"), have a written charter which sets out the duties and responsibilities of its audit committee.

Audit Committee Charter

The Corporation has a written charter (the "**Audit Committee Charter**") which sets out the duties and responsibilities of the Audit Committee. The text of the Corporation's Audit Committee Charter is attached as Schedule "A" hereto.

Composition of the Audit Committee

The Corporation's Audit Committee is currently comprised of three directors, Antonio Reda, Jon Morda and Joseph P. Giuffre. As defined in NI 52-110, all members of the Audit Committee are independent.

Relevant Education and Experience

All Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements and are therefore considered financially literate.

Mr. Antonio Reda, Director:

Mr. Reda is President & CEO and Director of Tectonic Metals Inc. He was formerly Vice President of Corporate Development of Kaminak Gold Corporation which was acquired by Goldcorp Inc. in 2016. Mr. Reda was integral in Kaminak's growth from a startup prospect generator to a resource development company with a +5 million ounce gold resource, which was ultimately acquired for approximately \$520 million by Goldcorp Inc. During his time at Kaminak, he was key member in orchestrating capital raises totaling over \$145 million, forming strategic alliances and joint venture agreements, and creating Kivalliq Energy Corp. (now named ValOre Metals Corp.), a publicly traded uranium company spun out of Kaminak. Mr. Reda was a former director of Northair Silver Corp, which was acquired by the Corporation in April 2016.

Mr. Jon Morda, Director:

Mr. Morda has over 20 years of experience in the mining industry, having served as Chief Financial Officer for several mineral exploration and gold producing companies, including Alamos Gold Inc. until he retired in June 2011. As a senior executive, Mr. Morda is highly adept in all areas of strategic corporate planning, operations, budgeting, accounting and taxation functions. Mr. Morda has been a Member of the Institute of Chartered Accountants of Ontario, Canada (Chartered Professional Accountants Ontario) since 1980. Mr. Morda currently serves as a Director of Besra Gold Inc.

Mr. Joseph P. Giuffre, Director:

Mr. Giuffre has over 30 years of legal experience in private practice with Vancouver and National law firms and as in-house general counsel. He has been a director of various public and private companies over the course of his

30-year career. Mr. Giuffre was previously the Chief Legal Officer of Nevsun Resources Ltd., which was acquired in 2019 for ~C\$1.8 billion by Zijin Mining Group Co., Ltd. He is also director, trustee, and a founder of some of the Avenue Living Group of Companies that manages over \$3 billion in assets in multifamily, agriculture, commercial and self-storage real estate assets in Western Canada and the United States. Mr. Giuffre holds Bachelor of Laws (LLB) from the University of Alberta, Bachelor of Arts (Econ) from the University of Calgary and holds an ICD.D designation from the Institute of Corporate Directors.

As a result of their respective business experience, each member of the audit committee (i) has an understanding of the accounting principles used by the Corporation to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Corporation's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Corporation's most recent completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year ended December 31, 2022, has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Accounting Systems, Internal Controls and Procedures" in the Corporation's Audit Committee Charter attached as Schedule "A" hereto.

Exemption

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 which exempts venture issuers, as defined in NI 52-110, from certain reporting obligations under NI 52-110 for its most recently completed financial year ended December 31, 2022.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation must disclose its approach to corporate governance which is as follows:

Board of Directors

The Board currently consists of five directors: Kenneth E. Berry, James M. McDonald, Jon Morda, Antonio Reda and Joseph P. Giuffre.

Messrs. Berry, Morda, Reda and Giuffre are independent directors as defined in NI 58-101 and NI 52-110. James M. McDonald, as President and CEO of the Corporation, is an executive officer of the Corporation and therefore, not independent.

The Board meets for formal board meetings periodically on an ad hoc basis during the year on an as needed basis to review and discuss the Corporation's business activities and to consider and, if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. Management informally provides

updates to the Board at least once per quarter between formal Board meetings. In general, management consults with the Board when deemed appropriate to keep the Board informed regarding the Corporation's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board has the following formal committees: Audit Committee, Nominating and Compensation Committee and Governance Committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and one is a chartered accountant. As a result, these Board members are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Corporation, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

Directorships

The following directors of the Corporation are also directors of other reporting issuers as set out below:

Name of Director	Name of Reporting Issuer
James M. McDonald	Aldebreran Resources Inc. and Kootenay Resources Inc.
Kenneth E. Berry	Kootenay Resources Inc.
Jon Morda	Kiboko Gold Inc. and Besra Gold Inc.
Antonio Reda	Tectonic Metals Inc.

Orientation and Continuing Education

At present, the Corporation does not provide a formal orientation and education program for new directors. Prior to joining the Board, potential Board members are encouraged to meet with management and inform themselves regarding the affairs of management and the Corporation. After joining the Board, management and the Board chair provide orientation both at the outset and on an ongoing basis. The Corporation currently has no specific policy regarding continuing education for directors; requests for education are encouraged and dealt with on an ad hoc basis.

Ethical Business Conduct

The primary step taken by the Corporation to encourage and promote a culture of ethical business conduct is to conduct appropriate due diligence on proposed directors to ensure that proposed directors are of the highest ethical standards.

Other Board Committees

The Corporation has a Governance Committee comprised of Kenneth E. Berry and James M. McDonald. The Governance Committee assists the Board in fulfilling its responsibilities with respect to corporate governance standards, policies and practices. The Governance Committee identifies corporate governance standards and practices applicable to the Corporation and monitors new developments in corporate governance, and makes recommendations to the Board periodically. The Governance Committee assists the Board in reviewing and approving the disclosure with respect to corporate governance practices required to be included in the regulatory filings and the annual management information circular of the Corporation based on advice from legal and accounting advisors and assists the Board in reviewing and approving any other corporate governance practices disclosure before it is publicly disclosed by the Corporation based on advice from legal and accounting advisors.

Assessments

At present, the Board does not have a formal process for assessing the effectiveness of the Board. These matters are dealt with on a case by case basis at the Board level.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Company is a party to or to which any of its property is subject outside of the ordinary course of the Company's business, and no such proceedings are known to the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No informed person of the Company, no director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The Company's Registrar and Transfer Agent is Computershare Investor Services Inc., located in Vancouver, British Columbia.

MATERIAL CONTRACTS

The Company has entered into the following material contracts:

- (a) Information agreement dated October 20, 2006, between Rubén Rodríguez Amparan and Minera JM, S.A. de C.V. (Promontorio Property)
- (b) Exploration agreement with option to purchase concessions and assets dated November 2, 2006, between Siete Campanas de Plata, S.A. de C.V. and Minera JM, S.A. de C.V. (Promontorio Property)
- (c) Exploration agreement with option to purchase concessions dated November 28, 2006, between Exploration Canada de Oro, S.A. de C.V. and Minera JM, S.A. de C.V. (Promontorio Property)
- (d) Stock option plan of Kootenay Gold Inc. approved by the shareholders of Kootenay Silver Inc. on August 5, 2009
- (e) Agreement for the Assignment of Rights over Mining Concessions dated October 18, 2007, between Maria de Lourdes Alvarez Felix and Minera JM, S.A. de C.V. (Promontorio Property) (English Translation)
- (f) Agreement for the Assignment of Rights over Mining Concessions dated November 30, 2007, between Maria de Lourdes Alvarez Felix and Minera JM, S.A. de C.V. (Promontorio Property) (English Translation)
- (g) Agreement for the Assignment of Rights over Mining Concessions dated December 3, 2007, between Maria de Lourdes Alvarez Felix and Minera JM, S.A. de C.V. (Promontorio Property) (English Translation)

- (h) Consulting agreement dated September 11, 2008, between Makwa Exploration Ltd. and Kootenay Silver Inc.
- (i) Consulting agreement dated November 22, 2012, between RSK Management Consulting Inc. and Kootenay Silver Inc.
- (j) Columba purchase agreement dated November 12, 2018 between Hector Fernandez, Francisco Pena, Minera Ches Mex and Grupo Northair de C.V.
- (k) La Cigarra Exploration with Option Agreement entered into, by and between Mr. Ramos Sánchez and Grupo Northair de C.V dated September 24, 2009
- (l) La Cigarra Exploration with Option Agreement entered into, by and between Mr. Garza dated September 24, 2009

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on the Company's website at www.kootenaysilver.com and the SEDAR website at www.sedar.com