

# Extractive Sector Transparency Measures Act - Annual Report



Reporting Entity Name

Kootenay Silver Inc.

Reporting Year

From

2018-01-01

To:

2018-12-31

Date submitted

2019-06-28

Reporting Entity ESTMA Identification Number

E850386

Original Submission

Amended Report

Other Subsidiaries Included

(optional field)

Northair Silver Inc.

Not Consolidated

Not Substituted

Attestation by Reporting Entity

*In accordance with the requirements of the ESTMA, and in particular section 9 thereof, I attest I have reviewed the information contained in the ESTMA report for the entity(ies) listed above. Based on my knowledge, and having exercised reasonable diligence, the information in the ESTMA report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.*

Full Name of Director or Officer of Reporting Entity

Rajwant Kang

Date

2019-06-28

Position Title

Chief Financial Officer



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|   |              |                      |            |            |                               |     |
|---|--------------|----------------------|------------|------------|-------------------------------|-----|
| <b>Reporting Year</b>                               | <b>From:</b> | 2018-01-01           | <b>To:</b> | 2018-12-31 | <b>Currency of the Report</b> | CAD |
| <b>Reporting Entity Name</b>                        |              | Kootenay Silver Inc. |            |            |                               |     |
| <b>Reporting Entity ESTMA Identification Number</b> |              | E850386              |            |            |                               |     |
| <b>Subsidiary Reporting Entities (if necessary)</b> |              |                      |            |            |                               |     |

### Payments by Project

| Country | Project Name <sup>1</sup> | Taxes | Royalties | Fees | Production Entitlements | Bonuses | Dividends | Infrastructure Improvement Payments | Total Amount paid by Project | Notes <sup>23</sup>   |
|---------|---------------------------|-------|-----------|------|-------------------------|---------|-----------|-------------------------------------|------------------------------|---|
| Mexico  | Los Chinos                | 10200 |           |      |                         |         |           |                                     | <b>10,200</b>                | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | Santa Lucia               | 426   |           |      |                         |         |           |                                     | <b>426</b>                   | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | Guadalupe                 | 426   |           |      |                         |         |           |                                     | <b>426</b>                   | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | San Felipe                | 8569  |           |      |                         |         |           |                                     | <b>8,569</b>                 | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | Male                      | 279   |           |      |                         |         |           |                                     | <b>279</b>                   | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | FER                       | 8090  |           |      |                         |         |           |                                     | <b>8,090</b>                 | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | San Diego                 | 21430 |           |      |                         |         |           |                                     | <b>21,430</b>                | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | El Copalito               | 1606  |           |      |                         |         |           |                                     | <b>1,606</b>                 | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | La Verde                  | 30142 |           |      |                         |         |           |                                     | <b>30,142</b>                | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | Garabato 2                | 445   |           |      |                         |         |           |                                     | <b>445</b>                   | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | La Cigarra                | 49072 |           |      |                         |         |           |                                     | <b>49,072</b>                | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | Los Cuatos                | 4417  |           |      |                         |         |           |                                     | <b>4,417</b>                 | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |
| Mexico  | Meca                      | 3597  |           |      |                         |         |           |                                     | <b>3,597</b>                 | Concessions taxes paid in Mexican Pesos converted to Canadian dollars |

**Additional Notes<sup>3</sup>:**

\*\* Amounts shown are in Canadian Dollar ("C\$"). Payment was made in Mexican Peso ("MXP") and covered for reporting purposes using the average MXP 2018 exchange rate of 0.0674 (MXP/C\$).