



**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**For the three and six months ended**

**June 30, 2024**

**and**

**June 30, 2023**

**(Unaudited)**

**(Expressed in Canadian dollars)**

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**KOOTENAY SILVER INC.**  
(Unaudited - Expressed in Canadian dollars)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

	June 30, 2024 Unaudited	December 31, 2023 Audited
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,496,135	\$ 435,367
Receivables and advances (Note 8)	125,894	53,855
Prepaid expenses	366,091	295,075
Marketable securities (Note 4)	893,015	1,256,004
	<b>10,881,135</b>	<b>2,040,301</b>
<b>Non-current assets:</b>		
Fixed assets (Note 5)	941,855	916,648
Exploration advances and deposits	3,884	3,884
Exploration and evaluation assets (Note 6)	21,620,276	19,142,177
Receivables (Note 8)	1,427,157	1,435,320
	<b>24,000,172</b>	<b>22,508,029</b>
<b>Total assets</b>	<b>\$ 34,874,307</b>	<b>\$ 23,538,330</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities (Note 10)	\$ 198,947	\$ 438,566
	<b>198,947</b>	<b>438,566</b>
<b>Shareholders' equity:</b>		
Share capital (Note 7)	113,975,943	104,492,335
Reserves (Note 7)	55,363,226	50,827,629
Accumulated other comprehensive income	3,531,628	3,703,990
Deficit	(138,195,437)	(135,924,190)
<b>Total shareholders' equity</b>	<b>34,675,360</b>	<b>23,099,764</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 34,874,307</b>	<b>\$ 23,538,330</b>

Nature of Operations and Going Concern (Note 1)  
Commitments (Note 12)  
Subsequent event (Note 15)

Approved on Behalf of the Board:

"Jon Morda"  
Director

"James McDonald"  
Director

- See Accompanying Notes -

# KOOTENAY SILVER INC.

(Unaudited - Expressed in Canadian dollars except share amounts)

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>General and administrative expenses</b>				
Office and general (Note 10)	\$ 324,584	\$ 384,486	\$ 560,252	\$ 657,220
Professional fees	162,796	107,403	391,464	288,986
Management fees (Note 10)	60,000	60,000	120,000	120,000
Rent	31,974	35,225	63,936	72,310
Regulatory and filing fees	38,200	35,552	94,975	96,575
Depreciation (Note 5)	4,867	5,418	9,121	11,003
Option based compensation (Note 7)	296,721	271,591	683,348	803,339
Loss before exploration and other Items	919,142	899,675	1,923,096	2,049,433
<b>Exploration and evaluation</b>				
Exploration Expenditures	164,230	264,398	443,931	496,482
Mineral property investigation (Note 6)	2	15	5,295	2,133
	164,232	264,413	449,226	498,615
<b>Other Items</b>				
Foreign exchange loss/(gain)	58,077	(14,389)	80,418	(19,650)
Gain on sale of marketable securities	-	(160,702)	(24,253)	(159,428)
Finance income	(120,202)	(14,551)	(145,320)	(33,103)
IVA recovered	(11,920)	(22,723)	(11,920)	(22,723)
	(74,045)	(212,365)	(101,075)	(234,904)
<b>Loss for the period</b>	<b>1,009,329</b>	<b>951,723</b>	<b>2,271,247</b>	<b>2,313,144</b>
<b>Basic and diluted loss per share (Note 7)</b>	<b>\$ (0.02)</b>	<b>\$ (0.02)</b>	<b>\$ (0.04)</b>	<b>\$ (0.05)</b>
<b>Weighted average number of shares outstanding – basic and diluted (Note 7)</b>	<b>57,430,128</b>	<b>43,320,492</b>	<b>52,797,889</b>	<b>42,438,794</b>

- see accompanying notes -

**KOOTENAY SILVER INC.**  
(Unaudited - Expressed in Canadian dollars)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS**

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>Loss for the period</b>	<b>\$ 1,009,329</b>	<b>\$ 951,723</b>	<b>\$ 2,271,247</b>	<b>\$ 2,313,144</b>
Other comprehensive loss				
Fair value changes to marketable securities arising during the period (Note 4)	<b>65,307</b>	143,497	<b>1,891</b>	184,843
Foreign currency translation differences of foreign operations	<b>145,227</b>	(204,600)	<b>170,471</b>	(341,288)
Total other comprehensive loss/(gain)	<b>210,534</b>	(61,103)	<b>172,362</b>	(156,445)
<b>Comprehensive loss for the period</b>	<b>\$ 1,219,863</b>	<b>\$ 890,620</b>	<b>\$ 2,443,609</b>	<b>\$ 2,156,699</b>

- see accompanying notes -

# KOOTENAY SILVER INC.

(Unaudited - Expressed in Canadian dollars except share amounts)

## CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Number of Consolidated Shares	Capital Stock	Reserves	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Equity
<b>Balance, December 31, 2022</b>	41,547,426	\$ 102,455,061	\$ 47,003,352	\$ 4,215,908	\$ (131,488,754)	\$ 22,185,567
Shares issued, net of issuance costs	4,219,604	2,066,628	1,788,470	-	-	3,855,098
Option based compensation	-	-	1,528,515	-	-	1,528,515
Fair value changes to marketable securities arising during the period	-	-	-	(184,843)	-	(184,843)
Foreign currency translation differences of foreign operations	-	-	-	341,288	-	341,288
Loss for the period	-	-	-	-	(2,313,144)	(2,313,144)
<b>Balance, June 30, 2023</b>	<b>45,767,030</b>	<b>\$ 104,521,689</b>	<b>\$ 50,320,337</b>	<b>\$ 4,372,353</b>	<b>\$ (133,801,898)</b>	<b>\$ 25,412,481</b>
<b>Balance, December 31, 2023</b>	45,767,030	\$ 104,492,335	\$ 50,827,629	\$ 3,703,990	\$ (135,924,190)	\$ 23,099,764
Shares issued, net of issuance costs	14,201,853	9,483,608	3,441,102	-	-	12,924,710
Option based compensation	-	-	1,094,495	-	-	1,094,495
Fair value changes to marketable securities arising during the period	-	-	-	(1,891)	-	(1,891)
Foreign currency translation differences of foreign operations	-	-	-	(170,471)	-	(170,471)
Loss for the period	-	-	-	-	(2,271,247)	(2,271,247)
<b>Balance, June 30, 2024</b>	<b>59,968,883</b>	<b>\$ 113,975,943</b>	<b>\$ 55,363,226</b>	<b>\$ 3,531,628</b>	<b>\$ (138,195,437)</b>	<b>\$ 34,675,360</b>

- see accompanying notes -

**KOOTENAY SILVER INC.**  
(Unaudited - Expressed in Canadian dollars)

**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2023	2023
<b>Cash flows from operating activities</b>				
Loss for the period	\$ (1,009,329)	\$ (951,723)	\$ (2,271,247)	\$ (2,313,144)
Add items not involving cash:				
Option based compensation	296,721	271,591	683,348	803,339
Gain from marketable securities	-	(160,702)	(24,253)	(159,428)
Depreciation	4,866	5,418	9,121	11,003
	(707,742)	(835,416)	(1,603,031)	(1,658,230)
Changes in non-cash working capital balances:				
Receivable and advances	(229,330)	(193,489)	(142,884)	(109,756)
Prepaid expenses	(2,463)	(8,933)	(71,547)	65,984
Accounts payable and accrued liabilities	(178,308)	(280,544)	(282,980)	(159,980)
	(1,117,843)	(1,318,382)	(2,100,442)	(1,861,982)
<b>Cash flows from financing activities</b>				
Net Proceeds from private placement net of issuance costs (Note 7)	9,454,259	3,350,675	12,924,710	3,348,611
	9,454,259	3,350,675	12,924,710	3,348,611
<b>Cash flows from investing activities</b>				
Investment in exploration and evaluation assets	(1,548,032)	(1,151,188)	(2,133,006)	(2,442,215)
Investment in equipment	(28,770)	-	(28,770)	-
Proceeds from sale of marketable securities	-	1,090,796	389,133	1,162,599
	(1,576,802)	(60,392)	(1,772,643)	(1,279,616)
<b>Effect of foreign exchange rate changes on cash</b>	(1,733)	9,301	9,143	36,976
<b>Net change in cash and cash equivalents during the period</b>	<b>6,757,881</b>	<b>1,981,202</b>	<b>9,060,768</b>	<b>243,989</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>2,738,254</b>	<b>1,210,351</b>	<b>435,367</b>	<b>2,947,564</b>
<b>Cash and cash equivalents, end of the period</b>	<b>\$ 9,496,135</b>	<b>\$ 3,191,553</b>	<b>\$ 9,496,135</b>	<b>\$ 3,191,553</b>

Supplemental disclosure of cash and non-cash activities (Note 9)

- see accompanying notes -

## KOOTENAY SILVER INC.

(Unaudited - Expressed in Canadian dollars except share amounts)

### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

#### 1 Nature of Operations and Going Concern

Kootenay Silver Inc. and its wholly owned Mexican incorporated subsidiaries (the "Company") is a Canadian exploration stage company incorporated under the *Business Corporations Act* (British Columbia). The address of the Company's registered office is 910 - 810 West Pender St. Vancouver, British Columbia, Canada. The Company is currently listed on the TSX Venture Exchange ("TSX-V") under the symbol "KTN".

The Company is focused on acquiring and exploring mineral properties principally located in Mexico, with the objective of identifying mineralized deposits economically worthy of subsequent development, mining or sale.

These condensed consolidated interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. While the Company has been successful in the past at raising funds, there can be no assurance that it will be able to do so in the future.

The Company has predominately experienced operating losses and negative operating cash flows; operations of the Company having been primarily funded by the issuance of share capital. The Company expects to incur further losses in the development of its business. Management has estimated that the Company has sufficient financing to complete current work plans; however, future development will require additional financing in order to complete all anticipated exploration and other programs during the forthcoming year and thereafter. If funds are unavailable terms satisfactory to the Company, some or all planned activities may be cancelled or postponed. The above factors give rise to material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The business of mining and exploration involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of resource property expenditures is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. The Company will need access to capital to continue advancing its projects in Mexico.

These condensed consolidated interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for these condensed consolidated interim financial statements, then adjustments to the carrying values of assets and liabilities would be necessary. Such adjustment may be material.

	June 30, 2024	December 31, 2023
Losses	\$ 2,271,247	\$ 4,435,436
Working capital	\$ 10,682,188	1,601,735



**NOTES TO CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
June 30, 2024 and 2023**

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**2 Basis of Presentation:**

**Statement of Compliance**

These condensed consolidated interim financial statements, including comparatives have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

These condensed consolidated interim financial statements are for the three and six months ended June 30, 2024 and have been prepared in accordance with IAS 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). They do not include all the information required in annual financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2023. The policies applied in these condensed consolidated interim financial statements are consistent with the accounting policies disclosed in Notes 2 and 3 of the audited consolidated financial statements for the year ended December 31, 2023.

These condensed consolidated interim financial statements were authorized for issue by the Audit Committee of the Company as authorized by the Board of Directors on August 28, 2024.

**Functional and presentation currency**

These condensed consolidated interim financial statements are presented in Canadian dollars. Under IFRS, the Canadian dollar is the functional currency of the Company and its wholly owned subsidiary's, Northair Silver Corp. The functional currency of wholly owned subsidiaries of the Company, Minera JM S.A. de C.V., Grupo Northair de Mexico S.A. de C.V. and Kootenay Gold (US) Corp., is the US dollar and for Servicios de Exploraciones Sonora, S.A. de C.V., is the Mexican Peso.

Assets and liabilities of the subsidiaries with a functional currency in US dollars and Mexican pesos are translated at the period-end exchange rates, and the results of its operations are translated at average exchange rates for the period. The resulting translation adjustments are recorded in accumulated other comprehensive loss (income) in shareholders' equity. Additionally, foreign exchange gains and losses related to certain intercompany loans that are permanent in nature are included in accumulated other comprehensive loss.

**3 Material Accounting Policies:**

The material accounting policies applied in the preparation of these condensed consolidated interim financial statements are consistent with the accounting policies disclosed in Note 3 of the audited consolidated financial statements for the year ended December 31, 2023, except if noted below. These consolidated interim statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2023.

**Restricted Share Units and Deferred Share Units**

The estimated fair value of restricted share units ("RSUs") and deferred share units ("DSUs") (collectively "SUs") is the market price on the date that the SUs are granted. Employees (including directors and senior executives) of the Company may receive a portion of their remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions"). The value of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date on which they are granted on the date of grant when valuing SUs.

**KOOTENAY SILVER INC.**

(Unaudited - Expressed in Canadian dollars except share amounts)

**NOTES TO CONDENSED  
CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
June 30, 2024 and 2023**

**3 Material Accounting Policies (continued):**

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant option holder become fully entitled to the award ("vesting date"). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is recorded in reserves.

**4 Marketable Securities**

As at June 30, 2024, the fair value of marketable securities held was \$893,015 (2023 – \$1,256,004) related to investments in publicly traded companies which have issued to the Company common shares in consideration of various property earn-in option agreements. During the six months ended June 30, 2024, the Company recorded in other comprehensive loss, a loss of \$1,891 (June 30, 2023 – a loss of \$184,843) for fair value adjustments to marketable securities. During the six months ended June 30, 2024 the Company recorded from proceeds from sale of marketable securities \$389,133 (June 30, 2023 - \$1,162,599) and a gain of \$24,253 (June 30, 2023 – a gain of \$159,428).

**5 Fixed Assets:**

	<b>Vehicle</b>	<b>Office Equipment</b>	<b>Computer Equipment</b>	<b>Land</b>	<b>Total</b>
<b>Cost</b>					
Balance December 31, 2022	\$ 236,266	\$ 67,252	\$ 442,721	\$ 803,304	\$ 1,549,543
Addition	-	-	3,225	-	3,225
Disposal	(17,979)	-	-	-	(17,979)
Effect of foreign exchange	(6,659)	-	6,666	-	7
Balance December 31, 2023	\$ 211,628	\$ 67,252	\$ 452,612	\$ 803,304	\$ 1,534,796
Addition	-	-	28,770	-	28,770
Disposal	-	-	(3,173)	-	(3,173)
Effect of foreign exchange	2,889	-	10,857	-	13,746
<b>Balance June 30, 2024</b>	<b>\$ 214,517</b>	<b>\$ 67,252</b>	<b>\$ 489,066</b>	<b>\$ 803,304</b>	<b>\$ 1,574,139</b>
<b>Accumulated Depreciation</b>					
Balance December 31, 2022	\$ 209,275	\$ 61,841	\$ 348,512	\$ -	\$ 619,628
Depreciation for the period	2,564	1,322	16,463	-	20,349
Disposal	(17,979)	-	-	-	(17,979)
Effect of foreign exchange	(8,796)	(240)	5,186	-	(3,850)
Balance December 31, 2023	\$ 185,064	\$ 62,923	\$ 370,161	\$ -	\$ 618,148
Depreciation for the period	1,337	487	7,297	-	9,121
Disposal	-	-	(1,508)	-	(1,508)
Effect of foreign exchange	933	(54)	5,644	-	6,523
Balance June 30, 2024	<b>\$ 187,334</b>	<b>\$ 63,356</b>	<b>\$ 381,594</b>	<b>\$ -</b>	<b>\$ 632,284</b>
Carrying value					
December 31, 2023	\$ 26,565	\$ 4,329	\$ 82,450	\$ 803,304	\$ 916,648
<b>Carrying value June 30, 2024</b>	<b>\$ 27,183</b>	<b>\$ 3,896</b>	<b>\$ 107,472</b>	<b>\$ 803,304</b>	<b>\$ 941,855</b>

**KOOTENAY SILVER INC.**  
(Unaudited - Expressed in Canadian dollars except share amounts)

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023**

**6 Exploration and evaluation assets:**

	MEXICO						
	Promontorio	La Cigarra	Columba	Copalito	Generative Anomalies	2024 Total	2023 Total
	\$	\$	\$	\$	\$	\$	\$
<b>Acquisition Costs</b>							
Balance, beginning	3,658,642	30,548,524	4,656,261	794,981	884,383	<b>40,542,791</b>	38,742,947
Incurred	-	-	153,418	-	28,341	<b>181,759</b>	1,799,844
Balance, ending	<b>3,658,642</b>	<b>30,548,524</b>	<b>4,809,679</b>	<b>794,981</b>	<b>912,724</b>	<b>40,724,550</b>	40,542,791
<b>Exploration Expenditures</b>							
Balance, beginning	32,687,917	6,480,154	13,264,267	3,185,955	7,800,945	<b>63,419,238</b>	59,975,372
Assaying and Lab	-	-	27,402	-	-	<b>27,402</b>	50,090
Camp Costs	-	-	134,168	-	-	<b>134,168</b>	309,427
Drafting	-	-	-	-	-	-	29,262
Drilling	-	-	895,806	-	-	<b>895,806</b>	666,056
Geological mapping	-	-	-	-	-	-	225,773
Maintenance	-	-	-	-	-	-	10,279
Miscellaneous	-	-	-	-	6,467	<b>6,467</b>	21,738
Geological Consulting and Prospecting	-	-	1,227,175	-	5,322	<b>1,232,497</b>	2,131,241
Incurred	-	-	<b>2,284,551</b>	-	<b>11,789</b>	<b>2,296,340</b>	3,443,866
Balance, ending	32,687,917	6,480,154	15,548,818	3,185,955	7,812,734	<b>65,715,578</b>	63,419,238
Total properties balance	<b>36,346,559</b>	<b>37,028,678</b>	<b>20,358,497</b>	<b>3,980,936</b>	<b>8,725,458</b>	<b>106,440,128</b>	103,962,029
Balance, beginning	<b>(36,346,559)</b>	<b>(37,028,678)</b>	<b>(389,037)</b>	<b>(3,980,936)</b>	<b>(7,074,642)</b>	<b>(84,819,852)</b>	(85,228,456)
Cumulative change in foreign currency translation	-	-	-	-	-	-	408,605
Carrying value exploration and evaluation assets	-	-	<b>19,969,460</b>	-	<b>1,650,816</b>	<b>21,620,276</b>	19,142,177

## KOOTENAY SILVER INC.

(Unaudited - Expressed in Canadian dollars except share amounts)

### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

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#### 6 Exploration and evaluation assets *(continued)*:

##### **La Cigarra** – Chihuahua State, Mexico

The Company acquired the La Cigarra project through the acquisition of Northair and its wholly owned Mexican subsidiary Grupo Northair.

The La Cigarra project is 100% owned by the Company with no underlying royalty on the resource. However certain concessions are subject to a 1% net smelter royalty under an agreement with DFX Exploration Ltd. (the "DFX Agreement"). Pursuant to the terms of the DFX Agreement, a royalty will be paid of \$0.10 per silver equivalent ounce from production to a maximum of 185 million ounces from the Parral 2 concession.

On April 19, 2016, the Company purchased from Coeur Capital a 2.5% net smelter royalty ("NSR Acquisition") that it held on the La Cigarra project for total consideration of US\$2,500,000 of which US\$500,000 (\$646,025) was paid in cash and US\$2,000,000 was completed through the issuance of 9,629,091 common shares (valued at \$2,648,000) of the Company. The NSR Acquisition and transaction costs have been recorded as La Cigarra acquisition costs. During the year ended December 31, 2022, the Company recorded an impairment expense for accounting purposes of \$36,882,567 to the carrying value of La Cigarra. The Company maintains the project in good standing. The recognition of impairment was determined primarily due to a lack of financing and no significant exploration work was planned.

##### **Promontorio** – Sonora State, Mexico

The Company entered into an agreement on October 20, 2006 with Siete Campanas de Plata, S.A de C.V. ("Siete"), Exploration Canada De Oro, SA de CV ("ECO") and the Mexican Government Agency ("FIFOMI") to acquire an unencumbered 100% registered and beneficial interest in the Promontorio Concession, which includes the former producing Promontorio Mine Site. Upon completion of a bankable feasibility study or commencement of production, the Company must pay the remaining cash balance of US\$210,000 to ECO.

A 1% net smelter royalty is payable to Siete on the core claims of Promontorio of which the Company can purchase 50% of this net smelter royalty at any time for US\$500,000. The Company also has a right of first refusal to purchase the remaining 50% of this royalty. Additionally, a 2% net smelter royalty is payable to ECO on the core and surrounding claims. The Company may upon commencement of commercial production or sooner purchase 50% of this net smelter return for US\$1,000,000. The Company also has a right of first refusal on the remaining 50% of this royalty. During the year ended December 31, 2022, the Company recorded an impairment expense for accounting purposes of \$33,693,642 to the carrying value of Promontorio. The Company maintains the project in good standing. The recognition of impairment was determined primarily due to a lack of financing and no significant exploration work was planned.

##### **Columba** – Chihuahua State, Mexico

On November 12, 2018, the Company entered into an option agreement to acquire an undivided interest in the Columba project. Under the terms of the agreement, the Company must make total cash payments of US\$3,290,000 within a four-year period with an initial payment of US\$15,000 and first and second years payments totalling US\$75,000 and US\$150,000 respectively. Payments totalling US\$500,000 and US\$150,000 were made during the year ended December 31, 2021 and 2020 respectively. During the year ended December 31, 2022, the Company paid a further US\$1,245,000. During the year ended December 31, 2023, the Company paid the final payments totalling US\$1,075,000, of which US\$215,000 was settled by issuing 245,233 common shares. The Company having fulfilled its requirements under the option agreement during 2023, holds 100% of the Columba project. The Agreement included a work commitment of US\$250,000 by the first anniversary and US\$750,000 by the second anniversary of the Agreement, which the Company has fulfilled. Upon earn-in the vendors retain a 2% n.s.r. of which 1% can be purchased by the Company for US\$750,000.

## KOOTENAY SILVER INC.

(Unaudited - Expressed in Canadian dollars except share amounts)

### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

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#### 6 Exploration and evaluation assets *(continued)*:

##### **Copalito – Sinaloa, Mexico**

On April 19, 2018, the Company entered into an option agreement to acquire an undivided interest in the Copalito concession. Under the terms of the agreement, the Company were to make total staged cash payments of US\$985,000 within a four-year period with an initial payment of US\$30,000 on signing. The Company made cumulative payments totalling US\$595,000, with US\$135,000 paid during the year ended December 31, 2022. A finders fee of 100,000 common shares with a fair market value of \$15,500 and a cash payment of \$10,000 were paid in connection with the option agreement. During the year ended December 31, 2022, the option agreement was terminated by the Company and an impairment expense of \$3,980,936 was recorded.

##### **Other Properties – Mexico**

During year ended December 31, 2022, the Company sold its 35% interest in the Cervantes JV for 10 million common shares of Minerals Corp. with a fair value of \$2.5 million and retained a 0.5% NSR on the Cervantes project. The Company recorded a gain on the sale of \$1,757,762. The Company owned 100% interest in the various properties through staking.

On March 17, 2018, the Company entered into an option agreement with Capstone Mining Corp. ("Capstone"), whereby the Company granted Capstone the right to earn up to a 100% interest in the La Mina property. The terms of the agreement allow Capstone to earn an initial 60% interest by: spending an aggregate total of US\$4 million in exploration expenditures over 4 years and paying an aggregate total of US\$600,000 in staged payments to the Company on each anniversary to the Company. During the year ended December 31, 2021, the Company received US\$100,000 from Capstone under the terms of the option agreement. During the year ended December 31, 2023, the option agreement was terminated by Capstone.

##### **Property Investigation and Impairment**

During the six months ended June 30, 2024, the Company expended \$5,295 (2023 - \$2,133) related to other property investigation expense and \$443,931 (2023 - \$496,482) related to exploration expenditures. The Company reviews periodically for indicators of impairment in the carrying value of its mineral assets. During the six months ended June 30, 2024, no impairment was recorded.

##### **Title to mineral property interests**

Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

## KOOTENAY SILVER INC.

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### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

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#### 7 Share Capital and Reserves:

##### Authorized and share consolidation:

The authorized share capital is an unlimited number of common shares without par value. All issued shares, consisting of only common shares are fully paid. Effective November 14, 2023, a share consolidation of the Company's issued and outstanding common shares on the basis of ten pre-consolidated common shares for one post-consolidated common share. As a result, the Company's issued and outstanding warrants and stock options were also consolidated on a ten-to-one basis. All information relating to basic and diluted loss per share, issued and outstanding common shares, share purchase warrants, broker warrants, stock options, share and per share amounts in these condensed consolidated interim financial statements have been adjusted retrospectively to reflect the share consolidation. There were 59,968,883 (2023 – 45,766,903) fully paid common shares on issue as at June 30, 2024.

##### Issued:

###### Six months ended June 30, 2024

On April 25, 2024, the Company closed a public offering (the "Shelf Offering") for gross proceeds of up to \$10.35 million, which consisted of a sale of up to 9,241,071 units of the Company (each, a "Shelf Unit") at a price of \$1.12 per Unit (the "Shelf Offering Price"). The Company recorded \$591,000 in cash share issuance costs and \$312,179 being the fair value of finders warrants issued, from the Shelf Offering. Each Shelf Unit consisted of one common share of the Company and one-half Common Share purchase warrant (each whole warrant, a "Shelf Warrant"). Each whole Shelf Warrant entitles the holder to purchase one Common Share of the Company at a price of \$1.68 at any time before April 25, 2026. The net proceeds raised under the Offering will be used for the advancement of the Company's Columba Silver Project in Mexico as well as for general working capital and corporate purposes.

On February 16, 2024, the Company closed a non-brokered private placement (the "Offering") of units of the Company (the "Units"), at a price of \$0.75 per Unit (the "Offering Price"), the Company received total aggregate gross proceeds of \$3,720,587, with \$250,136 in cash share issuance costs and \$55,797 being the fair value of finders warrants issued, from the Offering. Each Unit is comprised of one common share of the Company (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant is exercisable to acquire one Common Share (a "Warrant Share") at a price of \$1.10 per Warrant Share for a period of 24 months from closing. An aggregate total of 4,960,782 Common Shares and 2,480,391 Warrants were issued under the Offering. The net proceeds from the Offering will be used for exploration activities, property commitments on the Company's projects, working capital and general corporate purposes. On March 5, 2024, 4,457,951 share purchase warrants with an exercise price of \$2.00 per share purchase warrant expired unexercised.

###### Year ended December 31, 2023

On May 15, 2023, an aggregate total of 447,104 common shares of the Company were issued in settlement of property acquisition payments related to the Columba property, with a fair value of \$506,487, of which 245,233 common shares were issued with a fair value of \$291,717, being settlement of US\$215,000 option payment related to Columba and 201,871 common shares with a fair value of \$214,770, being settlement of US\$135,000 plus 16% VAT to resolve conflicting property interests. On May 24, 2023, the Company announced that it has closed its previously announced brokered private placement offering (the "Offering") for gross proceeds of approximately \$2.14 million consisting of 2,139,000 units of the Company (the "Units"), at a price of \$1.00 per Unit (the "Offering Price"), with a non-brokered portion of the offering ("Non-Brokered Portion") for gross proceeds of approximately \$1.63 million consisting of 1,633,500 Units at the Offering Price, for aggregate gross proceeds to the Company of \$3.77 million.

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

### 7 Share Capital and Reserves (continued):

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 \$1.40 per Warrant Share for a period of 36 months from the closing of the Offering.

In connection with the Offering, the Agents received a cash fee of \$128,340. In addition, the Company granted the agents 128,340 non-transferable compensation warrants (the "Compensation Warrants"). Each Compensation Warrant entitles the holder thereof to purchase one Unit at an exercise price of \$1.00 per Unit for a period of 36 months following the Closing of the Offering. In addition, the agents received an advisory fee of \$22,140 and 66,000 advisory broker warrants on the same terms as the Compensation Warrants. The Company also paid aggregate cash finders' fees of \$75,870 to six arm's length finders and non-transferable finder's warrants exercisable into 2,010 Units at an exercise price of \$1.00 per Unit for a period of 36 months from the closing of the Offering.

### Options and Warrants:

Stock option and share purchase warrant transactions are summarized as follows:

	Warrants		Options	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Outstanding, December 31, 2022	14,450,230	\$ 2.50	723,000	\$ 1.50
Granted	3,968,850	1.70	2,145,000	1.55
Outstanding, December 31, 2023	18,419,080	\$ 1.70	2,868,000	\$ 1.50
Granted	7,766,710	1.44	1,310,000	0.90
Expired / Forfeited	(4,457,951)	2.00	(658,000)	1.40
<b>Outstanding, June 30, 2024</b>	<b>21,727,839</b>	<b>\$ 1.55</b>	<b>3,520,000</b>	<b>\$ 1.30</b>

### Warrants

As at June 30, 2024, the Company had outstanding share purchase warrants, enabling holders to acquire common shares as follows:

Number of Warrants	Exercise Price	Expiry Date
3,906,250	2.20	March 8, 2025
226,087	1.60	March 8, 2025
5,555,555	1.40	November 7, 2025
304,387	0.90	November 7, 2025
2,480,391	1.10	February 16, 2026
138,106	0.75	February 16, 2026
4,620,535	1.68	April 25, 2026
527,678	1.12	April 25, 2026
3,772,500	1.40	May 23, 2026
196,350	1.00	May 23, 2026
<b>21,727,839</b>		

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**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023****7 Share Capital and Reserves (continued):**

The weighted average remaining life of the outstanding warrants is 1.47 years (December 31, 2023 – 1.42 years). The fair value of warrants is estimated using the Black Scholes option-pricing model. Warrants are included in reserves until exercised, at which time they are transferred into share capital.

The following assumptions were used for the Black-Scholes valuation of warrants for the period ended June 30, 2024 and for the year ended December 31, 2023:

	2024	2023
Risk-free interest rate	4.30%	4.22%
Expected life of warrants	24 months	36 months
Fair value per warrant issued	\$0.34-\$0.59	\$0.40-\$0.50
Annualized volatility	102%	90%
Dividend rate	0.00%	0.00%

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. The Company has used historical volatility in its share price to estimate expected volatility. Changes in the subjective input assumptions can materially affect the fair value estimated.

**Options / Restricted and Deferred Share Units**

The Company has adopted an incentive stock option plan under the rules of the TSX-V pursuant to which it is authorized to grant options to executive officers, directors, employees and consultants, enabling them to acquire up to 10% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option is equal to the market price of the Company's shares on the date of grant. The options can be granted for a maximum term of 10 years and generally vest 25% in specified increments. No individual may hold options to purchase common shares of the Company exceeding 5% of the total number of common shares outstanding from time to time.

During the six months ended June 30, 2024, option-based compensation totalling \$1,094,496 (2023 - \$1,528,515) of which \$411,148 (2023 - \$725,176) was capitalized under mineral properties and \$683,348 (2023 - \$803,339) was expensed. As at June 30, 2024, 2,328,750 options (December 31, 2023 – 1,795,000) with a weighted average exercise price of \$1.40 per option (December 31, 2023 - \$1.50) were fully vested and exercisable.

On March 06, 2024, the Company granted stock options to officers, directors, employees, and consultants, who provide services similar to those employees, to purchase up to an aggregate of 1,310,000 common shares of Kootenay at an exercise price of \$0.90 per common share for a period of five years, the stock options will vest in increments with 25% vesting on grant date and the balance within 12 months of grant date. Additionally, the Company issued restricted and deferred share units totalling 905,000 common shares, which vest in 12 months of grant date.

As at June 30, 2024, the Company had outstanding stock options enabling holders to acquire common shares of the Company as follows:

Number of Options	Exercise Price	Expiry Date
65,000	2.70	July 06, 2026
2,145,000	1.55	January 12, 2028
1,310,000	0.90	March 6, 2029
3,520,000		



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**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023****7 Share Capital and Reserves (continued):**

The weighted average remaining life of the options is 3.9 years (December 2023 – 3.2 years). For stock options granted to employees, officers, directors and consultants, share based payment expense is measured at fair value and recognized over the vesting period from the date of grant. The fair value of stock options granted during the period ended June 30, 2024 and year ended 2023 were estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	<b>2024</b>	<b>2023</b>
Risk-free interest rate	<b>3.55%</b>	3.74%
Expected life of options	<b>5 years</b>	5 years
Fair value per option granted	<b>\$0.90</b>	\$1.05
Annualized volatility	<b>93.0%</b>	82.9%
Dividend rate	<b>0.00%</b>	0.00%

Option pricing models require the input of highly subjective assumptions, including the expected price volatility. The Company has used historical volatility in its share price to estimate expected volatility. Changes in the subjective input assumptions can materially affect the fair value estimated.

**Loss per share**

The calculation of basic loss per share for the six months ended June 30, 2024 was based on the loss of \$2,271,247 (2023 - \$2,313,144) and the weighted average number of common shares outstanding of 52,797,889 (2023 – 42,438,794), respectively. The Company does not have any instruments that would give rise to a dilution effect as of June 30, 2024 and 2023. As at June 30, 2024, the Company has 3,520,000 options (2023 – 2,668,000) and 21,727,839 warrants (2023 – 18,419,081) that are anti-dilutive and thus, not included in diluted loss per share.

**8 Receivables and advances:**

The Company's receivables are as follows:

	<b>June 30, 2024</b>	<b>December 31, 2023</b>
Net IVA/GST receivable	<b>\$ 1,427,157</b>	\$ 1,435,320
Other receivable	<b>125,894</b>	53,855
<b>Total</b>	<b>\$ 1,553,051</b>	\$ 1,489,175

As at June 30, 2024, the Company held \$1,427,157 (2023 - \$1,435,320) of IVA & GST receivable as non-current assets based on the expected timing of realization.

**KOOTENAY SILVER INC.**

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**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023****9 Supplemental Disclosure of Cash and Non-Cash Activities:**

The following transactions incurred during the period did not include cash:

		<b>June 30, 2024</b>	<b>December 31, 2023</b>
Option based compensation capitalized in mineral property (Note 7)	\$	<b>411,184</b>	\$ 965,814
Mineral property costs included in accounts payable	\$	<b>55,363</b>	\$ 31,673

**10 Related Party Transactions and Balances:**

Except as disclosed elsewhere in these condensed consolidated interim financial statements the following related party transactions were incurred in the normal course of business and were measured at the exchange amount.

Key management remuneration:

Key management personnel comprise the Company's Board of Directors and executive officers.

		<b>June 30, 2024</b>	<b>June 30, 2023</b>
Management fees charged by companies controlled by a director and/or officers (a)	\$	<b>305,272</b>	\$ 305,272
Director fees (b)		<b>40,000</b>	42,500
	\$	<b>345,272</b>	\$ 347,772

- a) The Company has entered into a consulting agreement dated January 1, 2008 with Makwa Exploration Ltd. ("Makwa") for the services of James McDonald to act as the Company's President and CEO. Effective January 1, 2017, the base monthly fee for Makwa was amended to \$20,833.
- b) For the six months ended June 30, 2024, the Company incurred \$40,000 (June 30, 2023 - \$42,500) for compensation to directors. As at June 30, 2024, \$20,000 (June 30, 2023 - \$38,000) was held in accrued liabilities as owing to directors for compensation.
- c) Effective September 1, 2008, the Company entered into an administrative and geological services agreement with a private company indirectly related to two common directors, which provides services to the Company including assisting in professional analysis, geological personnel, planning of exploration programs, promotional materials; providing access to financial and secretarial services and providing such other additional instructions and directions as the Company may require.

In addition to the above:

- d) For the six months ended June 30, 2024, the Company recorded \$631,053 (2023 - \$617,027) for stock-based compensation to officers and directors of the Company.

Related party balances are non-interest bearing with no specific terms of repayment and are unsecured.

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**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023****11 Segmented Information:**

The Company has one reportable operating segment, being the acquisition and exploration and future development of mineral properties.

The Company's current assets, non-current assets, current liabilities, and mineral properties and non-current liabilities by geographic location are as follows:

	June 30, 2024	December 31, 2023
Canada:		
Current assets	\$ 9,926,770	\$ 2,580,889
Non-current assets	669,552	14,219
Current liabilities	(147,611)	(385,867)
	<b>\$ 10,448,711</b>	<b>2,209,241</b>
Mexico:		
Current assets	\$ 954,365	\$ 894,732
Mineral properties	21,620,276	19,142,177
Non-current assets	1,703,344	906,313
Current liabilities	(51,336)	(52,699)
	<b>\$ 24,226,649</b>	<b>\$ 20,890,523</b>

**12 Commitments:**

The Company entered into various contracts for office and warehouse rent in Canada and Mexico. The following table summarizes the Company's total annual obligations under this agreement as at June 30, 2024:

Year	
2024	\$ 33,416
2025	\$ 6,274

The current head office lease is expiring on August 31, 2024, renewal of the lease is currently being negotiated.

**13 Financial Instruments and Financial Risk Management:**

The Company's financial instruments include cash and cash equivalents, receivable and advances, marketable securities, accounts payable and accrued liabilities. The carrying values of these financial instruments are measured at amortized cost except for marketable securities, which are measured at fair value through other comprehensive income/loss at each reporting period end.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments.

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### NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

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#### 13 Financial Instruments and Financial Risk Management *(continued)*:

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks. Further quantitative disclosures are included throughout these condensed consolidated interim financial statements. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has implemented and monitors compliance with risk management policies.

##### (a) Credit risk:

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and receivables. The Company maintains its cash with high-credit quality financial institutions. The Company's accounts receivable relates to receivables from exploration partners who are earning a right to the Company's property via earn-in option agreements. Accordingly, the Company views credit risk on cash and other receivables as minimal.

##### (b) Liquidity risk:

Liquidity risk is the risk that the Company will incur difficulties meeting its financial obligations as they are due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions without incurring unacceptable losses or risking harm to the Company's reputation.

The Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. To facilitate its expenditure program, the Company raises funds through private equity placements.

The Company anticipates it will have adequate liquidity to fund its financial liabilities.

As at June 30, 2024, the Company's liabilities were comprised of accounts payable and accrued liabilities, which have a maturity of less than one year.

##### (c) Market risk:

Market risk consists of currency risk, commodity price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns.

##### (i) Currency risk:

Foreign currency exchange rate risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. Although the Company is considered to be in the exploration stage and has not yet developed commercial mineral interests, the underlying market prices in Canada for minerals are impacted by changes in the exchange rate between the Canadian dollar, the United States dollar and the Mexican Peso. The Company's transactions are denominated in Canadian dollars, United States dollars and the Mexican Peso. The Company has not entered into any arrangements to hedge currency risk but does maintain cash balances within each currency. Canadian dollars are exchanged when needed to meet foreign denominated liabilities.

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**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023****13 Financial Instruments and Financial Risk Management (continued):**

The balances denominated in foreign currency are as follows:

	<b>June 30,</b>	December 31,
	<b>2024</b>	<b>2023</b>
	<b>US\$</b>	<b>US\$</b>
Cash and cash equivalents	<b>316,738</b>	25,270
Trade accounts payable and accrued liabilities	<b>17,522</b>	19,668
	<b>Mexican Peso</b>	<b>Mexican Peso</b>
Cash and cash equivalents	<b>869,250</b>	316,866
Receivables and advances	<b>236,674</b>	109,637
Trade accounts payable and accrued liabilities	<b>738,040</b>	876,770

The Company has completed a sensitivity analysis to estimate the impact of the change in the foreign exchange rates on net loss for the period. The result of the sensitivity analysis shows a change in +/- 10% in the US Dollar and Mexican Peso exchange rate could have a collective impact of approximately +/- \$43,707. This result arises primarily because the Company has Mexican Peso denominated cash accounts, accounts receivable and short term liabilities. The actual results of a change in foreign exchange rates would depend on the foreign currency denominated assets and liabilities at the time and could cause the impact on the Company's results to differ from above.

(ii) Commodity price risk:

Commodity price risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar, as outlined above. The Company is exposed to the price volatilities for precious and base metals that could significantly impact its future operating cash flow. As part of its routine activities, management is closely monitoring the trend of international metal prices.

(iii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The risk that the Company will realize a loss as a result of a decline in the fair value of cash and cash equivalents is limited because of their short-term investment nature. A variable rate of interest is earned on cash and cash equivalents, changes in market interest rates at the period-end would not have a material impact on the Company's condensed consolidated interim financial statements.

d) Fair value of financial instruments

The Company classifies its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value:

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**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**June 30, 2024 and 2023****13 Financial Instruments and Financial Risk Management** *(continued)*:

<b>June 30, 2024</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>
Marketable securities	\$	893,015	\$	-	\$	-	\$	893,015
December 31, 2023		Level 1		Level 2		Level 3		Total
Marketable securities	\$	712,224	\$	-	\$	543,780	\$	1,256,004

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

During the three months ended June 30, 2024, marketable securities held in a previously private company commenced trading on the TSX-V therefore they are now categorized as level 1 from level 3. The Company's carrying values of cash and cash equivalents, other receivables and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

**14 Capital Management:**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which will allow it to pursue the development of its mineral properties. Therefore, the Company monitors the level of risk incurred in its mineral property expenditures relative to its capital structure.

The Company's capital structure includes working capital and shareholders' equity. The Company monitors its capital structure and makes adjustments in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to facilitate the management of capital and the development of its mineral properties, the Company prepares annual expenditure budgets, which are regularly monitored and updated as considered necessary. To maintain or adjust the capital structure, the Company may issue new equity if available on favourable terms, option its mineral properties for cash and/or expenditure commitments from optionees enter into joint venture arrangements or dispose of mineral properties.

The Company's investment policy is to hold cash in interest bearing, Schedule 1 bank accounts and highly liquid short-term interest-bearing investments, with maturities of one year or less which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements. There has been no change in the Company's approach to capital management during the six months ended June 30, 2024.

**15 Subsequent Event:**

On July 10, 2024, the Company announced that it has established an "at-the-market" equity distribution program (the "ATM Program"). The ATM Program allows Kootenay to issue and sell, at its discretion, common shares in the capital of Kootenay ("Common Shares") that would have the aggregate sales amount of up to \$5,000,000, to the public from time to time through Research Capital Corporation, acting as agent. All Common Shares sold under the ATM Program will be sold at the prevailing market price at the time of the sale, directly through the

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## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS June 30, 2024 and 2023

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### 15 Subsequent Event *(continued)*:

TSX Venture Exchange or any other recognized marketplace upon which the Common Shares are listed, quoted or otherwise traded in Canada. Kootenay currently intends to use the net proceeds from the ATM Program to the extent raised, for the advancement of the Columba Silver Project and for general corporate purposes.