



## KOOTENAY SILVER ANNOUNCES CLOSING OF \$6.25 MILLION PRIVATE PLACEMENT

*NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.*

**Vancouver, BC – March 9, 2022** – Kootenay Silver Inc. (“**Kootenay**” or the “**Company**”) (TSXV: KTN) announces that it has closed its previously announced 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.

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

Certain related parties of the Company participated in the Offering, as set out below. The participation in the Offering by the related parties of the Company constitute related party transactions pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the participation of the insiders in the Offering in reliance on the exemptions contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, respectively. The Offering was unanimously approved by the board of directors of the Company, with the interested director having declared and abstained from voting on the resolutions with respect to his interest therein.

Mr. James McDonald, the President, Chief Executive Officer and a director of the Company and a related party to the Company within the meaning of MI 61-101, subscribed for 1,000,000 Units. Mr. McDonald now beneficially owns, or exercises control or direction over, 4,028,200 Common Shares or approximately 1.12% per cent of the issued and outstanding Common Shares (or approximately 1.89% per cent of the issued and outstanding Common Shares on a partially diluted basis including all convertible securities of the Company owned or controlled by Mr. McDonald).

Mr. Raj Kang, the Chief Financial Officer and Corporate Secretary of the Company and a related party to the Company within the meaning of MI 61-101, subscribed for 81,000 Units. Mr. Kang now beneficially owns, or exercises control or direction over 497,500 Common Shares or approximately 0.14% per cent of the issued and outstanding

Common Shares (or approximately 0.49% per cent of the issued and outstanding Common Shares on a partially diluted basis including all convertible securities of the Company owned or controlled by Mr. Kang).

## **KOOTENAY SILVER INC.**

**Per: "James M. McDonald"**  
**James McDonald, President and Chief Executive Officer**

### **About Kootenay Silver Inc.**

Kootenay Silver Inc. is an exploration company actively engaged in the discovery and development of mineral projects in the Sierra Madre Region of Mexico. Supported by one of the largest junior portfolios of silver assets in Mexico, Kootenay continues to provide its shareholders with significant leverage to silver prices. The Company remains focused on the expansion of its current silver resources, new discoveries and the near-term economic development of its priority silver projects located in prolific mining districts in Sonora, State and Chihuahua, State, Mexico, respectively.

### **For additional information, please contact:**

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or visit: [www.kootenaysilver.com](http://www.kootenaysilver.com)

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of the contents of this news release.*

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:**

The information in this news release has been prepared as at the date hereof. Certain statements in this news release, referred to herein as "forward-looking statements", constitute "forward-looking statements" under the provisions of Canadian provincial securities laws. These statements can be identified by the use of words such as "expected", "may", "will" or similar terms and include statements regarding receipt of regulatory approval of the Offering and the expected use of the net proceeds of the Offering.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Kootenay as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many factors, known and unknown, could cause actual results to be materially different from those expressed or implied by such forward-looking statements, including that the Company is able to obtain regulatory approval of the Offering and that the Company will be able to use the proceeds of the Offering as anticipated. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, Kootenay expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in Kootenay's expectations or any change in events, conditions or circumstances on which any such statement is based.

**Cautionary Note to US Investors:** This news release includes Mineral Reserves and Mineral Resources classification terms that comply with reporting standards in Canada and the Mineral Reserves and the Mineral Resources estimates are made in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. These standards differ significantly from the requirements adopted by the U.S. Securities and Exchange Commission (the "SEC"). The SEC sets rules that are applicable to domestic United States reporting

companies. Consequently, Mineral Reserves and Mineral Resources information included in this news release is not comparable to similar information that would generally be disclosed by domestic U.S. reporting companies subject to the reporting and disclosure requirements of the SEC. Accordingly, information concerning mineral deposits set forth herein may not be comparable with information made public by companies that report in accordance with U.S. standards.