



January 25th, 2024

## Kootenay Silver Announces Updated Mineral Resource Estimate for La Cigarra Project, Chihuahua Mexico

**Kootenay Silver Inc. (TSXV: KTN) (the "Company" or "Kootenay")** is pleased to announce an updated Mineral Resource Estimate ("MRE") on its 100% owned La Cigarra Project ("La Cigarra"), located in the Parral Silver District of Chihuahua State, Mexico. The current Resource Estimate, calculated by Allan Armitage, Ph.D., P.Geo., of SGS Geological Services 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) and supersedes a 2015 mineral resource estimate, also prepared by Dr. Armitage for previous owner Northair Silver Corp which was acquired by Kootenay in 2016. La Cigarra is situated within a well established Mexican mineral district and is a key property in Kootenay's portfolio of advanced silver exploration projects.

### Highlights of the 2024 La Cigarra Mineral Resource Estimate are as follows:

- **Measured + Indicated Mineral Resources** are estimated at 15.73 Mt grading 102 g/t silver, 0.07 g/t gold, 0.16% lead, and 0.21% zinc (120 AgEq). The Measured MRE includes resources of 51.57 Moz of silver, 33.9 koz of gold, 54.8 Mlbs of lead, and 73.5 Mlbs of zinc for 60.56 Moz AgEq.
- **Inferred Mineral Resources** are estimated at 3.37 Mt grading 102 g/t silver, 0.06 g/t gold, 0.20% lead, and 0.19% zinc (119 AgEq). The Inferred MRE includes resources of 11.00 Moz of silver, 6.00 koz of gold, 14.8 Mlbs of lead, and 13.8 Mlbs of zinc for 12.85 Moz AgEq.
- **Measured+Indicated grade increases from 86 g/t to 102 g/t silver.**
- **Measured+Indicated ounces increase slightly from 51.47 million to 51.57 million ounces.**
- **Measured+Indicated tonnages decrease from 18.54 to 15.73 million tonnes (measured from 3.62 to 2.08 million tonnes and indicated from 14.93 to 13.65 million tonnes).**
- **Inferred grade increases from 80 g/t to 102 g/t silver**
- **Inferred tonnages decrease from 4.45 to 3.35 million tonnes**

The 2024 Mineral Resource Estimate incorporates a significantly revised geological model compared to the previous resource and features a database of 201 surface diamond and RC drillholes totaling 36,988 meters and 26,419 assay intervals.

Kootenay's President & CEO, James McDonald states, *"The updated resource estimate for La Cigarra is part of our strategy to prepare our 3 resource projects La Cigarra, Promontorio and La Negra for advancement in a bullish silver market while we remain focused on moving our high-grade silver project, Columba towards an MRE."*

The La Cigarra updated resource estimate is a meaningful improvement in silver grade compared to the previous calculation, largely due to detailed work by our team which has significantly advanced understanding of the key mineral domains and structural geometry of the deposit.

In the M+I category silver only grade increases from 86 gpt to 102 gpt and contained ounces increase from 51.47 Moz to 51.57 Moz.

La Cigarra is located within 20-30 kilometres of the famous San Francisco del Oro and Santa Barbara deposits has significant potential for growth beyond the limits of the new Mineral Resource. Mineralization is open along strike to the northwest and southeast, as well as down-dip.”

The Company is unable to independently confirm or verify the accuracy or reliability of the San Francisco del Oro and Santa Barbara deposits. The Company also reminds investors that the results, resources or mineralization on the adjacent properties are not necessarily indicative of the potential for similar to exist on La Cigarra.

**Table 1-1 La Cigarra Deposit Mineral Resource Estimate at a Base Case Cut-off Grade of 50 g/t AgEq**

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq (g/t)	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	<sup>1</sup> AgEq (Moz)
Measured	2.08	103	0.06	0.16	0.22	121	6.90	4.30	7.6	9.9	8.10
Indicated	13.65	102	0.07	0.16	0.21	120	44.66	29.60	47.3	63.6	52.46
Mea. + Ind.	15.73	102	0.07	0.16	0.21	120	51.57	33.90	54.8	73.5	60.56
Inferred	3.37	102	0.06	0.20	0.19	119	11.00	6.00	14.8	13.8	12.85

The base-case AgEq Cut-off grade of 50 g/t AgEq considers metal prices of \$23.50/oz Ag, \$1,800/oz Au, \$1.00/lb Pb and \$1.30/lb Zn, and considers variable metal recoveries for Ag, Au, Pb and Zn: for oxide mineralization - 85% for Ag, 40% for Au, 75% for Pb and 65% for Zn; for sulphide mineralization - 92% for Ag, 40% for Au, 91% for Pb and 85% for Zn.

<sup>1</sup>AgEq = Ag ppm + (((Au ppm x Au price/gram) + (Pb% x Pb price/t) + (Zn% x Zn price/t))/Ag price/gram). Metal price assumptions are \$23.50/oz silver, \$1,800/oz gold, \$1.00/lb lead and \$1.30/lb zinc.

**La Cigarra Mineral Resource Estimate Notes:**

- (1) The Mineral Resource Estimate was estimated by Allan Armitage, Ph.D., P. Geo. of SGS Geological Services and is an independent Qualified Person as defined by NI 43-101. Dr Armitage conducted a recent site visit to the La Cigarra Property on November 28 and 29, 2023.
- (2) The classification of the current Mineral Resource Estimate into Measured, Indicated and Inferred mineral resources is consistent with current 2014 CIM Definition Standards - For Mineral Resources and Mineral Reserves. The effective date for the Updated Mineral Resource Estimate is November 29, 2023.
- (3) All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.
- (4) The mineral resource is presented undiluted and in situ, constrained by continuous 3D wireframe models, and are considered to have reasonable prospects for eventual economic extraction.
- (5) Mineral resources which are not mineral reserves do not have demonstrated economic viability. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted

to a Mineral Reserve. It is reasonably expected that most Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

- (6) The La Cigarra mineral resource estimate is based on a validated database which includes data 201 surface diamond and RC drill holes totalling 36,988 m. The resource database totals 26,419 assay intervals representing 34,447 m of drilling. The average assay sample length is 1.30 m.
- (7) The mineral resource estimate is based on 9 three-dimensional (“3D”) resource models, constructed in Leapfrog. Grades for Ag, Au, Pb and Zn were estimated for each mineralization domain using 1.5 metre capped composites assigned to that domain. To generate grade within the blocks, the inverse distance squared (ID<sup>2</sup>) interpolation method was used for all domains. Each domain was then subdivided into oxide and sulphide domains.
- (8) Average density values were assigned to oxide and sulphide domains and a waste domain based on based on a database of 1,412 samples.
- (9) It is envisioned that the La Cigarra deposit may be mined using open-pit mining methods. Mineral resources are reported at a base case cut-off grade of 50 g/t AgEq. The in-pit Mineral Resource grade blocks are quantified above the base case cut-off grade, above the constraining pit shell, below topography and within the constraining mineralized domains (the constraining volumes).
- (10) The results from the pit optimization are used solely for the purpose of testing the “reasonable prospects for economic extraction” by an open pit and do not represent an attempt to estimate mineral reserves. There are no mineral reserves on the Property. The results are used as a guide to assist in the preparation of a Mineral Resource statement and to select an appropriate resource reporting cut-off grade.
- (11) The base-case AgEq Cut-off grade considers metal prices of \$23.50/oz Ag, \$1,800/oz Au, \$1.00/lb Pb and \$1.30/lb Zn, and considers variable metal recoveries for Ag, Au, Pb and Zn: for oxide mineralization - 85% for Ag, 40% for Au, 75% for Pb and 65% for Zn; for sulphide mineralization - 92% for Ag, 40% for Au, 91% for Pb and 85% for Zn.
- (12) The pit optimization and base case cut-off grade of 50 g/t AgEq considers a mining cost of US\$2.50/t mined, and processing, treatment, refining, G&A and transportation cost of USD\$22.40/t of mineralized material.
- (13) The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

**Table 1-2 La Cigarra Oxide and Sulphide MRE at a Base Case Cut-off Grade of 50 g/t AgEq**

**Oxide MRE**

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq (g/t)	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	<sup>1</sup> AgEq (Moz)
Measured	0.50	141	0.06	0.12	0.06	152	2.28	1.00	1.3	0.7	2.46
Indicated	2.66	104	0.08	0.11	0.09	117	8.92	6.5	6.4	5.0	9.96
Mea. + Ind.	3.16	110	0.07	0.11	0.08	122	11.20	7.50	7.7	5.7	12.42
Inferred	0.89	84	0.05	0.17	0.05	94	2.40	1.30	3.4	1.0	2.70

**Sulphide MRE**

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq (g/t)	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	<sup>1</sup> AgEq (Moz)
Measured	1.58	91	0.07	0.18	0.26	111	4.62	3.30	6.2	9.2	5.64

Indicated	10.99	101	0.07	0.17	0.24	120	35.75	23.10	40.9	58.5	42.50
Mea. + Ind.	12.57	100	0.07	0.17	0.24	119	40.37	26.40	47.1	67.7	48.14
Inferred	2.48	108	0.06	0.21	0.24	128	8.60	4.70	11.4	12.9	10.15

**Table 1-3 In-Pit Mineral Resource Estimate at Various AgEq Cut-off Grades**

Cut-off Grade (AgEq g/t)	Tonnes	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (Moz)	Au (kOz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (Moz)
Measured											
30	2.73	86	0.06	0.14	0.19	102	7.54	5.30	8.5	11.4	8.94
40	2.43	93	0.06	0.15	0.20	110	7.28	4.90	8.1	10.8	8.60
50	2.08	103	0.06	0.16	0.22	121	6.90	4.30	7.6	9.9	8.10
60	1.75	114	0.07	0.18	0.23	134	6.44	3.70	7.0	9.0	7.51
70	1.48	126	0.07	0.19	0.25	146	5.99	3.10	6.3	8.1	6.94
80	1.27	137	0.06	0.21	0.26	158	5.59	2.60	5.8	7.2	6.44
Indicated											
30	17.16	87	0.06	0.14	0.19	103	48.18	35.30	52.4	71.1	57.04
40	15.52	94	0.07	0.15	0.20	111	46.77	32.80	50.2	67.9	55.17
50	13.65	102	0.07	0.16	0.21	120	44.66	29.60	47.3	63.6	52.46
60	11.86	111	0.07	0.17	0.22	129	42.18	26.30	44.0	58.7	49.31
70	10.00	122	0.07	0.18	0.24	141	39.08	22.50	39.6	52.9	45.41
80	8.56	132	0.07	0.19	0.25	152	36.28	19.50	35.8	47.7	41.94
Inferred											
30	4.03	90	0.06	0.18	0.17	106	11.64	7.50	15.8	15.2	13.73
40	3.77	94	0.06	0.19	0.18	111	11.44	6.80	15.4	14.7	13.44
50	3.37	102	0.06	0.20	0.19	119	11.00	6.00	14.8	13.8	12.85
60	2.87	111	0.06	0.22	0.20	130	10.28	5.20	14.0	12.8	11.98
70	2.39	123	0.06	0.24	0.22	143	9.45	4.30	12.7	11.7	10.97
80	1.99	135	0.06	0.25	0.24	156	8.67	3.60	11.1	10.7	10.01

Note:

Values in these tables reported above and below the base-case cut-off 50 g/t AgEq for in-pit Mineral Resources should not be misconstrued with a Mineral Resource Statement. The values are only presented to show the sensitivity of the block model estimates to the selection of the base case cut-off grade. All values are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

The comparison table below shows the 2024 Resource estimate compared to the previous resource. Of note Measured and Indicated (M+I) categories include a total of 51.57 Moz of silver, a modest increase from 51.47 Moz. The combined M+I grade, however increased from 86.3 g/t Ag to 102 g/t Ag, (an 18% increase). Similarly, in the Indicated category total contained silver decreased from 11.46 Moz to 11 Moz, though overall grade increased from 80 g/t Ag to 102 g/t Ag, (a 27% increase).

Mineralization at La Cigarra is open along both strike directions and down-dip. The La Cigarra is a key project in Kootenay's portfolio and is currently on care and maintenance as the company focusses on advancing the flagship Columba Silver Project, also in Chihuahua State, Mexico.

**Table 1-4 Comparison of 2015 and 2024 Resources**

**2024 Resource (\$23.50 silver, 50 g/t silver equivalent cut-off grade)**

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq (g/t)	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	<sup>1</sup> AgEq (Moz)
Measured	2.08	103	0.06	0.16	0.22	121	6.9	4.3	7.6	9.9	8.1
Indicated	13.65	102	0.07	0.16	0.21	120	44.66	29.6	47.3	63.6	52.46
Mea. + Ind.	15.73	102	0.07	0.16	0.21	120	51.57	33.9	54.8	73.5	60.56
Inferred	3.37	102	0.06	0.2	0.19	119	11	6	14.8	13.8	12.85

**2015 Resource (\$22 silver, 35 g/t silver cut off grade)**

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq (g/t) <sup>2</sup>	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	<sup>2</sup> AgEq (Moz)
Measured	3.62	88.9	0.07	0.14	0.19		10.34	9	10.92	15.51	
Indicated	14.93	85.7	0.07	0.13	0.18		41.13	33	42.95	59.26	
Mea. + Ind.	18.54	86.3	0.07	0.13	0.18		51.47	41	53.87	74.77	
Inferred	4.45	80	0.06	0.13	0.16		11.46	8	12.68	15.61	

<sup>1</sup> AgEq Calculation for the comparison above =  $Ag\ ppm + ((Au\ ppm \times Au\ price/gram) + (Pb\ \% \times Pb\ price/t) + (Zn\ \% \times Zn\ price/t))/Ag\ price/gram$ . Metal price assumptions are \$23.50/oz silver, \$1,800/oz gold, \$1.00/lb lead and \$1.30/t zinc

<sup>2</sup> Original 2015 MRE did not include a calculation for AgEq,

**Sampling and QA/QC at La Cigarra**

All technical information used within the La Cigarra Mineral Resource Estimate was obtained and reported under a formal quality assurance and quality control (“QA/QC”) program. Details of the QA/QC protocols and checks.

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

### ***Qualified Persons***

The Kootenay technical information in this news release has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) and reviewed and approved on behalf of Kootenay by Mr. Dale Brittliffe, BSc. P. Geo., Vice President, Exploration of Kootenay Silver, 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.

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

*The information in this news release has been prepared as at January 24, 2024. 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.*

*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. 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.*