



October 12, 2023

Kootenay Silver Announces updated Promontorio/Maiden La Negra Resource Estimate and Intention of Share Consolidation

Vancouver, British Columbia: Kootenay Silver Inc. (TSX VENTURE: KTN) ("Kootenay" or the "Company") is pleased to announce 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") have been 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).

Kootenay’s President & CEO, James McDonald states, “We are pleased to see a significant increase in metal content on the Promontorio-La Negra property that includes the La Negra discovery for the first time. Between the two deposits we see an exciting increase in grade and contained silver ounces.

On a silver equivalent basis, the project is now estimated to host 162.8 million ounces M+I and 44.4 million ounces inferred. On a silver only basis, the M+I resource for silver are estimated to total 68.2 million ounces with another 17.6 million ounces inferred.

The first ever resource estimate for La Negra Silver Deposit returned excellent overall grades, averaging 129 g/t silver equivalent in the Indicated Category and 115 g/t silver equivalent in the Inferred Category. At a cutoff of 50 g/t silver equivalent these grades increase to 146 g/t and 133 g/t silver equivalent respectively with only a modest drop in contained silver ounces.

I would like to point out our expanded resource base, on a silver equivalent basis, the estimated totals for Promontorio-La Negra plus La Cigarra are 214.2 million silver equivalent ounces in the M+I along with 54.9 million silver equivalent ounces inferred.

On a silver only basis, Kootenay’s M+I silver resources are estimated to be 120.2 million ounces and 28.2 million silver ounces inferred for the Promontorio-La Negra and La Cigarra projects.

This work prepares the project for advancement in a stronger metals market. Meanwhile we remain focused on drilling Columba with the aim of defining a new high-grade resource there and will be reporting on results in the coming weeks. “

Mr. McDonald adds “The Company has also decided to proceed with a share consolidation at this time as detailed below, which the Board believes is in the best interest of shareholders. It has been an ongoing discussion point with various investors and shareholders encouraging us to proceed with the consolidation, which could lead to increased investor interest by raising the Company profile with a lower number of outstanding shares, a higher stock price and better position the Company to obtain financing to further advance its properties.”

*La Cigarra resource estimate table can be found here <https://kootenaysilver.com/projects/la-cigarra>

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 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. 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.

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 3-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:

- 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.

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 an 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 2 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. The shapes are illustrated in Figure 2.

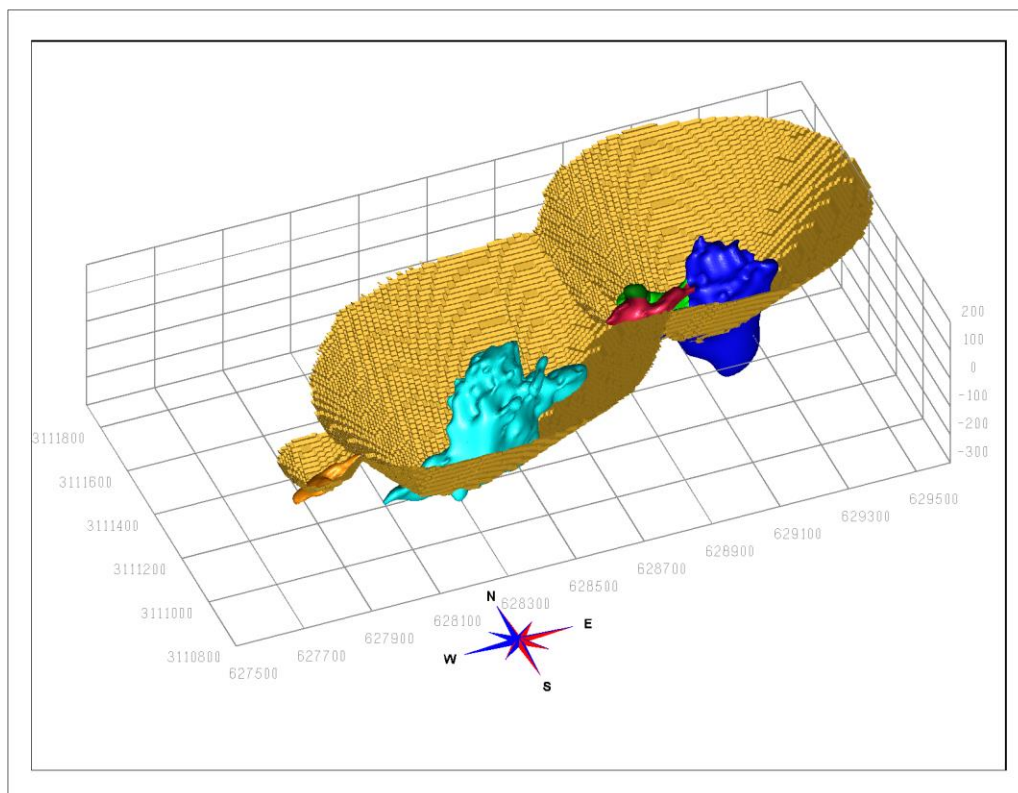


Figure 1 Mineralized Shapes and Resource Pit – Promontorio

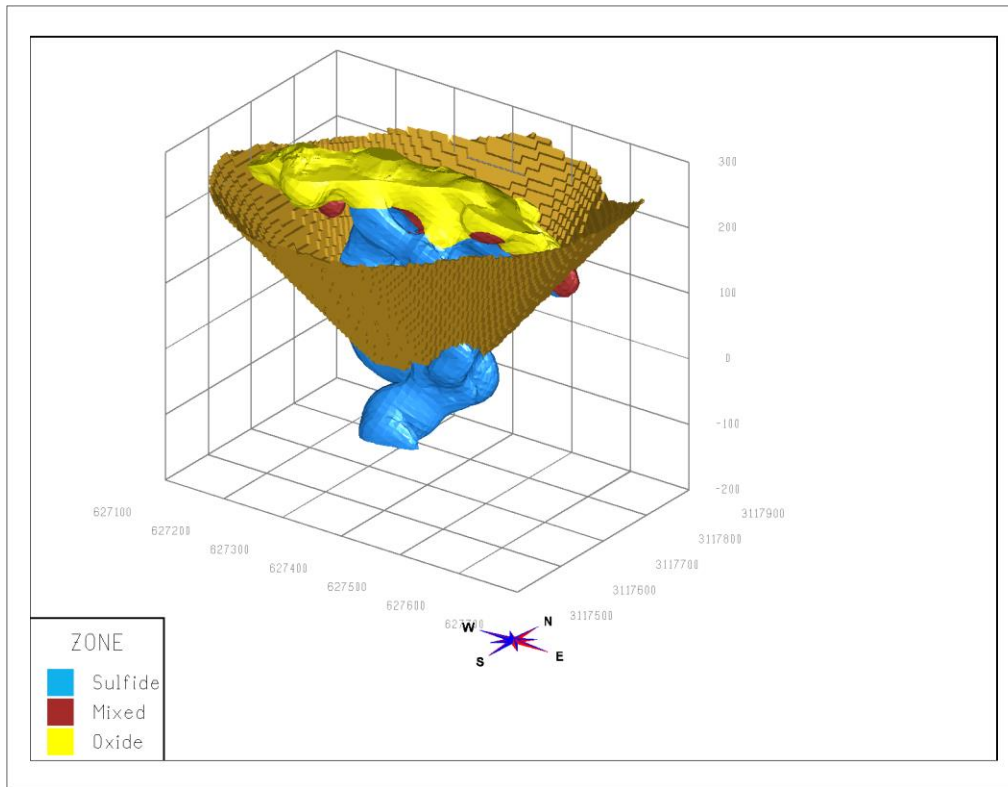


Figure 2 Mineralized Shapes and Resource Pit – La Negra

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 1 m 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 5 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 2 nearest drillholes is \leq 50m and if the distance to the furthest of those drillhole is \leq 70m, 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 3 nearest drillholes is \leq 30m and if the distance to the furthest of those drillhole is \leq 50m, 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 2 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 parameters shown with the resource tables 1 through 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.

Cautionary Note to Investors

While the terms “indicated (mineral) resource” and “inferred (mineral) resource” are recognized and required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*, investors are cautioned that except for that portion of mineral resources classified as mineral reserves, mineral resources do not have demonstrated economic viability. Investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be upgraded into mineral reserves. Additionally, investors are cautioned that inferred mineral resources have a high degree of uncertainty as to their existence, as to whether they can be economically or legally mined, or will ever be upgraded to a higher category.

United States investors are advised that current Mineral Resources are not current Mineral Reserves and do not have demonstrated economic viability.

Share Consolidation

The Company is pleased to announce that its board of directors (the “Board”) has approved a consolidation (the “Consolidation”) of the common shares (the “Shares”) of the Company on a ten-to-one (10:1) basis. The Company currently has 457,669,033 Shares outstanding and if completed, the Consolidation would reduce the issued and outstanding Shares to approximately 45,766,903 Shares, subject to rounding. No fractional post-Consolidation Shares will be issued pursuant to the Consolidation. Any fractional Shares equal to or greater than one-half resulting from the Consolidation will be rounded up to the next whole number of Shares, and any fractional Shares less than one-half resulting from the Consolidation will be rounded down to the nearest whole number.

Along with all outstanding Shares, the Company’s equity incentive plan will be adjusted accordingly. The Consolidation will also affect 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 will be reduced and the exercise price will increase, all in accordance with the terms of the certificates governing the Warrants.

The Consolidation is subject to TSX Venture Exchange (“TSXV”) approval. At the Company’s annual general and special meeting of its shareholders (the “Shareholders”) held on March 15, 2023, the Shareholders approved the replacement of the Company’s articles of incorporation in their entirety with a new form of articles of incorporation (the “New Articles”). Under the New Articles, a consolidation may be implemented by the Board without shareholder approval. As such, the Consolidation is not subject to shareholder approval. The Company will announce the effective date of the Consolidation, as well as the new CUSIP/ISIN numbers for the post-Consolidation Shares by way of a future news release. The post-Consolidation Shares will continue to trade on the TSXV under the Company’s existing name and trading symbol.

The Consolidation will not materially affect the percentage ownership in the Company of Shareholders even though such ownership will be represented by a smaller number of Shares. The Consolidation will merely proportionally reduce the number of Shares held by Shareholders.

Shareholders who have deposited their Shares into brokerage accounts are not required to take any action to effect an exchange of their Shares.

Shareholders with physical certificates will receive a letter of transmittal from Computershare Investor Services Inc., the Company's transfer agent. The letter of transmittal will contain instructions on how registered Shareholders can exchange their share certificates representing pre-Consolidation Shares for new certificates representing post-Consolidation Shares. Until surrendered, each share certificate representing pre-Consolidation shares will represent the number of whole post-Consolidation shares to which the holder is entitled as a result of the consolidation.

About Kootenay Silver

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:

James McDonald, CEO and President at 403-880-6016

Ken Berry, Chairman at 604-601-5652; 1-888-601-5650

or visit: www.kootenaysilver.com

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of the Canadian securities laws. Forward-looking information is generally identifiable by use of the words "believes," "may," "plans," "will," "anticipates," "intends," "budgets", "could", "estimates", "expects", "forecasts", "projects" and similar expressions, and the negative of such expressions. Forward-looking information in this news release include statements about the mineral resource estimate for the Promontorio-La Negra project; the completion and filing of a National Instrument 43-101 technical report related to the Promontorio-La Negra mineral resource estimate; potential existence and size of mineralization within the Promontorio-La Negra project; and geological interpretations and potential mineral recovery processes. Information concerning mineral resource estimates also may be deemed to be forward-looking information in that it reflects a prediction of the mineralization that would be encountered if a mineral deposit were developed and mined.

In connection with the forward-looking information contained in this news release, Kootenay Silver and its subsidiaries have made numerous assumptions, regarding, among other things: the geological, metallurgical, engineering, financial and economic advice that Kootenay Silver has received is reliable and is based upon practices and methodologies which are consistent with industry standards. While Kootenay Silver considers these assumptions to be reasonable, these assumptions are inherently subject to significant uncertainties and contingencies.

Such forward-looking information and statements are based on numerous assumptions, including among others, that the Company will receive approval from the TSXV and complete the Consolidation in the timeframe

and on the terms as anticipated by management. Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Additionally, there are known and unknown risk factors which could cause Kootenay Silver's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: the actual mineralization in the Promontorio-La Negra deposit may not be as favorable as suggested by the resource estimate; the NI 43-101 technical report that includes the resource estimate may not be filed within the anticipated timeframe, or at all; fluctuations in copper and other commodity prices and currency exchange rates; uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits; uncertainty of estimates of capital and operating costs, and recovery rates; the need to obtain additional financing to develop properties and uncertainty as to the availability and terms of future financing; the possibility of delay in exploration or development programs or in construction projects and uncertainty of meeting anticipated program milestones; uncertainty as to timely availability of permits and other governmental approvals.

A more complete discussion of the risks and uncertainties facing Kootenay Silver is disclosed in Kootenay Silver's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com. All forward-looking information herein is qualified in its entirety by this cautionary statement, and Kootenay Silver disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events, or developments, except as required by law.

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