



January 20, 2024

### **Kootenay Commissions a Preliminary Economic Assessment on La Cigarra Silver Deposit and Continues to Aggressively Drill Columba**

**Kootenay Silver Inc. (TSXV: KTN; OTCQX: KOOYF)** (the "Company" or "Kootenay") is pleased to announce it has engaged engineering firms Sacré-Davey Engineering Inc. ("Sacré-Davey") and Canenco Consulting Corp. ("Canenco") to conduct a Preliminary Economic Assessment ("PEA") on its La Cigarra Silver deposit ("La Cigarra") which sits in the famous Parral Mining District of Chihuahua. The PEA is expected to be finished in the second quarter of this year.

James McDonald President and CEO of Kootenay states "*In late 2023 and early 2024, in anticipation of silver decisively breaking above \$30 dollars per ounce, we updated our resource estimates on the existing deposits of La Cigarra and Promontorio, and at the same time published a maiden resource on the La Negra deposit. These three deposits are well positioned to be quickly advanced with silver experiencing a nominal record high of \$94.09 per ounce driven by a multi-year supply deficit and intense industrial demand. As such, we have commissioned a Preliminary Economic Study on the first of those three deposits, La Cigarra, for delivery in Q2. At the same time, we are aggressively drilling Columba to achieve our goal of increasing its maiden resource of 54 million ounces of silver to 100 million ounces followed by a PEA of its own.*"

Ken Berry, Chairman, added "*With 43-101 estimates on four deposits and active programs to deliver a PEA on La Cigarra and an aggressive 50,000 meter program to push Columba's resource to 100 million ounces we aim to exit 2026 as a developer with a stellar set of assets in the pipeline*" .

#### **La Cigarra**

La Cigarra is host to a pit constrained resource totaling 51.57 million ounces of measured plus indicated category (M+I) silver in 15.73 million tonnes grading 102 gpt silver, 0.07 gpt gold, 0.16% lead and 0.21 % zinc (60.56 million ounces Ag equivalent<sup>1</sup>) and another 11 million ounces of inferred category silver in 3.37 million tonnes grading 102 gpt silver, 0.06 gpt gold, 0.2 % lead an 0.19 % zinc (12.85 million ounces Ag equivalent<sup>1</sup>). [See news release dated January 25th, 2024.](#)

La Cigarra sits along a mineralized trend extending from the famous Santa Barbara and San Francisco Del Oro mines about 30 km to the south where the Mexican mining companies Penoles and Frisco are actively mining up to depths of 2000 meters.

#### **About Sacré-Davey and Canenco**

**Sacré-Davey** provides innovative multi-disciplinary engineering and project management solutions, backed by nearly four decades of satisfied clients and thousands of successfully completed projects. As a mid-market organization, their unique approach combines the reliability of a large organization with the personalized services of a boutique firm.

Sacré-Davey is a privately-owned firm with headquarters in North Vancouver, BC, with offices across Canada, the United States and Southeast Asia. With a global team of experts, they provide quick response times and the appropriate resources to deliver projects effectively and efficiently. Their team brings experience managing and executing mining studies and projects around the world, giving them a broad portfolio of technical and financial expertise from which to draw.

**Canenco** brings technical silver expertise from mining operations in Mexico and across central and southern Americas. With both project and operational understanding of the region's conditions, mining requirements, and process challenges, Canenco provides end-to-end mining project solutions that enhance safety, efficiency, cost and sustainability. Their team has successfully supported numerous projects—from exploration and feasibility studies to mine design, infrastructure development, construction and process optimisation.

**Together, Sacré-Davey and Canenco** have worked on several projects, all of which are being built and brought into production. Kootenay Silver looks forward to working with this dedicated team of experts in their fields who have a proven track record of producing high quality outcomes for their mining clients. By integrating their advanced engineering tools with local relevant experience, they will help Kootenay Silver maximize its resource recovery while minimizing operational risks and environmental impact, ensuring long-term value for mining stakeholders throughout Mexico's rich silver-producing regions.

### ***La Cigarra Mineral Resource Estimate, 2024***

- **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 (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 (12.85 Moz AgEq).

**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/lb) + (Zn% x Zn price/lb))/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 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.

*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 Mineral Resource Estimate was estimated by Allan Armitage, PhD., P.Geo. of SGS Geological Services, and is an independent Qualified Person as defined by NI 43-101. Dr. Armitage conducted a site visit to La Cigarra Property on November 28 and 29, 2023.

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. 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.

### ***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:***

**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](http://www.kootenaysilver.com)

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

*The information in this news release has been prepared as at January 19, 2026. 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.

2026 - 02