



January 8, 2026

Kootenay Reports Results from Nine Holes in Ongoing Columba Drill Program

Kootenay Silver Inc. (TSXV: KTN; OTCQX: KOOYF) (the "Company" or "Kootenay") is pleased to announce additional assay results from nine drill holes completed as part of its staged 50,000-meter drill program at **Columba High Grade Silver Project** in Chihuahua, Mexico.

Drilling is focused on the expansion of the known resource bodies that remain open in all directions. The extensive Columba vein system currently hosts an inferred Mineral Resource Estimate ("MRE") totaling 54.1 Moz of silver based on 5.92 Mt at a grade of 284 gpt. (see News Release June 17, 2025).

This release presents highlights from ongoing systematic step-out and extension drilling at Columba. The results contained herein include four holes targeting D Vein and five holes targeting the sub-parallel B2/Lupe Vein System. These holes are testing extensions of known mineralized structures at a nominal 100m spacing. The Company is currently experiencing much longer than usual assay turnaround times for results from the laboratory.

Highlights include:

D Vein Trend – All holes on D Vein represent aggressive extension drilling, targeting intercepts ~100 meters beneath the existing known extents of mineralization. The vein remains open at depth and along strike. On cross section the deeper holes show the dip of the veins 'flatten'. That is consistent with structural measurements at surface that predict these areas will be tighter (compression zones) and not as strongly mineralized. Whereas the areas the vein dip steepens the zones will be more open (extensional) and thus more strongly mineralized. It is expected this pattern will repeat itself in the down dip direction (deeper).

Links to [D Vein Cross Sections](#), [Plan Map](#), and [Long Section](#).

- **CDH-25-225**
 - Hangingwall (blind) vein system shows some high grades, roughly 100m above Main D Vein target zone includes
 - **7.0 meters (4.97m estimated true width "etw") grading 186 ppm Ag, 0.1% Pb and 3.8% Zn** from 405 meters downhole
 - **Includes 2.0 meters (1.42m etw) grading 573 gpt Ag, 0.2% Pb and 12.7% Zn**
 - **Includes 1.0 meter (0.71m etw) grading 1,040 gpt Ag, 0.3% Pb and 21% Zn**
 - D Vein interval

- **12.9 meters (9.16m etw) meters averaging of 87 gpt Ag, 0.3% Pb and 1.5% Zn**
 - Sub interval **1.9 meters (1.35m etw) grading 157 gpt Ag, 1.3% Pb and 4.8% Zn.**
- About 75 meters vertically deeper than CDH-25-198 grading 65 gpt Ag and 3% Pb+Zn over 9.25 meters (6.10 m etw). See news release dated May 5, 2025.
- **CDH-25-223**
 - **14.83 meters (8.75m etw) grading 135 gpt Ag, 0.1% Pb and 1.1% Zn.**
 - Includes **4.5 meters (2.66m etw) of 232 gpt Ag, 0.4% Pb and 1.6% Zn.**
 - About 100 meters vertically deeper than CDH-25-199 grading 16.5 meters (5.78m etw) of 691 gpt Ag and 4.62% Pb+Zn with 5.5 meters (1.93m. etw) of 1,725 gpt Ag and 11.6% Pb+Zn. See news release dated May 5, 2025.
 - Wide open to depth and along strike.

Lupe-B2 Trend – Southeasterly extension of the F Vein trend, Lupe/B2 Veins are hosted within a broad corridor of veining oriented to the east-southeast. This corridor of veins is showing excellent potential for strong widths and high grades. It remains open along strike and to depth showing strong growth potential. See the long sections for Lupe and B 2 Veins for visual reference.

Links to [Lupe-B2 Vein Cross Sections](#), [Plan Map](#), [Lupe Long Section](#), and [B2 Long Section](#).

- **CDH-25-222**
 - Several silver bearing structures intercepted include a new blind vein high in the system, a hanging wall structure, the Lupe Vein and B2 Vein.
 - “Blind vein” encountered at 131.52 meters downhole, very high in the system well above the “grade line” where high grade is expected. Thus the 2.48 meters grading 38 gpt Ag holds good potential for new high grade slightly deeper.
 - Hangingwall vein;
 - **5.59 meters (3.35m etw) of 172 gpt Ag** from 221.06 meters downhole.
 - Lupe Vein System;
 - **7.6 meters (4.56m etw) averaging 299 gpt Ag, 0.5% Pb and 1.0% Zn** from 379.4 meters downhole.
 - sub interval of **0.45 meters (0.27m etw) of 1,830gpt Ag, 5.0% Pb and 6.2% Zn**
 - Open along strike and to depth.
 - B2 Vein System;
 - **4.53 meters (2.72m etw) averaging 390 gpt Ag, 0.2% Pb and 0.7% Zn** from 435.85 meters downhole within a wide **31 meters (18.6 meters etw) of 92 gpt Ag, 0.1% Pb and 0.2% Zn.**
 - sub interval of **1.12 meters (0.67m etw) of 882 gpt Ag, 0.4% Pb and 1.2% Zn.**

- The combined Lupe/B2 vein intercepts sit within a low-grade envelope of 100.5 meters (60.3m etw) averaging 56 gpt Ag, 0.1% Pb and 0.1% Zn.
- **CDH-25-221**
 - Both Lupe and B2 Veins hit good grading intercepts close to each other within a broad low-grade envelope.
 - Lupe-B2 Veins were intercepted within a zone measuring **9.61 meters (7.88m etw) averaging 160 gpt Ag, 0.1% Pb and 0.3% Zn** from 304.7 meters downhole.
 - Lupe vein included 0.40 meters (0.33 m etw) of 537 gpt Ag, 0.1% Pb and 0.7% Zn from 304.7 meters.
 - B2 Vein zone intercept of **3.47 meters (2.85 m etw) averaging 315 gpt Ag, 0.3% Pb and 0.5% Zn** from 310.84 meters downhole.
 - Includes **0.52 meters (0.43m etw) of 1,295 gpt Ag, 1.3% Pb and 1.1% Zn**
 - The Lupe and B2 intercepts are enveloped by 61.83 meters of 49 gpt Ag and 0.1% Zn.

Holes CDH-25-219, 221 and 222 intercepted both the Lupe and B 2 veins and as such can be seen on both long sections for each of the Lupe and B 2 veins.

Holes CDH-25-224 and 226 were drilled well above the grade line for both the Lupe and B 2 veins. They were drilled primarily to confirm dip orientation before going deeper.

Drilling continues with two drills as Kootenay works to expand accommodation and core storage capacity at Columba, upon completion the Company intends to increase the number of drill rigs at the project.

Kootenay's President & CEO, James McDonald states,

“Drilling continues to deliver positive results at Columba. Holes CDH-25-220, 223 and 225 along with previously announced 216 are hitting good wide mineralized vein and vein stockwork breccia at some of the deepest depths tested thus far on the D Vein leaving this area wide open to depth. Also impressive is the wide-open expansion potential in the Lupe and B 2 veins. This shows well on the long sections. We are now approximately 13,000 meters into our 50,000-meter program with 7 holes awaiting assays and drill holes CDH 25-236 and 237 underway”

Dale Brittliffe, VP Exploration adds,

“The high-grade veins enveloped by the wide zones of low grade underscore the huge amount of silver in the Columba vein system and bodies well for further expansion of high-grade resources. We are extremely pleased to see continued success in expansion drilling along the B2/Lupe corridor. The intervals we are encountering are similar to those in D Vein which are often characterized by broad zones of well mineralized stockwork veining either side of the high-grade vein within the main structure”

Drill results, CDH-25-219 to 227

Hole ID	From (meters)	To (meters)	Interval (meters)	est true width	Silver gpt	Pb %	Zn%	Geologic Intersection	Elevation
CDH-25-219	257.00	281.80	24.80	23.31	53	0.0	0.1	<i>Lupe-B2 System</i>	1670
Incl.	280.00	281.80	1.80	1.69	124	0.1	0.2	<i>B2</i>	1665
And	283.00	296.60	13.60	12.78	36	0.0	0.1	<i>B2 System</i>	1659
Incl.	294.00	296.60	2.60	2.44	117	0.0	0.3	<i>FW System</i>	1654
And	364.00	365.00	1.00	0.94	102	0.1	0.4	<i>FW System</i>	1603
								<i>D-Vein System above 1.35m</i>	
CDH-25-220	654.25	667.65 ²	13.40	9.78	11	1.0	1.0	<i>Cavity D-Vein Low Recovery Cavity</i>	1337
Incl.	667.50	669.00 ²	0.15 ²	0.11	415	7.0	10.0	<i>Zone D Vein System</i>	1337
And	671.00	688.00	17.00	12.41	26	0.4	0.6	<i>below Cavity</i>	
Incl.	673.00	675.00	2.00	1.46	103	0.4	0.8	<i>D-Vein System</i>	1334
And	696.95	705.00	8.05	5.88	35	0.3	0.8	<i>FW System</i>	1311
Incl.	701.10	701.50	0.40	0.29	37	0.1	4.5	<i>FW System</i>	1311
								<i>Lupe-B2</i>	
CDH-25-221	264.00	325.83	61.83	50.70	49	0.0	0.1	<i>Envelope Lupe B2 Vein</i>	1612
Incl.	304.70	314.31	9.61	7.88	160	0.1	0.3	<i>System</i>	1608
Incl.	304.70	305.10	0.40	0.33	537	0.1	0.7	<i>Lupe Vein</i>	1608
And	310.84	314.31	3.47	2.85	315	0.3	0.5	<i>B2- System</i>	1602
Incl	310.84	311.36	0.52	0.43	1295	1.3	1.1	<i>B2 Vein</i>	1602
CDH-25-222	131.52	134.00	2.48	1.49	38	0.0	0.0	<i>Blind Vein</i>	1780
And	221.06	226.65	5.59	3.35	172	0.0	0.1	<i>HW System</i>	1698
And	289.00	389.50	100.50	60.30	56	0.1	0.1	<i>Lupe-B2 System</i>	1598
Incl.	365.00	371.50	6.50	3.90	121	0.1	0.2	<i>Lupe-B2 System</i>	1567
And	379.40	387.00	7.60	4.56	299	0.5	1.0	<i>Lupe-B2 System</i>	1567
Incl.	379.40	379.85	0.45	0.27	1830	5.0	6.2	<i>Lupe Vein</i>	1563
And	401.00	403.00	2.00	1.20	129	0.1	0.4	<i>FW System</i>	1545
And	427.00	458.00	31.00	18.60	92	0.1	0.2	<i>B2 System</i>	1520
Incl.	435.85	440.38	4.53	2.72	390	0.2	0.7	<i>B2 System</i>	1513
Incl.	436.70	437.82	1.12	0.67	882	0.4	1.2	<i>B2 System</i>	1513
								<i>D Vein system zone of low recovery³</i>	
CDH-25-223	506.14	520.97	14.83	8.75	135	0.4	1.1		
Incl.	513.00	517.50	4.50	2.66	232	0.4	1.6	<i>Broken rock, poor recovery</i>	
CDH-25-224									
CDH-25-225	289.05	290.85	1.80	1.28	45	0.2	0.2	<i>HW Vein</i>	1588
And	374.45	374.90	0.45	0.32	109	0.9	0.6	<i>HW System</i>	1515
And	405.00	412.00	7.00	4.97	186	0.1	3.8	<i>HW System</i>	1486
Incl.	408.30	410.30	2.00	1.42	573	0.2	12.7	<i>HW System</i>	1486
Incl.	409.30	410.30	1.00	0.71	1040	0.3	21.0	<i>HW System</i>	1486
And	512.10	525.00	12.90	9.16	87	0.3	1.5	<i>D Vein, poor recovery 514-</i>	
Incl.	512.10	514.00	1.90	1.35	157	1.3	4.8	<i>518m</i>	1397
CDH-25-226	230.60	231.65	1.05	0.69	117	0.0	0.1	<i>B2 system</i>	1703
And	277.00	297.00	20.00	13.20	34	0.0	0.1	<i>FW System</i>	1650
CDH-25-227	454.44	527.00	72.56	51.52	35	0.2	0.5	<i>D-Vein System</i>	1484
Incl.	465.00	483.00	18.00	12.78	57	0.5	1.1	<i>D-Vein System</i>	1482
Incl.	466.50	468.00	1.50	1.07	273	0.6	0.9	<i>D-Vein System</i>	1482
And	497.00	511.00	14.00	9.94	78	0.2	0.7	<i>FW System</i>	1455

Incl.	499.00	503.00	4.00	2.84	123	0.2	0.9	FW System	1455
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¹ Estimated true widths are based on current interpretation of mineralized structures.

² CDH-24-220 Cavity encountered between 667.65 and 669.00 meters totaling 1.35m from the 1.5 meters interval, 0.15m of core from that interval was recovered and analyzed

³ CDH-25-223, interval broken and rubbly, low recoveries encountered through much of the interval

The current phase of work comprises a planned total 50,000 meter drilling program designed to follow up on mineralized veins comprising the Company's recent 43-101 Mineral Resource Estimate ("MRE"). The maiden MRE is detailed in a report entitled "*Technical Report on the Maiden Mineral Resource Estimate for the Columba Ag-Pb-Zn Project, Chihuahua State, Mexico*" and dated August 1, 2025, MRE effective date, May 29, 2025 was filed on SEDAR+ at www.sedarplus.ca and is also available at the Company's website at www.kootenaysilver.com. Koo teany Silver is fully funded through to the completion of the current 50,000 meter exploration drill campaign.

Columba High Grade Silver Project represents the newest and highest grade silver deposit discovered and advanced in Mexico by Kootenay Silver since 2006. A comprehensive list of drill results completed on the Columba Property since 2019 may be viewed here: [Columba Drill Results](#).

Extension of Sideways Frequency LLC

The Company would also like to announce that, subject to regulatory approval, it has extended its appointment of Sideways Frequency LLC ("SFLLC") who has been providing the Company with certain marketing services in compliance with the policies and guidelines of the TSX Venture Exchange and other applicable legislation. The marketing services include, but are not limited to, email campaigns, native advertising, display ads, lead generation, creation of content, strategic planning, digital advertisement placement, and overseeing progress and results of digital campaigns. Under the agreement, the Company has elected to renew the agreement for an additional three-month term for US\$250,000. Consideration offered to SFLLC does not include any securities of the Company. Aside from this engagement, the Company does not have any relationship with SFLLC and Mr. Wesley De Souza, CEO of SFLLC. SFLLC holds no securities of the Company nor has any interest, direct or indirect, in the Company. SFLLC's address is 1389 Center Drive, Suite 200, Park City, Utah, 84098, info@sidewaysfrequency.com.

Corporate Update

The Company also announces that during the fiscal quarter ended December 31, 2025, pursuant to an "at-the-market" equity distribution program (the "ATM Program") established under to a prospectus supplement dated July 4, 2024, the Company issued common shares ("Offered Shares") at an average price of \$2.1997 per Offered Share. The Company raised aggregate gross proceeds of \$263,303 and aggregate commissions payable of \$6,583 to Research Capital Corporation (who acted as the "Agent"), resulting in aggregate net proceeds to the Company of \$256,721. Additionally, during the fiscal quarter ended September 30, 2025, the Company issued common shares under the ATM program at an average price of \$1.436 per Offered Share, raising aggregate gross proceeds of \$142,599 and aggregate commissions payable to the Agent of \$3,565, resulting in aggregate net proceeds to the Company of \$139,034.

For more information regarding the ATM Program, please see the Company's news release dated July 10, 2024.

This news release does not constitute an offer to sell or the solicitation of an offer to buy securities, nor shall there be any sale of securities in the United States, or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities described in this news release have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or under any U.S. state securities laws, and may not be offered, sold, directly or indirectly, or delivered within the "United States" or to, or for the account or benefit of, persons in the "United States" or "U.S. persons" (as such terms are defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the registration requirements of the U.S. Securities Act and all applicable U.S. state securities laws.

About Columba Project

The Columba project is a classic high grade epithermal vein system. That management believes is a newly recognized vein district. It is typical in character and size of other vein districts in Mexico known to have deposited significant resources of silver or gold such as La Chispas and Panuco.

Hosted within a volcanic caldera setting, the surface extent of mapped veins measures roughly 4 kilometres by 3 kilometres. Vein mineralization occurs over a minimum vertical extent of 350 meters as shown by drilling. The veins appear to be intermediate sulfidation veins indicating the potential for depths exceeding 700 meters of vertical extent. This remains to be tested, and all veins remain open to depth.

The veins cut every known rock type on the project and the veins or vein structures can be traced across the highest elevations of the caldera. This indicates veins formed late in caldera history. As elevation increases vein development becomes irregular eventually being replaced by breccias at the higher elevations. Silver grades diminish with increasing elevation right down to background values. Correspondingly silver grades increase with depth from background at higher elevations to highs of kilograms per tonne at depth. It is evident from these features that the vein system has undergone almost no erosion and so whatever silver was deposited originally is largely still there.

A general rule of thumb on the project is at levels deeper than 1,750 meters above sea level is where good grades begin to appear. This is what is referred to as the grade line.

Prior to Kootenay Silver no exploration had occurred at Columba in nearly 40 years. Historically there were two periods of mining on one of the veins referred to as the F Vein. The first being in the early 1900's when underground development included 6 drifts (tunnels) at different levels coming off a 200-meter-deep shaft. This work was halted by the Mexican Revolution. Then a second brief period of mining occurred around 1958 to 1960 when a small private company used the old development to mine. It is estimated that around 100,000 tonnes were mined.

The Company acquired 100% of the project and also has a 24-year surface access agreement that includes annual and other payments and allows for both exploration and exploitation. The agreement covers all the mineralized areas drilled to date.

Sampling and QA/QC at Columba

All technical information for the Columba exploration program is obtained and reported under a formal quality assurance and quality control (“QA/QC”) program. Samples are taken from core cut in half with a diamond saw under the direction of qualified geologists and engineers. Samples are then labeled, placed in plastic bags, sealed and with interval and sample numbers recorded. Samples are delivered by the Company to ALS Minerals (“ALS”) in Chihuahua. The Company inserts blanks, standards and duplicates at regular intervals as follows. On average a blank is inserted every 100 samples beginning at the start of sampling and again when leaving the mineral zone. Standards are inserted when entering the potential mineralized zone and in the middle of them, on average one in every 25 samples is a standard. Duplicates are taken in the mineralized intervals at an average 2 duplicates for each hole.

The samples are dried, crushed and pulverized with the pulps being sent airfreight for analysis by ALS in Vancouver, B.C. Systematic assaying of standards, blanks and duplicates is performed for precision and accuracy. Analysis for silver, zinc, lead and copper and related trace elements was done by ICP four acid digestion, with gold analysis by 30-gram fire assay with an AA finish. All drilling reported is HQ core and was completed by Globextools, S.A. de C.V. of Hermosillo, Sonora, Mexico.

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 was estimated by Ben Eggers, MAIG, P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Eggers conducted a site visit to the Columba Property on May 28, 2025. The mineral resource was peer reviewed by Allan Armitage, Ph.D., P.Geo. of SGS Geological Services, an independent Qualified Person as defined by NI 43-101. Armitage conducted a site visit to the Columba Property on May 24-25, 2024

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at January 7, 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.