



January 22, 2026

Kootenay Silver Announces Bought Deal LIFE Private Placement for Gross Proceeds of C\$10.0 Million

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Kootenay Silver Inc. (TSXV: KTN) ("**Kootenay**" or the "**Company**") is pleased to announce that it has entered into an engagement letter with Red Cloud Securities Inc. ("**Red Cloud**"), as lead underwriter and sole bookrunner on behalf of a syndicate of underwriters (collectively, the "**Underwriters**"), pursuant to which the Underwriters have agreed to purchase for resale 4,444,445 common shares of the Company (the "**Offered Shares**") at a price of C\$2.25 per Offered Share (the "**Offering Price**") on a "bought deal" basis in a private placement for gross proceeds of approximately C\$10,000,001 (the "**Underwritten Offering**").

The Company will grant to the Underwriters an option, exercisable in full or in part, up to 48 hours prior to the Closing Date (as herein defined), to sell up to an additional 666,667 Offered Shares at the Offering Price for up to approximately C\$1,500,001 in additional gross proceeds (the "**Over-Allotment Option**", and together with the Underwritten Offering, the "**Offering**").

The net proceeds raised under the Offering will be used for the advancement of the Company's Columba and La Cigarra silver projects in Mexico as well as for working capital and general corporate purposes.

Subject to compliance with applicable regulatory requirements and in accordance with National Instrument 45-106 – *Prospectus Exemptions* ("**NI 45-106**"), the Offered Shares will be offered for sale to purchasers in all the provinces of Canada except Québec pursuant to the listed issuer financing exemption under Part 5A of NI 45-106, as amended by Coordinated Blanket Order 45-935 – *Exemptions from Certain Conditions of the Listed Issuer Financing Exemption*. The Offered Shares are expected to be immediately freely tradeable under applicable Canadian securities legislation if sold to purchasers resident in Canada. The Offered Shares will also be offered in the United States or to, or for the account or benefit of, U.S. persons, by way of private placement pursuant to the exemptions from the registration requirements provided for under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in jurisdictions outside of Canada and the United States on a private placement or equivalent basis, in each case in accordance with all applicable laws, provided that no prospectus, registration statement or other similar document is required to be filed in such jurisdiction.

There is an offering document (the "**Offering Document**") related to the Offering that can be accessed under the Company's profile at www.sedarplus.ca and on the Company's website at www.kootenaysilver.com. Prospective investors should read this Offering Document before making an investment decision.

The Offering is scheduled to close on February 10, 2026 or such other date as the Company and Red Cloud may agree (the "**Closing Date**"). Completion of the Offering is subject to certain conditions including, but not limited to the receipt of all necessary approvals, including the approval of the TSX Venture Exchange (the "**TSXV**").

The securities being offered pursuant to the Offering have not been, nor will they be, registered under the U.S. Securities Act or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release shall not constitute an offer to sell or the solicitation of an offer

to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

The information in this news release has been prepared as at January 21, 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 information" includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including the expectation that the Offering will close in the timeframe and on the terms as anticipated by management, statements regarding the Offering, the anticipated closing date of the Offering, the intended use of proceeds of the Offering, the approval of the Offering by the TSXV and the filing of the Offering Document.

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.