



KOOTENAY SILVER CLOSES FIRST TRANCHE OF OVERSUBSCRIBED \$3.7 MILLION PRIVATE PLACEMENT

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VANCOUVER, BC, Feb. 16, 2024 /CNW/ - Kootenay Silver Inc. ("**Kootenay**" or the "**Company**") (TSXV: KTN) announces that it has closed the first tranche of its previously announced non-brokered private placement (the "**Offering**") of units of the Company (the "**Units**"), at a price of \$0.75 per Unit (the "**Offering Price**") for aggregate gross proceeds of \$3,483,062. The second tranche is expected to close on February 20, 2024, for aggregate gross proceeds of \$237,525. Upon the second tranche closing, aggregate total gross proceeds from the Offering will be \$3,720,587.

Each Unit is comprised of one common share of the Company (a "**Common Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share (a "**Warrant Share**") at a price of \$1.10 per Warrant Share for a period of 24 months and will expire on February 16, 2026.

The net proceeds from the Offering will be used for exploration activities, property commitments on the Company's projects, working capital and general corporate purposes. The Offering is subject to the final acceptance of the TSX Venture Exchange (the "**Exchange**").

All securities issued in connection with the Offering are subject to a Canadian securities law resale restriction period expiring on June 17, 2024. The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and accordingly, may not be offered or sold within the United States except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This press release does not constitute an offer to sell or a solicitation to buy any securities in any jurisdiction.

A certain related party of the Company participated in the Offering, as set out below. The participation in the Offering by the related party of the Company constitutes a related party transaction pursuant to Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval in connection with the participation of the related party in the Offering in reliance on the exemptions contained in sections 5.5(b) and 5.7(1)(a) of MI 61-101, respectively. The Offering was unanimously approved by the board of directors of the Company, with James McDonald declaring and abstaining from voting on the resolutions approving the Offering with respect to his participation in the Offering.

James McDonald, the CEO, President and a director of the Company and a related party to the Company within the meaning of MI 61-101, subscribed for 66,667 Units. There has not been a material change in the percentage of the outstanding securities of the Company that are owned by Mr. McDonald as a result of his participation in the Offering.

In connection with the closing of the first tranche of the Offering, Research Capital Corporation received a cash fee of \$50,628 and 77,004 non transferable compensation warrants (the "**Compensation Warrants**"). Each Compensation Warrant entitles the holder thereof to purchase

one Unit at an exercise price of \$0.75 per Unit for a period of 24 months following the Closing of the Offering. The Company also paid aggregate cash finders' fees of \$149,627 and issued an aggregate 61,102 non-transferable finder's warrants ("**Finder's Warrants**") to six other arm's length finders. Each Finder's Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.75 per Common Share for a period of 24 months from the closing of the Offering.

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.

On behalf of the board of directors and 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

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

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS:

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. "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. Generally, but not always, forward-looking information and statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or the negative connotation thereof or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative connotation thereof.

Such forward-looking information and statements are based on numerous assumptions, including among others, statements regarding the use of proceeds from the Offering, and the approval of the Exchange. 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.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to regulatory approvals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information. These forward looking statements are made as of the date of this press release, and, other than as required by applicable securities laws, the Company disclaims any intent or obligation to update publicly any forward looking statements, whether as a result of new information, future events or results or otherwise.

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