



ANNUAL INFORMATION FORM

For the Financial Year Ended December 31, 2023

(Dated as at April 24, 2024)

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Date of Information

All information contained in this Annual Information Form (“AIF”) is current as of December 31, 2023, unless otherwise stated.

Financial Information

The Company’s financial results are prepared and reported in accordance with International Account Standard issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee.

Documents Incorporated by Reference

The report, titled “Technical Report for the Promontorio Property: Promontorio & La Negra Resource Estimate” (the “**Promontorio Report**”), was prepared by independent consultants Moose Mountain Technical Services and was authored by Sue Bird P.Eng., with an effective date of August 27, 2023, and an issue date of November 22, 2023.

The report, titled “Technical Report for the Columba Silver Property” (the “**Columba Report**”), was prepared by independent consultants Moose Mountain Technical Services and was authored by Sue Bird P.Eng., with an effective date of March 17, 2023, and an issue date of July 28, 2023.

The report, titled “Technical Report on the Mineral Resource Estimate Update for the La Cigarra Ag-Pb-Zn Project, Chihuahua State, Mexico” (the “**La Cigarra Report**”, together with the Promontorio Report and Columba Report, the “**Technical Reports**”), was prepared by independent consultants SGS Geological Services and was authored by Allan Armitage, Ph. D., P.Geo, and Ben Eggers, B.Sc. (Hons), MAIG, P.Geo., with an effective date of November 29, 2023, and an issue date of February 13, 2024.

The Technical Reports were prepared in accordance with National Instrument 43-101, are specifically incorporated by reference into this AIF, and may be obtained online on the Company’s SEDAR+ profile at www.sedarplus.ca.

Currency and Exchange Rates

The Company’s business activities are carried out through its subsidiaries in Mexico and are conducted in Canadian dollars. Accordingly, the Company’s financial accounts are maintained in Canadian dollars.

All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated. “US\$” is used to indicate United States dollar values.

The following table sets forth the rate of exchange for the Canadian dollar, expressed in United States dollars in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the noon rate exchange as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars.

	Year Ended December 31		
Canadian Dollars into U.S. Dollars	<u>2021</u>	<u>2022</u>	<u>2023</u>
Rate at end of period	1.2678	1.3544	1.3226
Average rate for period	1.2535	1.3011	1.3497

Metric Equivalents

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

<u>To convert from Imperial</u>	<u>To metric</u>	<u>Multiply by</u>
Acres	Hectares	0.404686
Feet	Metres	0.30480
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.2857

Forward-Looking Statements

This AIF contains certain statements, which may constitute "forward-looking statements" within the meaning of Canadian securities law requirements and Section 21E of the Securities Exchange Act of the United States. Forward-looking statements include, but are not limited to, statements with respect to anticipated commencement dates of mining or metal production operations, projected quantities of future metal production, anticipated production rates and mine life, operating efficiencies, costs and expenditures and conversion of mineral resources to reserves. In certain cases, forward-looking statements can be identified by the use of words such as "could", "expect", "believe", "will", "estimate", "anticipate", "project" and similar expressions and statements relating to matters that are not historical facts. Forward-looking statements involve known and unknown risks and uncertainties and other factors, including those described under the heading "Risk Factors", which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others, price volatility of gold and silver; volatility of commodity prices and other input costs; mining industry operational hazards and environment concerns; uncertainty of estimates of mineral resources and reserves; requirements for additional financing which may not be available; changes in political conditions or governmental policies and political and financial instability in the countries in which the Company's properties are located; government regulation and requirements for permits and licenses and competition. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CORPORATE STRUCTURE

Name, Address, and Incorporation

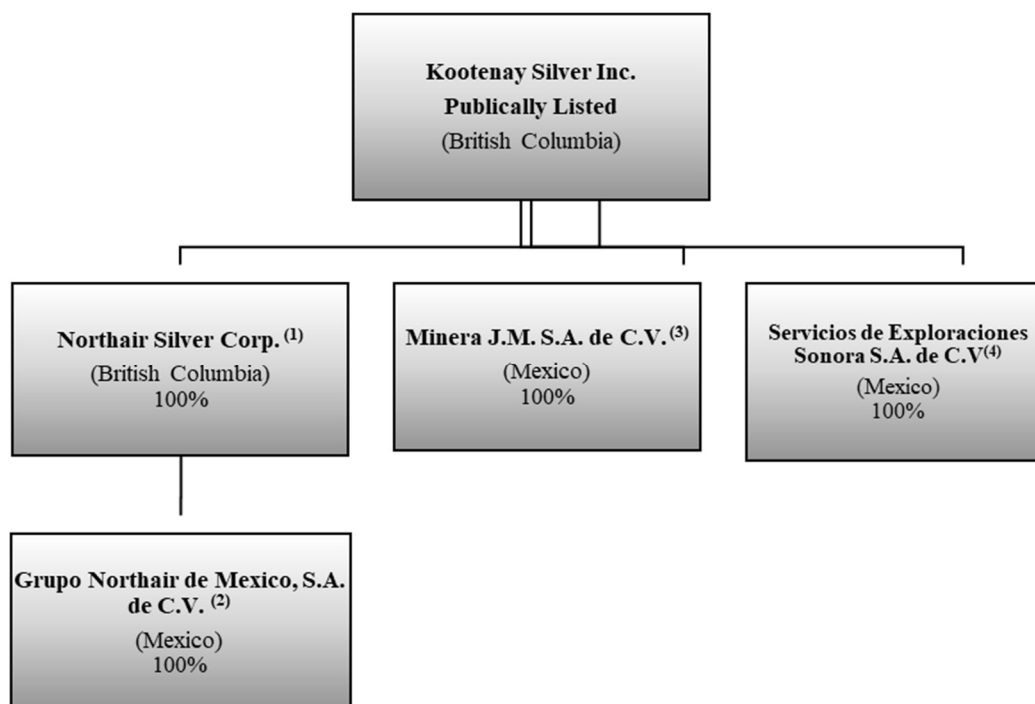
The Company was incorporated as “First Integrated Enterprises Ltd.” by Certificate of Incorporation under the *Business Corporations Act* (Alberta) on August 2, 2000. On March 7, 2005, in connection with the completion of the Company’s Qualifying Transaction (as such term is defined under the policies of the TSX Venture Exchange (“TSXV”)), the Company changed its name to “Kootenay Gold Inc.”. The Company then continued into the jurisdiction of British Columbia under the *Business Corporations Act* (British Columbia) (the “BCBCA”) on November 9, 2006. On February 21, 2012, the Company changed its name to “Kootenay Silver Inc.” The Company’s Common Shares are listed on the TSXV under the trading symbol “KTN”.

The Company’s head office and principal address is located at Suite 1125, 595 Howe Street, Vancouver, British Columbia V6C 2T5. The registered and records office of the Company is located at Suite 910, 800 Pender Street, Vancouver, British Columbia V6C 2V6. The Company is a reporting issuer in British Columbia, Alberta, and Ontario. The Company’s website address is: <https://www.kootenaysilver.com/>.

Intercorporate Relationships

As of the date of this AIF, the Company has four wholly owned subsidiaries being: Northair Silver Corp. (“**Northair**”), Grupo Northair de Mexico, S.A. (“**Grupo**”), Minera J.M. S.A. de C.V. (“**MJM**”) and Servicios de Exploraciones Sonora S.A. de C.V. (“**SES**”). All references herein to the Company include the Company, Northair, Grupo, MJM and SES.

The diagram sets forth the Company’s inter-corporate relationships with each of its subsidiaries, including the jurisdiction of incorporation or organization and the Company’s percentage ownership. The Company and Northair are domiciled in Vancouver, British Columbia, MJM and SES in Hermosillo, Sonora, Mexico, and Grupo in Chihuahua, Mexico.



GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The Company is an exploration stage mining company with a primary objective and business plan of discovering or acquiring silver dominant mineral deposits that have the potential to become economically viable for further development in Mexico. The core management and technical team are industry professionals that have international experience in all aspects of mineral property acquisition, mineral exploration, operations, and financing.

The Company has three principal precious mineral properties located in Mexico, the Columba Silver project located in Chihuahua State, Mexico (the “**Columba Project**”), the Promontorio-La Negra project located in Sonora State, Mexico (the “**Promontorio-La Negra Project**”), and the La Cigarra silver project located in Chihuahua State, Mexico (the “**La Cigarra Project**”). The Company also maintains a generative portfolio consisting of non-material properties in Mexico with future exploration potential.

Since late 2018, the Company has been focussed on the Columba Project which is a classic epithermal vein system demonstrating potential for discovery of high-grade resources. The Company continues to seek joint venture partners to option its generative exploration projects to conduct exploration and make option payments to the Company to obtain a right to an earn-in interest in the respective projects. From 2019 to 2023, drilling occurred on two projects being Columba Project, and the Copalito project located in Sonora, Mexico (the “**Copalito Project**”). The Company terminated its option on the Copalito Project in 2022 and focussed on its Columba Project.

The following is a discussion of the general development of the Company’s business over the last three years, and the major events or conditions that have influenced that development. For further information please refer to “Narrative Description of the Business”.

2021 Developments

On January 26, 2021, the Company announced that an exploration program was approved with its joint venture partner Aztec, for the Cervantes Project. The plans called for a two phase, \$1.3 million CDN exploration program in 2021. The first phase planned for an \$85,000 program of sampling and mapping. Phase two was a planned \$1.05 million drilling program to start in the fall of 2021. Under the 65/35 joint venture between the Company and Aztec respectively, Aztec was designated as the operator of the exploration program.

Phase 1 was dedicated to sampling and geological mapping, extending the 100 metre by 100 metre geological and geochemical grid to the north, east and west boundaries of the Cervantes Project. Based on results from Phase 1 and available funding, the phase 2 drill program would be a planned 22-hole, 5,000-metre reverse circulation drill program. Four main targets were initially identified for phase 2 drilling: California, California North, Jasper, and Purisima East. The primary objectives of the 2021 exploration program were to better define open pit, heap leach gold potential, evaluate potential for deeper mineralization, test the north and west extensions of the California North and Jasper mineralization, and assess the breccia of Purisima East.

On February 23, 2021, the Company with its joint venture partner Aztec initiated the 2021 exploration program on the Cervantes Project. Aztec, as operator, mobilized a field crew to conduct a 500+ soil sample program to extend previous soil grids and cover targets with limited historic exploration. The soil sample grid would cover 518 hectares (5.18 square kilometres) with 100 by 100-metre spaced samples to extend coverage over the Estrella and California North targets to the western, northern, and eastern limits of the property.

On March 3, 2021, the Company announced it had commenced drilling at its Columba Project. The program was planned to focus on step out and infill drilling guided by drilling results to date in the F Vein and its associated hanging wall vein, a new discovery blind to surface. Following the F Vein drilling, focus shifted to expanding on numerous other high-grade results such as the JZ Area and B Vein.

On March 17, 2021, the Company announced it had discovered significant gold on its 100% owned Maria Elena gold project (“Male” [Mall-eh]), located 100 kilometres southeast of Hermosillo city in Sonora, Mexico. Trenching exposed several exciting gold results over a total of 8 trenches in four areas. Of the eight tranches, positive results

from five (trenches 0, 2, 4, 5, 6) were received with results from the remaining trenches (1, 3, and 7) not encountering significant veining or values.

Trench 6

- 33 metres averaging 2.67 gpt gold
 - Includes 9 metres of 5.29 gpt gold
 - Includes 1 metre of 23.7 gpt gold

Trench 4

- 24 metres averaging 1.81 gpt gold
 - Includes 8 metres of 3.98 gpt gold
 - Includes 1 metre of 17.25. gpt gold

Trench 2

- 9 metres averaging 2.01 gpt gold
 - Includes 1 metre of 15.45 gpt gold

Initial trenching was completed by an excavator with chip samples taken across one-metre lengths. Trench 0 returned narrow anomalous gold values to 0.38 gpt gold over one metre.

Gold mineralization was hosted by stock works of quartz and quartz carbonate veins formed by conjugate sets of veins striking northeast and northwest. These stock working veins form zones that range in apparent width, from a scale of one metre to over 30 metres. The zones form mineralized “structures” or trends that can be traced individually for hundreds of metres (generally 200 to 1000 metres). Further trenching is required to better determine true widths and continuity along strike.

The mineralized stock works are made of multiple veins that individually range from tens of centimetres to 1.7 metres in width. Numerous conjugate vein sets and associated stock work zones occur within a 1.5 by 1.5-kilometre area hosted within a diorite intrusion and are the source of the placer gold historically mined on the Maria Elena property.

Follow up steps would involve interpretation of the geophysics to determine usefulness in mapping the gold zones in covered zones, more trenching and then a decision on whether to drill or option the project.

On March 25, 2021, the Company announced that it commenced a 3,500-metre core drilling program at the Copalito Project. The Program was designed to follow up on the results of 40 shallow drill holes totaling 4,153 metres completed in 2020. Drilling is guided by detailed structural mapping to test veins such as 5 Senores.

On March 30, 2021, the Company announced that it signed an option agreement with a wholly owned subsidiary of Centerra Gold Inc. (“**Centerra**”) whereby Centerra was granted an option to earn a 70% interest in the Two Times Fred property located in the Nechako Plateau of Central British Columbia. A total of \$6 million CDN in exploration expenditures and \$500,000 CDN in cash payments must be incurred and made over a four-year period for Centerra to earn a 70% interest. The first year requires \$1 million of work expenditure with a minimum commitment of \$650,000. Plans for work in 2021 included up to 1,000 metres of trenching and 10 drill holes. Upon fulfillment of these conditions, the two companies will enter into a standard joint venture agreement with the Company retaining 30% interest.

The Two Times Fred property is host to a large classic low-sulphidation epithermal gold vein system. It is a grass roots discovery made by the Company. Over the past several years, the Company has advanced the project with limited drilling, mapping, sampling, and geophysical surveys. The project comprises numerous northeast trending veins over a 1.5 by 3.0-kilometre trend. Select rock chip sampling at surface has returned assays as high as 12.8 gpt gold and 194 gpt silver. Limited drilling (2,628 metres over 13 drill holes) shows the main identified veins occur as classic vein and vein breccia zones from a few metres to 40 metres wide. Best drill results to date include 7.6 metres of 1.69 gpt gold and 29 gpt silver.

On April 15, 2021, the Company provided a drilling update on the 5,000-metre drill program underway at the Columba Project, 12 core drill holes totaling over 1,800 metres, testing the F Vein. The drill rig was then moved to test an area

east of the JZ Zone where mapping in 2020 indicated the down faulted extension of northeast trending veins. This area, known as the East Block, is approximately 1,000 metres to the east of the F Vein.

On April 22, 2021, the Company provided an update on the drill program at the Copalito Project, stating that drilling was proceeding as scheduled. To this point, the Company had completed 1,600 of the planned 1,500 metres over 19 shallow drill holes, ranging from 50 to 160 metres in depth.

On May 6, 2021, the Company announced assay results from the first six core drill holes completed in the 2021 drill program at the Columba Project. Notable high-grade intercepts were found in the F Vein and Hanging Wall.

Drill Highlights:

CDH-21-90

- 503 gpt silver over 1.2 metres including 889 gpt silver over 0.55 metres in the Hanging Wall Vein
- Hole CDH-21-90 was a shallow test about 65 metres below surface and included 2.4 metres of 245 gpt silver including 365 gpt silver over 0.6 metres in the F Vein.

CDH-21-89

- 439 gpt silver over 2.7 metres including 533 gpt silver over 0.57 metres and 511 gpt silver over 0.65 metres in the F Vein.
- The high grade sat within a wide interval of 162 gpt silver over 15.45 metres
- 411 gpt silver over one metre within 4 metres of 233 gpt silver in a footwall vein to the F Vein
- Hole CDH-21-89 was important as it tested a large 100 by 150-metre gap in drilling where six peripheral drill holes encountered grades from 456 gpt over 1.5 metres (CDH-20-45) to 782 gpt over 1.05 metres (CDH-20-47) and 755 gpt silver over 1.75 metres (CDH-19-12) some 75 metres below.

CDH-21-87

- 559 gpt silver over 1.09 metres within 4 metres of 200 gpt silver in the F Vein
- CDH-21-87 was filling an untested area in the F Vein of about 100 by 75 metres where 5 peripheral holes hit grades ranging from 456 gpt over 1.5 metres (CDH-20-45) to 911 gpt silver over 1.4 metres (CDH-20-46).

Notes: All widths are drilled widths. At this time, it is estimated true widths will range from 65 to 94% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

On May 13, 2021, the Company announced results from the first four drill holes completed from the 2021 drill program at the Copalito Project. These results complement high grade drill holes previously intercepted in 5 Señores Vein, which returned 2,830 gpt silver and 0.145 gpt gold over 1 metre. There are 9 more holes to report from this vein the results of which will start to define the scope and continuity of high grade and where follow up drilling will be focused. Drilling has moved on to testing good results on the Cobriza, Aguilar, and Pilar veins.

Highlights from Holes BDH-21-041 to BDH-21-044 included:

BDH-20-041 in the 5 Señores Vein

- 325.52 gpt silver equivalent ("silver Eq") over 1 metre consisting of 303 gpt silver, 0.09 gpt gold and 0.58% lead plus zinc within 86.28 gpt silver Eq over 5.75 metres consisting of 0.049 gpt gold, 75.3 gpt silver and 0.27% lead plus zinc;
- 101.33 silver Eq over 2 metres consisting of 1.10 gpt gold, 13 gpt silver and 0.30% lead plus zinc within 55.37 silver Eq over 8.61 metres consisting of 0.456 gpt gold, 11.70 gpt silver and 0.38% lead plus zinc.

- This hole tested about 40° down dip of the high-grade intercept in hole BDH-20-040.

BDH-20-042 in the 5 Señores Vein

- 2,176.84 gpt silver Eq over 1.18 metres consisting of 1,965 gpt silver, 0.575 gpt gold, and 6.35% lead plus zinc within 213.68 gpt silver Eq over 21 metres consisting of 178.30 gpt silver, 0.187 gpt gold, and 0.81% lead plus zinc
- BDH-21-042 filled an approximate 100-metre gap in drilling.

** Silver equivalent based \$24/oz silver, \$1750/oz gold, \$1/lb zinc, \$0.80/lb lead. Silver equivalent calculations assume 100% metallurgical recovery for all metals to estimate a silver equivalent grade. No metallurgical work has been conducted to determine recoveries.*

Note: Estimated true widths range from 65 to 90% of drilled widths depending on dip of the vein and inclination of the hole.

On May 25, 2021, the Company announced additional high-grade silver results from the 5,000 metre drill program at the Columba Project. Augmenting the high-grade, in some areas, are thick zones of mineralization coming into the high-grade such as hole CDH-21-96 where over 30 metres of continuous mineralization averaged 86 gpt silver. A number of other areas within the F Vein show similar thick intervals coming into the high-grade such as holes CDH-20-41 (39.9 metres of 159 gpt silver), CDH-20-47 (15.65 metres of 166 gpt silver), CDH-20-51 (36 metres of 72 gpt silver), CDH-20-52 (42.43 metres of 61 gpt silver), CDH-20-53 (34 metres of 116 gpt silver) and CDH-21-89 (70.5 metres of 112 gpt silver). These thick zones of silver mineralization preceding the high grade have the potential to add significantly to the amount of silver within the F Vein.

Drill Highlights - Holes CDH-21-091 to 096:

CDH-21-091

- 271 gpt silver over 0.85 metres within 189 gpt silver over 1.55 metres in the F Vein

CDH-21-092

- 368 gpt silver over 0.94 metres within 217 gpt silver over 2.44 metres in the Hanging-wall structure
- 439 gpt silver over 1.14 metres within 321 gpt silver over 2.94 metres in in the F Vein
- 255 gpt silver over 2.9 metres within 130 gpt silver over 8.0 metres in the Footwall
- Hit 3 different Vein sets in the Hanging-Wall Vein, F Vein and a Footwall Vein.
- 425 gpt silver over 2.37 metres within 230 gpt silver over 9 metres and 86 gpt silver over 30 metres in the F Vein System.
- Hole CDH-21-096 is about 50 metres along strike and 30 metres deeper than CDH-21-94 and also tested a large area with no drilling.
- CDH-21-95 hit a fault and thus missed the F Vein.

CDH-21-094

- 985 gpt silver over 1.5 metres and 809 gpt silver over 2.63 metres within 354 gpt silver over 9 metres in the F Vein

- CDH-21-94 tested an area about 200 metres from the old shaft in a large undrilled segment.

CDH-21-096

- 425 gpt silver over 2.37 metres within 230 gpt silver over 9 metres and 86 gpt silver over 30 metres in the F Vein System.
- Hole CDH-21-096 is about 50 metres along strike and 30 metres deeper than CDH-21-94 and also tested a large area with no drilling.
- CDH-21-95 hit a fault and thus missed the F Vein.

Notes: All widths are drilled widths. At this time, it is estimated true widths will range from 55 to 94% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number.

On June 7, 2021, the Company announced results from five additional core holes completed on the 5 Señores Vein at the Copalito Project. The 5 Señores Vein is proving to be a well mineralized structure with excellent potential to host significant gold and silver resources. Drilling has now tested 600 metres of the 1 kilometre known vein strike on surface. Ten of the twelve holes drilled less than 100 metres from surface indicate that mineralization remains open along strike and to depth providing lots of room for expansion. Thus far 12 holes have tested 600 metres of strike and 175 metres of dip extent to depth with vein mineralization open along strike and to depth. Only two holes have drill tested a depth greater than 100 metres vertically from surface although topographic relief has enabled testing to 175 metre down dip.

Highlights from Holes BDH-21-045 to BDH-21-049 included:

BDH-21-045

- 325.59 gpt silver equivalent (“Eq.”) over 1.31 metre within 126.51 gpt silver Eq. over 8.35 metres
- This hole tested the 5 Señores Vein at a depth of about 26 metres vertically below surface.

BDH-21-046

- 3,488.77 gpt silver Eq. over 0.22 metres within 306.04 gpt silver Eq over 19.43 metres
- BDH-21-046 is a test 25 metres directly below BDH-21-045.

BDH-21-047

- 114.56 gpt silver Eq. over 1.00 metre
- Parallel vein to 5 Señores Vein
- 5 Señores Vein is displaced by a fault and not intercepted.

BDH-21-48

- 288.60 gpt silver Eq. over 2.2 metres within 12 metres grading 96.05 gpt silver Eq.
- 5 Señores Vein of quartz, chalcedony and calcite.

BDH-21-49

- 248.07 gpt silver Eq. over 1.68 metres within 79.19 gpt silver Eq. over 10 metres
- 5 Señores Vein.

** Silver equivalent based on 65:1 silver to gold ratio, \$1/lb zinc, \$0.8/lb lead. Silver equivalent calculations assume 100% metallurgical recovery for all metals to estimate a silver equivalent grade. No metallurgical work has been conducted to determine recoveries.*

Note: Estimated true widths range from 50 to 70% of drilled widths depending on dip of the vein and inclination of the hole. All silver composites rounded to the nearest whole number

On July 7, 2021, the Company announced that Hans Smit, P. Geo., agreed to join the Company's team as a technical advisor. Mr. Smit is a Professional Geologist with over 35 years of experience in all aspects of the mineral industry. Career successes include being one of the founders of Orla Mining Ltd. and guiding the evaluation of the Camino Rojo oxide gold project in Zacatecas State, Mexico as Orla's former Chief Operating Officer (COO). After managing a positive feasibility study, permitting and the start of construction engineering and procurement for an open pit mine and heap leach facility at Comino Rojo, Mr. Smit retired as COO of Orla in December of 2019. The Camino Rojo project is currently in construction with production planned at the end of 2021.

The Company also announced stock purchase options have been granted under the Company's stock option plan to an employee and consultant to purchase up to an aggregate of 650,000 Common Shares at a price of \$0.265 per Common Share for a period of five years.

On August 20, 2021, announced its Board of Directors unanimously approved a spin-out of 80% of the Company's Canadian exploration assets (the "**Canadian Assets**") to its shareholders by way of a share capital reorganization effected through a statutory plan of arrangement (the "**Plan of Arrangement**"). The Canadian Assets were held through the Company's wholly owned subsidiary, Kootenay Resources Inc. ("**Spinco**"). The Company would distribute 80% of the common shares of Spinco (the "**Spinco Shares**") to the Company's shareholders.

Under the Plan of Arrangement, the Company's current shareholders would receive Spinco Shares by way of a share exchange, pursuant to which each existing Common Share of the Company would be exchanged for one new Common Share of the Company and 0.04 of a Spinco Share. Under the Plan of Arrangement, outstanding options and warrants to purchase Common Shares of the Company would be adjusted or replaced so that upon exercise, holders will receive one new Common Share of the Company and 0.04 Spinco Shares for each option or warrant exercised.

On August 26, 2021, the Company reported the discovery of a potential new high-grade zone known as the East Block within the Columba Project. This extension to the Columba Project veining occurred under the surface of an area which appeared to be barren and adds to the numerous other high-grade zones and potential identified to date.

Drill Highlights to Hole CDH-21-101

- 459 gpt silver over 1.6 metres including:
 - 1,190 gpt silver over 0.5 metres and
 - 127 gpt silver over 1.1 metres

On September 17, 2021, the Company announced the results of its annual general and special meeting (the "**2021 AGSM**") of shareholders held on September 15, 2021. At the 2021 AGSM, the shareholders of the Company approved all resolutions placed before them by management as set out in the Company's management information circular dated August 12, 2021, including: (i) fixing the number of directors at five and electing Kenneth E. Berry, James M. McDonald, Brian Groves, Jon Morda and Antonio Reda as directors of the Company for the ensuing year; (ii) the re-appointment of MNP LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year at a remuneration to be fixed by the directors; (iii) the ratification of the Company's stock option plan; (iv) the adoption of a share unit plan and deferred share unit plan for the Company; (v) approving the Plan of Arrangement among the Company, the Company's securityholders and Spinco; and (vi) the adoption of a rolling 10% stock option plan, share unit plan and deferred share unit plan for Spinco.

On October 6, 2021, the Company announced results from six additional drill holes from the Columba Project. These holes, CDH-21-102 to CDH-21-107, tested across the JZ trap zone. Importantly CDH-21-103 was the third hole that appeared to be defining a very high-grade mineralized body intersected now in three holes and defining a zone in drilling thus far in a 40 by 60 metre east west orientation with at least 80 metres of dip extent. The body appeared to be pipe like in shape and plunged moderately to the northeast and was open up and down dip.

Drill Highlights – Holes CDH-21-102 to CDH-21-107:

CDH-21-103

- 805 gpt silver over 17 metres within 333 gpt silver over 44 metres including:
- 2,035 gpt silver over 6 metres within 1,201 gpt silver over 11 metres; and a high of
- 9,840 gpt silver over 0.92 metres

CDH-21-104

- 154 gpt silver over 2.45 metres within 100 gpt silver over 5 metres; and
- 168 gpt silver over 2.5 metres within 124 gpt silver over 4.12 metres; and
- 800 gpt silver over 1 metre

CDH-21-105

- 288 gpt silver over 2 metres within 174 gpt silver over 2.5 metres
- 417 gpt silver over 2 metres within 316 gpt silver over 4.0 metres; and
- 34 gpt silver over 21 metres

On October 14, 2021, the Company announced it had made an application to significantly increase its land holdings contiguous to the original Columba Project. The Company's area of interest was expanded from just under 1,000 hectares to more than 10,000 hectares with the application of a new concession surrounding the Columba Project. Application for the new 10,825 hectare concession was in response to the excellent results from the Company's 2021 exploration program indicating that the mineral system and extent of silver rich veins was much more extensive than what was seen at surface. Results from drilling and mapping completed by the Company have significantly extended several potential mineralized structures laterally along strike within several prospective areas at Columba. Due to the Mexican mining reform of 2023 the application was yet to be granted and the Company had filed a claim with the courts in Mexico.

On October 27, 2021, the Company announced that the previously announced spinout transaction (the "Arrangement") under the Plan of Arrangement was to be effective as of 12:01 a.m. PST on October 29, 2021.

On November 2, 2021, the Company announced the completion of the Arrangement.

On November 3, 2021, the Company announced multiple high-grade drill results from three holes that intercepted the D Vein on the Columba Project.

Drill Highlights from holes CDH-21-108 to CDH-21-110 are as follows:

CDH 21-110:

- 453 gpt silver over 29.9 metres; including
- 650 gpt silver over 17.8 metres; including
- 932 gpt silver over 6 metres
- Intercept includes a high of 1,915 gpt silver over 0.85 metres

CDH 21-109:

- 193 gpt silver over 14.56 metres; including
- 294 gpt silver over 7.11 metres; including
- 476 gpt silver over 2.31 metres
- Intercept includes a high of 592 gpt silver over 0.75 metres

CDH 21-108:

- 98 gpt silver over 77 metres; including
- 328 gpt silver over 11 metres; including
- 504 gpt silver over 5.9 metres
- Intercept includes a high of 1,100 gpt silver over 1.0 metre
- All hosted in wide mineralized zone averaging 57 gpt silver over 166 metres

These three holes were completed to follow-up on previous drill results which demonstrated high-grade silver potential within the D Vein. Earlier holes drilled along the D Vein included hole CDH-20-079 returning 525 gpt silver over 1.58 metres within 5.35 metres of 290 gpt silver and hole CDH-19-022 returning 373 gpt silver over 1.5 metres within 6.25 metres of 244 gpt silver. Drill hole CDH-21-110 happens to be the second richest intercept at the Columba Project to date on a gram per metres basis. It is also the deepest drill test on the D Vein to date hitting the vein at about a 1650-metre elevation. Higher silver grades have been typically intercepted at and below this elevation across many of the veins at the Columba Project and these recent results continue to confirm the Company's general exploration model.

On December 2, 2021, the Company reported results from the final drill holes of the 2021 program at the Copalito Project. These holes reported on the Agua, 5 Senores, and Chive veins. All veins continued to show excellent grades and grade potential.

Highlights from Agua Vein:

BDH-21-056

- 135.39 gpt silver Eq. over 21 metres (101 gpt silver, 0.22 gpt gold and 0.86% lead plus zinc) including:
 - 198.62 gpt silver Eq. (162.9 gpt silver, 0.28 gpt gold and 0.76% lead plus zinc) over 7 metres and 492 gpt silver Eq. over 1.50 metres.

CDH-21-80

- 422.78 gpt silver. Eq. over 0.43 metres (133 gpt silver, 0.69 gpt gold and 10.63% lead plus zinc) within 1.84 metres of 199.44 gpt silver Eq (63 gpt silver, 0.42 gpt gold and 4.75% lead plus zinc).

Highlights from Chiva Vein in Holes BDH-21-057 to BDH-21-065:

BDH-21-057

- 546 silver Eq. over 0.82 metres (513 gpt silver, 0.229 gpt gold, and 0.80% lead plus zinc) within 118.14 gpt Silver Eq. over 6.33 metres consisting (106.5 gpt silver, 0.059 gpt gold, and 0.33% lead plus zinc).

BDH-21-058

- 1,364.03 gpt silver Eq. over 0.35 metres (300.0 gpt silver, 0.506 gpt gold, and 1.39% lead plus zinc) within 47.83 gpt silver Eq. over 12 metres (40.8 gpt silver, 0.070 gpt gold, and 0.11% lead plus zinc).

BDH-21-063

- 1,343.77 gpt silver Eq. over 0.32 metres (453 gpt silver, 4.49 gpt gold, 27.05% lead plus zinc) within 268.8 gpt silver Eq. over 1.82 metres (86.1 gpt silver, 0.924 gpt gold, and 5.46% lead plus zinc).

Highlights from Pilar Vein in Holes BDH-21-66 to BDH-21-79

The Pilar Vein showed higher gold and base metal grades as compared to other veins with a notable 5.2 gpt gold and 15.94% lead plus zinc with 103 gpt silver over 0.85 metres (CDH-21-63).

CDH-21-69

- 275.21 silver Eq. over 1.24 metres (198 gpt silver, 0.78 gpt gold and 1.24 % lead plus zinc).

CDH-21-73

- 437.6 gpt silver Eq over 0.9 metres (4.36 gpt gold, 13.8 gpt silver and 6.12% lead plus zinc) within 3.52 metres of 163.5 gpt silver Eq. (16 gpt silver, 1.28 gpt gold and 2.8% lead plus zinc).

CDH-21-74

- 329.38 gpt silver Eq. over 0.9 metres (4.0 gpt gold, 20.1 gpt silver and 2.15% lead plus zinc) within 5.3 metres of 172.13 gpt silver Eq. (185 gpt silver, 1.1 gpt gold and 3.57 % lead plus zinc).

CDH-21-76

- 810.1 gpt silver Eq. over 0.85 metres (103.1 gpt silver, 5.2 gpt gold and 15.94 % lead plus zinc).

CDH-21-79

- 315.62 gpt silver Eq. over 0.45 metres (10 gpt silver, 3.37 gpt gold and 3.69% lead plus zinc) within 4.45 metres of 176.32 gpt silver Eq. (36 gpt silver, 1.05 gpt gold and 3.21% lead plus zinc).

Silver Equivalent uses 65:1 Silver to gold ratio and lead at \$0.80 per pound and zinc at \$1.00 per pound; silver equivalent calculation assumes 100% recovery of all metals. All widths are drilled widths with true widths generally ranging from 50 to 90% depending on vein dip and hole inclination.

A total of 81 holes for 8,012 metres were completed during the 2020 and 2021 drill programs.

December 16, 2021, the Company announced drill results from the final three holes of the 2021 Phase 3 program on the Columba Project. The last three holes tested the B Vein.

Drill Highlights:

CDH-21-111

- 105 gpt silver over 5.29 metres including;
- 190 gpt silver over 2.15 metres.

CDH-21-112

- 219 gpt silver over 29.5 metres including
 - 434 gpt silver over 13.05 metres including;
 - 1,050 gpt silver over 2 metres within 667 gpt silver over 7.05 metres.

CDH-21-113

- 156 gpt silver over 3.5 metres; and
- 628 gpt silver over 1.1 metres within 393 gpt silver over 2.05 metres.

All widths shown are drilled widths. True widths are estimated to be between 55% and 70% of drilled widths based on the interpreted dip and strike of the veins.

2022 Developments

On January 27, 2022, the Company reported that the joint venture with Aztec (the “**Aztec JV**”) completed the first 14 holes, totaling 2,810.6 metres of its 5,000-metre, 22-hole Phase 1 reverse circulation drill program at the Cervantes Project. Four holes were drilled for 769.6 m to test the southern portion of the Purisima East target, an area which hosted historic underground mines and prospects. This area was coincident with IP chargeability and gold-copper-molybdenum anomalies within a breccia along the rim of a porphyry intrusion. All four holes intersected pervasively fractured, oxidized, argillic and silicified sediments and quartz feldspar porphyry dikes and hydrothermal breccias.

Ten holes had been drilled into the principal California gold-copper porphyry target, where the Aztec JV previously discovered extensive porphyry gold-copper mineralization (drill intercepts up to **0.77 gpt gold over 160 m**). The 10 step-out holes for 2,041 m were at 50 m spacings to expand and better define the area of oxide gold mineralization at California. There remained several drill holes to be completed to be followed by two 500 m deep holes to test the depth extent of the strong underlying IP chargeability anomaly which is hoped to be a large gold-copper porphyry. This mineralization was associated with massive silicification and extensive hydrothermal brecciation of the hosting quartz feldspar porphyry and the surrounding sedimentary rocks.

On February 9, 2022, the Company announced it had entered into an agreement with Research Capital Corporation (“RCC”), as sole agent and sole bookrunner, in connection with a best efforts private placement (the “**March 2022 Private Placement**”) of units (the “**March 2022 Units**”) the Company at an offering price of \$0.16 per March 2022 Units (the “**March 2022 Offering Price**”) for a gross proceeds of up to \$4,000,000. Each March 2022 Units would

be comprised of one Common Share of the Company and one Common Share purchase warrant (a “**March 2022 Warrant**”). Each March 2022 Warrant would be exercisable to acquire one Common Share at a price of \$0.22 per share for a period of 36 months. The maximum amount of the March 2022 Private Placement was upsized to \$5,000,000 on February 11, 2022, and further upsized to \$5,400,000 on February 14, 2022.

On February 16, 2022, the Company announced that Aztec, as operator of the Aztec JV, reported a broad, high grade, gold intercept at the Cervantes Project in its first drill hole. This was the first hole in the California target in the program and represented a significant step out from a previous fence of holes that established a broad area of shallow oxide gold mineralization. The best hole from which graded a drill length of 160 metres of 0.77 gpt Au, 0.13% copper and 3.4 gpt silver.

California Zone Drill Highlights

- 1.1 gpt Au over 88.41 m in mineralized quartz feldspar porphyry
 - Including 1.56 gpt Au over 54.9 m with 2.8 gpt Au over 24.4 metres

On February 23, 2022, the Company reported that Aztec intersected further broad, high-grade, gold mineralization over three holes during the 2022 RC drill program.

California Zone Drill Highlights

- 1.002 gpt gold over 167.2 metres in mineralized quartz feldspar porphyry, including 24.4 metres of 4.247 gpt gold in CAL22-004, located in the central part of the mineralized zone
- 0.374 gpt gold over 99.1 metres in mineralized porphyries and hydrothermal breccias in CAL22-002 located at the west end of the mineralized zone
- 0.451 gpt gold over 45.7 metres in mineralized porphyries in CAL22-003, including 13.7 metres of 0.868 gpt gold located at the south end of the mineralized zone

On March 2, 2022, the Company announced that Aztec reported three more holes on the Aztec JV Cervantes Project. Holes CAL22-005, 006 and 007 intersected extensive gold mineralization, extending the known mineralized zone at depth and to the north and to the south and covered an area now measuring approximately 900 metres long by 250 to 500 metres wide, with demonstrated, continuous mineralization up to 265 metres depth vertically. The porphyry gold-copper mineralization was still open in all directions.

California Zone Drill Highlights from mineralized quartz feldspar porphyry and hydrothermal breccias.

CAL22-008

- 0.884 gpt Au over 54.7 m including 13.7 metres of 1.965 gpt Au in, located at the southeastern edge of the mineralized zone

CAL22-009

- 0.50 gpt Au over 86.6 m at the southern edge of the central portion of the mineralized zone

CAL22-010

- 0.53 gpt Au over 138.3 m including 10.67 m of 1.622 gpt Au in, located in the central portion of the mineralized zone

On March 9, 2022, the Company announced the closing of the March 2022 Private Placement for gross proceeds of \$6,250,000. The brokered portion of the March 2022 Private Placement totaled gross proceeds of \$4.78 million consisting of 29,881,000 March 2022 Units of the Company at the March 2022 Offering Price, and the non-brokered portion of the March 2022 Private Placement totaled gross proceeds of approximately \$1.47 million consisting of 9,181,500 Units at the March 2022 Offering Price.

In connection with the March 2022 Private Placement, RCC received a cash fee of \$361,740. In addition, the Company granted RCC 2,260,875 non-transferable compensation warrants (the “**March 2022 Compensation Warrants**”).

Each March 2022 Compensation Warrant entitles the holder thereof to purchase one March 2022 Unit at the March 2022 Offering Price for a period of 36 months following the closing of the March 2022 Private Placement. The Company also paid aggregate cash finder's fees of \$13,260 to two arm's length finders in connection with the March 2022 Private Placement.

On March 22, 2022, the Company announced further drill results from the Cervantes Project as reported by Aztec.

California Zone Drill Highlights from mineralized quartz feldspar porphyry and hydrothermal breccias.

CAL22-008

- 0.884 gpt Au over 54.7 m including 13.7 metres of 1.965 gpt Au in, located at the southeastern edge of the mineralized zone

CAL22-009

- 0.50 gpt Au over 86.6 m at the southern edge of the central portion of the mineralized zone

CAL22-010

- 0.53 gpt Au over 138.3 m including 10.67 m of 1.622 gpt Au in, located in the central portion of the mineralized zone

On April 13, 2022, the Company announced additional positive drill results from the Aztec JV on the Cervantes Project. CAL22-012 returned 152.4 metres grading 0.87 gpt Au including 33.5 metres grading 2.05 gpt Au.

California Zone Drill Highlights

- **CAL22-011**
 - 0.43 gpt Au over 132.2 metres, including 1.29 gpt Au over 12.2 metres along the north central edge of the mineralized zone.
- **CAL22-012**
 - 0.87 gpt Au over 152.4 metres, including 2.05 gpt Au over 33.5 metres along the north central edge of the mineralized zone.
- **CAL22-014**
 - 0.48 gpt Au over 54.9 metres located at the northern edge of the eastern portion of the mineralized zone

To this point, every hole drilled at California had intersected near surface, oxidized gold mineralization with minor copper oxides. There were eight more holes pending from the California zone including one pending from each of the Jasper and California North targets.

On May 5, 2022, the Company announced that Aztec released additional drill results on the California target at the Cervantes Project.

California Zone Highlights

- CAL22-015 returned 0.421 gpt gold over 68.4 metres and a deeper interval of 2.246 gpt gold over 10.6 metres.
- CAL22-016 returned 0.475 gpt gold over 56.2 metres. The first multi-element ICP results show good relationships between Au, Cu, Bi, Ag and As, with prospective grades and widths for Cu and Ag for a potential porphyry deposit model.
- CAL22-015 is located at the southeastern edge of the California zone and CAL22-016 is located at the northeastern edge. Both holes intercepted mineralized porphyries and hydrothermal breccias.
- CAL22-017 returned 0.32 gpt gold over 24.3 metres and 1.65 gpt gold over 6.1 metres in porphyry, sediments and hydrothermal breccia 350 metres north of California target.

Additionally, at the Jasper target a new zone of copper mineralization was intercepted in drilling.

Widespread visible copper oxides and sulfides occur over 150 metres in quartz feldspar porphyry intrusion in RC drill hole at Jasper target 600 metres west of California Zone at the Cervantes Project in Hole JAS22-001. This hole hit widespread visible copper oxide and secondary sulfide mineralization over 150 metres of quartz feldspar porphyry intrusion, including 0.332 gpt gold over 9.1 metres.

The Aztec JV had now completed its Phase 2 Reverse circulation (RC) program of 26 holes, totaling 4,649 metres at the Cervantes Project.

Reported lengths are apparent widths, not true widths, and the observed gold mineralization appeared to be widely distributed in disseminations, fractures and veinlets within quartz-feldspar porphyry, feldspar porphyry stocks and related hydrothermal breccias.

On July 26, 2022, the Company announced that on July 22, 2022, the Company and Aztec entered into a purchase and sale agreement whereby Aztec would indirectly acquire the Company's 35% interest in the Aztec JV company that held the Cervantes Project. Aztec would issue to the Company 10,000 common shares in the capital of Aztec, at a price of C\$0.25 per share, and the Company would retain a 0.5% Net Smelter Return Royalty ("NSR") on the Cervantes Project. Upon completion of the transaction, the Aztec JV company would be a wholly owned subsidiary of Aztec.

On August 4, 2022, the Company provided an update on the drilling at the Columba Project. Significant progress was made on the 15,000-metre drilling program announced earlier in 2022. As a considerable portion of assays were outstanding as of August 4, 2022, the Company initiated a pause to wait for the assay results—as these would assist in targeting of additional step-out drill holes.

On August 11, 2022, the Company announced a successful amendment to the option agreement for 100% of the Columba Project. The amended agreement split the final November 2022 payment into a series of payments due in August, November, and December of 2022, and in January, April, and May of 2023. Payments range from US\$215,000 (August 2022 and May 2023) to US\$480,000 (November 2022), and US\$430,000 (December 2022, January, and April 2023).

On August 16, 2022, the Company announced assay results from the first six drill holes of the 2022 drilling program that began in May 2022 on the Columba Project.

Drill Highlights:

D Vein

CDH-22-115

- Well mineralized zone averaging 449 gpt silver over 11.3 metres from 81.1 metres downhole.
- Highest grade intercept 795 gpt silver, 0.95% lead and 1.47% zinc over one metre.
- Extends vein mineralization 50 metres to west of nearest intercept (CDH-19-021).

CDH-22-119

- 1,395 gpt silver over 1.5 metres within 416 gpt silver over 7.74 metres.
- Highest grade intercept 1,550 gpt silver and 0.95% lead and 4.5% zinc over 0.89 metres.
- 100-metre step out below CDH-22-115.

F Vein

CDH-22-118

- 107 gpt silver over 7.0 metres

- 75 metres deeper than previously released hole CDH 21-96 with 425 gpt silver over 2.37 metres
- Remained open to depth

¹ True widths are estimated at between 65% and 85% of the downhole lengths.

On September 1, 2022, the Company released another batch of assay results from the Columba Project. Results from five additional drill holes were reported with one hole from the D Vein, and four holes from the F Vein.

Drill Highlights:

F Vein

CDH-22-121

- High grade of 2,330 gpt silver, 0.06% lead and 0.80% zinc across drill length of 1.63 metres
- Extends F Vein 50 metres down-dip of previous intercept on-section (beneath CDH 20-053).
- Mineralization at F Vein remains open at depth and along strike.

D Vein

CDH-22-122

- Interval from 194.1 metres down hole averages 574 gpt silver with 0.19% lead and 0.66% zinc over 3.9 metres.
- Extends D Vein additional 55m beneath previously announced drill intercept (CDH-20-079).
- Highest individual assay grade of 956 gpt silver, 0.27% lead and 1.20% zinc over 0.72 metres.

On September 8, 2022, the Company announced the final assay results from the 2022 drill program at the Columba Project. This included results from a total of 11 drill holes including seven from the D Vein and four holes from the B Vein. Based upon the reported Phase 4 results, the Company initiated design of an expanded drill program to target high priority veins to assess the large magnitude of the mineralized system at the Columba Project. The F, D and B Veins will be targeted with step out along strike and to depth and numerous untested high-priority areas at the Columba Project. Nearly all drill results across the project remain open to expansion.

The results successfully extended known mineralization along strike and beneath existing drilling at both the D Vein and B Vein targets. The new results from Columba Project continued to demonstrate wide intervals of significant silver mineralization in wall rock zones adjacent the target veins, a feature often seen in mineralized drill intercepts across the project.

Drill Highlights:

D Vein

CDH-22-125

- 34.45 metres of 540 gpt silver with 0.26 gpt gold, 0.37% lead and 1.56% zinc in a wide stockwork zone includes:
 - 9.7 metres of 1,746 gpt silver, 0.88 gpt gold, 1.11 % lead and 5.2% zinc in D Vein with;
 - 2.45 metres of 5,840 gpt silver, 3.0 gpt gold, 3.08% lead and 17.25% zinc, a project best intercept to date.
- Extends wide high grade 90 metres directly beneath previously announced high grade intercept (CDH-21-110) with 17.8 metres of 650 gpt silver, 0.98% lead and 2.2% zinc within 29 metres of 453 gpt silver, 0.6% lead and 1.43% zinc.
- Total vertical extent of D Vein mineralization now 300 metres.

CDH-22-127

- 0.98 metres of 788 gpt silver, 0.64% lead and 1.33% zinc.

CDH-22-128

- 2.0. metres of 520 gpt silver within 20 metres of 136 gpt silver.

CDH-22-131

- 4.86 metres of 311 gpt Silver within 150 gpt silver over 16 metres.
- Extends D Vein 100 metres along strike to the southeast from previous drilling.
- Marks high-level expression of mineralized system at D Vein, an interpreted high-grade horizon preserved at depth.

B Vein

CDH-22-134

- Intersected broad zone of mineralization through the B Vein corridor including 1.5 metres of 251 gpt silver, 0.1% lead and 0.15% zinc
- Extends B Vein to the southeast, provides a test of the upper levels of the interpreted epithermal system.
- Lower grade expected as hole was drilled to confirm dips with a shallow test above expected high grade zone.

¹True widths are estimated at between 65% and 85% of the downhole lengths.

On October 18, 2022, the Company announced that it had entered into an agreement with Research Capital Corporation, as the lead agent and sole bookrunner, on behalf of a syndicate of agents, including Red Cloud Securities Inc. (the “**November 2022 Agents**”), in connection with a best efforts, private placement (the “**November 2022 Private Placement**”) of units (the “**November 2022 Units**”) of the Company at a price of \$0.10 per November 2022 Unit (the “November 2022 Offering Price”) for gross proceeds of up to \$4,000,000.

Each November 2022 Unit would be comprised of one Common Share and one Common Share purchase warrant (an “**November 2022 Warrant**”). Each November 2022 Warrant would be exercisable to acquire one Common Share at a price of \$0.15 per share for a period of 36 months from the closing of the November 2022 Private Placement. The Company intended to use the net proceeds from the November 2022 Private Placement for working capital requirements and other general corporate purposes.

On October 25, 2022, the Company announced an amendment of certain terms of the November 2022 Private Placement, lowering the November 2022 Offering Price to \$0.09 per November 2022 Unit. The exercise price of the November 2022 Warrants would also be lowered to \$0.135 per share.

On November 1, 2022, announced the unfortunate passing of Brian Groves, who was a director of the Company for 13 years. He had a long and productive career in minerals exploration, advancing from field work through to management and executive levels in both junior exploration companies and international mining companies. He was well regarded and respected by those who worked with him and knew him as a friend.

On November 2, 2022, the Company announced that it had increased the size of November 2022 Private Placement from \$4,000,000 to \$4,347,826 from the sale of up to 48,309,179 November 2022 Units of the Company at a price of \$0.09 per November 2022 Unit.

On November 8, 2022, the Company announced that it had closed the November 2022 Private Placement for aggregate gross proceeds of \$5 million. The brokered portion of the November 2022 Private Placement was comprised of approximately \$3.56 million consisting of 39,561,110 November 2022 Units at the November 2022 Offering Price. The non-brokered portion of the November 2022 Private Placement was comprised of gross proceeds of approximately \$1.44 million consisting of 15,994,445 November 2022 Units at the November 2022 Offering Price. In connection

with the Offering, the November 2022 Agents received a cash fee of \$251,229.99. In addition, the Company granted the November 2022 Agents 3,043,874 non-transferable compensation warrants (the “**November 2022 Compensation Warrants**”). Each November 2022 Compensation Warrant entitles the holder thereof to purchase one November 2022 Unit at an exercise price of \$0.09 per November 2022 Unit for a period of 36 months following the closing of the November 2022 Private Placement. The Company also paid aggregate cash finders’ fees of \$22,858.20 to two arm’s length finders non-transferable finder’s warrants (the “**November 2022 Finder’s Warrants**”) exercisable into 216,960 Common Shares of the Company at an exercise price of \$0.135 per Common Share for a period of 36 months from the closing of the November 2022 Private Placement.

On December 1, 2022, the Company announced the appointment of Mr. Dale Brittliffe, P. Geo, as the Vice President of Exploration. Dr. Tom Richards, who held the position of VP of Exploration for 14 years, would retain an advisory role for the Company.

2023 Developments

On January 13, 2023, the Company announced that it had appointed Joseph Giuffre as a director of the Company. Mr. Giuffre is a lawyer with over 30 years of legal experience in private practice with Vancouver and National law firms and as in-house as general counsel. Mr. Giuffre advises private and public companies in complex corporate, commercial, securities legal and business transaction matters, including mergers and acquisitions, joint ventures, private and public debt and equity financings, regulatory compliance, corporate governance, and capital project development.

Mr. Giuffre has been a director of various public and private companies over the course of his 30-year career. He was previously the Chief Legal Officer of Nevsun Resources Ltd., which was acquired in 2019 for ~C\$1.8 billion by Zijin Mining. He is also director, trustee, and a founder of some of the Avenue Living Group of Companies that manages over \$3 billion in assets in multifamily, agriculture, commercial and self-storage real estate assets in Western Canada and the United States. He holds Bachelor of Laws (LLB) from the University of Alberta, Bachelor of Arts (Econ) from the University of Calgary and holds an ICD.D designation from the Institute of Corporate Directors.

The Company also reported that it appointed Red Cloud Securities Inc. and Red Cloud Financial Services Inc. (together “**Red Cloud**”) to provide the Company with a range of marketing and similar advisory services. Red Cloud is a Toronto-based financial services company that provides assistance to mineral exploration and mining companies in accessing capital markets and enhancing their corporate profile.

Under the engagement, Red Cloud would be paid a fee of \$50,000 for the services it would render for an initial five-month period and the arrangement can automatically renew month-to-month thereafter at the option of the Company. Red Cloud will provide services such as organizing and administering “roadshows” and targeting potential investors.

Finally, the Company announced stock options were granted to officers, directors, employees, and consultants to purchase up to an aggregate of 21,450,000 Common Shares of the Company at a price of \$0.155 per Common Share for a period of five years.

On April 6, 2023, the Company announced that it amended the terms for the Columba Project option agreement to allow for 50% of the April 2023 payment of US\$430,000 plus 16% IVA to be paid in Common Shares. The payment would be made as US\$215,000 cash and US\$215,000 (plus 16% IVA) in Common Shares calculated at the volume weighted average price of Common Shares over the previous twenty trading days. The price would be converted to a US dollar value using the Bank of Canada’s exchange rate over the same twenty-day period.

Additionally, the Company reached an agreement with an arm’s length party dated March 31, 2023, to resolve conflicting property interests, pursuant to which the Company agreed to issue 2,018,710 Common Shares in consideration of US\$135,000 plus 16% IVA, based on the 20-day volume weighted average price of \$0.1064 per Common Share, converted by the US dollar to Canadian dollar average exchange rate for the 20 day period prior to March 31, 2023 of US\$1 = CAD\$1.3715.

On May 1, 2023, the Company that it had entered into an agreement with Research Capital Corporation, as co-lead agent and sole bookrunner, and together with Red Cloud Securities Inc. as co-lead agents, on behalf of a syndicate of agents, including Canaccord Genuity Corp. (the “**May 2023 Agents**”), in connection with a best-efforts, private

placement (the "May 2023 Private Placement") of units (the "May 2023 Units") of the Company at a price of \$0.10 per May 2023 Unit (the "May 2023 Offering Price") for gross proceeds of up to \$4,000,000.

Each May 2023 Unit would be comprised of one Common Share and one Common Share purchase warrant (a "May 2023 Warrant"). Each May 2023 Warrant shall be exercisable to acquire one Common Share at a price of \$0.14 per share for a period of 36 months from the closing of the May 2023 Private Placement.

On May 8, 2023, the Company reported that on May 5, 2023, it had sold common shares of Aztec in several market transactions. Prior to the sale of Aztec shares, the Company beneficially owned and had control over approximately 11.85% of outstanding Aztec shares. Following the sale, the Company's ownership of Aztec shares decreased to 7,601,500 Aztec shares, representing approximately 8.02% on a non diluted basis. As a result, the Company ceased to be an insider of Aztec. Total gross consideration received by the Company was \$962,445. Funds from the sale would be used for working capital purposes.

On May 24, 2023, the Company announced it had closed the May 2023 Private Placement at the May 2023 Offering Price for aggregate gross proceeds of \$3,772,500, consisting of a brokered portion for gross proceeds of approximately \$2.1 million and a non-brokered portion for gross proceeds of approximately \$1.6 million. In connection with the May 2023 Private Placement, the May 2023 Agents received a cash fee of \$128,340. In addition, the Company granted the May 2023 Agents 1,283,400 non-transferable compensation warrants (the "May 2023 Compensation Warrants"). Each May 2023 Compensation Warrant entitles the holder thereof to purchase one May 2023 Unit at the May 2023 Offering price for a period of 36 months following the closing of the May 2023 Private Placement. In addition, the May 2023 Agents received an advisory fee of \$22,140 and 660,000 advisory broker warrants (the "May 2023 Broker Warrants") on the same terms as the May 2023 Compensation Warrants. The Company also paid aggregate cash finders' fees of \$75,870 to six arm's length finders and issued to Canaccord Genuity Corp. non-transferable finder's warrants (the "May 2023 Finder's Warrants") exercisable into 20,100 May 2023 Units at the May 2023 Offering Price for a period of 36 months from the closing of the May 2023 Private Placement.

On June 13, 2023, the Company announced that it officially held 100% ownership of the Columba Project. The final payment of US\$215,000 was made paid in cash on May 12, 2023. The Company paid a total of US\$3,290,000 in staged payments (of which US\$215,000 was paid in Common Shares), commencing November 2018 to earn 100% ownership. The vendor retains a 2% royalty of which 1% can be purchased by the Company for US\$750,000.

On August 1, 2023, the Company provided an update on the Columba Project. Two of the three land access agreements due for renewal in 2023 were signed with a third in the final stages of negotiation. Completion of these agreements would provide the Company with access to drill vein targets out to the edges of the inferred mineralization system. While these agreements had been in negotiation, the Company had continued surface exploration to refine targets.

On August 9, 2023, the Company announced that it had filed the first technical report on its 100% owned Columba Project. The report, titled "Technical Report for the Columba Silver Property", was prepared by independent consultants Moose Mountain Technical Services, and was authored by Sue Bird P.Eng., with an effective date of March 17, 2023, and an issue date of July 28, 2023. The report was prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("**NI 43-101**").

The report summarizes work done to date which entails just over 27,000 metres of drilling in 135 holes, detailed and regional geologic mapping and sampling over five principal veins and numerous subsidiary veins. The report recommends further drilling on the principal veins with both an increase of drill density to 50-metre spacing and exploratory drilling along undrilled and under drilled veins. It also recommends a metallurgical program on the principal areas of mineralization.

The Columba Project hosts a vein district of classic epithermal veins which exhibit excellent potential for high grades as evidenced by drilling to date. The vein system is almost entirely preserved from erosion at the levels where silver mineralization begins.

On September 6, 2023, the Company announced that drilling had resumed at the Columba Project. The campaign that was initiated will drill a minimum of 3,000-metres comprising of 12 to 15 holes, and is focused on expanding on impressive, wide high-grade intercepts hit to date in the D Vein. Favourable results from the initial program would

warrant an additional 7,000 metres in 19 holes to aggressively step out on D-Vein toward its projected intersection with similarly mineralized B Vein. The Company identified new vein targets in addition to known vein extensions warranting drill testing. The phase now underway represents the first stage of a comprehensive, project-wide program designed to step out along strike and to depth on multiple mineralized veins planned for completion within the next 12 months.

On September 28, 2023, the Company provided an update on the progress of diamond drilling at the Columba Project. The first four holes of the program were drilled to target depth on the two westernmost sections of the planned campaign. Analyses were awaited at this point, however visual confirmation of mineralization and veining typical of D-Vein had been reported by the logging geologists in the holes to date where modeling predicted. Veining and associated stockwork mineralization in drilled length in each hole was observed to measure approximately 5.0 m vein/stockwork, 8.2 m vein and 23 m stockwork, 10 m vein and 26 m stockwork and 1.0 m vein, 3.0 m stockwork in holes CDH-23-136 through CDH-23-139 respectively.

On October 12, 2023, the Company announced an updated mineral resource estimate at the Promontorio-La Negra Project. 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 were prepared by Sue Bird, M.Sc., P.Eng., Geological and Mining Engineer of by Moose Mountain Technical Services 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 included:

- 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).

The following two tables summarize the Promontorio comparison and the mineral resource estimate 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 Meta l (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
3. The resulting NSR = $\text{Ag} \times \text{US\$}0.63/\text{g} \times 74\% + \text{Au} \times \text{US\$}56.71/\text{g} \times 70\% + 22.0462 \times (\text{Pb} \times \text{US\$}0.77/\text{lb} \times 81\% + \text{Zn} \times \text{US\$} 0.80/\text{lb} \times 88\%)$
 4. 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.
 5. 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 three-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:

1. Resources are reported using the 2014 CIM Definition Standards and were estimated using the 2019 CIM Best Practices Guidelines, as required by NI43-101
2. 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
3. The resulting NSR = $\text{Ag} \times \text{US\$0.69/g} \times \text{Zone Ag Recovery\%} + \text{Au} \times \text{US\$56.97/g} \times \text{Zone Au Recovery\%}$
4. Silver Equivalent (AgEq) = $\text{NSR} / (\text{US\$0.69/g} \times \text{Ag Recovery\%})$
5. The specific gravity is assigned by rock type as 2.52 in Oxides, 2.59 in Mixes and 2.61 in Sulfides
6. 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 mineral resource estimate uses 59,149 assays from 311 drill holes based on drilling up to an including 2013. The La Negra mineral resource estimate 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 the Company, 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 two 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.

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 1m 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 five 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 two nearest drillholes is $\leq 50\text{m}$ and if the distance to the furthest of those drillhole is $\leq 70\text{m}$, 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 three nearest drillholes is $\leq 30\text{m}$ and if the distance to the furthest of those drillhole is $\leq 50\text{m}$, 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 two 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 the Company 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, Cassiday & 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 1–4.

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.

On October 17, 2023, the Company announced results from the first three drill holes from 2023 diamond drilling program at the Columba Project.

Drill highlights are as follows:

CDH-23-138

- 13.56 metres core-length averaging 599 gpt silver, 0.5% lead and 1.2% zinc from 182.94 metres downhole.
 - Including 8 metres of 858 gpt silver, 0.78% lead and 1.88% zinc and
 - 1 metre of 2,060 gpt silver, 3.2% lead and 4.29% zinc.

CDH-23-137

- 4 metres core-length of 340 gpt silver, 0.06% lead and 0.08% zinc from 122 metres down hole
- including 1 metre of 864 gpt silver, 0.17% lead and 0.16% zinc

CDH-23-136

- 2.97 metres core-length of 335 gpt silver and anomalous lead and zinc from 76.03 metres down hole.
- Table 1. Highlights from D-Vein drilling

True widths estimated at between 65% and 80% of the downhole lengths.

Effective November 14, 2023, the Company consolidated its Common Shares on a ten-to-one basis (as announced on October 12, 2023) (the “**Consolidation**”). Prior to the Consolidation, the Company had 457,669,033 Common Shares issued and outstanding and post-Consolidation the Company had 45,766,903 Common Shares issued and outstanding. No fractional post-Consolidation Shares were issued pursuant to the Consolidation.

Along with all outstanding Common Shares, the Company’s equity incentive plan was adjusted accordingly. The Consolidation also affected the issued and outstanding Common Share purchase warrants (each, a “**Warrant**”) of the Company, as the number of Common Shares issuable upon the exercise of each Warrant was reduced and the exercise price of each Warrant was increased, all in accordance with the terms of the certificates governing the Warrants. The Consolidation did not materially affect the percentage ownership in the Company of shareholders although such ownership is now represented by a smaller number of Common Shares. The Consolidation merely proportionally reduce the number of Common Shares held by shareholders of the Company.

On November 22, 2023, the Company announced results from an additional three holes from its drilling program at Columba Project.

Highlights for drill holes CDH-23-139 to CDH-23-141 were as follows:

CDH-23-141

- 29 meters core-length averaging 208 gpt silver, 0.21% lead, and 0.46% zinc from 250 meters downhole
 - Including 9.67 meters of 510 gpt silver, 0.2 gpt gold, 0.5% lead, and 1.0% zinc; and
 - including 2.37 meters of 1,142 gpt silver, 0.1 gpt gold, 0.9% lead, and 2.5% zinc from 274 meters downhole.

CDH-23-140

- 10.1 meters core-length of 152 gpt silver, 0.2% lead, and 0.4% zinc from 297 meters down hole
 - Including 0.58 meters of 745 gpt silver, 0.8% lead, and 1.3% zinc from 266.7 meters downhole.
- 3.1 meters core-length of 308 gpt silver, 0.14% lead, and 0.26% zinc in the Hanging Wall vein
 - Including 1.56 meters of 532 gpt silver, 0.25% lead, and 0.40% zinc.

True widths estimated at between 70% and 80% of the downhole lengths.

On December 7, 2023, the Company announced four additional drill holes from its drilling program at Columba Project.

Highlights for drill holes CDH-23-142 to CDH-23-145 are as follows:

CDH-23-145

- 6 meters core-length averaging 435 gpt silver, 0.1% lead, and 0.2% zinc from 215 meters downhole within a broad 22 meters of 174 gpt silver.
 - including 3.0 meters of 544 gpt silver and 0.13% lead and 0.2% zinc from 217 meters downhole; and
 - 1.0 meter of 814 gpt silver, 0.24 gpt gold, 0.1% lead, and 0.2% zinc from 219 meters downhole.

CDH-23-142

- 121 meters core-length of 60 gpt silver and 0.1% zinc from 206 meters downhole
 - including 0.5 meters of 369 gpt silver, 0.5% lead and 1.0% zinc from 269.5 meters downhole immediately following a 5-meter-wide dissolution void; and
 - 2.88 meters of 224 gpt silver, 0.2% lead and 0.5% zinc from 296.12 metres downhole

On December 7, 2023, the Company announced four additional drill holes from its drilling program at Columba Project.

Highlights for drill holes CDH-23-146 and CDH-23-147 are as follows:

CDH-23-146

- 501 gpt silver, 0.3% lead, and 0.7% zinc over 10.26 meters from 173 meters downhole within a broad 24.26 meters of 228 gpt silver (all core length) including;
 - 2,123 gpt silver and 1.3% lead and 2.2% zinc over 1.54 meters from 177.82 meters downhole including;
 - 0.54 meters of 4,120 gpt silver, 3.4% lead, and 2.8% zinc from 178.82 meters downhole.

CDH-23-147

- 532 gpt silver, 0.2% lead and 0.7% zinc over 8.19 meters within;
 - 338 gpt silver, 0.1% lead and 0.4% zinc over 17 meters and 219 gpt silver and 0.3% zinc over 28 meters from 157 meters downhole including;
 - 777 gpt silver, 0.6% lead and 0.7% zinc over 1.0 meters from 173 meters downhole and

- 914 gpt, 0.3% lead and 0.7% zinc silver over 1.0 meters

Subsequent Events 2024

On January 25, 2024, the Company announced an updated mineral resource estimate on its La Cigarra Project located in the Parral Silver District of Chihuahua State, Mexico. The updated resource estimate, calculated by Allan Armitage, Ph.D., P.Geo., of SGS Geological Services in the La Cigarra Report prepared 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), supersedes a 2015 mineral resource estimate, also prepared by Dr. Armitage for NorthAir which was acquired by the Company in 2016. The La Cigarra Project is situated within a well established Mexican mineral district and is a key property in the Company's portfolio of advanced silver exploration projects.

Highlights of the 2024 La Cigarra Project Mineral Resource Estimate are as follows:

- **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 for 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 for 12.85 Moz AgEq.
- **Measured+Indicated grade increases from 86 g/t to 102 g/t silver.**
- **Measured+Indicated ounces increase slightly from 51.47 million to 51.57 million ounces.**
- **Measured+Indicated tonnages decrease from 18.54 to 15.73 million tonnes (measured from 3.62 to 2.08 million tonnes and indicated from 14.93 to 13.65 million tonnes).**
- **Inferred grade increases from 80 g/t to 102 g/t silver**
- **Inferred tonnages decrease from 4.45 to 3.35 million tonnes**

The 2024 mineral resource estimate incorporates a significantly revised geological model compared to the previous resource and features a database of 201 surface diamond and RC drillholes totaling 36,988 meters and 26,419 assay intervals.

The Company is unable to independently confirm or verify the accuracy or reliability of the San Francisco del Oro and Santa Barbara deposits. The Company also reminds investors that the results, resources or mineralization on the adjacent properties are not necessarily indicative of the potential for similar to exist on the La Cigarra Project.

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)	¹ 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.

¹AgEq = Ag ppm + (((Au ppm x Au price/gram) + (Pb% x Pb price/t) + (Zn% x Zn price/t))/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 Project 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 Project 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 (ID²) 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 based on a database of 1,412 samples.
- (9) It is envisioned that the La Cigarra Project 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.

Table 1-2 La Cigarra Oxide and Sulphide MRE at a Base Case Cut-off Grade of 50 g/t AgEq

Oxide MRE

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)	¹ AgEq (Moz)
Measured	0.50	141	0.06	0.12	0.06	152	2.28	1.00	1.3	0.7	2.46
Indicated	2.66	104	0.08	0.11	0.09	117	8.92	6.5	6.4	5.0	9.96
Mea. + Ind.	3.16	110	0.07	0.11	0.08	122	11.20	7.50	7.7	5.7	12.42
Inferred	0.89	84	0.05	0.17	0.05	94	2.40	1.30	3.4	1.0	2.70

Sulphide MRE

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)	¹ AgEq (Moz)
Measured	1.58	91	0.07	0.18	0.26	111	4.62	3.30	6.2	9.2	5.64
Indicated	10.99	101	0.07	0.17	0.24	120	35.75	23.10	40.9	58.5	42.50
Mea. + Ind.	12.57	100	0.07	0.17	0.24	119	40.37	26.40	47.1	67.7	48.14
Inferred	2.48	108	0.06	0.21	0.24	128	8.60	4.70	11.4	12.9	10.15

Table 1-3 In-Pit Mineral Resource Estimate at Various AgEq Cut-off Grades

Cut-off Grade (AgEq g/t)	Tonnes	Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	AgEq (g/t)	Ag (Moz)	Au (kOz)	Pb (Mlbs)	Zn (Mlbs)	AgEq (Moz)
Measured											
30	2.73	86	0.06	0.14	0.19	102	7.54	5.30	8.5	11.4	8.94
40	2.43	93	0.06	0.15	0.20	110	7.28	4.90	8.1	10.8	8.60
50	2.08	103	0.06	0.16	0.22	121	6.90	4.30	7.6	9.9	8.10
60	1.75	114	0.07	0.18	0.23	134	6.44	3.70	7.0	9.0	7.51
70	1.48	126	0.07	0.19	0.25	146	5.99	3.10	6.3	8.1	6.94
80	1.27	137	0.06	0.21	0.26	158	5.59	2.60	5.8	7.2	6.44
Indicated											
30	17.16	87	0.06	0.14	0.19	103	48.18	35.30	52.4	71.1	57.04
40	15.52	94	0.07	0.15	0.20	111	46.77	32.80	50.2	67.9	55.17
50	13.65	102	0.07	0.16	0.21	120	44.66	29.60	47.3	63.6	52.46
60	11.86	111	0.07	0.17	0.22	129	42.18	26.30	44.0	58.7	49.31
70	10.00	122	0.07	0.18	0.24	141	39.08	22.50	39.6	52.9	45.41
80	8.56	132	0.07	0.19	0.25	152	36.28	19.50	35.8	47.7	41.94
Inferred											

30	4.03	90	0.06	0.18	0.17	106	11.64	7.50	15.8	15.2	13.73
40	3.77	94	0.06	0.19	0.18	111	11.44	6.80	15.4	14.7	13.44
50	3.37	102	0.06	0.20	0.19	119	11.00	6.00	14.8	13.8	12.85
60	2.87	111	0.06	0.22	0.20	130	10.28	5.20	14.0	12.8	11.98
70	2.39	123	0.06	0.24	0.22	143	9.45	4.30	12.7	11.7	10.97
80	1.99	135	0.06	0.25	0.24	156	8.67	3.60	11.1	10.7	10.01

Note:

Values in these tables reported above and below the base-case cut-off 50 g/t AgEq for in-pit Mineral Resources should not be misconstrued with a Mineral Resource Statement. The values are only presented to show the sensitivity of the block model estimates to the selection of the base case cut-off grade. All values are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.

The comparison table below shows the 2024 Resource estimate compared to the previous resource. Of note Measured and Indicated (M+I) categories include a total of 51.57 Moz of silver, a modest increase from 51.47 Moz. The combined M+I grade, however increased from 86.3 g/t Ag to 102 g/t Ag, (an 18% increase). Similarly, in the Indicated category total contained silver decreased from 11.46 Moz to 11 Moz, though overall grade increased from 80 g/t Ag to 102 g/t Ag, (a 27% increase).

Mineralization at the La Cigarra Project is open along both strike directions and down-dip. The La Cigarra Project is a key project in the Company's portfolio and is currently on care and maintenance as the company focusses on advancing the flagship Columba Project, also in Chihuahua State, Mexico.

Table 1-4 Comparison of 2015 and 2024 Resources

2024 Resource (\$23.50 silver, 50 g/t silver equivalent cut-off grade)

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)	¹ AgEq (Moz)
Measured	2.08	103	0.06	0.16	0.22	121	6.9	4.3	7.6	9.9	8.1
Indicated	13.65	102	0.07	0.16	0.21	120	44.66	29.6	47.3	63.6	52.46
Mea. + Ind.	15.73	102	0.07	0.16	0.21	120	51.57	33.9	54.8	73.5	60.56
Inferred	3.37	102	0.06	0.2	0.19	119	11	6	14.8	13.8	12.85

2015 Resource (\$22 silver, 35 g/t silver cut off grade)

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Ag g/t	Au g/t	Pb %	Zn %	AgEq (g/t) ²	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	² AgEq (Moz)
Measured	3.62	88.9	0.07	0.14	0.19		10.34	9	10.92	15.51	
Indicated	14.93	85.7	0.07	0.13	0.18		41.13	33	42.95	59.26	
Mea. + Ind.	18.54	86.3	0.07	0.13	0.18		51.47	41	53.87	74.77	
Inferred	4.45	80	0.06	0.13	0.16		11.46	8	12.68	15.61	

¹ *AgEq Calculation for the comparison above = Ag ppm + (((Au ppm x Au price/gram) + (Pb% x Pb price/t) + (Zn% x Zn price/t))/Ag price/gram). Metal price assumptions are \$23.50/oz silver, \$1,800/oz gold, \$1.00/lb lead and \$1.30/t zinc*

² *Original 2015 MRE did not include a calculation for AgEq.*

On February 16 and 22, 2024, the Company announces that it has closed a non-brokered private placement (the "**February 2024 Private Placement**") of units of the Company (the "**February 2024 Units**"), at a price of \$0.75 per February 2024 Unit (the "**February 2024 Offering Price**"). The Company received total aggregate gross proceeds of \$3,720,587 from the Offering.

Each February 2024 Unit is comprised of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**February 2024 Warrant**"). Each February 2024 Warrant is exercisable to acquire one Common Share at a price of \$1.10 per share for a period of 24 months. An aggregate total of 4,960,782 Common Shares and 2,480,391 Warrants were issued under the February 2024 Private Placement. In connection with the February 2024 Private Placement, RCC received a cash fee of \$50,628 and 77,004 non-transferable compensation warrants (the "**February 2024 Compensation Warrants**"). Each February 2024 Compensation Warrant entitles the holder thereof to purchase one February 2024 Unit at an exercise price of \$0.75 per February 2024 Unit for a period of 24 months following the closing of the February 2024 Private Placement. The Company also paid aggregate cash finders' fees of \$149,627 and issued an aggregate 61,102 non-transferable finder's warrants ("**February 2024 Finder's Warrants**") to six other arm's length finders. Each February 2024 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 February 2024 Private Placement.

The net proceeds from the February 2024 Private Placement would be used for exploration activities, property commitments on the Company's projects, working capital and general corporate purposes.

On March 7, 2024 the Company announced the filing of the independent technical report prepared in accordance with NI-43-101 standards on its La Cigarra Project for the resource update announced on January 25, 2024, with an effective date of November 29, 2023.

On March 27, 2024, the Company filed the final short form base shelf prospectus with securities regulators in each province and territory of Canada. This filing allows the Company and/or selling security holders to make offerings of common shares (including by way of an "at-the-market distribution" in accordance with applicable securities laws), warrants, subscription receipts, units, debt securities or any combination thereof for up to a maximum amount of C\$40 million during the 25-month period over which the base shelf prospectus is effective.

On April 3, 2024, the Company announced drilling had begun on its Columba Silver Project following the announcement on March 14, 2024, that the 2024 drill program had commenced. The proposed program includes 15-17 drillholes for a combined 5,000 metres and is designed to expand upon previous intercepts along the highly prospective D-Vein target.

The drilling program is designed to extend the D-Vein in preparation of a follow up program of likely 15,000 meters, aimed to delineate a maiden resource expected in late 2024 which is dependent on additional drilling beyond the 5000-meter program and the financing it requires. In addition to the D-Vein, the Company maintains a priority list of new vein targets and known vein extensions all warranting drill testing.

On April 8, 2024 the Company announced a public offering (the "**Shelf Offering**") for gross proceeds of up to C\$5.0 million, which was subsequently upsized to C\$9.0 million, that would consist of a sale of up to 8,035,714 units of the Company (each, a "**Shelf Unit**") at a price of C\$1.12 per Unit (the "**Shelf Offering Price**"). The Shelf Offering would be conducted by lead agent and sole bookrunner Red Cloud Securities on behalf of a syndicate of agents that would include Research Capital Corporation (together, the "**Shelf Agents**").

Each Shelf Unit will consist of one common share of the Company and one-half Common Share purchase warrant (each whole warrant, a "**Shelf Warrant**"). Each whole Shelf Warrant entitles the holder to purchase one Common

Share of the Company at a price of C\$1.68 at any time before the date that is 24 months after the closing date of the Shelf Offering. The Company granted to the Shelf Agents an option, exercisable, in whole or in part, for a period of up to 30 days after and including the closing date of the Shelf Offering, to sell the number of additional Shelf Units equal to up to 15% of the number of Shelf Units sold pursuant to the Shelf Offering at the Shelf Offering Price to cover over allotments, if any. The Shelf Offering is expected to close on or about April 25, 2024 (the “**Closing Date**”) and is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals, including the final approval of the TSX Venture Exchange. The net proceeds will be deployed for the advancement of the Company’s Columba Silver Project.

The Shelf Units will be sold by way of a prospectus supplement dated April 17, 2024 filed in all of the provinces of Canada to supplement the short form base shelf prospectus of the Company dated March 27, 2024.

Material Mineral Projects

As at the date of this AIF, the Columba Project, the Promontorio-La Negra Project, and the La Cigarra Project are the only material properties held in the Company.

The Columba Project

The Columba Project involves a series of epithermal veins hosting silver mineralization located on the boundary between the municipalities of Galeana and Nuevo Casas Grandes, approximately 14 kilometres west of Galeana and 28 kilometres south of Nuevo Casas Grandes. The Columba Project comprises seven (7) contiguous and overlapping mining concessions under option to Northair, a wholly owned subsidiary of the Company, by Minera Ches Mex, S. de R.L. De C.V. (“**Ches Mex**”). A final option payment to Ches Mex was made in May 2023 which resulted in the Company acquiring 100% ownership of the Columba Project through Northair.

The Columba Project is host to a low-sulphidation epithermal silver system that was the focus of intermittent underground mining activity during the early 1900’s and 1950’s. A hiatus in mining and exploration activity occurred with only minimal geological investigation completed until the Company initiated exploration on the property in 2018. Continuous exploration since 2018 has focussed on delineating the strike, depth and thickness of known veins while employing first-principled surface exploration and drilling to locate and delineate previously unknown veins.

From 2018 to 2023, the majority of the Columba Project was geologically mapped and 739 surface rock samples submitted for geochemical analysis. To date, a total of 30,330.09 metres of drilling has been completed in 147 diamond drill holes on the Columba Project.

Exploration since 2018 has focussed on defining the strike, depth and thickness of known veins while employing first-principled surface exploration and drilling to locate and delineate previously unknown veins.

2018: The Company executed a field program that included the collection of 275 surface samples for laboratory analysis (204 channel, 65 grab and six other samples), geological mapping and prospecting, and identification of historical workings (up to December 31, 2018).

2019: The Company executed an initial drilling program on the property as well as continued property-scale geological mapping and sampling. A total of 71 samples were collected for laboratory analysis (16 channel, 36 grab and 19 other samples) throughout 2019. Geological mapping continued to delineate additional vein structures on the property. A surface access agreement was executed, and exploration roads were constructed. An exploration camp was erected to facilitate drilling activities. A total of 6,816 metres were drilled in 41 diamond drill holes.

2020: The Company continued property-scale geological mapping and sampling. A total of 121 samples were collected for laboratory analysis (54 channel, 63 grab and four other samples) between June and December 2020. Continued geological mapping and drilling led to characterisation of three areas of interest. A total of 9,111 metres were drilled in 43 diamond drill holes. A brief hiatus in exploration occurred due to restrictions related to the COVID-19 pandemic.

2021: The Company continued property-scale geological mapping, sampling and diamond drilling. A total of 233 samples were collected for laboratory analysis (33 channel and 200 grab samples) between February and December 2021. Continued geological mapping and drilling identified a down-dropped fault block east of the J-Z vein area. A total of 5,758 metres were drilled in 29 holes over all identified vein areas.

2022: The Company continued property-scale geological mapping, sampling and diamond drilling. A total of 39 grab samples were collected for laboratory analysis during January and March 2022. A total of 5,592 metres were drilled in 22 holes.

2023: The Company continued property-scale geological mapping, sampling and diamond drilling. A total of 3,052.8 metres were drilled in 12 holes.

The Promontorio / La Negra Project

The Promontorio-La Negra Project includes the La Negra and Promontorio resource areas. High-grade silver and gold with associated lead and zinc mineralization is hosted in hydrothermal diatreme breccias.

The mineral resource estimate for the Promontorio-La Negra Project deposit is summarized in the following tables.

Table 0-1 summarizes the Total Project resource estimate at a Silver Equivalent (AgEq) cutoff of 25g/t for Promontorio and at a AgEq cutoff of 40g/t for the La Negra deposit. The cutoff of 25g/t AgEq more than covers the Processing + G&A costs of the project, based on the economic parameters detailed in the notes to the table. The effective date of the Promontorio-La Negra resource estimates is August 27, 2023.

Table 0-1: 2023 Total Promontorio-La Negra Project Mineral Resource Estimate

Pit	Class	In Situ Tonnage, Grades and Metal Content										
		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)
Promontorio	Measured	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	29,664	100.7	33.5	0.412	0.47	0.55	96,072	31,950	393	306,716	360,996
	Meas+Ind	42,115	104.0	34.5	0.425	0.49	0.57	140,790	46,773	575	452,748	527,616
	Inferred	14,575	84.9	27.9	0.348	0.42	0.45	39,782	13,069	163	136,241	143,632
La Negra	Indicated	5,285	129.3	126.3	0.067			21,966	21,454	11	0	0
	Inferred	1,257	114.8	112.2	0.060			4,639	4,536	2	0	0
Total	Measured	12,451	111.7	37.0	0.456	0.53	0.61	44,718	14,823	183	146,033	166,620
	Indicated	34,949	105.0	47.5	0.360	0.40	0.47	118,038	53,404	404	306,716	360,996
	Meas+Ind	47,400	106.8	44.8	0.385	0.43	0.50	162,755	68,227	587	452,748	527,616
	Inferred	15,832	87.3	34.6	0.325	0.81	0.89	44,421	17,606	165	282,274	310,251

Table 0-2: 2023 Mineral Resource Estimate 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.
 - At Promontorio: 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.

Table 0-3 summarizes the La Negra total mineral resource estimate.

Table 0-3: 2023 Resource Statement for the La Negra Deposit

ZONE	CLASS	Cutoff	In Situ Tonnage, 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

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 = $\text{Ag} \times \text{US\$0.69/g} \times \text{Zone Ag Recovery\%} + \text{Au} \times \text{US\$56.97/g} \times \text{Zone Au Recovery\%}$
- Silver Equivalent (AgEq) = $\text{NSR} / (\text{US\$0.69/g} \times \text{Ag Recovery\%})$
- 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.

La Cigarra

Since acquiring the La Cigarra Project in April 2016 from Northair Silver Corp, the Company completed several exploration programs including drilling, relogging of core and mapping of large areas of the project.

The La Cigarra Project is located in the southern part of the Mexican state of Chihuahua near the city of Hidalgo del Parral. Parral is best accessed by road from Chihuahua some 225 km to the north and the largest city in the state of Chihuahua with a population of about 843,000 people. Chihuahua is the political capital of the state and contains offices for many state and federal agencies overseeing mining operations and permitting. Chihuahua is also the closest city to the La Cigarra Project, serviced by an international airport. The General Roberto Fierro Villalobos International Airport (code: CUU) is located about a three hours drive north from the Project by either free or toll Highways.

Further exploration work on the La Cigarra Project was curtailed due to market conditions related to the silver price and general junior exploration market.

In February 2024, the Company announced an updated mineral resource estimate from the La Cigarra Report. The La Cigarra Report was filed on SEDAR on March 7, 2024. Completion of the updated resource estimate for the La Cigarra Project involved the assessment of a validated updated drill hole database, which included all data for surface

drilling completed through 2018, and the assessment of updated three-dimensional (3D) mineral resource models (resource domains). The resource estimate was calculated based on results from 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, within the potentially surface minable mineralized area, which combine to form a total strike length of 2.4 kilometres on a 320° trend with an average dip of 45° to the northeast. Mineralization defined by drilling extends from surface to depths of up to 380 m. The resource estimate was constrained by a Whittle™ pit shell utilizing a USD \$23.50/oz silver price, an economic cutoff grade of 50 gpt of silver and metallurgical recoveries of 85% silver is tabulated below:

Resource Class	Tonnes (MT)	Grade					Total Metal				
		Au g/t	Ag g/t	Pb %	Zn %	AgEq (g/t)	Ag (Moz)	Au (koz)	Pb (Mlbs)	Zn (Mlbs)	¹ 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.

¹AgEq = Ag ppm + (((Au ppm x Au price/gram) + (Pb% x Pb price/t) + (Zn% x Zn price/t))/Ag price/gram). Metal price assumptions are \$23.50/oz silver, \$1,800/oz gold, \$1.00/lb lead and \$1.30/t zinc.

RISK FACTORS

The Company is in the business of acquiring, exploring mineral properties. It is exposed to a number of risks and uncertainties that are common to other mineral exploration companies in the same business. The industry is capital intensive at all stages and is subject to variations in commodity prices, market sentiment, exchange rates for currency, inflation and other risks. The Company currently has no source of revenue other than project management fees, and interest on cash balances. The Company will rely mainly on equity financing to fund exploration activities on its mineral properties.

The risks and uncertainties described in this section are not inclusive of all the risks and uncertainties to which the Company may be subject.

Foreign Countries and Regulatory Requirements

The Company's principal property and some of its non-principal properties are located in Mexico and consequently the Company is subject to certain risks, including currency fluctuations and possible political or economic instability or governmental policies in those countries which may result in the impairment or loss of mineral concessions or other mineral rights, and mineral exploration and mining activities may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political attitudes are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine safety. These uncertainties may make it more difficult for the Company to obtain any required production financing for these Mexican mineral properties.

Economic Uncertainty in Mexico

The Company's operations in Mexico may be adversely affected by economic uncertainty and related characteristics of Mexico. There can be no assurance that governmental action will be effective in ensuring economic stability, or that future governmental actions will not trigger economic instability. Additionally, changes in inflation or deflation rates and governmental actions taken in response to such changes can also affect currency values in Mexico. Any such changes could have a material adverse effect on the Company's results of operations and financial condition.

Operations in Mexico are also subject to political risk. Mexico's current fiscal regime is generally favorable to the mining industry and has been relatively stable over the past ten years, but there is a risk that this could change in the future. In addition, labor in Mexico is customarily unionized and there are risks that labor unrest or wage agreements may adversely impact operations.

The Company believes that while current conditions in Mexico are relatively stable and conducive to conducting business, its future mineral exploration activities could be impacted by political or economic developments.

Early Stage – Need for Additional Funds

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to other companies in the same business, including under-capitalization, cash shortages, and limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of its early stage of operations.

The Company anticipates future expenditures will require additional infusions of capital; there can be no assurance that such financing will be available or, if available, will be on reasonable terms. If financing is obtained by issuing Common Shares from treasury, control of the Company may change and investors may suffer additional dilution. Furthermore, if financing is not available, lease expiry dates, work commitments, rental payments, and option payments, if any may not be satisfied and could result in a loss of the shareholders entire investment.

Exploration and Development

Mineral exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits, but also from finding mineral deposits that, though present, are of insufficient size and/or grade to return a profit from production.

All of the mineral concessions to which the Company has a right to acquire an interest are in the exploration stages only, and are without a known body of commercial ore. Upon discovery of a mineralized occurrence, several stages of exploration and assessment are required before its economic viability can be determined. Development of the subject mineral properties would follow only if favorable results are determined at each stage of assessment. Few precious and base metal deposits are ultimately developed into producing mines.

Substantial expenditures are required to establish mineral reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing gold and other mineral properties is affected by many factors including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

Operating Hazards and Risks

Mining operations involve many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. In the course of exploration, development and production of mineral properties, certain risks, and in particular unexpected or unusual geological operating conditions, including rock bursts, cave-ins, fires, flooding and earthquakes, may occur. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral deposits, any of which could result in damage to or destruction of mines and other producing facilities, damage to life and property, environmental damage and possible legal liability for any or all damage.

Although the Company maintains liability insurance in an amount which it considers adequate the nature of these risks is such that liabilities could exceed policy limits, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial conditions.

Supplies, Infrastructure, Weather and Inflation

The Company's property interests are often located in remote, undeveloped areas and the availability of infrastructures such as surfaces access, skilled labour, fuel and power at an economic cost cannot be assured. These are integral requirements for exploration, production and development facilities on mineral properties. Power may need to be generated on site.

Due to the partial remoteness of its exploration projects, the Company is forced to rely on the accessibility of secondary roads and, in the case of the Elephant Mountain Property, air transport for the supply of goods and services. Air transport in Alaska is very susceptible to disruptions due to adverse weather conditions, resulting in unavoidable delays in planned programs and/or cost overruns. The rainy season in Mexico during the months of June through September can sometimes flood the main access road causing temporary delays.

Recent, improved market conditions for resource commodities after several years of record low prices have resulted in dramatic increase in mineral exploration which has resulted in widespread shortages of experienced technical personnel, and heavy demand for drillers, helicopters and crews, and geophysical surveying crews, as well as other goods and services required by exploration companies to perform work. With the recent global financial crisis mineral exploration expenditure has been reduced until the fall out from the crisis is truly known. The Company views access to service providers more readily available at this moment.

It is difficult at this stage to quantify the effect of the global financial crisis in respect to the demand for exploration goods and services, but it is forecast that field costs for the upcoming field season may well be less than has been seen in the past 12 months.

Metal Prices

The mining industry, in general, is intensely competitive and there is no assurance that a profitable market will exist for the sale of metals produced even if commercial quantities of precious and/or base metals are discovered. Factors beyond the control of the Company and may affect the marketability of metals discovered. Pricing is affected by numerous factors beyond the Company's control, such as international economic and political trends, global or regional consumption and demand patterns, increased production, and smelter availability. There is no assurance that the price of metals recovered from any mineral deposit will be such that they can be mined at a profit.

Title Risks

Although the Company has exercised the usual due diligence with respect to determining title to properties in which it has a material interest, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interest may be subject to prior unregistered agreements, or transfers, or native claims, and title may be affected by undetected defects.

Environmental Regulations, Permits and Licenses

The Company's operations are subject to various laws and regulations governing the protection of the environment, exploration, development, production, taxes, labour standards, occupational health, waste disposal, safety and other matters. Environmental legislation in Alaska, British Columbia and Mexico provides restrictions and prohibition on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact statements. Environmental legislation is devolving in a direction of stricter standards and enforcement, and higher fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

The current operations of the Company require permits from various North American authorities and such operations are governed by laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental, mine safety, and other matters.

The Company believes that it is in substantial compliance with all material laws and regulations, which currently apply to its activities. There can be no assurance, however, that all permits which the Company may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all its phases, and the Company competes with other companies that have greater financial resources and technical capacity. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

The Company may, in the future, be unable to meet its share of costs incurred under such agreements to which it is a party and it may have its interest in the properties subject to such agreements reduced as a result. Also, if other parties to such agreements do not meet their share of such costs, the Company may not be able to finance the expenditures required to complete recommended programs.

Economic Conditions

Unfavorable economic conditions may negatively impact the Company's financial viability. Unfavorable economic conditions could also increase the Company's financing costs, decrease net income or increase net loss, limit access to capital markets and negatively impact any of the availability of credit facilities to the Company.

Dependence on Management

The Company is very dependent upon the personal efforts and commitment of its existing management. To the extent that management's services would be unavailable for any reason, a disruption to the operations of the Company could result, and other persons would be required to manage and operate the Company.

Acquisition Of Mineral Concessions

The Company currently, indirectly through its subsidiaries, holds, or has applied for, title to each of the mineral resource properties in which it has an interest. The third party agreements pursuant to which the Company acquired

an interest in and title to such properties provide that, in most cases, the Company must make a series of cash payments over certain time periods, and in certain cases, expend certain minimum amounts on the exploration of the properties. Failure by the Company to make such payments or make such expenditures in a timely fashion may result in the Company losing its interest in such properties.

Conflicts Of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms.

From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment.

Currency Fluctuation

The fact that the Company raises financing in Canadian funds and generally operates in United States dollars or Mexican pesos makes it subject to currency fluctuations and such fluctuations may materially affect the Company's financial position and results.

Enforcement of Civil Liabilities

As substantially all of the assets of the Company and its subsidiaries are located outside of Canada, and certain of the directors and officers of the Company are residents outside of Canada, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company and its subsidiaries or the directors and officers of the Company residing outside of Canada.

Amendments to Mexican Mining Laws

On May 8, 2023, the Mexican Government published in the Mexican Federal Gazette amendments to existing statutes related to Mexican mining laws and related laws impacting the Mexican mining industry (the “**Amendments**”). The Amendments impact various existing laws, including but not limited to: (i) reductions in the duration of mining concession titles, (ii) revisions to the process to obtain new mining concessions (through a public tender), (iii) imposing additional social and environmental requirements to obtain and keep mining concessions, (iv) requiring the authorization by the Ministry of Economy for the transfer of any mining concession, (v) imposing additional penalties including cancellation of mining concessions due to non-compliance with applicable laws, (vi) dismissing all outstanding applications for new concessions, and (vii) requiring new financial instruments or collateral to guarantee the preventive, mitigation and compensation plans resulting from the social impact assessments, among other amendments.

If the Amendments come into force as currently drafted, they will impose tighter regulation on the mining industry in Mexico. The Company anticipates that it will remain compliant with all statutory and regulatory requirements in such case, however the full extent of the impact of the Amendments, if enacted, is difficult to predict. Efforts to mitigate potential risks are underway by means of legal challenges, injunctions, and other means. For example: the Company's subsidiary Grupo Northair de México S.A. de C.V. previously filed an Amparo trial against the Amendments with the purpose to: (i) protect the acquired rights to a company having a corporate purpose related to the mining industry has; (ii) protect and preserve all rights over its mining concessions, which were acquired before

the enactment of the Amendments; and (iii) prevent that new obligations contained in the Amendments are imposed over such mining concessions. The Amparo trial is still in the process to be resolved by the corresponding Federal Court. However, several mining companies to date have been successful in obtaining injunctions which protect their rights to work and continue exploration, development, and mining activities subject to the provisions of prior regulation and constraints.

DIVIDENDS

Other than requirements imposed under applicable corporate law, there are no other restrictions on the Company's ability to pay dividends under the Company's constating documents. The Company has not paid any dividends on its Common Shares since its incorporation. The Company has no present intention of paying dividends on its Common Shares, as it anticipates that all available funds will be invested to finance the growth of its business.

DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized share capital consists of an unlimited number of Common Shares without par value. All of the Common Shares are ranked equally as to voting rights, participation in a distribution of the assets of the Company on a liquidation, dissolution or winding-up of the Company and the entitlement to dividends. The holders are entitled to receive notice of all meetings of shareholders and to attend and vote the shares at the meetings. Each Common Share carries with it the right to one vote.

Effective November 14, 2023, the Company consolidated the Common Shares of the Company on a ten-to-one basis. The Company previously had 457,669,033 Shares outstanding and post Consolidation the issued and outstanding Shares of 45,766,903 Shares. No fractional post-Consolidation Shares were issued pursuant to the Consolidation.

As of the date of this AIF, there are 50,727,812 Common Shares issued and outstanding. An additional 4,178,000 Common Shares may be issued upon the exercise of outstanding stock options; ,500,000 restricted share units; 405,000 deferred share units and 16,579,626 Common Shares may be issued upon exercise of outstanding share purchase warrants.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are traded on the TSXV under the trading symbol "KTN". The table below summarizes the range and volume of trading prices for each of the months stated and is shown on a post-consolidation basis:

Month	High	Low	Volume
March 2024	\$0.98	\$0.93	1,365,371
February 2024	\$0.74	\$0.70	1,340,071
January 2024	\$0.99	\$0.92	2,131,465
December 2023	\$1.24	\$1.15	1,282,721
*November 2023	\$0.65	\$0.595	4,334,065
October 2023	\$0.83	\$0.76	1,368,193

September 2023	\$0.85	\$0.79	528,497
August 2023	\$0.78	\$0.73	273,288
July 2023	\$0.79	\$0.76	438,108
June 2023	\$0.80	\$0.70	820,082
May 2023	\$0.98	\$0.93	917,051
April 2023	\$1.30	\$1.20	1,284,269
March 2023	\$1.10	\$1.00	1,643,732
February 2023	\$1.20	\$1.15	375,521
January 2023	\$1.60	\$1.50	487,512

*10:1 Share consolidation effective November 14, 2023.

PRIOR SALES

Stock Options

During the most recently completed financial year ended December 31, 2023, there were 2,145,000 stock options granted and subsequent to December 31, 2023, 1,310,000 stock options were granted. As of the date of this AIF the following incentive stock options remain outstanding.

Post Consolidation Number of Shares	Exercise Price	Expiry Date
631,750	1.40	June 26, 2024
65,000	2.70	July 06, 2026
2,145,000	1.55	January 13, 2028
1,310,000	0.90	January 07, 2029
4,151,750		

Restricted Share Units and Deferred Share Units

During the most recently completed financial year ended December 31, 2023, there were no restricted ("RSU") or deferred share units ("DSU") granted. As of the date of this AIF, there are 500,000 RSU and 405,000 DSU granted subsequent to December 31, 2023, which are outstanding and are fully vested on January 7, 2025.

Common Share Purchase Warrants

For disclosure relating to the issuance of the Warrants issued during the financial year ended December 31, 2023 (inclusive of the 2023 Warrants, the 2023 Compensation Warrants, and the 2023 Finder's Warrants) please see *General Development of the Business – Three Year History*.

As at the date of this AIF, the following Warrants remain outstanding.

Post-Consolidation Number of Shares Issuable upon Exercise	Exercise Price	Expiry Date
3,906,250	2.20	March 8, 2025
226,087	1.60	March 8, 2025
5,555,555	1.35	November 7, 2025
304,387	0.90	November 7, 2025
2,480,391	1.10	February 16, 2026
138,106	0.75	February 16, 2026
3,772,500	1.40	May 23, 2026
196,350	1.00	May 23, 2026
16,579,626		

ESCROWED SECURITIES

As at the date of this AIF the Company has no Common Shares held in Escrow.

DIRECTORS AND OFFICERS

Name, Occupation, and Security Holding

The following table sets out the names of the directors and officers of the Company as at the date of this AIF and their respective provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of each class of securities of the Company and percentage of such class beneficially owned, directly or indirectly, or subject to control or direction by that person.

Name, Province or State, Country of Residence, Position(s) with Corporation	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years(1)	Date(s) Served as a Director	No. and Class of Securities	Percentage of Class
Kenneth E. Berry British Columbia, Canada	Chairman of the Company, formerly President; self- employed consultant, providing finance and	November 27, 2002	64,350	0.14%

Name, Province or State, Country of Residence, Position(s) with Corporation	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years(1)	Date(s) Served as a Director	No. and Class of Securities	Percentage of Class
<i>Chairman, Director</i>	corporate communications services to various public companies; former Director, President and CEO of Elevation Gold Mining Corporation (formerly Northern Vertex Mining Corp.); Director of Kootenay Resources Inc. 2021 to present.			
James M. McDonald Alberta, Canada <i>President, Chief Executive Officer and Director</i>	President and Chief Executive Officer of the Company; President of Makwa Exploration Ltd. (“ Makwa ”), a private geological consulting company; Director of Aldebaran Resources Inc. and former Director of Elevation Gold Mining Corporation; Director of Kootenay Resources Inc. 2021 to present.	March 7, 2005	418,320 ⁽²⁾	0.91%
Tony Reda ⁽¹⁾ British Columbia, Canada <i>Director</i>	Director, President & CEO of Tectonic Metals Inc., a mineral exploration company, 2018 to present. Former Vice President, Corporate Development for Kaminak Gold Corp., a TSXV listed junior natural resource mining company, from November 2005 to July 2016.	April 21, 2016	Nil	Nil
Joseph P. Giuffre ⁽¹⁾ ⁽²⁾⁽⁴⁾⁽⁶⁾ British Columbia, Canada <i>Director</i>	Self employed corporate lawyer January 2019 to present. Former Chief Legal Officer and Corporate Secretary of Nevsun Resources Ltd. from January 2012 to January 2019.	July 9, 2008 to December 10, 2018 January 13, 2023	33,333	0.07%
Jon Morda ⁽¹⁾	Director of Besra Gold Inc. and Kiboko Gold Inc., Retired in 2011 having been Chief Financial Officer for several mineral exploration and gold	December 12, 2011	2,500	0.005%

Name, Province or State, Country of Residence, Position(s) with Corporation	Principal Occupation and, if not at Present an Elected Director, Employment for Last Five Years(1)	Date(s) Served as a Director	No. and Class of Securities	Percentage of Class
	producing companies, including Alamos Gold Inc..			
Rajwant Kang British Columbia, Canada <i>Chief Financial Officer & Corporate Secretary</i>	Chief Financial Officer and Corporate Secretary of the Company; President of RSK Management Consulting Inc.; Director of Kootenay Resources Inc. 2021 to present.	November 28, 2007	63,427	0.14%
Dale Brittliffe British Columbia, Canada <i>Vice President Exploration</i>	Vice President, Exploration of the Company; VP Exploration with Silver Viper Minerals Inc. until November 2022.	December 1, 2022	Nil	Nil

(1) Member of the Company's Audit Committee

(2) Of these shares, 81,470 are held by Makwa, a private company controlled by Mr. McDonald.

As at the date hereof, all the directors and executive officers of the Company as a group beneficially own, control or direct, directly or indirectly, an aggregate of 581,930 Common Shares representing 1.147% of the Company's outstanding Common Shares.

The directors and executive officer of the Company have served in their respective capacities since their election or appointment and will serve until the next annual general meeting of the shareholders of the Company or until a successor is duly elected or appointed, as applicable, unless the position is vacated in accordance with the Articles of the Company and the BCBCA.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

- (a) is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Morda has been a director of Besra Gold Inc. (“**Besra**”) from August 16, 2005, to the present date. Besra was formerly listed on the Toronto Stock Exchange and the Australian Stock Exchange. On December 29, 2014, the Ontario Securities Commission (the “**OSC**”) issued a cease trade order (“**CTO**”) ceasing all trading in securities of Besra which superseded a temporary order issued by the OSC on December 17, 2014, in connection with Besra’s failure to file its financial statements, management’s discussion and analysis and certifications of the foregoing filings for the financial year ended June 30, 2014, and for the three-month interim period ended September 30, 2014. Similar cease trade orders were subsequently issued against Besra by the British Columbia Securities Commission, the Autorité des Marchés Financiers and the Alberta Securities Commission.

On October 19, 2015, Besra filed a Notice of Intention to Make a Proposal pursuant to section 50.4(1) of the Bankruptcy and Insolvency Act (Canada) and MNP Ltd. was appointed as proposal trustee. Besra subsequently filed a proposal on January 29, 2016. The amended proposal was considered and approved by Besra creditors during a meeting on April 7, 2016. Creditors of Besra needed to prove their claims by November 7, 2016. On November 16, 2016, the OSC issued an order amending an order it made on October 14, 2016, which partially revoked the CTO it issued on December 29, 2014. A Certificate of Full Performance under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), effectively releasing the Company from the BIA proceedings was issued in May 2017.

In September 2018, Besra filed the required continuous disclosure documents that would enable a revocation of the cease trade orders imposed by the Canadian securities regulators due to the failure of the Company to file required filings by the filing deadlines. Subsequently in November 2018 a full revocation of the CTOs was granted. A further CTO was issued by the OSC on November 1, 2019, and revoked on April 20, 2020.

No director or executive officer of the Company has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Conflicts of Interest

The Company’s directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the transaction. If a conflict of interest arises, the Company will follow the provisions of the BCBCA dealing with conflict of interest. These provisions state that where a director has such a conflict, that director must, at a meeting of the Company’s directors, disclose his or her interest and refrain from voting on the matter unless otherwise permitted

by the BCBCA. In accordance with the laws of the Province of British Columbia, the directors and officers of the Company are required to act honestly, in good faith, and the best interest of the Company.

AUDIT COMMITTEE

Pursuant to the provisions of section 224 of the BCBCA, the Company is required to have an Audit Committee, which, at the present time, is comprised of Antonio Reda (financially literate and an independent director), Jon Morda (financially literate and an independent director) and Joseph P. Giuffre (financially literate and an independent director).

The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), have a written charter which sets out the duties and responsibilities of its audit committee.

Audit Committee Charter

The Company has a written charter (the “**Audit Committee Charter**”) which sets out the duties and responsibilities of the Audit Committee. The text of the Company’s Audit Committee Charter is attached as Schedule “A” hereto.

Composition of the Audit Committee

The Company’s Audit Committee is currently comprised of three directors, Antonio Reda, Jon Morda and Joseph P. Giuffre. As defined in NI 52-110, all members of the Audit Committee are independent.

Relevant Education and Experience

All Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements and are therefore considered financially literate.

Mr. Antonio Reda, Director:

Mr. Reda is President & CEO and Director of Tectonic Metals Inc. He was formerly Vice President of Corporate Development of Kaminak Gold Corporation which was acquired by Goldcorp Inc. in 2016. Mr. Reda was integral in Kaminak's growth from a startup prospect generator to a resource development company with a +5 million ounce gold resource, which was ultimately acquired for approximately \$520 million by Goldcorp Inc. During his time at Kaminak, he was key member in orchestrating capital raises totaling over \$145 million, forming strategic alliances and joint venture agreements, and creating Kivalliq Energy Corp. (now named ValOre Metals Corp.), a publicly traded uranium company spun out of Kaminak. Mr. Reda was a former director of Northair Silver Corp, which was acquired by the Company in April 2016.

Mr. Jon Morda, Director:

Mr. Morda has over 20 years of experience in the mining industry, having served as Chief Financial Officer for several mineral exploration and gold producing companies, including Alamos Gold Inc. until he retired in June 2011. As a senior executive, Mr. Morda is highly adept in all areas of strategic corporate planning, operations, budgeting, accounting and taxation functions. Mr. Morda has been a Member of the Institute of Chartered Accountants of Ontario, Canada (Chartered Professional Accountants Ontario) since 1980. Mr. Morda currently serves as a Director of Besra Gold Inc.

Mr. Joseph P. Giuffre, Director:

Mr. Giuffre has over 30 years of legal experience in private practice with Vancouver and National law firms and as in-house general counsel. He has been a director of various public and private companies over the course of his 30-year career. Mr. Giuffre was previously the Chief Legal Officer of Nevsun Resources Ltd., which was acquired in 2019 for ~C\$1.8 billion by Zijin Mining Group Co., Ltd. He is also director, trustee, and a founder of some of the Avenue Living Group of Companies that manages over \$3 billion in assets in multifamily, agriculture, commercial

and self-storage real estate assets in Western Canada and the United States. Mr. Giuffre holds Bachelor of Laws (LLB) from the University of Alberta, Bachelor of Arts (Econ) from the University of Calgary and holds an ICD.D designation from the Institute of Corporate Directors.

As a result of their respective business experience, each member of the audit committee (i) has an understanding of the accounting principles used by the Company to prepare its financial statements, (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves, (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company's financial statements, and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company's most recent completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year ended December 31, 2023, has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described under the heading "Accounting Systems, Internal Controls and Procedures" in the Company's Audit Committee Charter attached as Schedule "A" hereto.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two financial years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees⁽¹⁾	Tax Fees⁽²⁾	All Other Fees³
2023	\$87,000	\$Nil	\$8,500	\$Nil
2022	\$96,256	\$Nil	\$27,784	\$Nil

(1) Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

Exemption

The Company is relying on the exemption in Section 6.1 of NI 52-110 which exempts venture issuers, as defined in NI 52-110, from certain reporting obligations under NI 52-110 for its most recently completed financial year ended December 31, 2023.

LEGAL PROCEEDINGS

There are no legal proceedings to which the Company is a party to or to which any of its property is subject outside of the ordinary course of the Company's business, and no such proceedings are known to the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No informed person of the Company, no director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction within the Company's three most recently completed financial years or during the current financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The Company's Registrar and Transfer Agent is Computershare Investor Services Inc., located at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia., V6C 3B9.

MATERIAL CONTRACTS

The Company has entered into the following material contracts:

- (a) Information agreement dated October 20, 2006, between Rubén Rodríguez Amparan and Minera JM, S.A. de C.V. (Promontorio Property);
- (b) Exploration agreement with option to purchase concessions and assets dated November 2, 2006, between Siete Campanas de Plata, S.A. de C.V. and Minera JM, S.A. de C.V. (Promontorio Property);
- (c) Exploration agreement with option to purchase concessions dated November 28, 2006, between Exploration Canada de Oro, S.A. de C.V. and Minera JM, S.A. de C.V. (Promontorio Property);
- (d) Agreement for the Assignment of Rights over Mining Concessions dated October 18, 2007, between Maria de Lourdes Alvarez Felix and Minera JM, S.A. de C.V. (Promontorio Property) (English Translation);
- (e) Agreement for the Assignment of Rights over Mining Concessions dated November 30, 2007, between Maria de Lourdes Alvarez Felix and Minera JM, S.A. de C.V. (Promontorio Property) (English Translation);
- (f) Agreement for the Assignment of Rights over Mining Concessions dated December 3, 2007, between Maria de Lourdes Alvarez Felix and Minera JM, S.A. de C.V. (Promontorio Property) (English Translation);
- (g) Columba purchase agreement dated November 12, 2018 between Hector Fernandez, Francisco Pena, Minera Ches Mex and Grupo Northair de C.V.;
- (h) La Cigarra Exploration with Option Agreement entered into, by and between Mr. Ramos Sánchez and Grupo Northair de C.V. dated September 24, 2009; and
- (i) La Cigarra Exploration with Option Agreement entered into, by and between Mr. Garza dated September 24, 2009.

INTERESTS OF EXPERTS

Information relating to the Columba Project in this AIF, and the documents incorporated by reference, has been derived from the Columba Report, which was filed on SEDAR+ on August 9, 2023. Information relating to the Promontorio-La Negra Project in this AIF, and the documents incorporated by reference, has been derived from the Promontorio Report, which was filed on SEDAR+ on November 24, 2023.

The following “qualified person” (within the meaning of NI 43-101) participated in the preparation of the Columba Report and the Promontorio Report: Sue Bird, P.Eng (the “**Columba and Promontorio Expert**”), and has been included in reliance on such person’s expertise.

Information relating to the La Cigarra Project in this AIF, and the documents incorporated by reference, has been derived from the La Cigarra Report, which was filed on SEDAR+ on March 7, 2024.

The following “qualified persons” (within the meaning of NI 43-101) participated in the preparation of the La Cigarra Report: Allan Armitage, Ph. D., P.Geo; and Ben Eggers, B.Sc. (Hons), MAIG, P.Geo. (collectively, the “**La Cigarra Experts**”), together with the Columba and Promontorio Expert, the “**Experts**”), and has been included in reliance on such persons’ expertise.

To the knowledge of the Company as of the date hereof, the Experts and their respective partners, employees and consultants who participated in the preparation of the aforementioned Columba Report, Promontorio Report, or La Cigarra Report, or who were in a position to influence the outcome of such report, as applicable, are the registered or beneficial owners, directly or indirectly, in the aggregate, of less than 1% of the outstanding Common Shares and do not otherwise have any direct or indirect interest in the property of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on the Company’s website at www.kootenaysilver.com and the SEDAR+ website at www.sedarplus.ca

Additional information including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities and securities authorized for issuance under equity compensation plans is contained in the Company’s Information Circular dated for the most recent annual and special meeting of shareholders that involved the election of directors filed on SEDAR+.

Additional financial information is provided in the Company’s financial statements and Management’s Discussion and Analysis for its most recently completed financial year, all of which are filed on SEDAR+