FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Kootenay Silver Inc. (the "**Company**")
Suite 1125 – 595 Howe Street
Vancouver, British Columbia V6C 2T5

Item 2: Date of Material Change

July 11, 2024.

Item 3: News Release

The news release was disseminated on July 10, 2024 through Canada NewsWire and filed on SEDAR+.

Item 4: Summary of Material Change

The Company announced that it had established an "at-the-market" equity distribution program (the "**ATM Program**"). The ATM Program allows Kootenay to issue and sell, at its discretion, common shares in the capital of Kootenay ("**Common Shares**") that would have the aggregate sales amount of up to $5,000,000, to the public from time to time through Research Capital Corporation (the "**Agent**"), acting as agent.

Item 5: Full Description of Material Change

The Company announced that it had established an ATM Program, allowing it to issue and sell, at its discretion, Common Shares that would have the aggregate sales amount of up to $5,000,000, to the public from time to time through the Agent. All Common Shares sold under the ATM Program will be sold at the prevailing market price at the time of the sale, directly through the TSX Venture Exchange or any other recognized marketplace upon which the Common Shares are listed, quoted or otherwise traded in Canada. Kootenay currently intends to use the net proceeds from the ATM Program to the extent raised, for the advancement of the Columba Silver Project and for general corporate purposes.

Distribution of Common Shares under the ATM Program will be made pursuant to the terms of an equity distribution agreement (the "**Equity Distribution Agreement**") dated July 4, 2024 entered into between Kootenay and the Agent.

The ATM Program will be effective until the earlier of: (i) the issuance and sale of all of the Common Shares issuable pursuant to the ATM Program; and (ii) April 27, 2026, unless terminated prior to such date by Kootenay or the Agent. As Common Shares sold in the ATM Program will be issued and sold at the prevailing market price at the time of the sale, prices may vary among purchasers during the period of distribution. Pursuant to the terms of the Equity Distribution Agreement, the Company will compensate the Agent for its services in acting as agent in sale of the Common Shares pursuant to the ATM Offering in cash in an amount equal to 2.5% of the gross proceeds from sales of the Common Shares.

The offering under the ATM Program is qualified by a prospectus supplement dated July 4, 2024 (the "**Prospectus Supplement**") to Kootenay's final short form base shelf prospectus filed in all of the provinces and territories of Canada, dated March 27, 2024 (the "**Base Shelf Prospectus**"). Copies of the

Equity Distribution Agreement, the Prospectus Supplement and the Base Shelf Prospectus may be obtained on request, without charge, from the Corporate Secretary of Kootenay Silver Inc. at Suite 1125 - 595 Howe Street, Vancouver, British Columbia, Canada V6C 2T5 (Telephone (604)-601-5650) and are available on the Company's profile on SEDAR+ at www.sedarplus.ca.

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

Cautionary Statements regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. "Forward-looking information" includes, but is not limited to, statements with respect to the activities, events or developments that the Company expects or anticipates will or may occur in the future, including expectations regarding the sale of Common Shares under the ATM Program, the proceeds from the ATM Program and the Company's use of the proceeds from the ATM Program.

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

Such forward-looking information and statements are based on numerous assumptions, including among others, that the Company will receive the necessary regulatory approvals for the ATM Program and that the Company will be able to use the proceeds from the ATM Program as anticipated.

Although the assumptions made by the Company in providing forward-looking information or making forward-looking statements are considered reasonable by management at the time, there can be no assurance that such assumptions will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's plans or expectations include, without limitation, the risk that the Company is not able to use the proceeds from the ATM Program as anticipated by management and the risk that the Company does not receive the requisite regulatory approvals for the ATM Program.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in the forward-looking information or implied by forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking statements or information.

Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102

N/A.

Item 7: Omitted Information

N/A.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Rajwant Kang, Chief Financial Officer and Corporate Secretary
Telephone: 604.601.5653

Item 9: Date of Report

July 11, 2024.