

Kootenay Silver to Spin Out Canadian Assets

[Kootenay Silver Inc. \(TSX.V: KTN\)](#)

Announced that its board of directors has unanimously approved a spin-out of 80% of the Company's Canadian exploration assets to its shareholders, by way of a share capital reorganization effected through a statutory plan of arrangement.

The Canadian Assets are held through Kootenay's wholly-owned subsidiary, [Kootenay Resources Inc.](#)

Kootenay Silver	TSX : KTN.V
Stage	Exploration
Metals	Silver
Market cap	C\$70 m @ 22.5c
Location	Sonora, Sinaloa, and Chihuahua, Mexico

Setting Up the Drill at Columba
July 2019



Kootenay Silver Columba drill camp, Mexico

KOOTENAY SILVER ANNOUNCES SPIN-OUT OF CANADIAN ASSETS

August 20, 2021 [Download PDF](#)

Vancouver, BC – August 20, 2021 – Kootenay Silver Inc. (TSXV: KTN) (“Kootenay” or the “Company”), is pleased to announce that its board of directors has 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 **“Arrangement”**).

The Canadian Assets are held through Kootenay’s wholly-owned subsidiary, [Kootenay Resources Inc. \(“Spinco”\)](#).

Under the Arrangement, Kootenay will distribute 80% of the common shares (each, a **“Spinco Share”**) of Spinco to Kootenay’s shareholders.

Once the Arrangement becomes effective, which will be triggered by the board of Kootenay, Kootenay shareholders will ultimately own shares in two public companies: Spinco, which will focus on the development of the Canadian Assets, and Kootenay, which will continue with the exploration and development of its Mexican assets.

Kootenay Silver management comments

“We believe the spin-out of the Canadian Assets will be very beneficial to shareholders.

“Among other benefits, it will unlock the value of the Canadian Assets by allowing it to be developed separately, by a skilled and experienced management team, and it will allow our shareholders to own shares in two companies.”

James McDonald, Kootenay’s President and CEO

Deal details

Under the Arrangement, Kootenay's current shareholders will receive Spinco Shares by way of a share exchange, pursuant to which *each existing common share of Kootenay will be exchanged for one new common share of Kootenay (each, a "New Kootenay Share") and 0.04 of a Spinco Share.*

Under the Plan of Arrangement, outstanding options and warrants to purchase common shares of the Company will be adjusted or replaced so that upon exercise, holders will receive one New Kootenay Share and 0.04 Spinco Shares for each option or warrant exercised.

[To read the full news release, please click HERE](#)

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Disclosure

At the time of writing the author does not hold shares in Kootenay Silver.

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