



COLT SILVER CORP.

COLT SILVER RESTATES SPIN-OUT TAX CONSIDERATIONS FOR SHAREHOLDERS, ENGAGES CONSULTANT AND ISSUES OPTIONS

Toronto – October 23, 2026 – Colt Silver Corp. (TSX.V: COLT) (“Colt Silver”) and Palamina Corp. (“Palamina”) have received inquiries from shareholders regarding the potential tax consequences of the spin-out transaction involving the distribution of newly issued Palamina shares and Colt Silver shares. The following is an excerpt from page 43 of Palamina’s Information Circular, outlining the anticipated Canadian tax consequences for shareholders resident in Canada:

The exchange of Palamina Shares for New Palamina Shares and Colt Shares pursuant to the Arrangement is intended to qualify as a tax-deferred reorganization of capital under Section 86 of the Tax Act. A Resident Holder who exchanges Palamina Shares for New Palamina Shares and Colt Shares pursuant to the Arrangement (the “Share Exchange”) will be deemed to have received a taxable dividend equal to the amount, if any, by which the aggregate fair market value of the Colt Shares distributed to the Resident Holder pursuant to the Share Exchange at the time of the Share Exchange exceeds the “paid-up capital” (as defined in the Tax Act) (“PUC”) of the Resident Holder’s Palamina Shares determined at that time. Any such taxable dividend will be taxable as described below under “Holders Resident in Canada - Taxation of Dividends”. However, the Corporation expects that the aggregate fair market value of all Colt Shares distributed pursuant to the Share Exchange under the Arrangement will not exceed the aggregate PUC of the Palamina Shares. **Accordingly, the Corporation does not expect that any Resident Holder will be deemed to receive a taxable dividend on the Share Exchange.**

Important Notice: This summary is provided for general informational purposes only, is not intended to constitute tax advice, and should not be relied upon as a substitute for independent professional advice. Shareholders are encouraged to consult their own tax advisors regarding the specific tax consequences of the arrangement in their individual circumstances. Shareholders should refer to Palamina’s Information Circular for the complete discussion of the applicable tax considerations.

Colt Silver also announces it has engaged T2W Market Liquidity (“T2W”) effective October 19, 2026, to provide market liquidity services for its common shares listed on the TSX Venture Exchange. The term of the engagement is for a minimum of six months and is renewable thereafter on a month-to-month basis. T2W is a Dundas Ontario based private company which is in the business of providing market liquidity services to listed issuers since 2009.

In consideration of market stabilization and liquidity services to be provided, the Company will pay T2W a monthly flat fee of \$3,500 (plus applicable taxes). T2W’s remuneration is in no way contingent upon the market price or trading volume of the common shares of the Company on the TSXV.

T2W is entirely independent of the Company and will at all times be trading as principal for its own account and using its own capital. T2W will use their knowledge and discretion in providing these services and no assurance has been made as to any particular effect or result regarding the market for the Company's common shares. T2W has covenanted to operate in accordance with best trading practices at all times.

Colt Silver has granted 3,175,000 incentive stock options under its Stock Option Plan. All options are exercisable at \$0.17 per common share. A total of 2,725,000 options were granted to directors, officers and advisors which expire on October 23, 2031. An additional 450,000 options were granted to employees and consultants which expire on October 23, 2028.

About Colt Silver

Colt Silver is a Canadian mineral exploration company focused on a portfolio of seven silver, copper, and critical mineral projects throughout Peru. Puno is currently the top region for mineral investment in Peru, where Colt holds five projects and maintains the largest land position in the Santa Lucia district of southeastern Peru. Colts exploration efforts are primarily focused on its flagship Galena Silver-Copper Project, where an inaugural drilling program is planned in the fall of 2026. Colt Silver trades on the TSXV under the symbol COLT.

On Behalf of the Board of Directors

Andrew Thomson, Chief Executive Officer
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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

This news release contains certain "forward-looking statements" within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed" and other similar words, or statements that certain events or conditions "may" or "will" occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements include, but are not limited to, the use of proceeds of the Offering and the Company's future business plans. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. A more complete discussion of the risks and uncertainties facing the Company appears in the Company's continuous disclosure filings, which are available at www.sedar.com