KOOTENAY SILVER INC

KTN – TSX.V

SILVER ASSET DEVELOPMENT
NEW DISCOVERIES
CONSOLIDATION

PROMONTORIO

LA NEGRA

LA CIGARRA

CORPORATE PRESENTATION I JULY 2017

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This presentation may contain “forward-looking statements” with the meaning of Canadian securities legislation. These statements can be identified by the use of words such as "expected", "may", "will" or similar terms.

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conditions

QUALIFIED PERSON STATEMENT

The Kootenay technical information in this presentation has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 (Standards of Disclosure for Mineral Projects) and reviewed on behalf Kootenay by James McDonald, P.Geo, President, CEO & Director for Kootenay, a Qualified Person.

CAUTION TO U.S. INVESTORS CONCERNING MEASURED, INDICATED or INFERRED RESOURCES

We advise U.S. investors that while the terms “measured resources”, “indicated resources” and “inferred resources” are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize these terms. U.S. investors are cautioned not to assume that any part or all of the material in these categories will be converted into reserves. It should not be assumed that any part of an inferred mineral resource will ever be upgraded to a higher category.

INVESTMENT HIGHLIGHTS

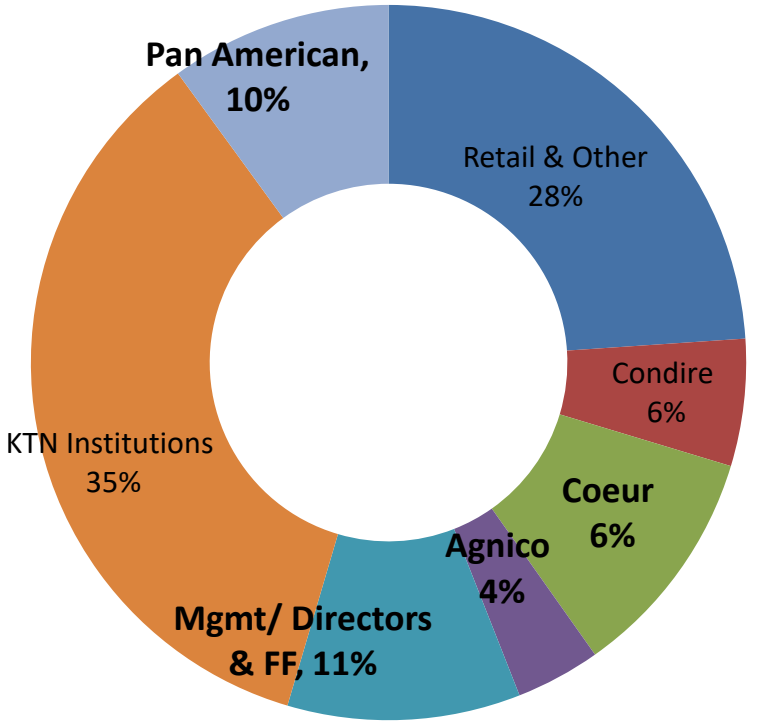
- ✓ STRONG CAPITAL STRUCTURE
- ✓ TOP TIER JUNIOR OWNED SILVER ASSETS
- ✓ ESTABLISHED SILVER BANK - OVER 140Moz SILVER EQV (M&I)*
- ✓ RESOURCE GROWTH – 3 DRILL PROGRAMS UNDERWAY with 4th DRILL PROGRAM PENDING
- ✓ POTENTIAL FOR FUTURE CASH FLOW
- ✓ DISCOVERY UPSIDE WITH GENERATIVE PORTFOLIO

* Full Resource tables for La Cigarra and Promontorio can be found in the Appendix.

CAPITAL STRUCTURE

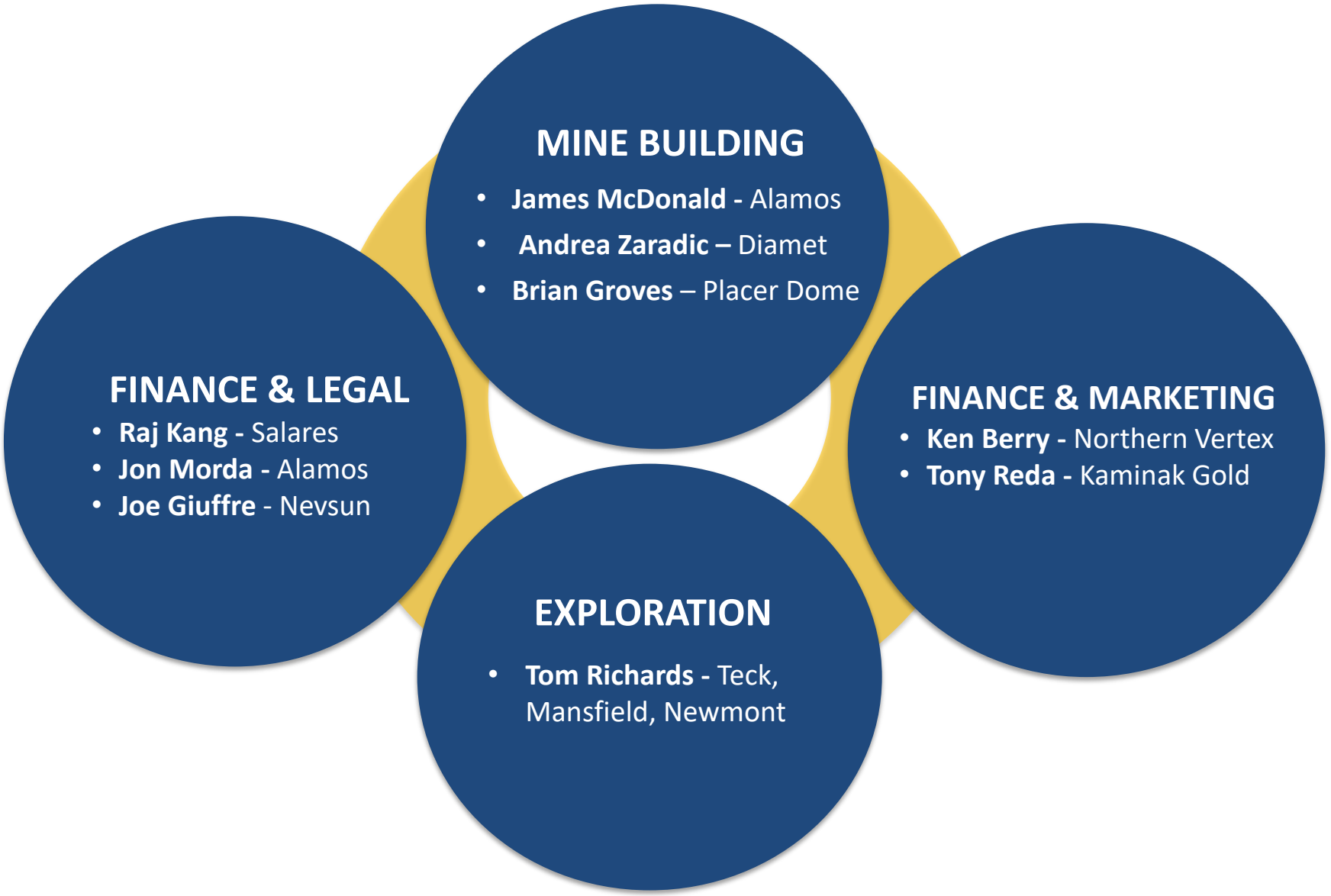
Exchange (Tier 1)	TSX.V ("KTN")
Issued & Outstanding[1]	174.69m
Options	15.34m
Warrants	45.76m
Fully Diluted[1]	235.79m
Current Market Cap[2]	~C$44.55m
KTN (shares 52-week High/Low)	C$0.60/$0.23
Average Daily Volume[3]	~190,700
Cash Position (4)	~C$4.35m

KTN.WT (52 week High/Low)	C$0.40/$0.085
Average Daily Volume[3]	~13,100



[1] Issued and outstanding as at July 19, 2017
[2] Closing price of C$0.255 per share as at July 19, 2017
[3] Average daily volume last 90 days
(4) Cash Position as of June 30, 2017

BOARD AND MANAGEMENT TEAM FROM DISCOVERY TO OPERATIONS



TRACK RECORD OF DELIVERABLES

1 MAJOR acquisition

4 DRILL discoveries

3 MAJOR miners invested

3 RESOURCE calculations

+1 PENDING (la negra)

144 Moz Silver Eq M&I + **35.7 Moz** Silver Eq (Inf.)

CORE ASSETS – FOCUS ON GROWTH

2017 STRATEGIC OBJECTIVES

LA CIGARRA (DEVELOPMENT & GROWTH)

- **DRILLING PROGRAM UNDERWAY** – (up to 15,000m)
- PRIORITIZE 11 Peripheral Targets for Drill Testing
- REFINE RESOURCE MODEL to improve grade and define drill targets
- UPDATE RESOURCE ESTIMATE

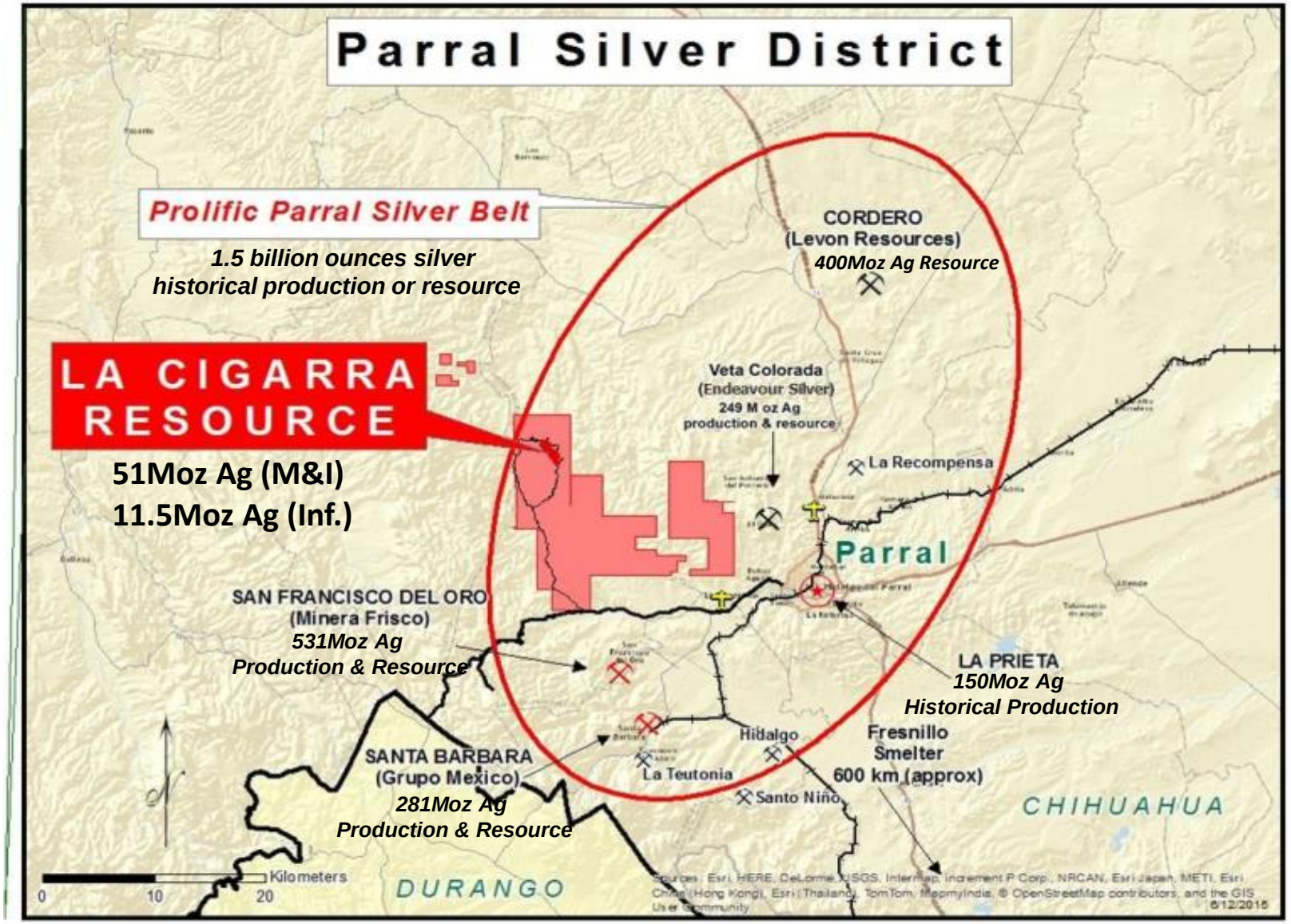
LA NEGRA/PROMONTORIO (GROWTH)

- **DRILLING UNDERWAY** by Pan American – (4,000m)
- RESOURCE CALCULATION on LA NEGRA

JOINT VENTURES (NEW DISCOVERIES)

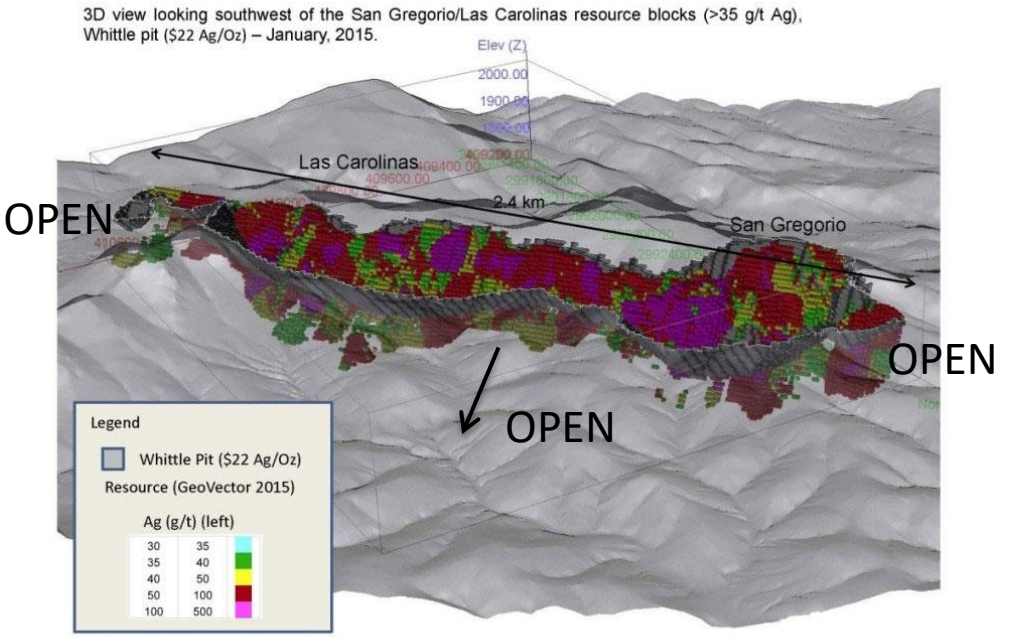
- SILVER FOX , BC, Canada: Antofagasta; **DRILLING UNDERWAY** (3,000m)
- CERVANTES, Sonora, Mexico: Aztec Minerals; **DRILL PROGRAM PENDING**
- 2X'S FRED, BC, Canada: Theia Resources; work program pending.

LA CIGARRA LOCATION



LA CIGARRA RESOURCE
WHY WE THINK IT WILL GET BIGGER

- Under explored 18,000 hectare land package in the prolific Parral Mining Camp
- The Parral mining camp continues to discover and mine deposits after 500 years
- Two largest producers are only 5 and 20 kilometers south of La Cigarra and on trend
- Over 800 million ounces of silver produced from these two mines (Santa Barbara and San Francisco del Oro); currently at a 1,000 meter depth
- La Cigarra deposit comes right to surface and is open at both ends and to depth

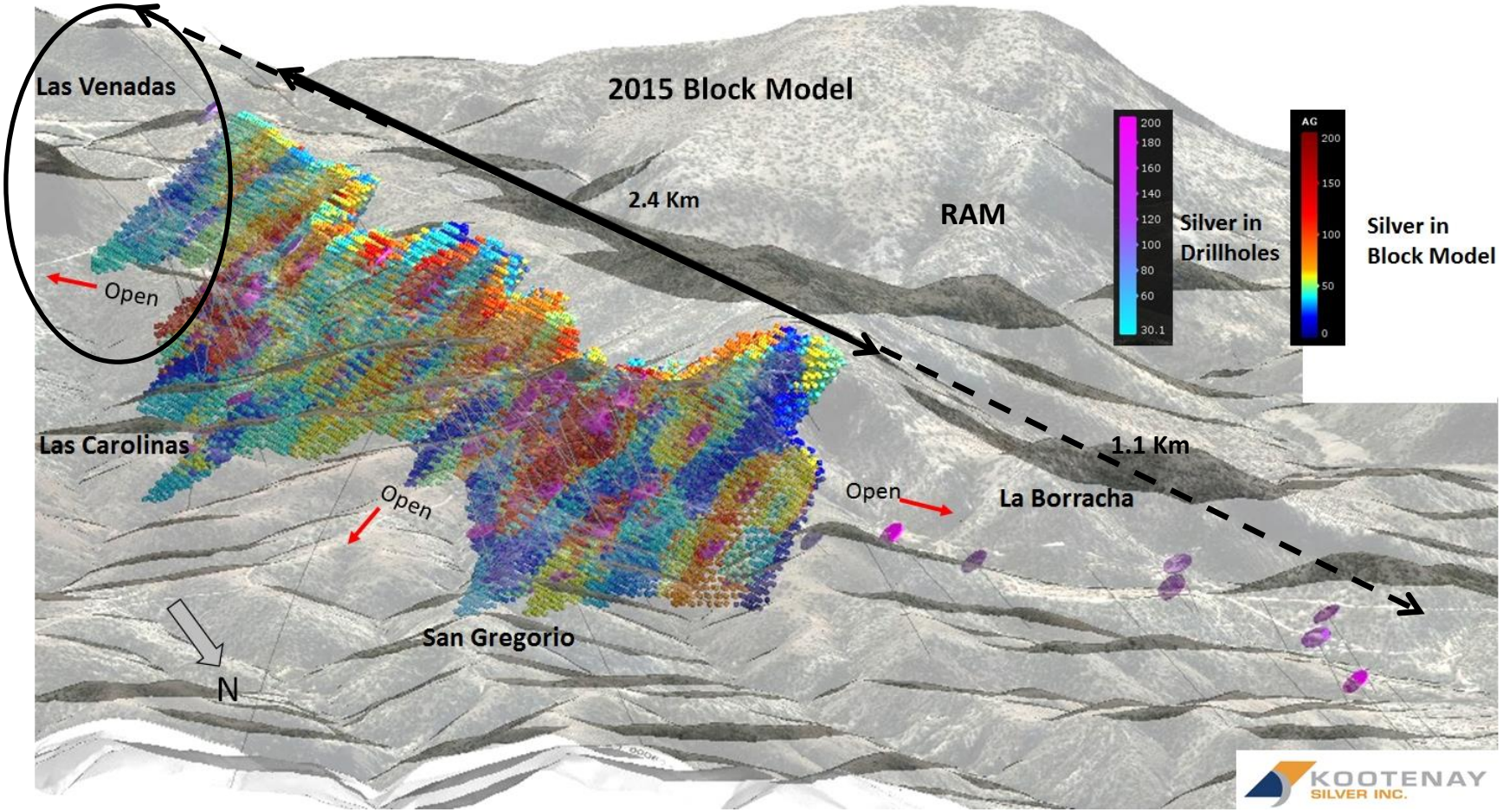


La Cigarra (2015)*	Tonnage	Grade	Contained
Resources			
• **M&I**	**18.5 Mt**	**86.3 g/t Ag**	**51.5 Moz Ag**
• **Inferred**	**4.5 Mt**	**80.0 g/t Ag**	**11.5 Moz Ag**

(1) "NI 43-101 Technical Report on the Updated Mineral Resource Estimate on the San Gregorio/Las Carolinas Zones, La Cigarra Silver Project, Chihuahua, Mexico", effective date January 14, 2015 prepared by GeoVector Management Inc.. Mineral resources are reported in relation to a conceptual pit shell at a silver cut-off grade and a $22/oz silver price.

LA CIGARRA RESOURCE UPSIDE

- La Cigarra deposit is open in all three directions
- Only 4 of 11 targets outside of the resource have seen drilling

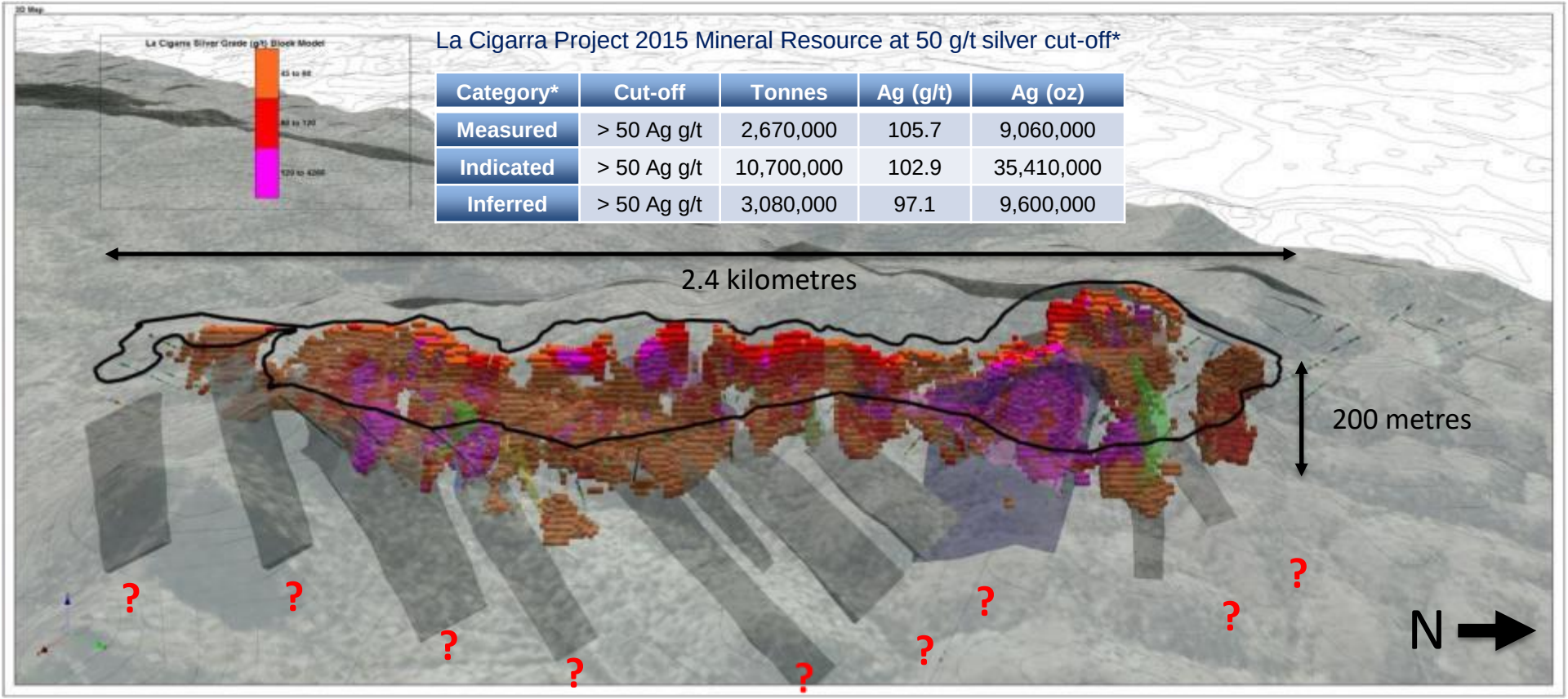


POTENTIAL FOR HIGHER GRADE DEPOSIT

Silver cut-off from 35 g/t to 50 g/t increases average grade of 86.3 g/t to above 100 g/t
(Resource blocks shown below are modeled above a 50 gpt silver cutoff)

La Cigarra Project 2015 Mineral Resource at 50 g/t silver cut-off*

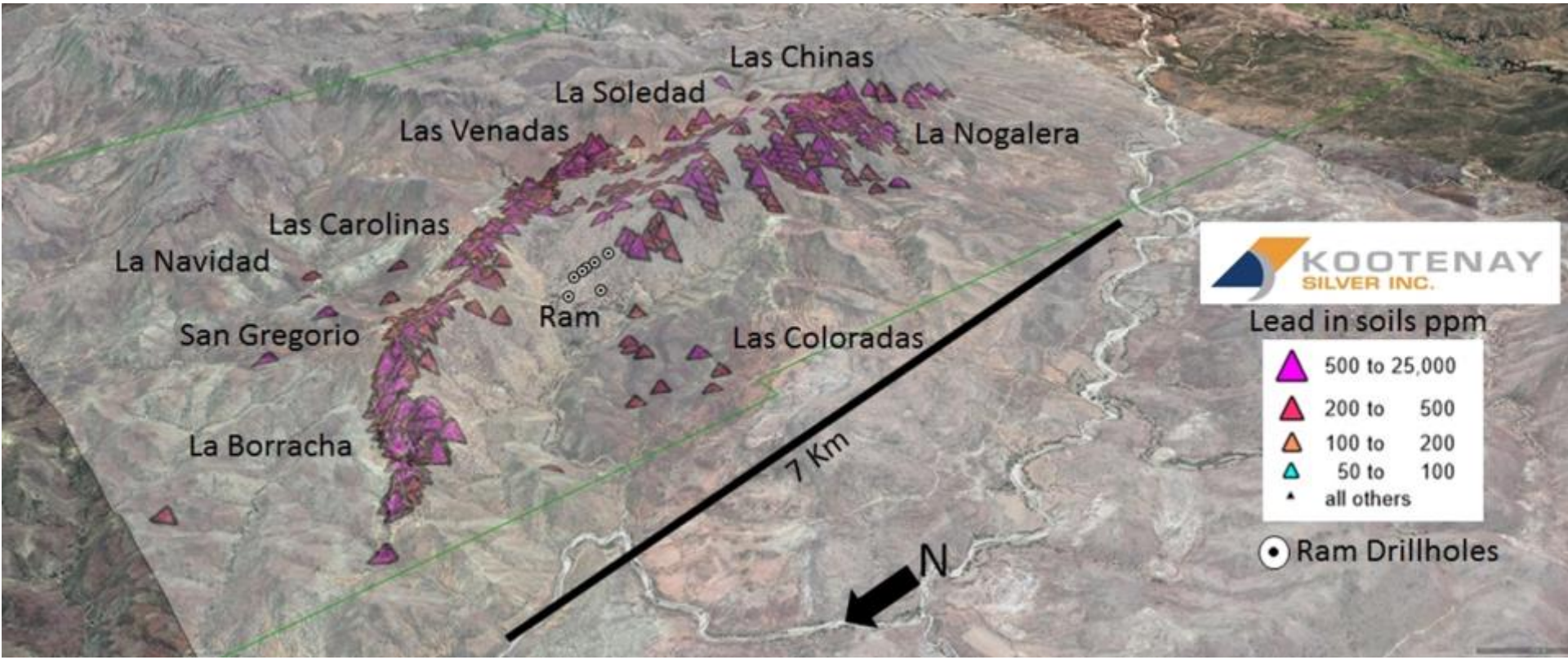
Category*	Cut-off	Tonnes	Ag (g/t)	Ag (oz)
Measured	> 50 Ag g/t	2,670,000	105.7	9,060,000
Indicated	> 50 Ag g/t	10,700,000	102.9	35,410,000
Inferred	> 50 Ag g/t	3,080,000	97.1	9,600,000



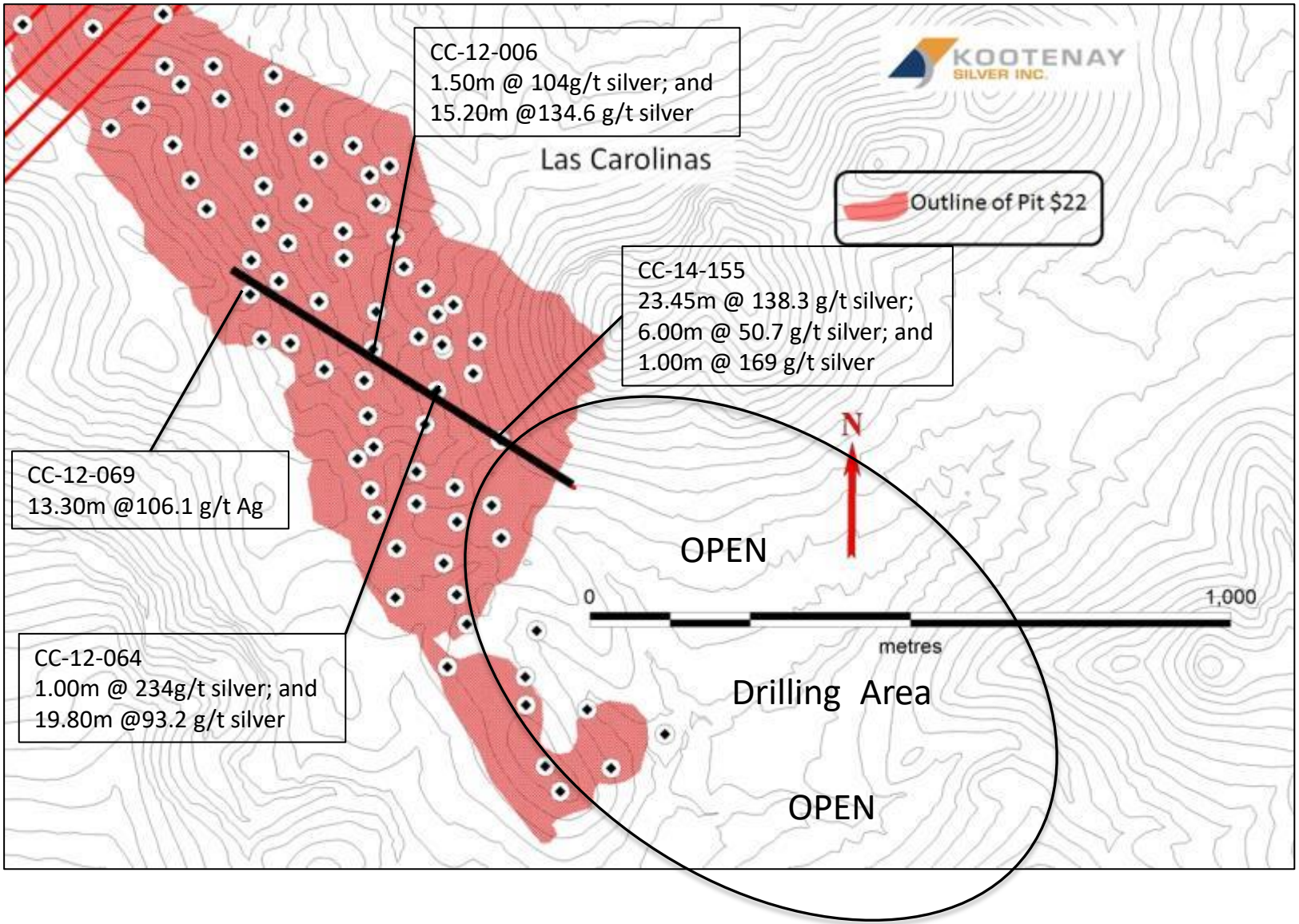
*Note: * Values in this table are reported in relation to a conceptual pit shell at a $22/oz silver price and for cut-off grades above 35 g/t silver should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the selection of cut-off grade. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add due to rounding.*

MULTIPLE EXPLORATION TARGETS

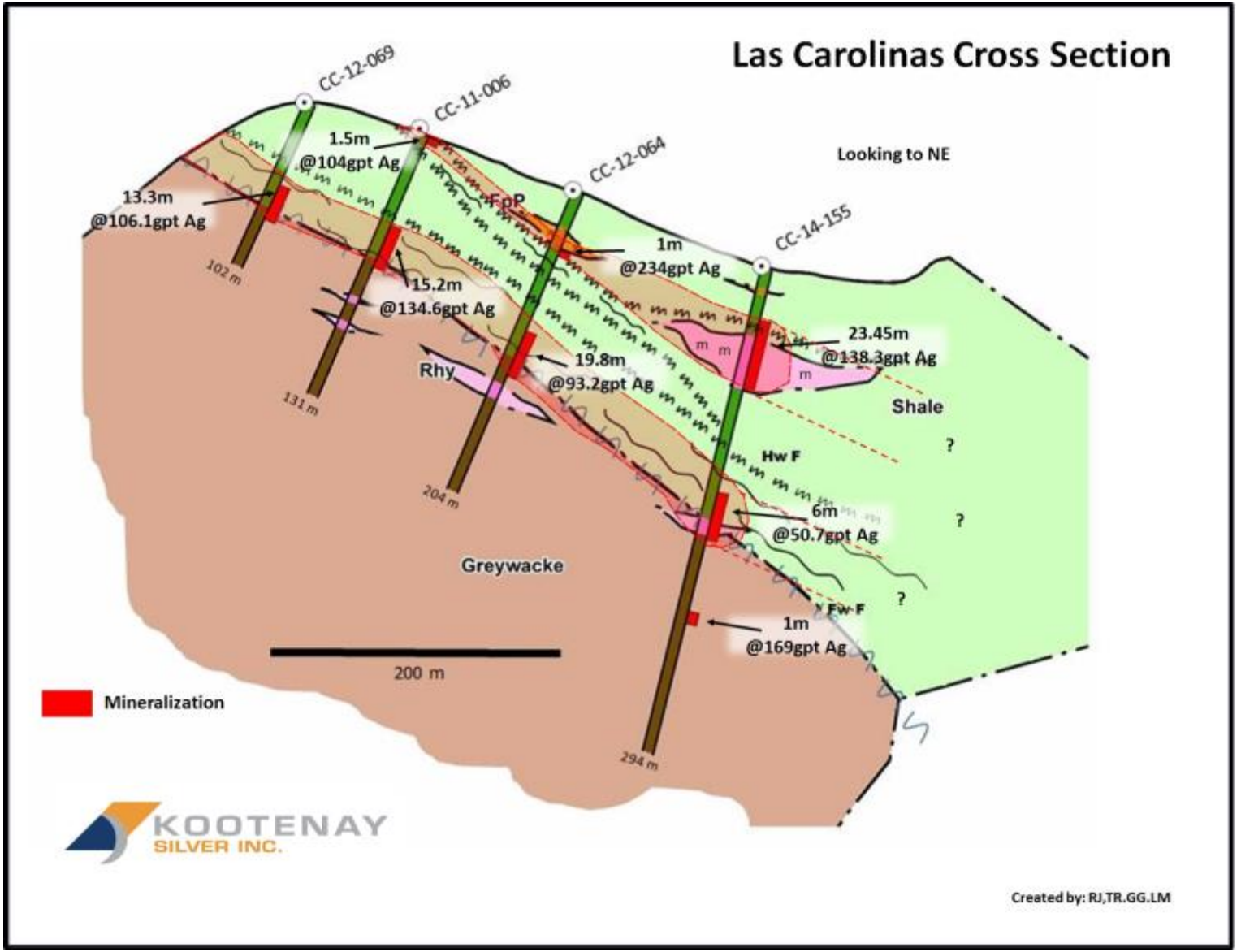
- La Cigarra Project showing size of anomalous area with 8 of 11 peripheral areas
- Drilling underway to focus on the south (Las Venadas, Las Carolinas) as well as the north (La Navidad and La Borracha)



LAS CAROLINAS ZONE – DRILL PLAN



LAS CAROLINAS – CROSS SECTION



LA CIGARRA DEVELOPMENT INITIATIVES

- REMODEL RESOURCE with objective to improve grade and define higher silver grade drill targets;
- DRILL along extension of La Cigarra deposit (up to 7,500m);
- DRILL Peripheral Targets (up to 7,500m);
- UPDATE RESOURCE ESTIMATE; and
- PRELIMINARY ECONOMIC ASSESSMENT in 2018.

PROMONTORIO MINERAL BELT

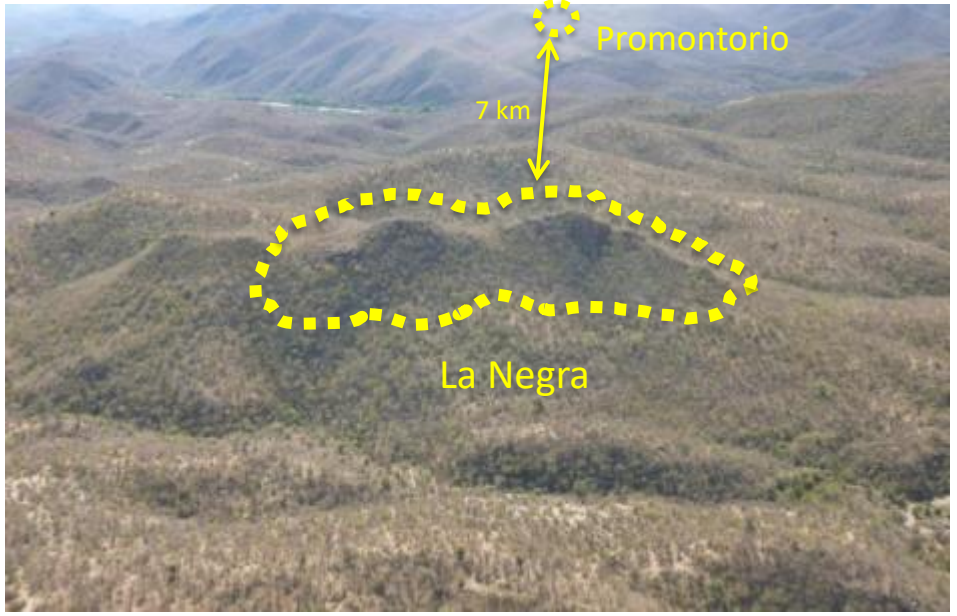
- Optioned to Pan American Silver (PAAS)
- Hosts two major silver discoveries: Promontorio & La Negra
- New high-grade La Negra silver discovery
- Numerous additional targets within a 6.5km x 15km area, including the Cameron-Vania trend
- PAAS moving La Negra towards Resource Calculation

Promontorio (2013)*	Tonnage	Grade	Contained
In-Pit Resources			
• M&I	44.5 Mt	64.3 g/t AgEq	92.0 Moz AgEq
• Inferred	14.6 Mt	52.0 g/t AgEq	24.3 Moz AgEq
Underground Potential			
• M&I	0.2 Mt	57.0 g/t AgEq	0.4 Moz AgEq
• Inferred	1.3 Mt	61.1 g/t AgEq	2.5 Moz AgEq

** "NI 43-101 Technical Report on Resources, Promontorio, Mexico", Report by SRK Consultants Inc. Effective date March 31, 2013. Calculated at a pit-constrained cut-off of 20 g/t AgEq, and an underground cut-off of 45 g/t AgEq using a $31/oz silver price. AgEq calculated using $31/oz Ag, $1,650/oz Au, $0.96/lb Pb, $0.89/lb Zn, assuming 100% recovery of all metals. Full resource table found in the appendix section of this presentation.*

LA NEGRA
HIGH GRADE DISCOVERY

- Surface footprint of ~500m x 200m
- 13,000m over 70 holes drilled to date
- High-grade silver intercepts to 300m vertically from surface
- Open Pit Low Cost Potential
- Metallurgy indicates potential for leach extraction in 80 to 90% range
- **4,000m drill program underway over 25 core drill holes**

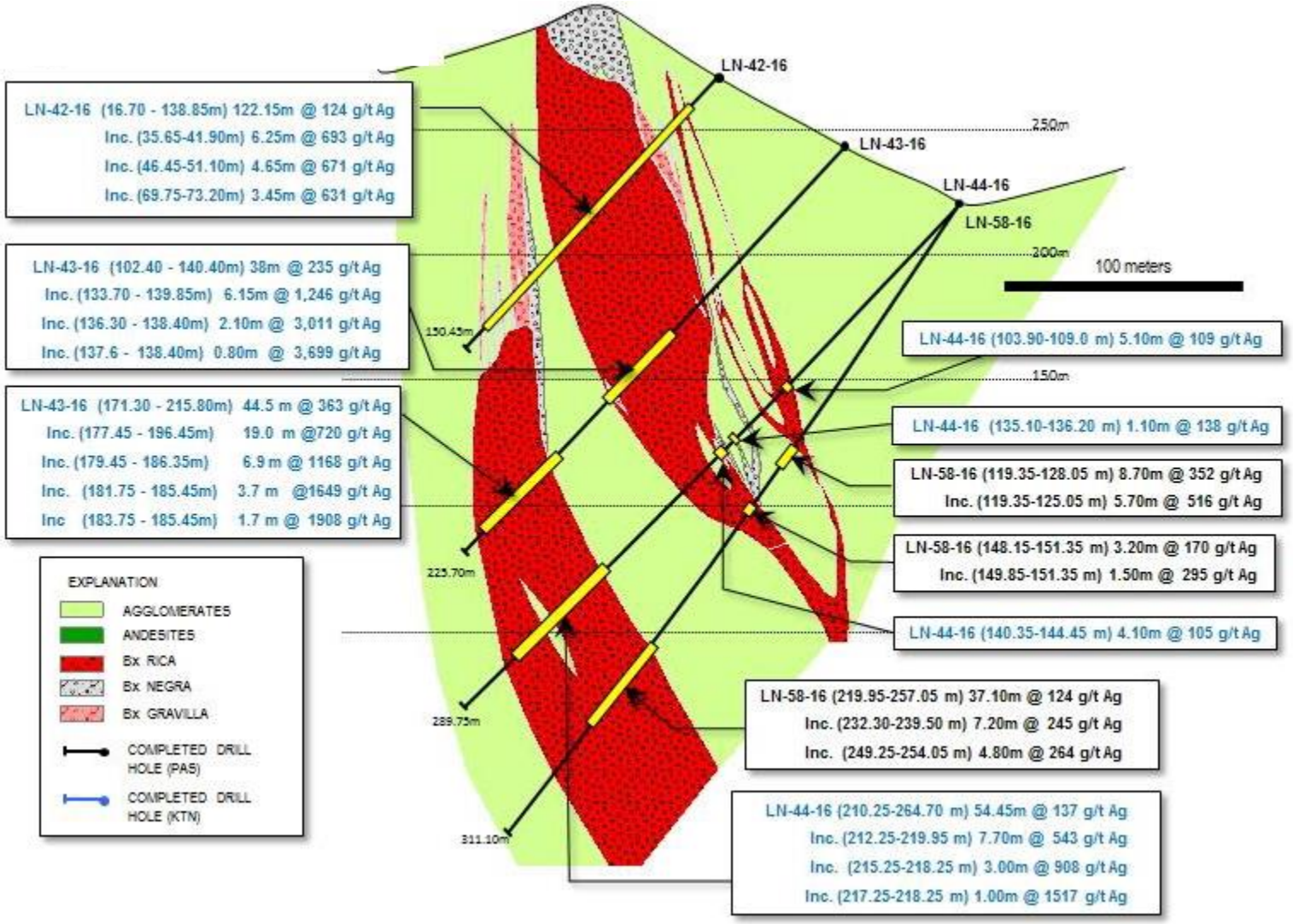


High-grade drill results to date

- 3,040 g/t Ag over 1m
- 1,338 g/t Ag over 6m
- 468 g/t Ag over 18m
- 420 g/t Ag over 50m
- 213 g/t Ag over 28m
- 156 g/t Ag over 200m

LA NEGRA CROSS SECTION

La Negra Section 627500E



KOOTENAY - PAN AMERICAN (PAAS) CARRIED TO PRODUCTION DEAL

- Provides pathway to production and future cash flow
- Augments and strengthens consolidation platform
- KTN carried interest mitigates project and finance risk
- To earn 75% PAAS invests:
  - US$16 million in work and cash payments; pay up front C$350k
  - PAS invests C$2 million in equity at $0.22 per share
  - Provides all capital to production(1)

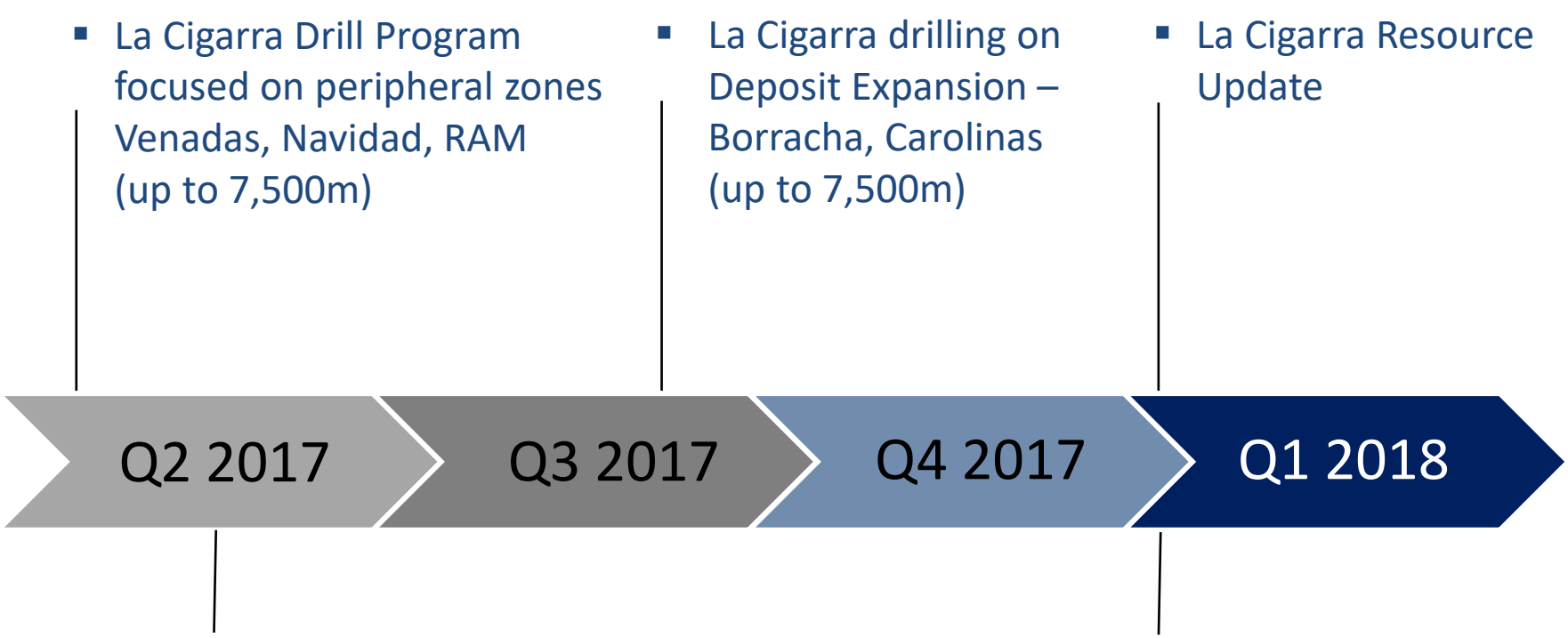
(1) *PAS Preferred Capital Recovery – Upon PAS earning 75%, KTN is carried to production. All capital invested to the commencement of commercial production by PAS over their 75% interest shall be deemed Preferred Capital and recoverable by them plus interest charged at Libor plus 2% on an accelerated basis being 60% of KTN's 25% interest until repayment. This will make the pro rata interest until repayment of preferred capital equal to 90% PAS and 10% KTN. Upon repayment the JV will revert to ownership of 75% PAS and 25% KTN.*

PROSPECT GENERATOR PORTFOLIO

	Exploration Properties	Optioned Properties
Canada	**Copley** **Spike's Big Adventure** **Walter the Water Buffalo** **Connors Creek**	**Silver Fox** – Antofagasta **2X Fred, Fox** – Theia Resources **Mark** - Antofagasta
Mexico	**Santa Lucia** **Guadalupe** **Male** **San Diego**	**Cervantes** – Aztec Minerals

Continued Strategy Of Pursuing JV Opportunities Feeding The Development Pipeline And Reducing Capital And Project Risk

2017 STRATEGIC OBJECTIVES - TIMELINE



- La Cigarra Drill Program focused on peripheral zones Venadas, Navidad, RAM (up to 7,500m)
- La Cigarra drilling on Deposit Expansion – Borracha, Carolinas (up to 7,500m)
- La Cigarra Resource Update
- La Negra Drill Program (4,000m) Pan American – underway
- Silver Fox Project Drill Program (3,000 meters) Antofagasta - underway
- La Cigarra Preliminary Economic Assessment

KOOTENAY – WHY INVEST?

- ✓ STRONG POTENTIAL FOR VALUE RE-RATING
- ✓ SIGNIFICANT LEVERAGE TO SILVER PRICE
- ✓ TOP TIER JUNIOR OWNED SILVER ASSETS
- ✓ EXCELLENT DISCOVERY POTENTIAL
- ✓ GROWTH THROUGH RESOURCE EXPANSION
- ✓ CONTINUED FOCUS ON ACQUISITIONS
- ✓ 3 DRILL PROGRAMS UNDERWAY WITH 4TH PENDING
- ✓ STRONG MANAGEMENT TEAM WITH TRACK RECORD OF SUCCESS

CONTACT US

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APPENDIX

PROMONTORIO

LA NEGRA

LA CIGARRA

LA CIGARRA RESOURCE

Resource Category*	Tonnes	In-Situ Grade				Contained Metal			
		Ag (g/t)	Au (g/t)	Pb (%)	Zn (%)	Ag (oz)	Au (oz)	Pb (lbs)	Zn (lbs)
Measured	3,620,000	88.9	0.074	0.14	0.19	10,340,000	9,000	10,920,000	15,510,000
Indicated	14,930,000	85.7	0.068	0.13	0.18	41,130,000	33,000	42,950,000	59,260,000
Meas + Ind	**18,540,000**	**86.3**	**0.069**	**0.13**	**0.18**	**51,470,000**	**41,000**	**53,870,000**	**74,770,000**
Inferred	**4,450,000**	**80.0**	**0.058**	**0.13**	**0.16**	**11,460,000**	**8,000**	**12,680,000**	**15,610,000**

Note: Mineral resources are reported in relation to a conceptual pit shell at a 35 g/t silver cut-off grade and a $22/oz silver price. Mineral resources that are not mineral reserves do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate and numbers may not add up due to rounding.*

PROMONTORIO RESOURCE

KOOTENAY SILVER INC

Pit-Constrained	20 g/t AgEQ Cut-Off	Tonnes (000's)	Avg AgEq (g/t)	Avg Ag (g/t)	Avg Au (g/t)	Avg Pb (%)	Avg Zn (%)	AgEq Oz (000's)	Ag Oz (000's)	Au Oz (000's)	Pb lbs (000's)	Zn lbs (000's)
	Measured	10,289	74.79	32.69	0.40	0.46	0.55	24,741	10,814	134	105,328	123,715
	Indicated	34,215	61.18	26.30	0.34	0.38	0.45	67,294	28,926	373	287,579	335,904
	M+I	**44,504**	**64.32**	**27.77**	**0.35**	**0.40**	**0.47**	**92,035**	**39,740**	**506**	**392,907**	**459,619**
	Inferred	14,564	51.95	24.95	0.28	0.28	0.31	24,326	11,683	132	89,430	98,462

Underground Potential	45 g/t AgEQ Cut-Off	Tonnes (000's)	Avg AgEq (g/t)	Avg Ag (g/t)	Avg Au (g/t)	Avg Pb (%)	Avg Zn (%)	AgEq Oz (000's)	Ag Oz (000's)	Au Oz (000's)	Pb lbs (000's)	Zn lbs (000's)
	Measured	3	62.27	25.12	0.32	0.37	0.63	6	2	0	23	40
	Indicated	212	56.88	22.86	0.28	0.40	0.55	387	156	2	1,889	2,551
	M+I	**215**	**56.96**	**22.89**	**0.28**	**0.40**	**0.55**	**393**	**158**	**2**	**1,913**	**2,591**
	Inferred	1,265	61.17	26.57	0.37	0.36	0.38	2,488	1,081	15	10,049	10,667

Notes: *** Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resources estimated will be converted into Mineral Reserves.**

[1] Open pit resources stated as contained within a potentially economically minable pit shell;
[2] Pit optimization is based on assumed silver, gold, lead, and zinc prices of $31/oz, $1650/oz, $0.96/lb, and $0.89/lb respectively, mill recoveries of 74%, 70%, 81% and 88% respectively, a 1.5% NSR, Estimated mining costs of $1.20/t, and estimated processing and G&A cost of $12.00/t; and an estimated POX cost of $2/tonne ($30/tonne of pyrite concentrate)
[3] Break-even cut-off grades used were 20 g/t AgEq for open pit mill material and 45 gpt AgEq for underground material;
[4] Silver equivalency is based on unit values calculated from the above metal prices, and assumes 100% recovery of all metals; and
[5] Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

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