



TSX.V: KTN
OTC: KOOYF

SILVER IN MEXICO

CORPORATE PRESENTATION | JANUARY 2018

FORWARD LOOKING STATEMENTS

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.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, while considered reasonable by Kootenay as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Many factors, known and unknown, could cause actual results to be materially different from those expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as otherwise required by law, Kootenay expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in Kootenay’s expectations or any change in events, conditions or circumstances on which any such statement is based.

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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.

- ✓ **HIGH QUALITY ASSETS LEVERAGED TO SILVER PRICE**
 - Over 144moz Silver Eqv. (M&I)* ...and counting
- ✓ **ROBUST PIPELINE FOR EXPANSION**
 - 4 Drill Programs to be carried out in 2018
- ✓ **CARRIED TO PRODUCTION INTEREST**
 - Pan American Silver Option on Promontorio Mineral Belt
- ✓ **SIGNIFICANT EXPLORATION POTENTIAL**
 - Discovery Upside With Flagship and Generative Portfolio

* Full Resource Tables for La Cigarra and Promontorio can be found in the Appendix to this presentation.

CAPITAL STRUCTURE

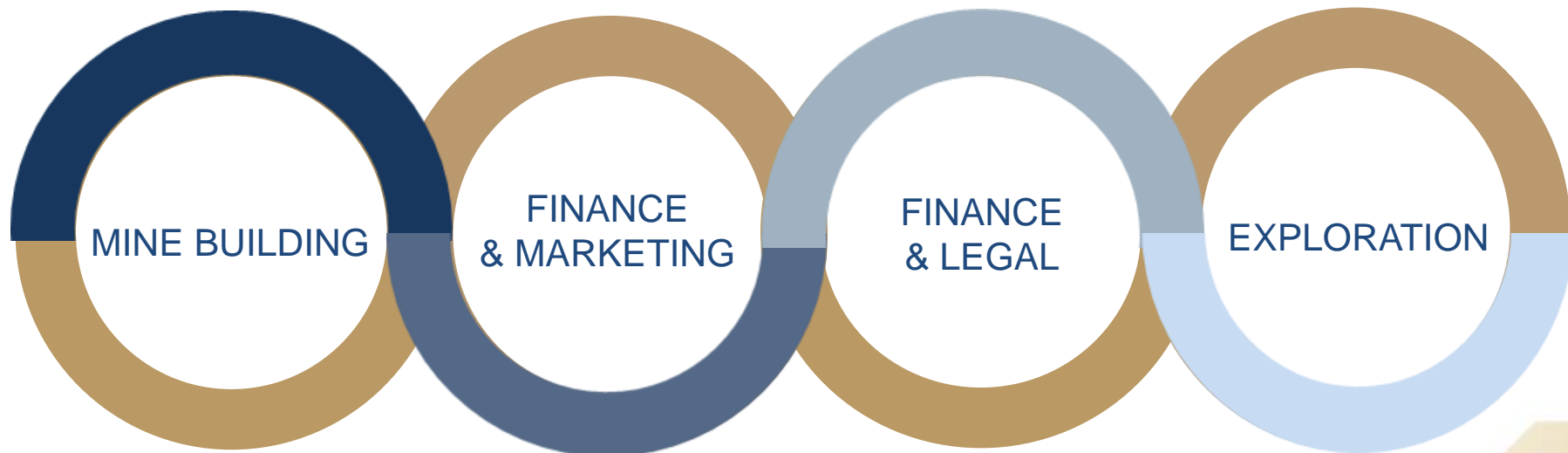
| | |
|-------------------------------------|---|
| Exchange (Tier 1) | TSX.V (“KTN”) |
| Issued & Outstanding ⁽¹⁾ | 194.79m |
| Options | 13.34m |
| Warrants (TSX.V: KTN.WT) | 36.92m |
| Fully Diluted ⁽¹⁾ | 245.05m |
| Current Market Cap ⁽¹⁾ | ~C\$46.75m |
| KTN (shares 52-week High/Low) | C\$0.39/\$0.17 |
| Average Daily Volume ⁽¹⁾ | ~245.34 (Average daily volume last 3 months) |
| Cash Position | ~C\$2.9m - (Cash Position as of September 30, 2017) |
| KTN.WT (52 week High/Low) | C\$0.24/\$0.009 |
| Average Daily Volume ⁽¹⁾ | ~11.85 (Average daily volume last 3 months) |
| Key Shareholders | Pan American Silver (9%) |
| | Management & Directors (10%) |
| | Condire, Coeur Mining, Agnico Eagle, Gold 2000 (8 - 3%) |

⁽¹⁾ As at January 16, 2018

BOARD & MANAGEMENT TEAM

KOOTENAY
SILVER INC

“FROM DISCOVERY TO PRODUCTION”



James McDonald, P. Geo
President, CEO & Director
(Formerly Alamos Gold)

Andrea Zaradic, P. Eng.
Director
(Formerly Diamet)

Brian Groves, Director
(Formerly Placer Dome)

Ken Berry, Chairman
President & CEO of
Northern Vertex Mining

Tony Reda, Director
(Formerly Kaminak Gold)

Raj Kang, CFO
(Formerly CFO Salares)

Jon Morda, Director
(Formerly CFO Alamos)

Joe Giuffre, Director
CLO of Nevsun Resources

Dr. Tom Richards, BSc, Ph.D.
V.P. Exp.
(Formerly Mansfield, Geological
Survey of Canada, Ind. Geologist
with Teck, Newmont)

SUCCESSFUL TRACK RECORD

KOOTENAY
SILVER INC

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.)

NEAR TERM OBJECTIVES

| | | |
|-------------------|--|------------------|
| LA CIGARRA | <ul style="list-style-type: none">▪ DRILLING TBA IN Q1 2018▪ FOCUS ON NEW DISCOVERIES & GRADE▪ RESOURCE EXPANSION | PROGRAM 1 |
|-------------------|--|------------------|

| | | |
|----------------------------------|---|------------------|
| LA NEGRA/ PROMONTORIO | <ul style="list-style-type: none">▪ DRILLING UNDERWAY Pan American | PROGRAM 2 |
|----------------------------------|---|------------------|

| | | |
|---------------------------------|--|------------------|
| GENERATIVE PORTFOLIO | <ul style="list-style-type: none">▪ CERVANTES, Sonora, Mexico: Aztec Minerals▪ DRILLING UNDERWAY▪ SILVER FOX, BC, Canada: Antofagasta PLC | PROGRAM 3 |
| | DRILLING TBA | PROGRAM 4 |

Focused On Resource Growth, Project Development & New Discoveries

LOCATION

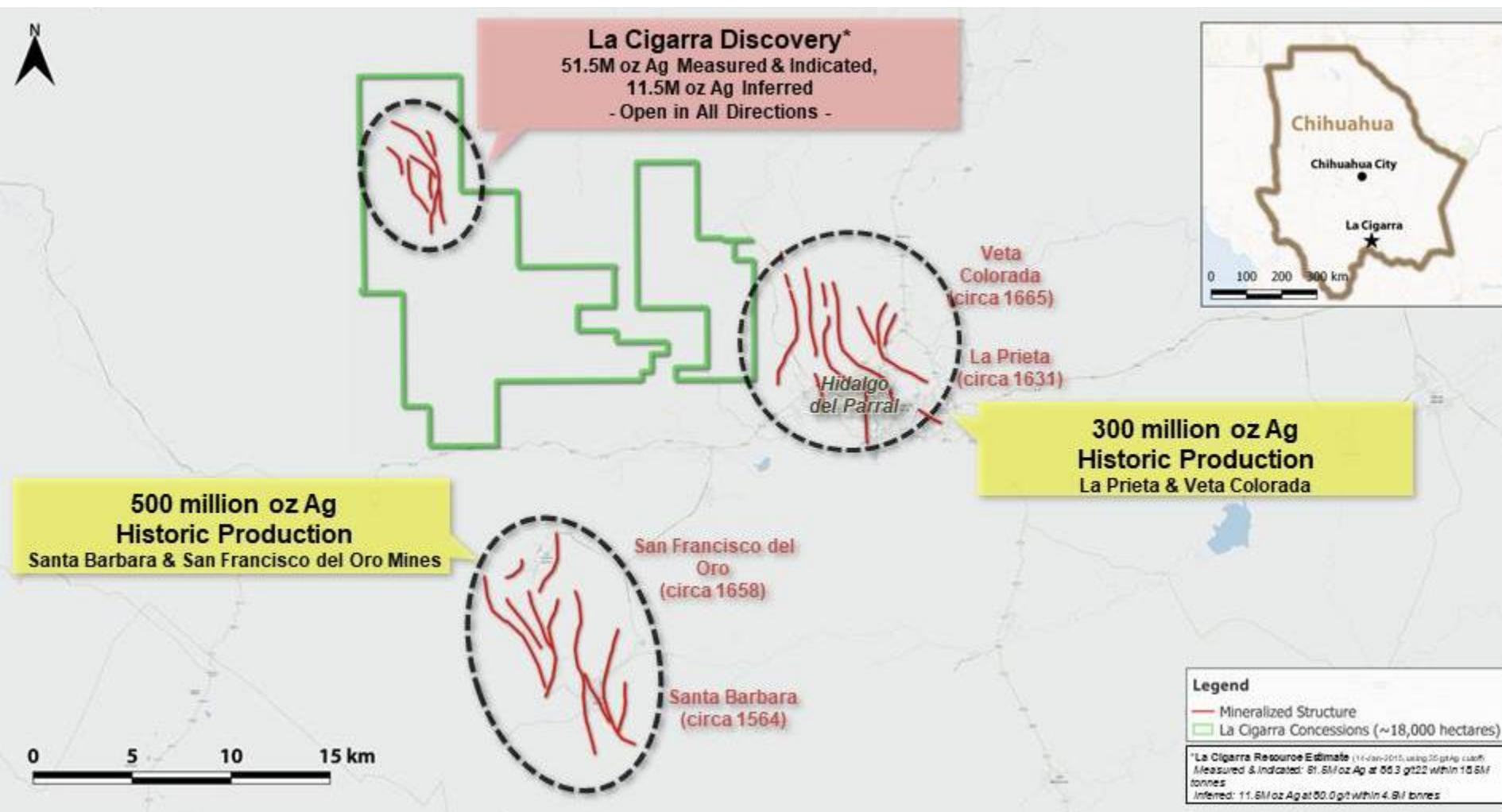
“LA CIGARRA & PROMONTORIO ASSETS”



LA CIGARRA

**KOOTENAY
SILVER INC**

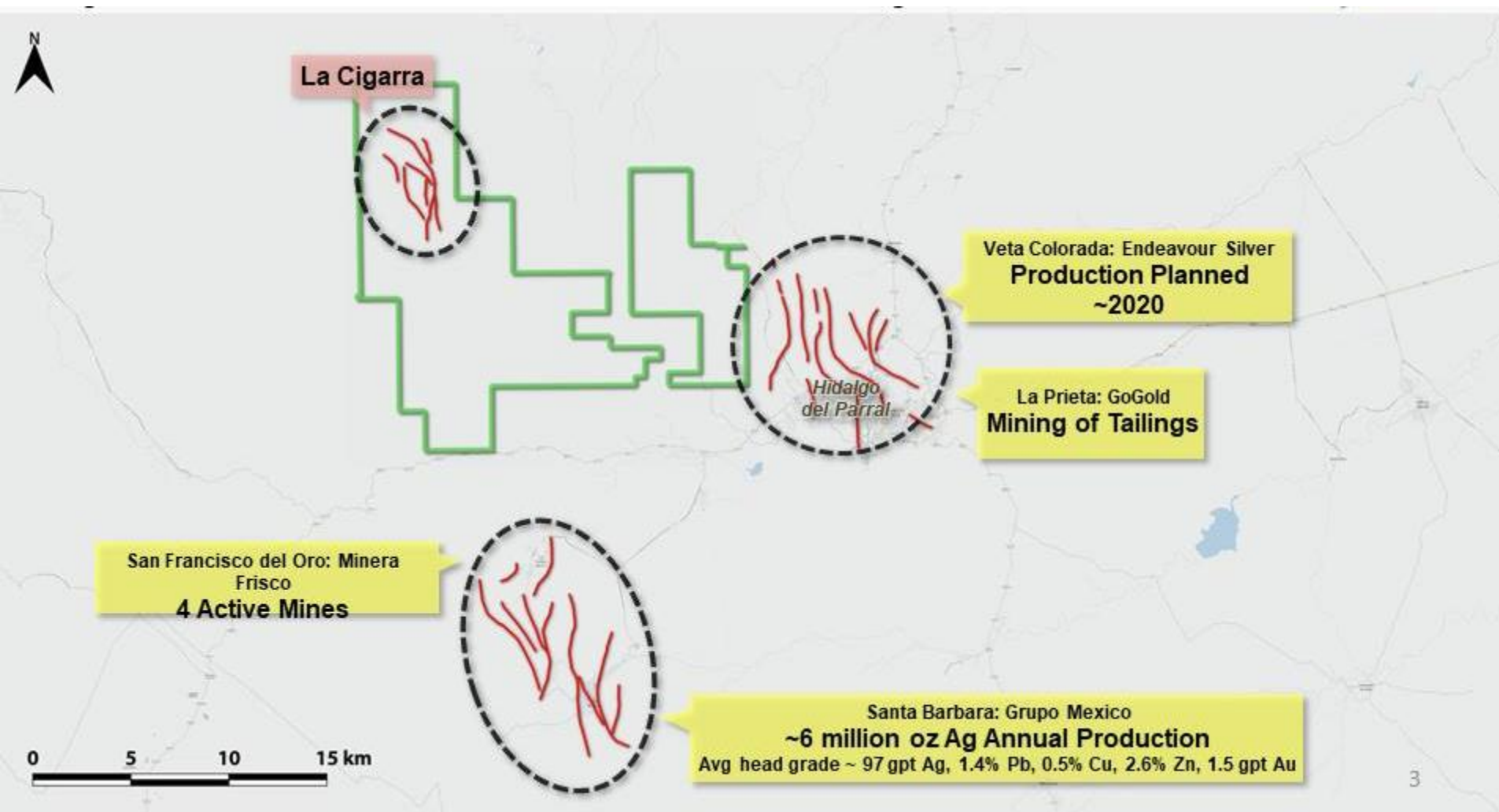
“PARRAL SILVER DISTRICT: > 800M OZ SILVER PRODUCED”



PARRAL SILVER DISTRICT

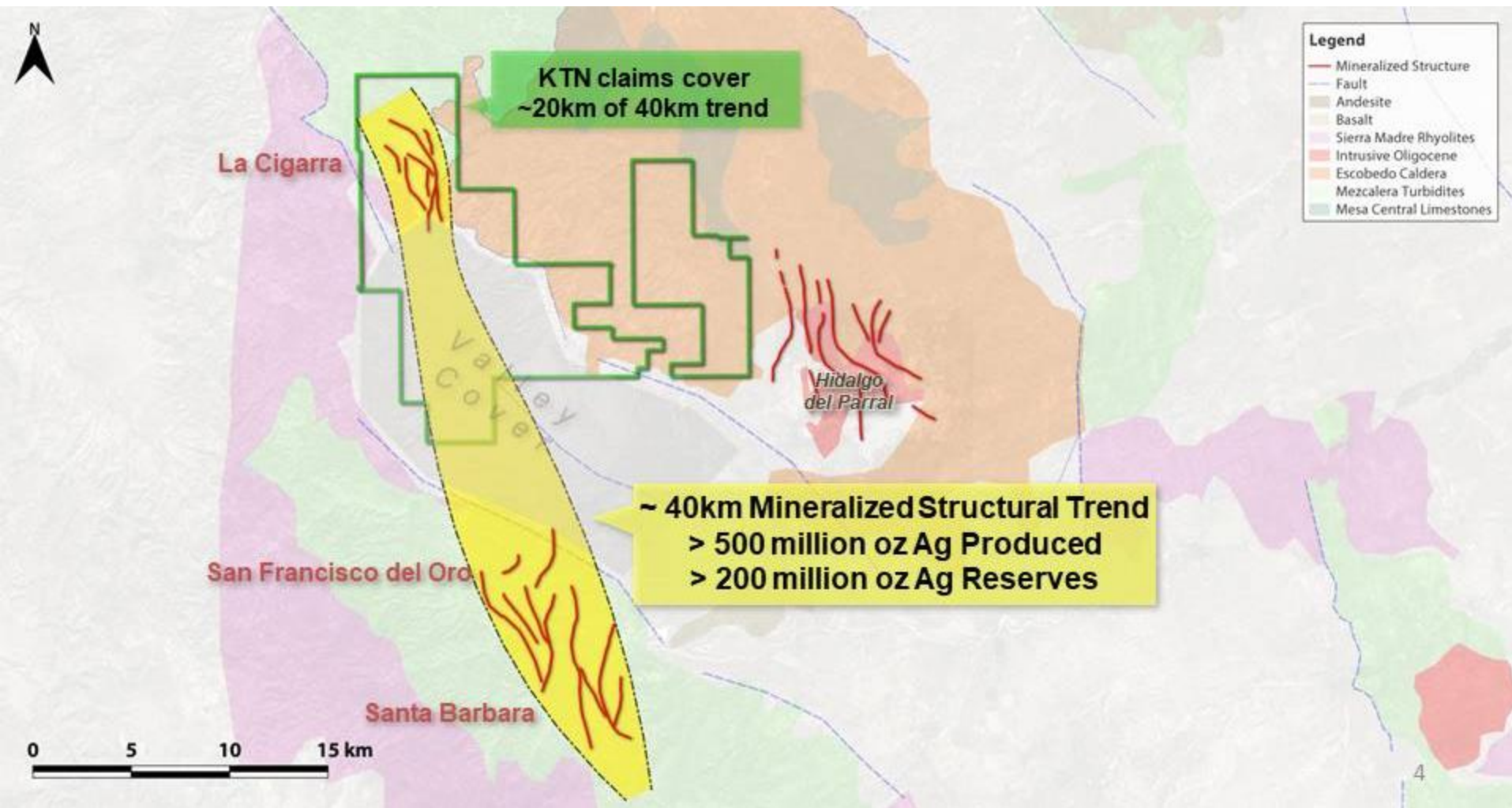
KOOTENAY
SILVER INC

“ACTIVE MINING AREA”



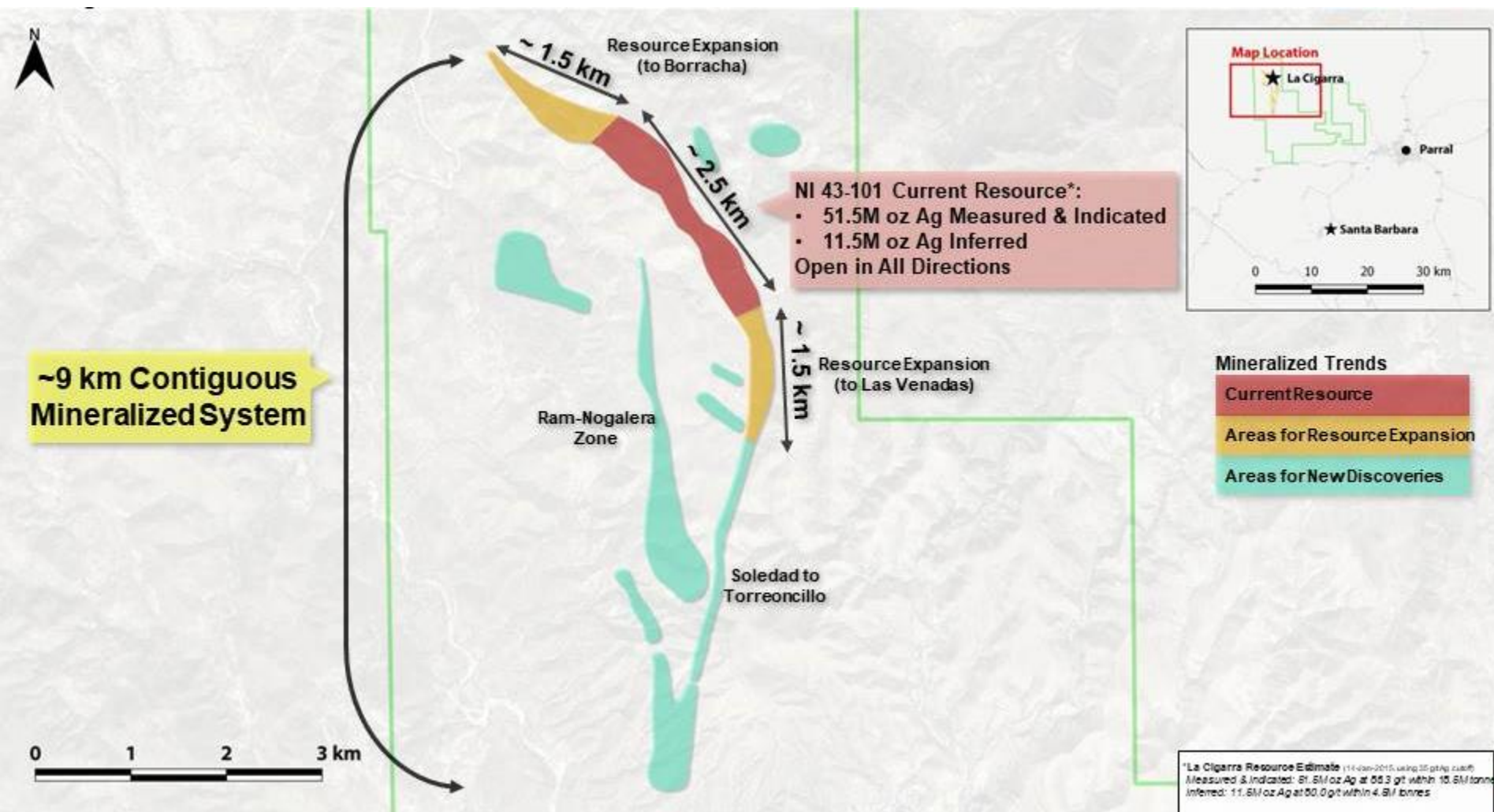
PARRAL SILVER DISTRICT

“STRUCTURAL CORRIDOR FROM LA CIGARRA TO SANTA BARBARA”

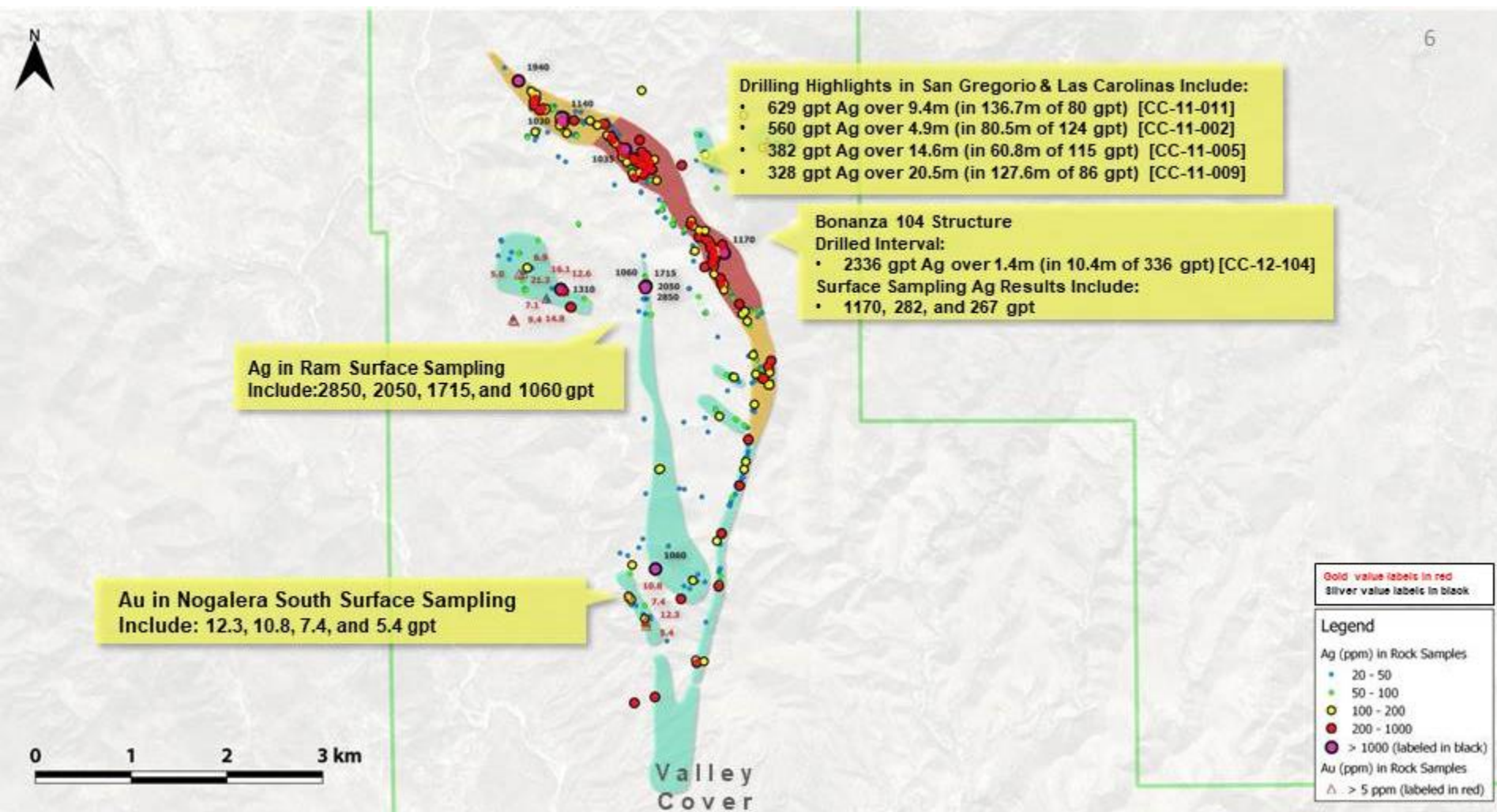


LA CIGARRA

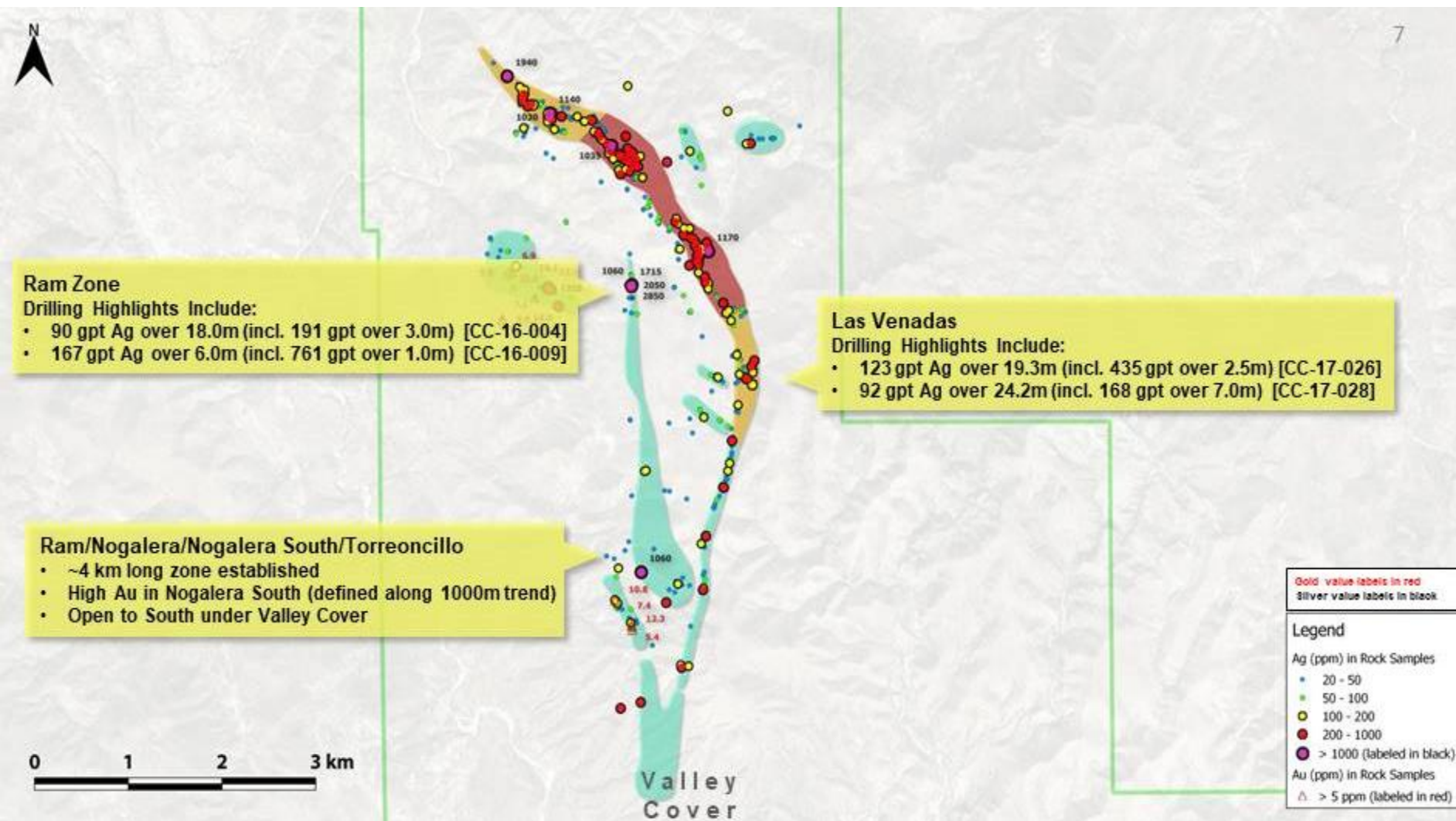
“RESOURCE & POTENTIAL GROWTH AREAS”



“HIGH GRADE POTENTIAL IN DRILLING & SURFACE SAMPLING”

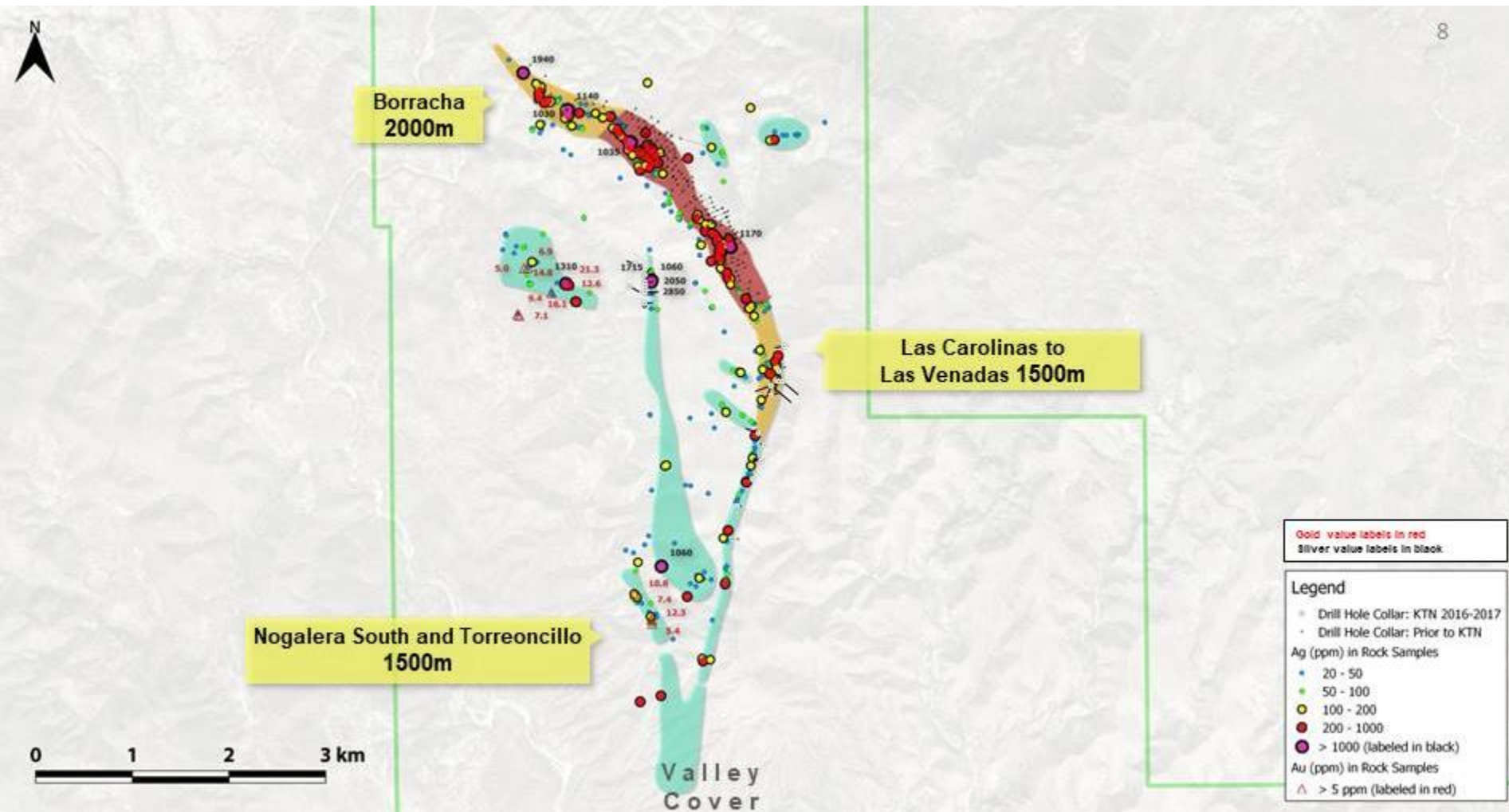


“RECENT DISCOVERIES”



LA CIGARRA - DRILLING Q1 2018

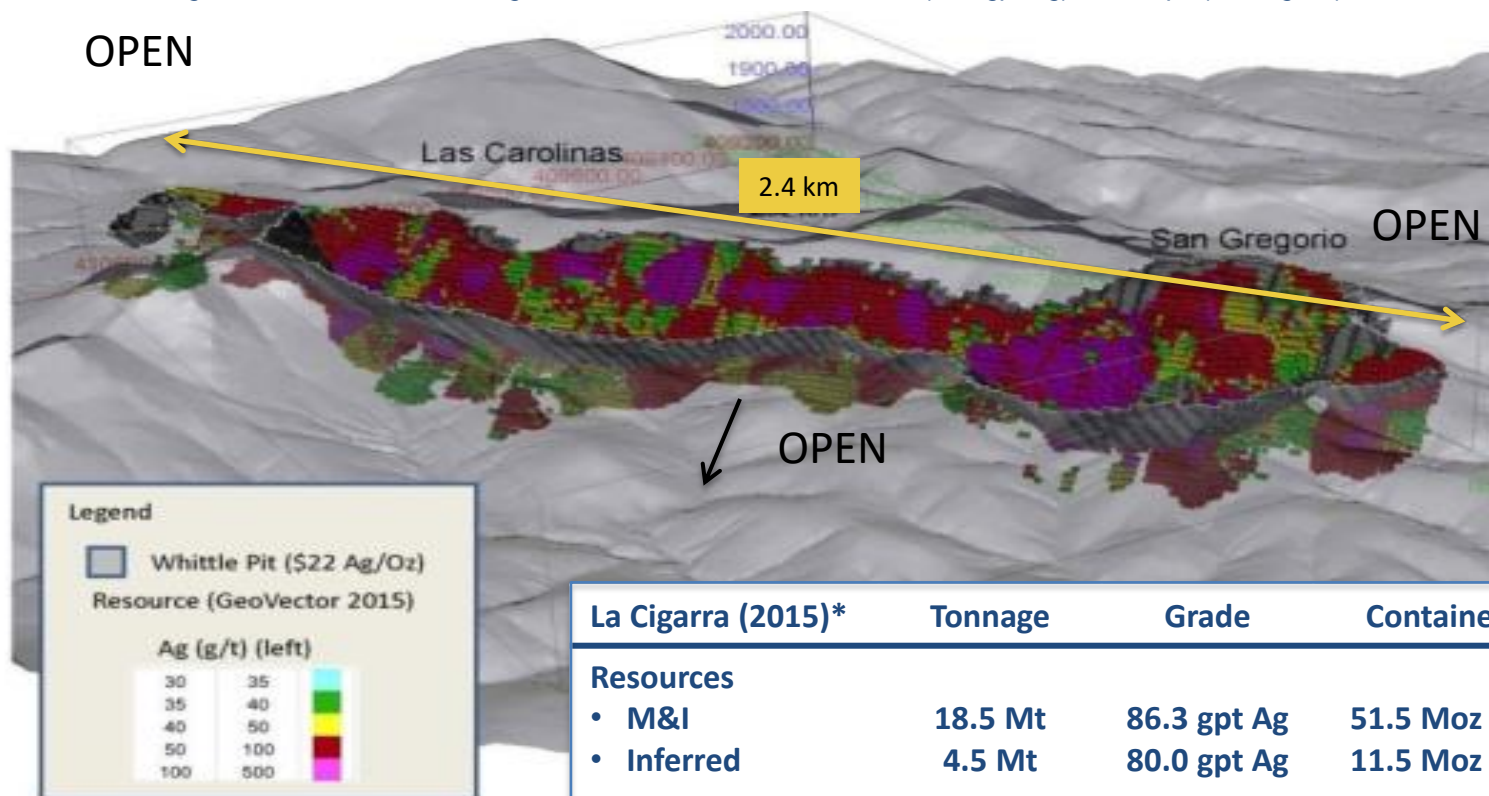
“Proposed Drill Plan 5,000 meters”



LA CIGARRA RESOURCE

“OPEN ON ALL SIDES”

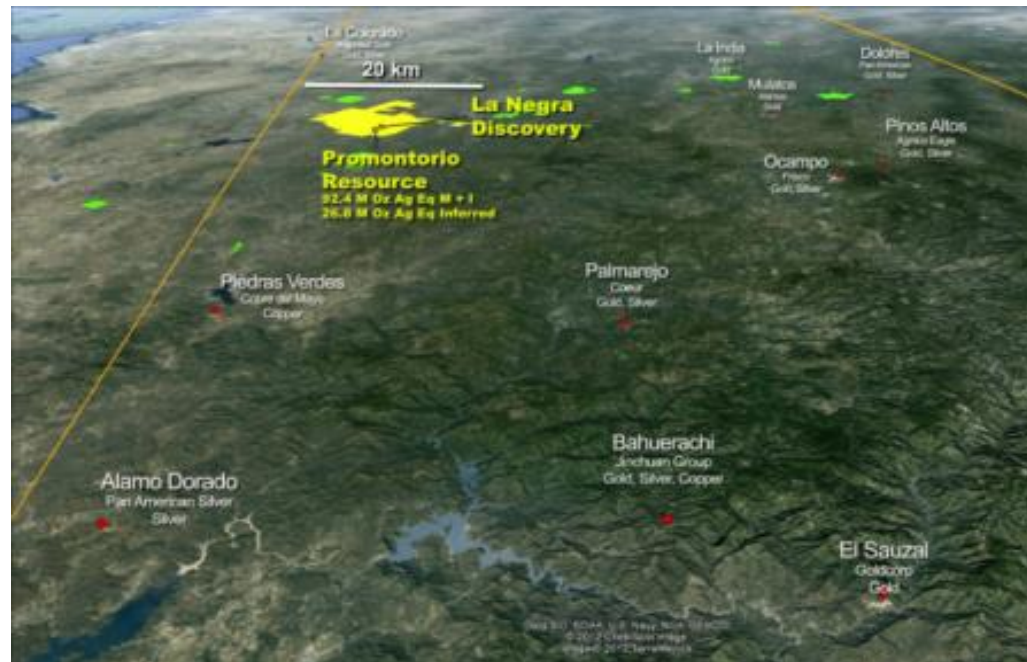
3D view looking southwest of the San Gregorio/Las Carolina resource blocks (>35 gpt Ag) Whittle pit (\$22 Ag/Oz)



* 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.

PROMONTORIO MINERAL BELT

- Optioned to Pan American Silver (PAAS); US\$16M cash & exploration payments – Carried to production
- Hosts two major silver discoveries:
Promontorio & La Negra
- Numerous additional targets within a 6.5km x 15km area
- PAAS moving La Negra towards Maiden Resource Calculation

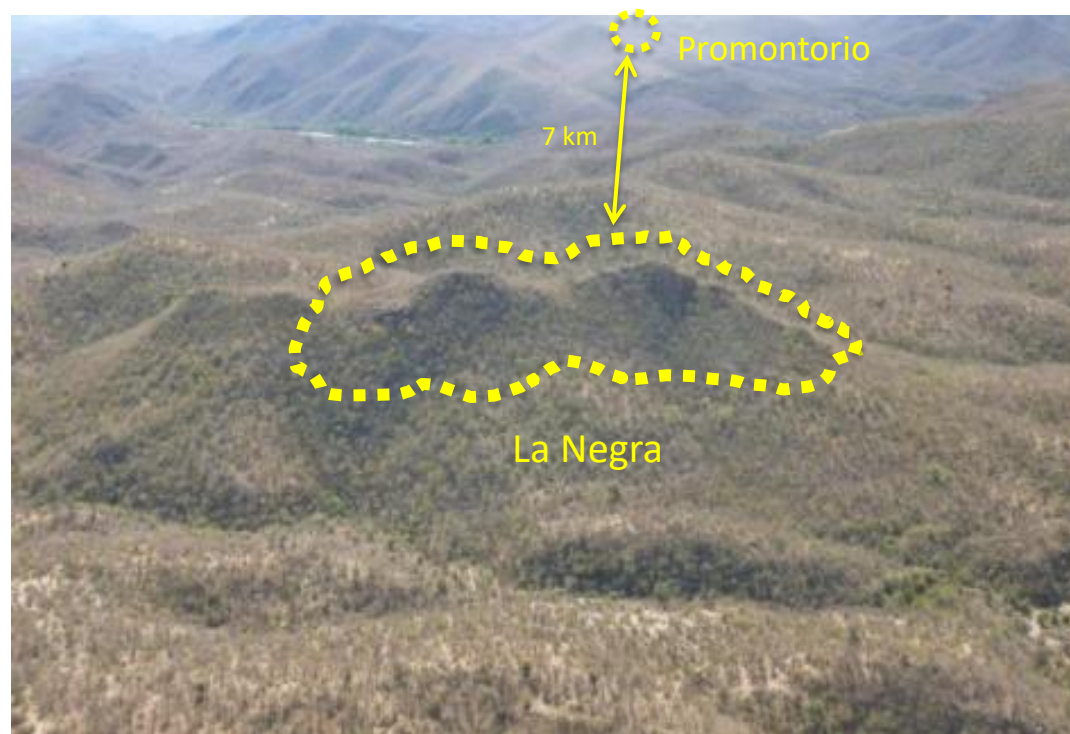


| Promontorio (2013)* | Tonnage | Grade | Contained |
|------------------------------|---------|---------------|---------------|
| In-Pit Resources | | | |
| • M&I | 44.5 Mt | 64.3 gpt AgEq | 92.0 Moz AgEq |
| • Inferred | 14.6 Mt | 52.0 gpt AgEq | 24.3 Moz AgEq |
| Underground Potential | | | |
| • M&I | 0.2 Mt | 57.0 gpt AgEq | 0.4 Moz AgEq |
| • Inferred | 1.3 Mt | 61.1 gpt 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 gpt AgEq, and an underground cut-off of 45 gpt 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.

“HIGH GRADE SILVER DISCOVERY”

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



High-grade drill results to date

- | | |
|------------------------|------------------------|
| ▪ 3,040 gpt Ag over 1m | ▪ 420 gpt Ag over 50m |
| ▪ 1,338 gpt Ag over 6m | ▪ 213 gpt Ag over 28m |
| ▪ 468 gpt Ag over 18m | ▪ 156 gpt Ag over 200m |

PROSPECT GENERATOR PORTFOLIO

PROPERTIES

OPTIONED PROPERTIES

Canada

Copley
Spike's Big Adventure
Walter the Water
Buffalo
Connors Creek

SILVER FOX – ANTOFAGASTA PLC
2X FRED, FOX – THEIA RESOURCES
MARK – ANTOFAGASTA PLC

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***

- QUALITY SILVER ASSETS
- EXCELLENT DISCOVERY POTENTIAL
- GROWTH THROUGH NEW DISCOVERIES
- 4 DRILL PROGRAMS EXPECTED IN 2018; (2 UNDERWAY)
- STRONG MANAGEMENT WITH TRACK RECORD OF SUCCESS
- SIGNIFICANT LEVERAGE TO SILVER PRICE
- POTENTIAL FOR VALUE RE-RATING

CONTACT US

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APPENDIX

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.*

Resource Statement for the La Cigarra silver project located in Chihuahua State, Mexico: GeoVector Management Inc., Effective Date January 14, 2015, Authored by Allan Armitage, PhD, P. Geo. and Joe Campbell, B.Sc., P. Geo., of GeoVector Management Inc.

The resource estimate was calculated based on results from 156 of 173 holes totaling 27,617 metres drilled along the open ended La Cigarra mineralized system which has a defined strike length of at least three (3) kilometres. The 156 holes included in the Property's resource estimate were positioned within a potentially surface minable area comprised of the San Gregorio and Las Carolinas mineralized zones, which combined form a total strike length of 2.4 kilometres. The resource estimate was constrained by a constrained pit shell utilizing a **\$22 /oz** silver price and reported at a **35 g/t** silver cut-off grade, and considers metallurgical recoveries of 84% silver. A summary of the mineral resource estimate is listed below:

PROMONTORIO RESOURCE

| 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)

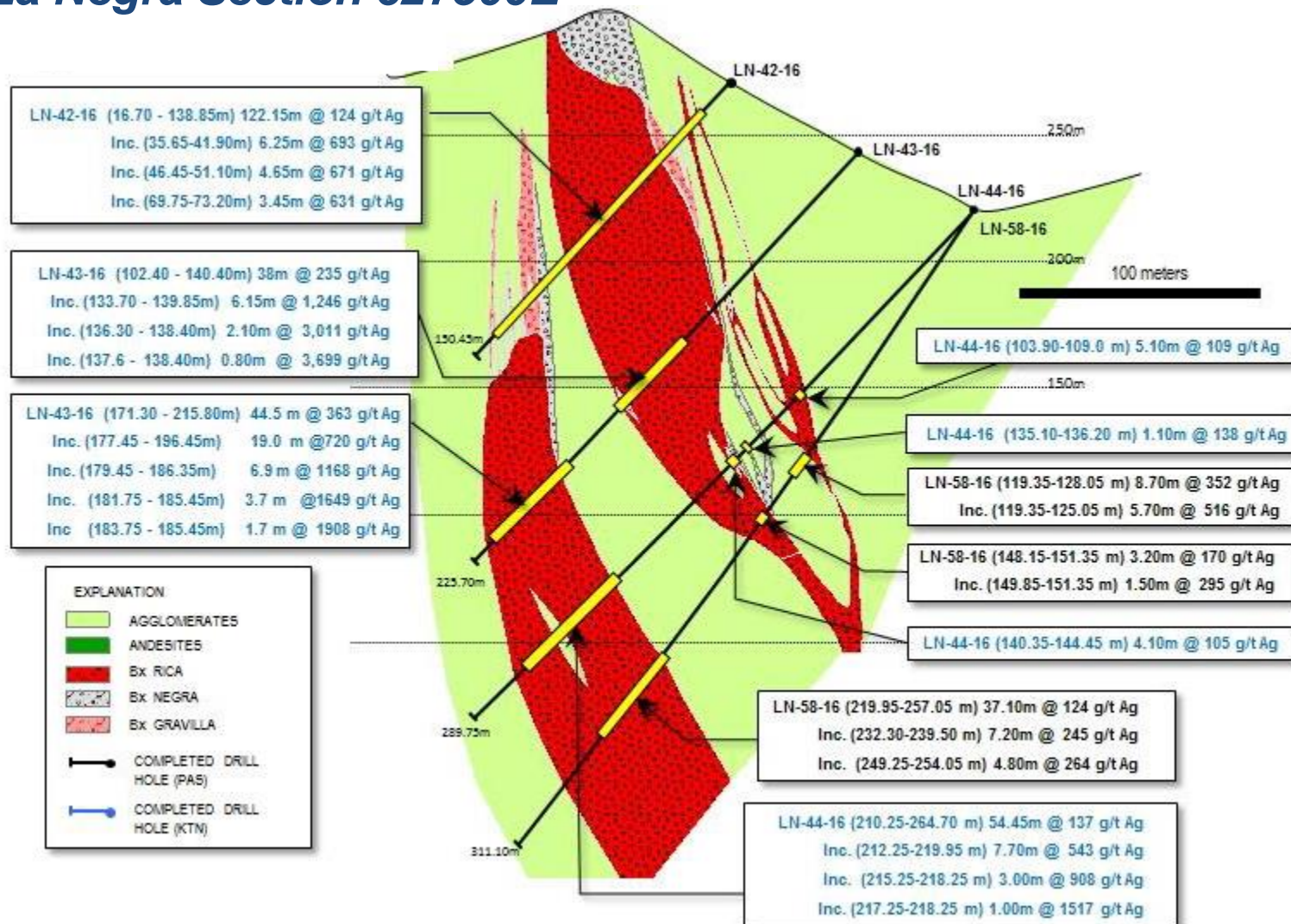
³ Break-even cut-off grades used were 20 g/t AgEq for open pit mill material and 45 gpt AgEq for underground material;

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.

LA NEGRA CROSS SECTION

La Negra Section 627500E



“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.