



# **SILVER ASSET DEVELOPMENT NEW DISCOVERIES CONSOLIDATION**

## **PROMONTORIO**



## **LA NEGRA**



## **LA CIGARRA**



# 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.

# INVESTMENT HIGHLIGHTS



- ✓ STRONG CAPITAL STRUCTURE
- ✓ TOP TIER JUNIOR OWNED SILVER ASSETS
- ✓ OVER 140Moz SILVER EQV (M&I)\*
- ✓ ESTABLISHED SILVER BANK
- ✓ RESOURCE GROWTH
- ✓ POTENTIAL FOR FUTURE CASH FLOW
- ✓ DISCOVERY UPSIDE

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

# CAPITAL STRUCTURE



Exchange (Tier 1)	TSX.V ("KTN")
Issued & Outstanding <sup>(1)</sup>	174.69m
Options	15.63m
Warrants	45.76m
Fully Diluted <sup>(1)</sup>	236.08m
Current Market Cap <sup>(2)</sup>	CAD ~\$50.66m
KTN (shares 52-week High/Low)	CAD\$0.60/\$0.27
Average Daily Volume <sup>(3)</sup>	~252,500
Cash Position <sup>(4)</sup>	~\$4.8m

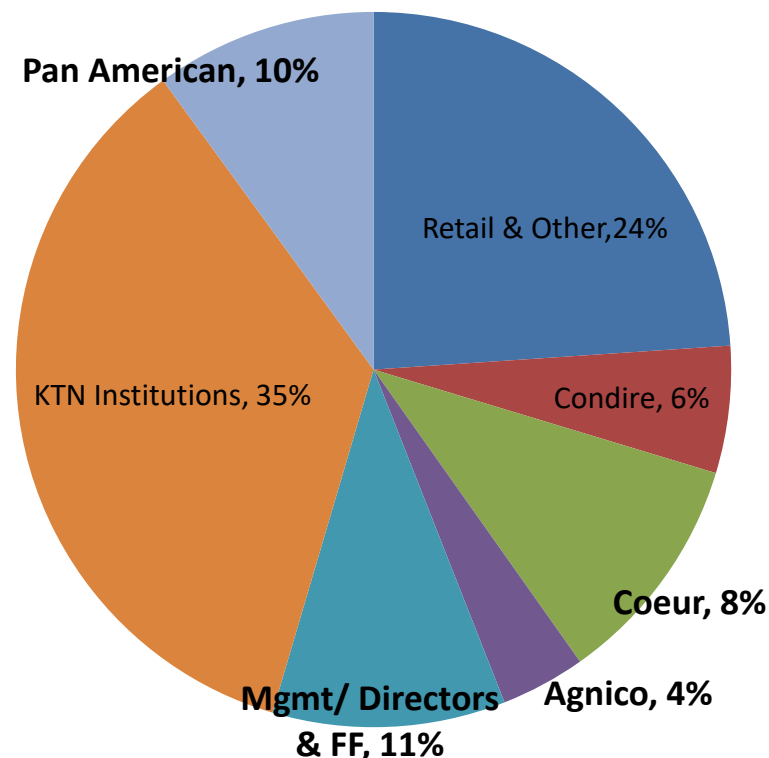
KTN.WT (Warrants 52 week High/Low)	CAD\$0.40/ \$0.085
Average Daily Volume <sup>(3)</sup>	~23,100

<sup>(1)</sup> Issued and outstanding as at June 7, 2017

<sup>(2)</sup> Closing price of C\$0.29 per share as at June 7, 2017

<sup>(3)</sup> Average daily volume last 90 days

<sup>(4)</sup> Cash Position as of June 7, 2017



# BOARD AND MANAGEMENT TEAM FROM DISCOVERY TO OPERATIONS



## MINE BUILDING

- James McDonald - Alamos
- Andrea Zaradic - Diamet

## FINANCE & LEGAL

- Raj Kang - Salares
- Jon Morda - Alamos
- Joe Giuffre - Nevsun

## FINANCE & MARKETING

- Ken Berry - Northern Vertex
- Tony Reda - Kaminak Gold

## EXPLORATION

- Tom Richards - Teck, Mansfield, Newmont

# SILVER RESOURCES & GROWTH



# 2017 STRATEGIC OBJECTIVES



## 1. LA CIGARRA (GROWTH & DEVELOPMENT)

- UP TO 15,000 Meters Drilling Planned
- PRIORITIZE 11 Peripheral Targets for Drill Testing;
- DRILL Peripheral Targets including Ram and Soledad (up to 7,500 meters);
- DRILL along extension of La Cigarra Deposit (up to 7,500 meters)
- Refine Resource model to improve grade and define drill targets;
- Update Resource Estimate; and
- Set timeline of Preliminary Economic Assessment.

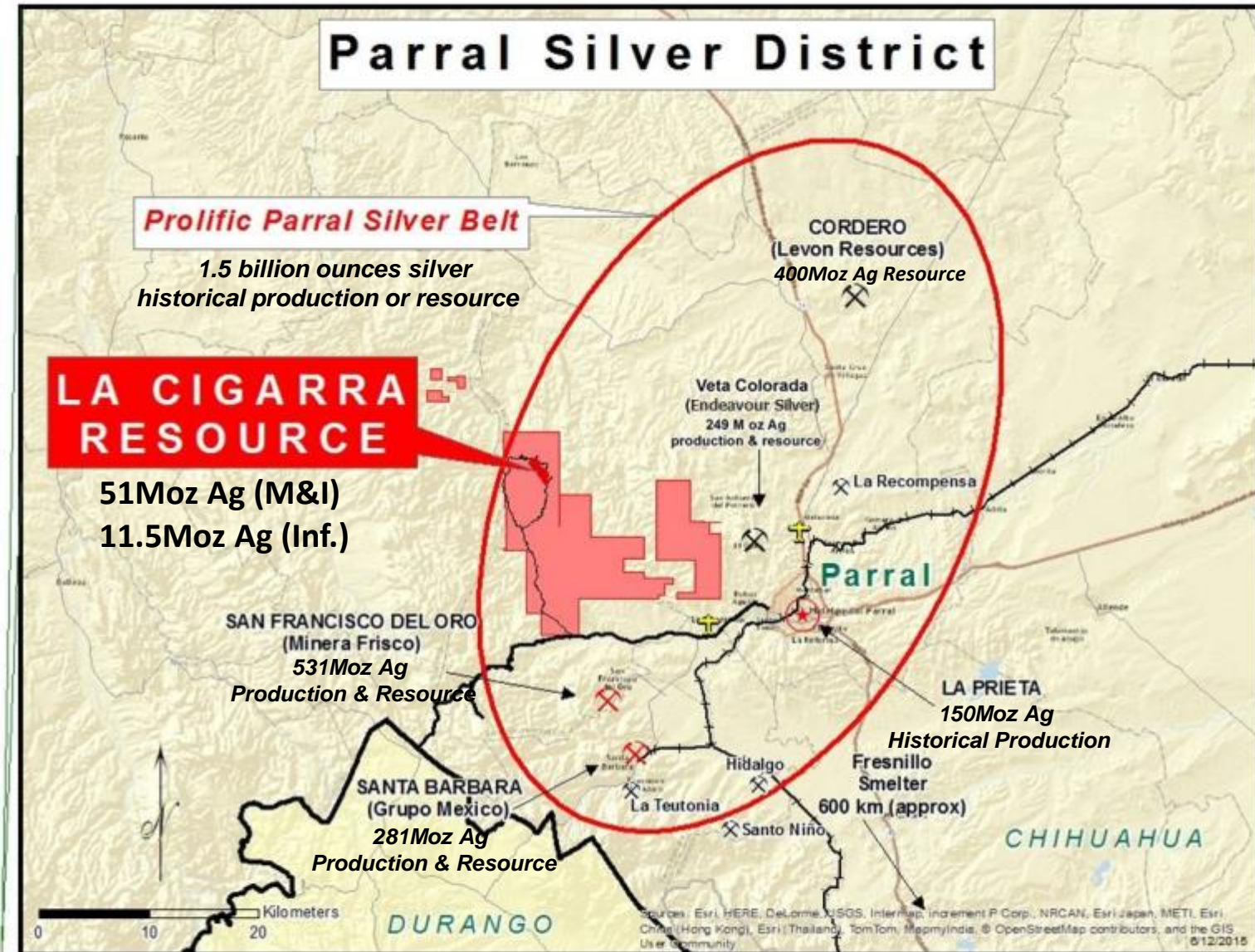
## 2. LA NEGRA/PROMONTORIO (GROWTH)

- DRILLING by Pan American to commence in Q2 2017

## 3. JOINT VENTURES (GROWTH)

- Silver Fox Project, British Columbia, Canada: Antofagasta 3,000 meter drill program;
- Cervantes, Sonora, Mexico: Work program pending;
- 2X's Fred, British Columbia, Canada: Work program pending.

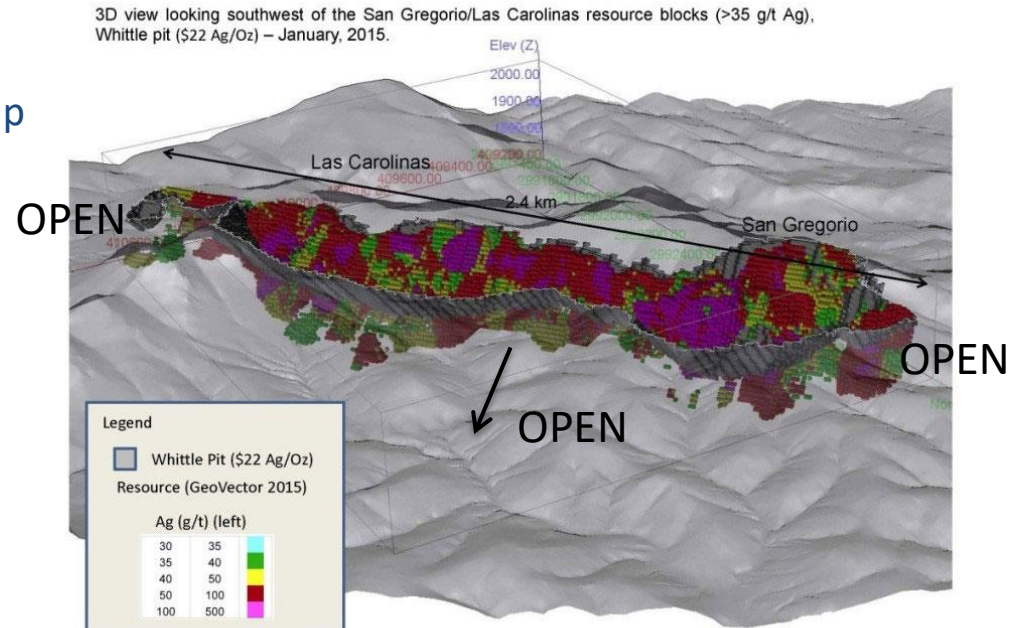
# LA CIGARRA LOCATION



# LA CIGARRA RESOURCE UPSIDE

## 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

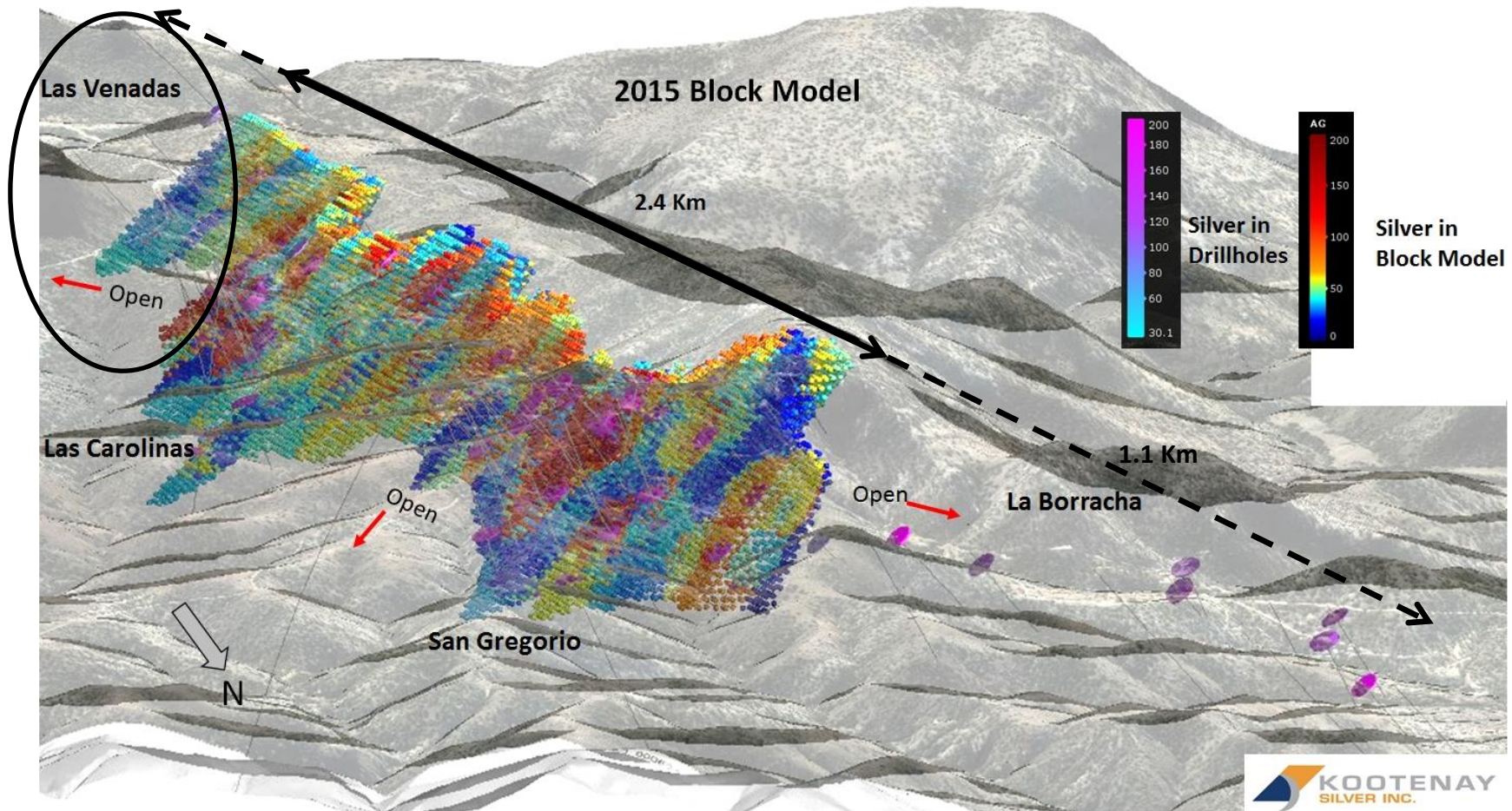
• M&I	18.5 Mt	86.3 g/t Ag	51.5 Moz Ag
• Inferred	4.5 Mt	80.0 g/t Ag	11.5 Moz Ag

(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

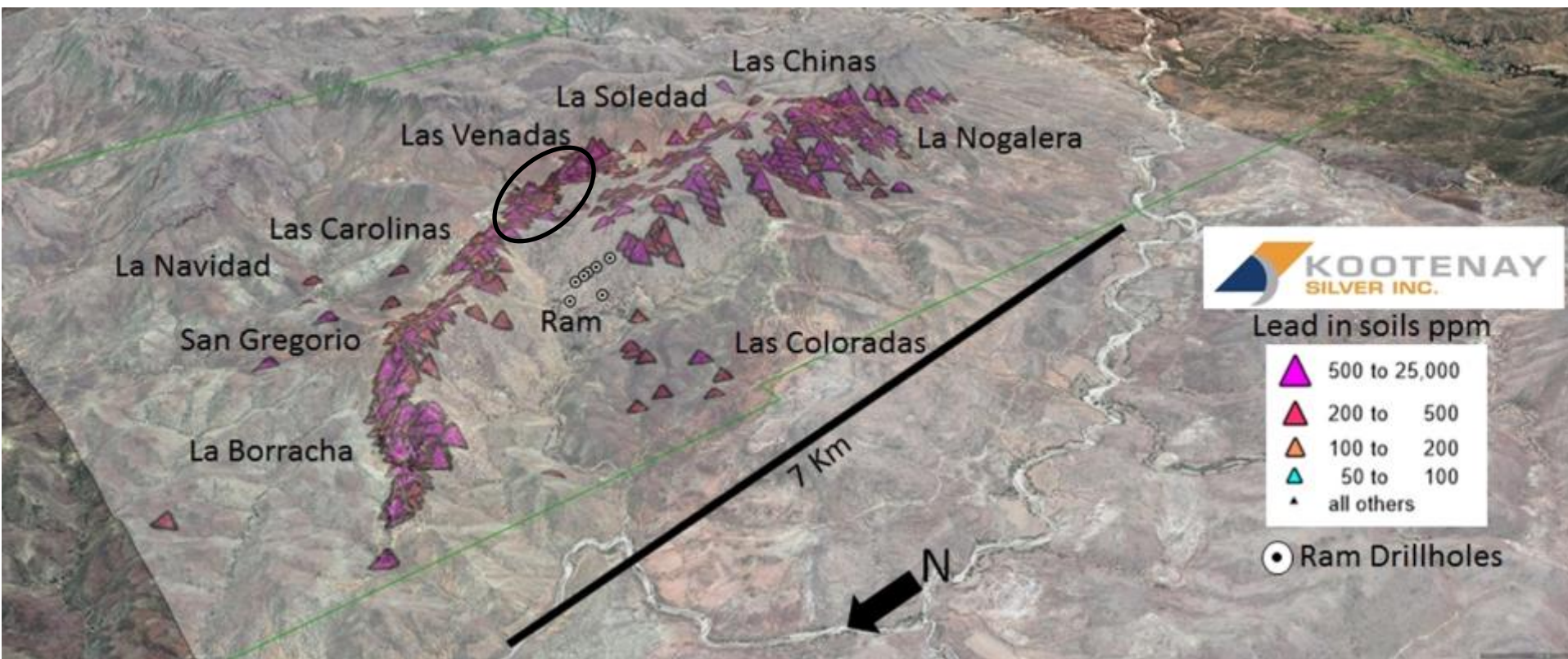
## WHY WE THINK IT WILL GET BIGGER

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

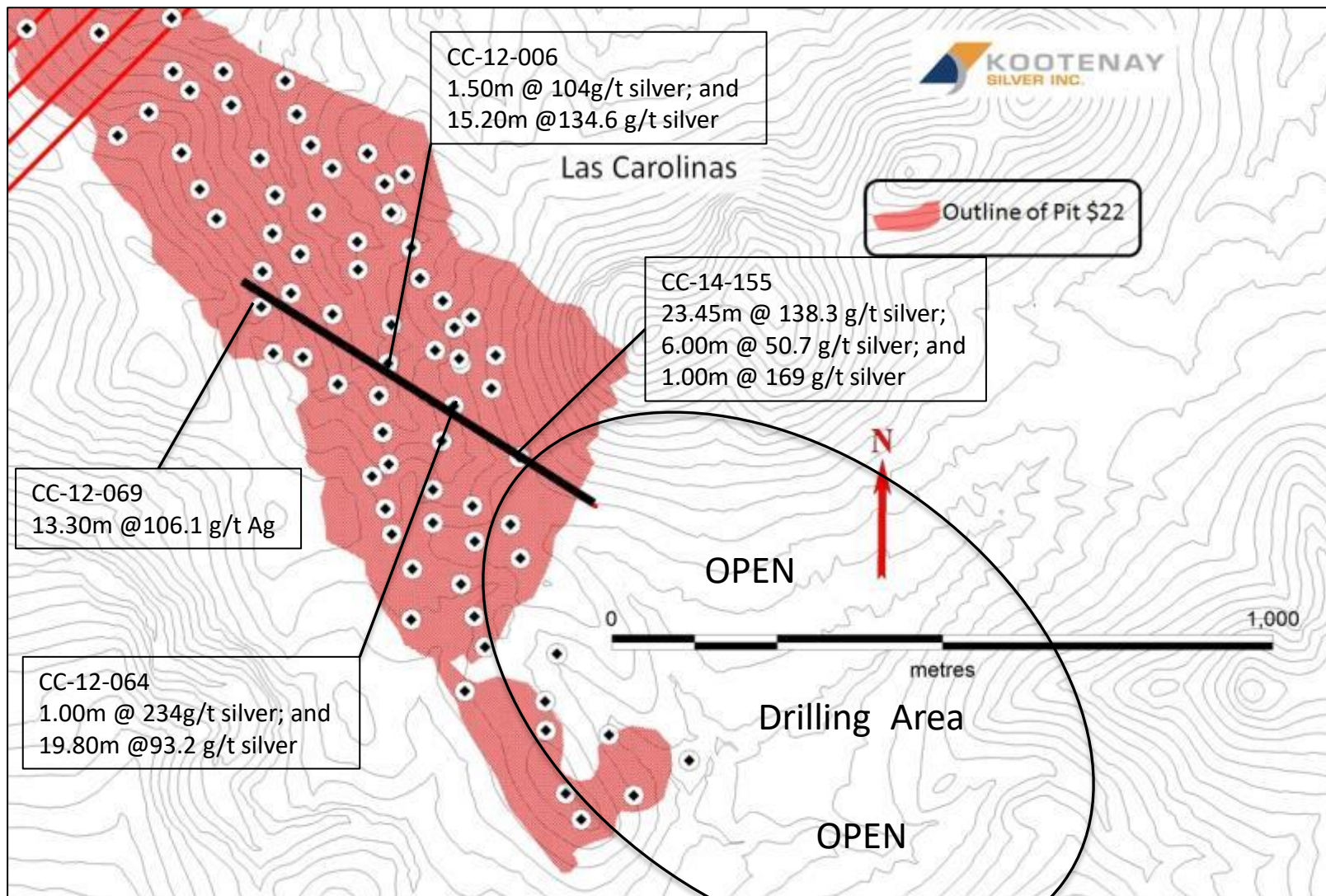


# LA CIGARRA RESOURCE UPSIDE WHY WE THINK IT WILL GET BIGGER

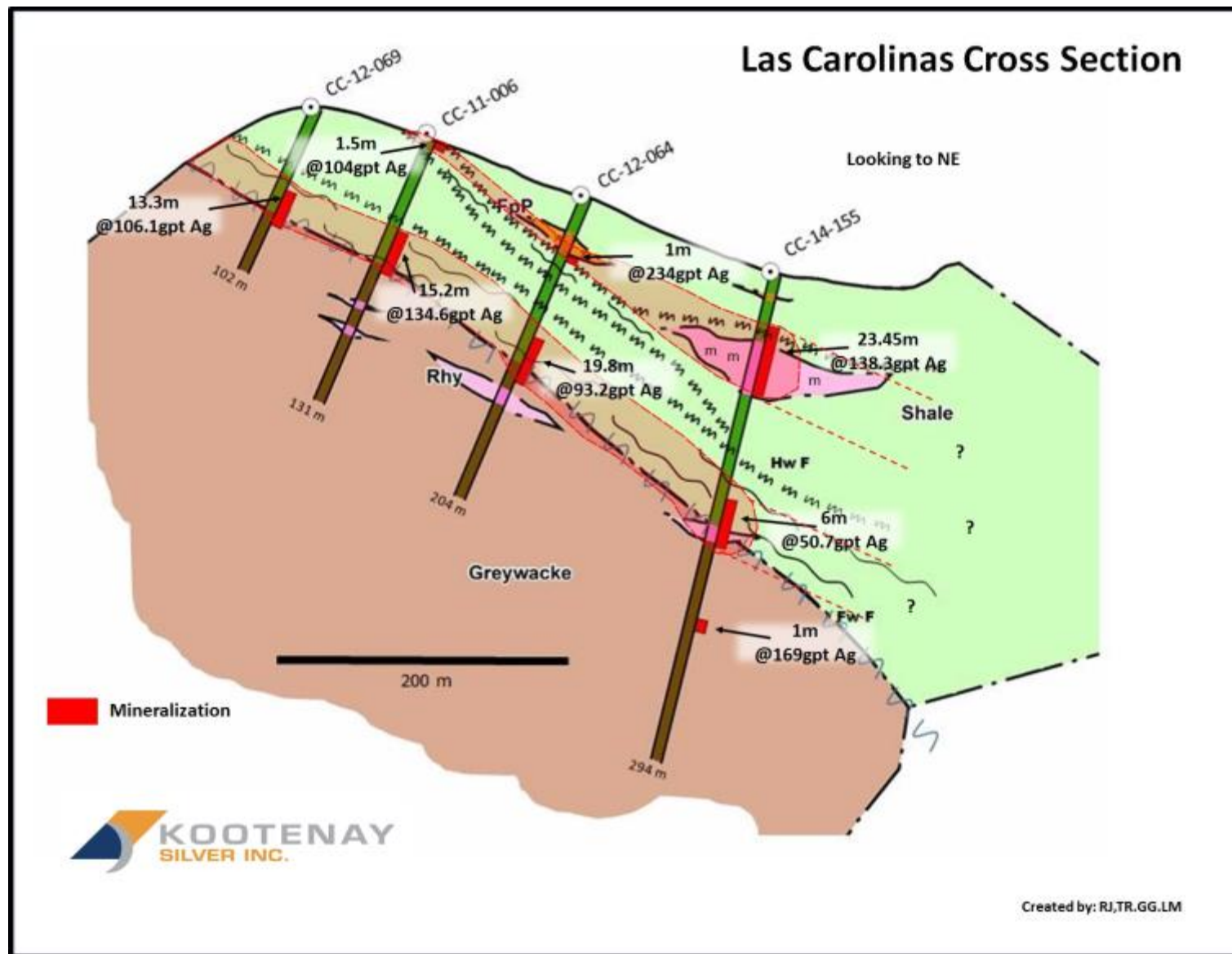
La Cigarra Project showing size of anomalous area with 8 of 11 peripheral areas



# LAS CAROLINAS ZONE – DRILL PLAN

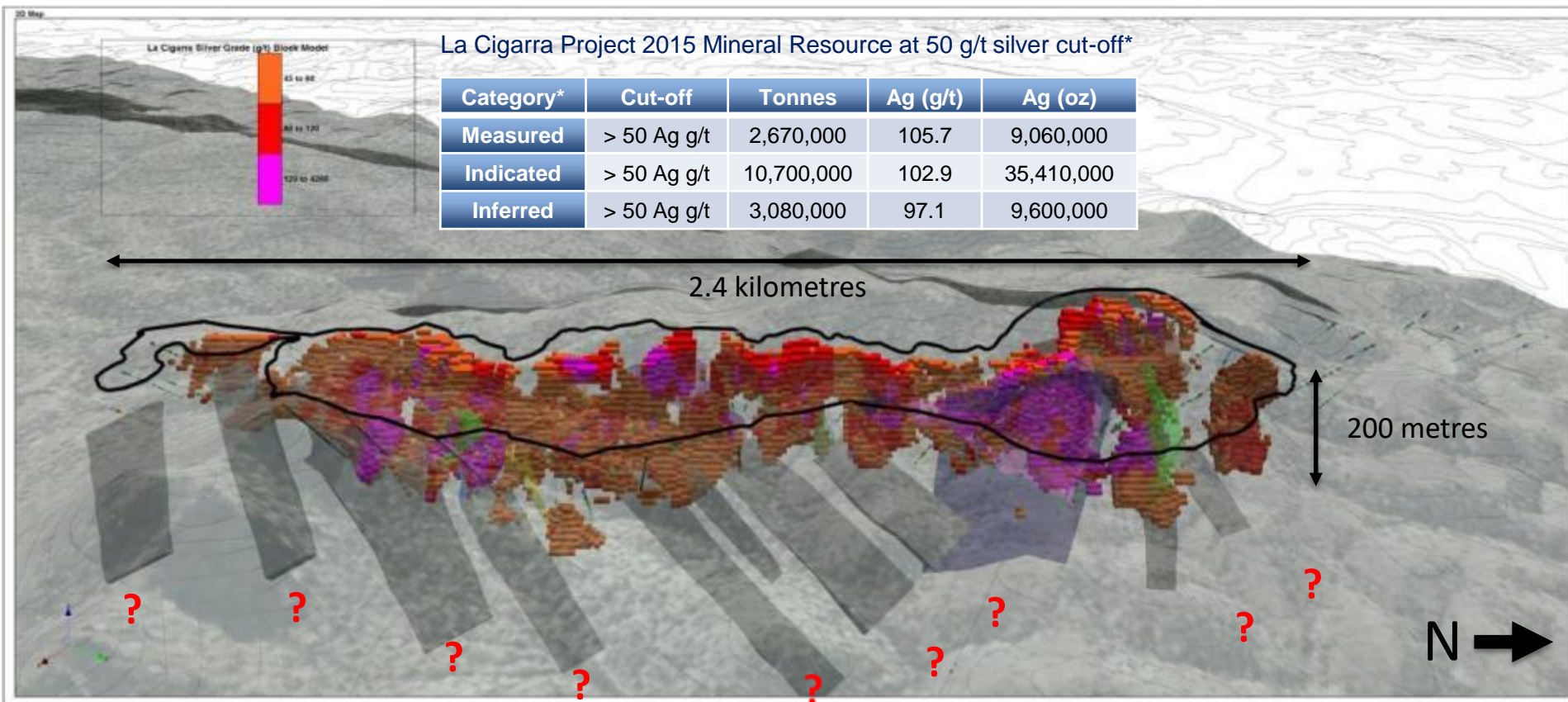


# LAS CAROLINAS – CROSS SECTION



# 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)



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.

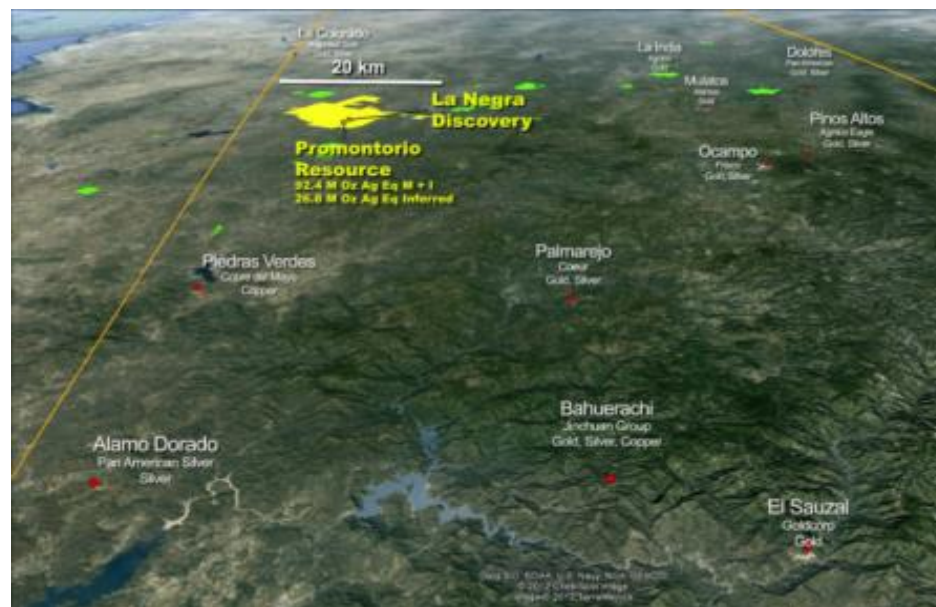
# LA CIGARRA DEVELOPMENT INITIATIVES



- REMODEL RESOURCE with objective to improve grade and define higher silver grade drill targets;
- DRILLING along extension of La Cigarra deposit (up to 7,500m);
- DRILL Peripheral Targets (up to 7,500m);
- Update Resource Estimate; and
- Set timeline of Preliminary Economic Assessment.

# 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

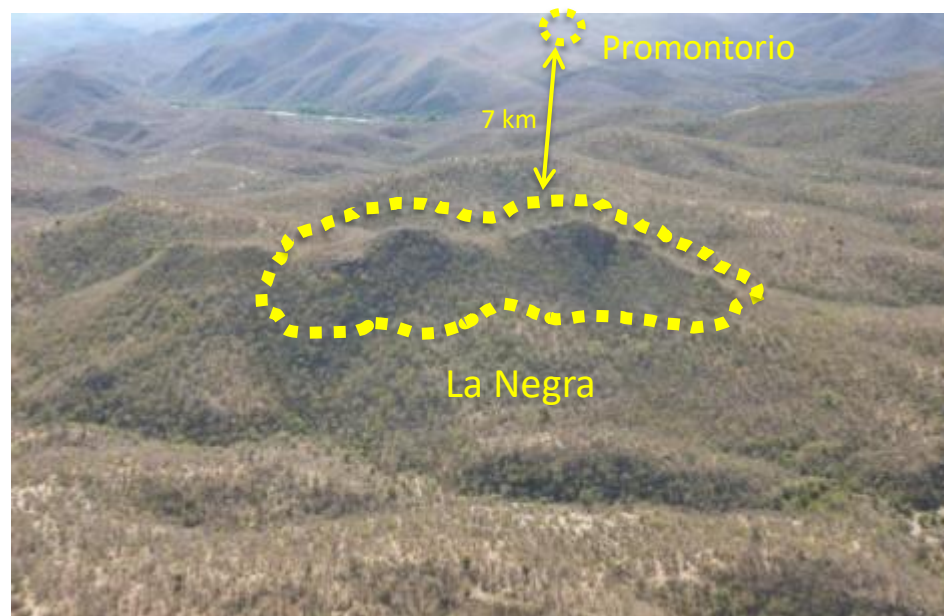


Promontorio (2013)*	Tonnage	Grade	Contained
<b>In-Pit Resources</b>			
• M&I	44.5 Mt	64.3 g/t AgEq	92.0 Moz AgEq
• Inferred	14.6 Mt	52.0 g/t AgEq	24.3 Moz AgEq
<b>Underground Potential</b>			
• M&I	0.2 Mt	57.0 g/t AgEq	0.4 Moz AgEq
• Inferred	1.3 Mt	61.1 g/t AgEq	2.5 Moz AgEq

\* "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

- 6,500 meters planned for 2017 with June start up
- 6,800 meters over 31 holes drilled to date by PAAS
- High-grade silver intercepts to 300m vertically from surface
- Open Pit Low Cost Potential
- Surface footprint of ~500m x 200m
- Metallurgy indicates potential for leach extraction in 80 to 90% range

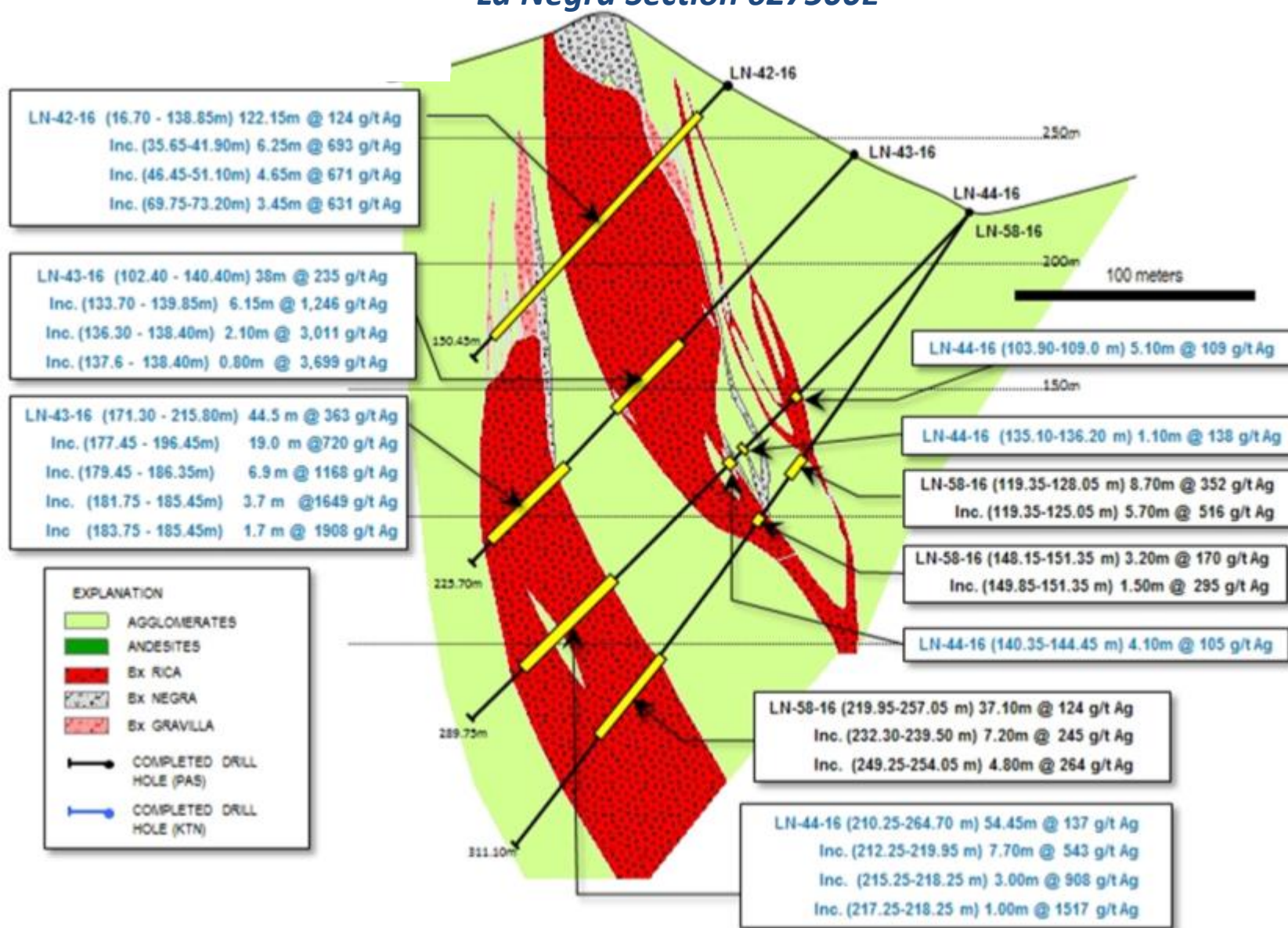


## High-grade drill results to date

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

# LA NEGRA CROSS SECTION

## La Negra Section 627500E



# KOOTENAY - PAN AMERICAN (PAS) 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<sup>(1)</sup>

<sup>(1)</sup> 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.

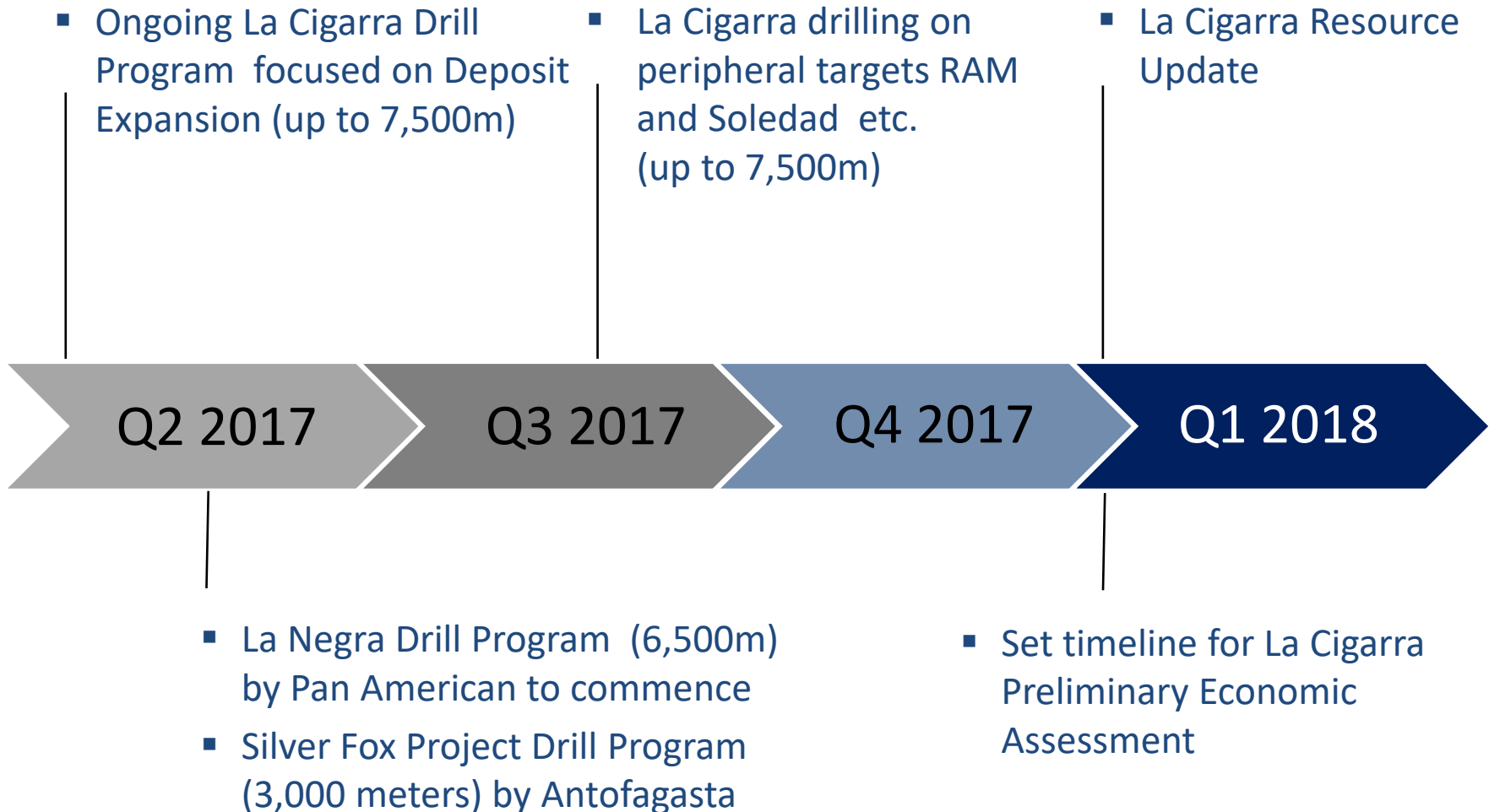
# PROSPECT GENERATOR PORTFOLIO



Canada	Exploration Properties	Optioned Properties
	Copley Spike's Big Adventure Walter the Water Buffalo Connors Creek	Silver Fox – Antofagasta 2X Fred, Fox – Theia Resources Mark - Antofagasta
<hr/>		
Mexico	Exploration Properties	Optioned Properties
	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 AND CATALYSTS



# KOOTENAY – WHY INVEST?



- ✓ STRONG POTENTIAL FOR VALUE RE-RATING
- ✓ SIGNIFICANT LEVERAGE TO SILVER PRICE
- ✓ TOP TIER JUNIOR OWNED SILVER ASSETS
- ✓ 3 DRILL PROGRAMS TO EXPAND SILVER RESOURCES
- ✓ RESOURCE UPDATE AT LA CIGARRA SILVER DEPOSIT
- ✓ PATH TO PRODUCTION AT PROMONTORIO & LA NEGRA PROJECTS
- ✓ LARGE PORTFOLIO OF GENERATIVE PROPERTIES
- ✓ DISCOVERY UPSIDE ON JOINT VENTURED PROPERTIES

# CONTACT US



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## 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
<b>Meas + Ind</b>	<b>18,540,000</b>	<b>86.3</b>	<b>0.069</b>	<b>0.13</b>	<b>0.18</b>	<b>51,470,000</b>	<b>41,000</b>	<b>53,870,000</b>	<b>74,770,000</b>
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



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
	<b>M+I</b>	<b>44,504</b>	<b>64.32</b>	<b>27.77</b>	<b>0.35</b>	<b>0.40</b>	<b>0.47</b>	<b>92,035</b>	<b>39,740</b>	<b>506</b>	<b>392,907</b>	<b>459,619</b>
	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
	<b>M+I</b>	<b>215</b>	<b>56.96</b>	<b>22.89</b>	<b>0.28</b>	<b>0.40</b>	<b>0.55</b>	<b>393</b>	<b>158</b>	<b>2</b>	<b>1,913</b>	<b>2,591</b>
	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.

<sup>1</sup> Open pit resources stated as contained within a potentially economically minable pit shell;

<sup>2</sup> 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)

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

<sup>4</sup> Silver equivalency is based on unit values calculated from the above metal prices, and assumes 100% recovery of all metals; and

<sup>5</sup> Mineral resource tonnage and contained metal have been rounded to reflect the accuracy of the estimate, and numbers may not add due to rounding.

# CONTACT US



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