



TSX.V: KTN  
OTC: KOOYF

# SILVER IN MEXICO

PRECIOUS METALS SUMMIT – ZURICH  
CORPORATE PRESENTATION | NOVEMBER 2017

# 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.

Cautionary Note to US Investors: This presentation may contain information about adjacent properties on which we have no right to explore or mine. We advise U.S. investors that the SEC’s mining guidelines strictly prohibit information of this type in documents filed with the SEC. U.S. investors are cautioned that mineral deposits on adjacent properties are not indicative of mineral deposits on our properties. This presentation may contain forward-looking statements including but not limited to comments regarding the timing and content of upcoming work programs, geological interpretations, receipt of property titles, potential mineral recovery processes, etc. Forward-looking statements address future events and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

## **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 Underway
- ✓ **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

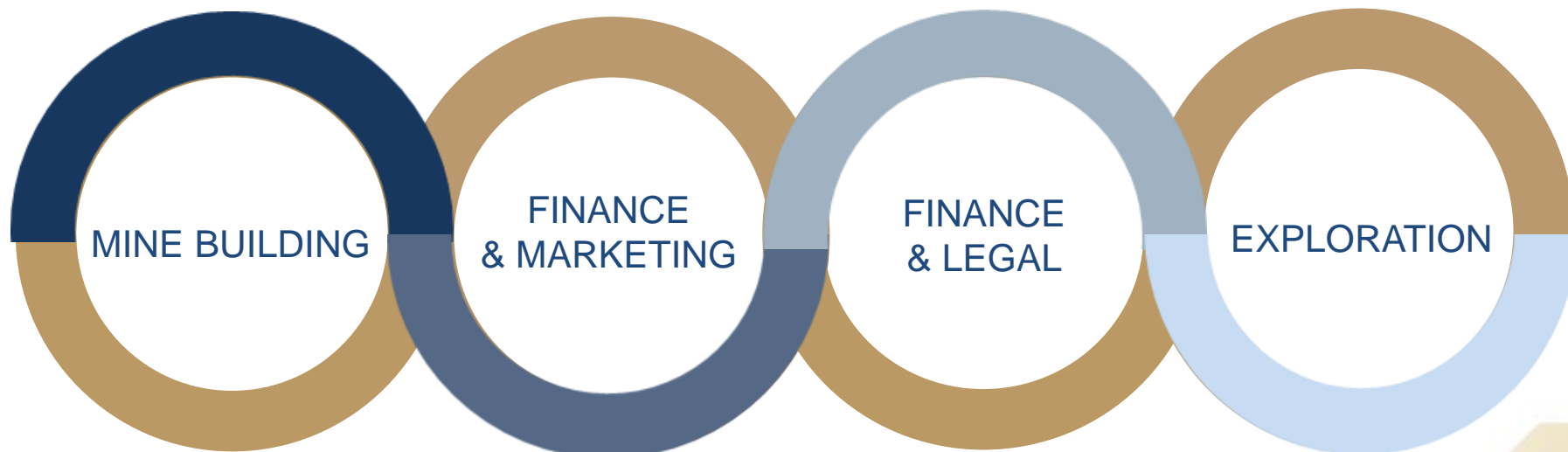
Exchange (Tier 1)	TSX.V (“KTN”)
Issued & Outstanding <sup>(1)</sup>	174.69m
Options	15.34m
Warrants (TSX.V: KTN.WT)	26.87m
Fully Diluted <sup>(1)</sup>	216.90m
Current Market Cap <sup>(1)</sup>	~C\$34.06m
KTN (shares 52-week High/Low)	C\$0.475/\$0.175
Average Daily Volume <sup>(1)</sup>	~182,000 (Average daily volume last 90 days)
Cash Position	~C\$4.38m - (Cash Position as of June 30, 2017)
KTN.WT (52 week High/Low)	C\$0.30/\$0.11
Average Daily Volume <sup>(1)</sup>	~13,000 (Average daily volume last 90 days)
Key Shareholders	Pan American Silver (10%)
	Management & Directors (11%)
	Condire, Coeur Mining, Agnico Eagle, Gold 2000 (8 - 4%)

<sup>(1)</sup> As at November 1, 2017

# 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)



# 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**    ▪ **DRILLING PROGRAM UNDERWAY** (~7,500m)    **PROGRAM 1**  
▪ FOCUS ON NEW DISCOVERIES  
▪ RESOURCE EXPANSION

**LA NEGRA/**    ▪ **DRILLING UNDERWAY** Pan American (~4,000m)    **PROGRAM 2**  
**PROMONTORIO** ▪ MAIDEN RESOURCE CALCULATION on LA NEGRA

**GENERATIVE**    ▪ SILVER FOX, BC, Canada: Antofagasta PLC;    **PROGRAM 3**  
**PORTFOLIO**    **DRILLING UNDERWAY** (~3,000m)  
▪ CERVANTES, Sonora, Mexico: Aztec Minerals;    **PROGRAM 4**  
   **DRILL PROGRAM BEGINING Q4/2017**

***Focused On Resource Growth, Project Development & New Discoveries***

# CORE ASSETS – MEXICO

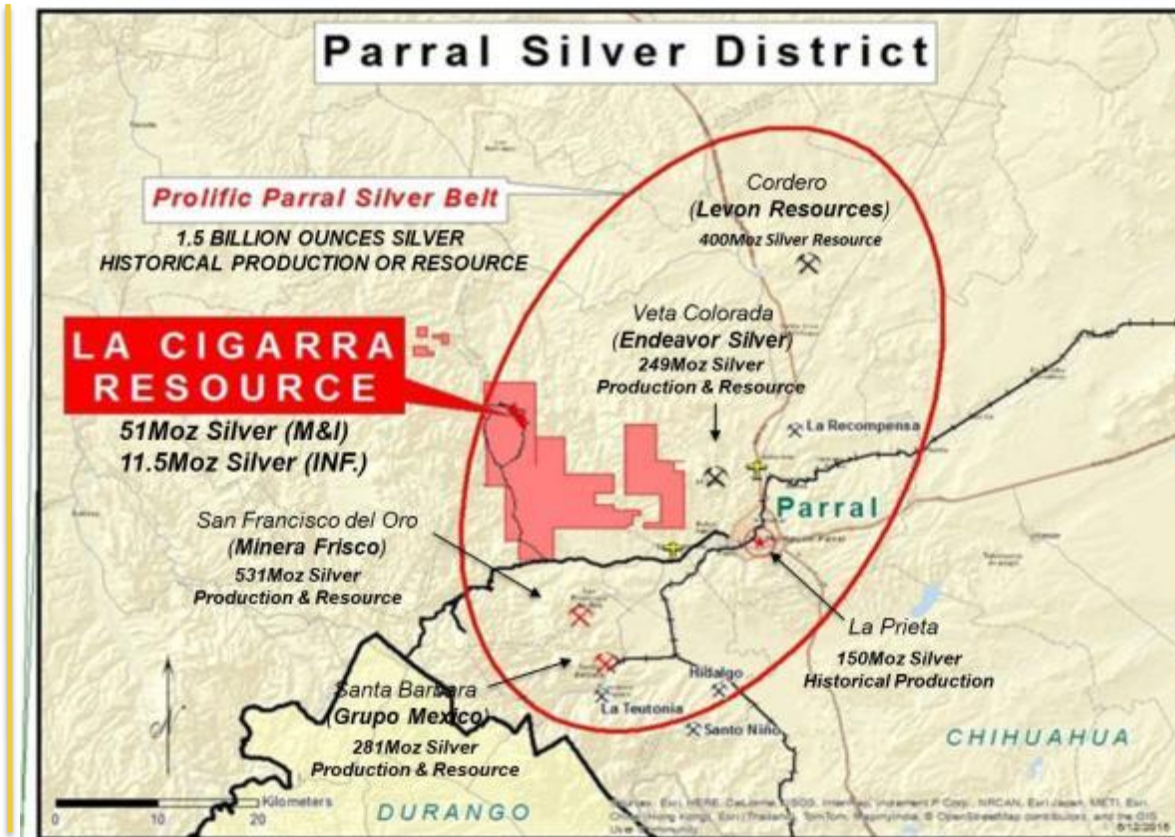




# LA CIGARRA LOCATION

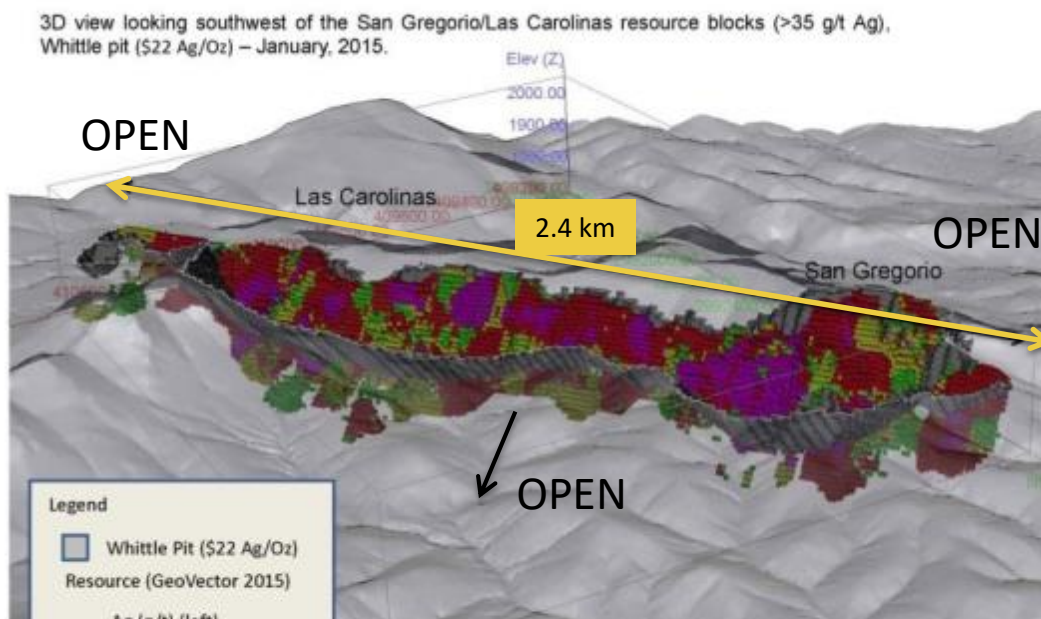
## *“PROLIFIC PARRAL SILVER DISTRICT”*

- La Cigarra located in the Parral Silver District, Chihuahua State, Mexico
- Over 800 million ounces of silver produced from Santa Barbara & San Francisco del Oro Mines...only 15 and 20km south and on trend
- The Parral mining district continues to discover Resources and mine deposits after 450 years



## “WHY WE THINK IT WILL GET BIGGER”

- Under explored 18,000 hectare land package
- La Cigarra deposit is open in three directions
- Continuous and Contiguous 9km silver trend
- 5 peripheral zones
- Two drill discoveries in last 12 months to follow up
- Location in one of Mexico’s top silver producing districts.

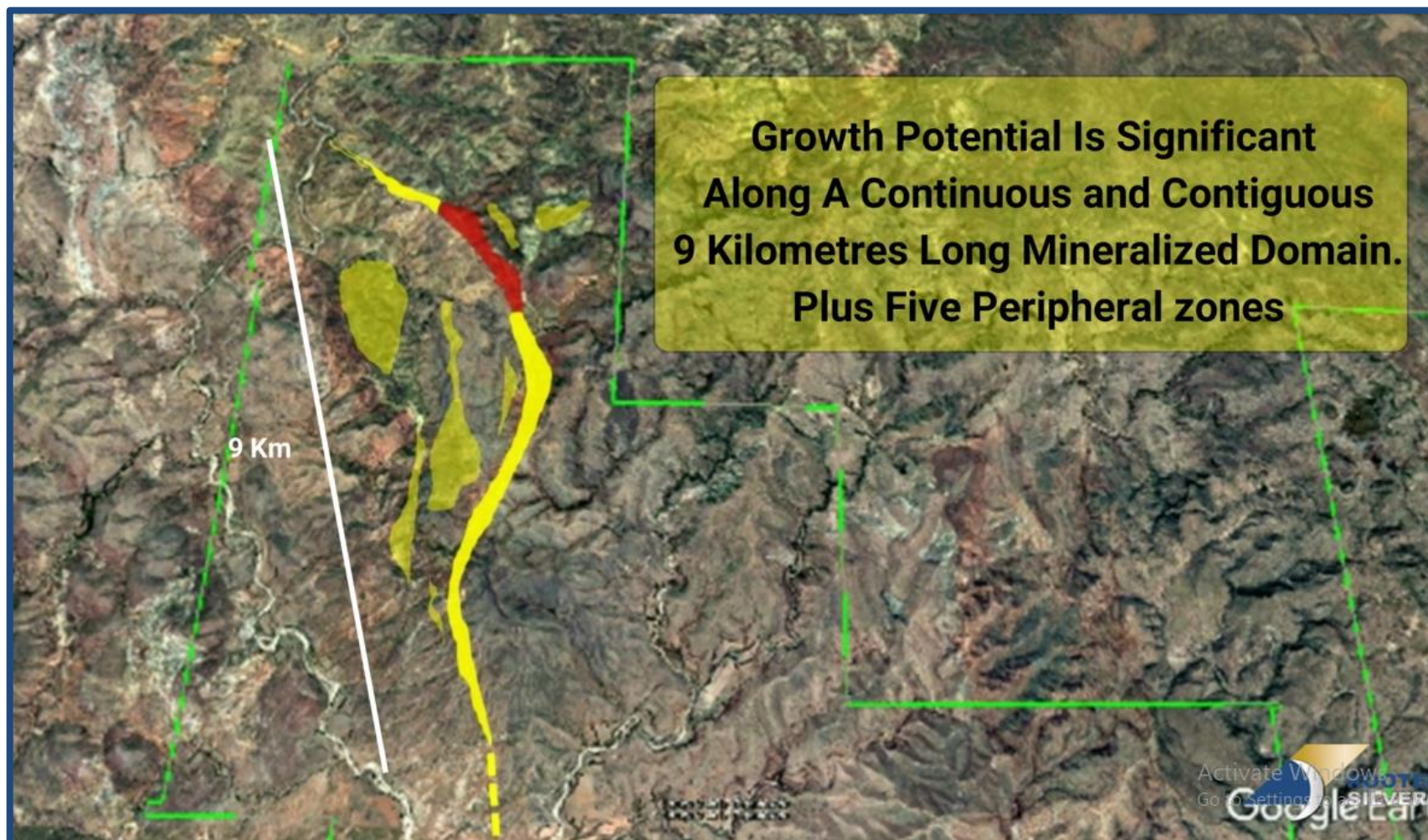


La Cigarra (2015)*	Tonnage	Grade	Contained
<b>Resources</b>			
• M&I	18.5 Mt	86.3 gpt Ag	51.5 Moz Ag
• Inferred	4.5 Mt	80.0 gpt Ag	11.5 Moz Ag

\* 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.



# SIGNIFICANT GROWTH POTENTIAL

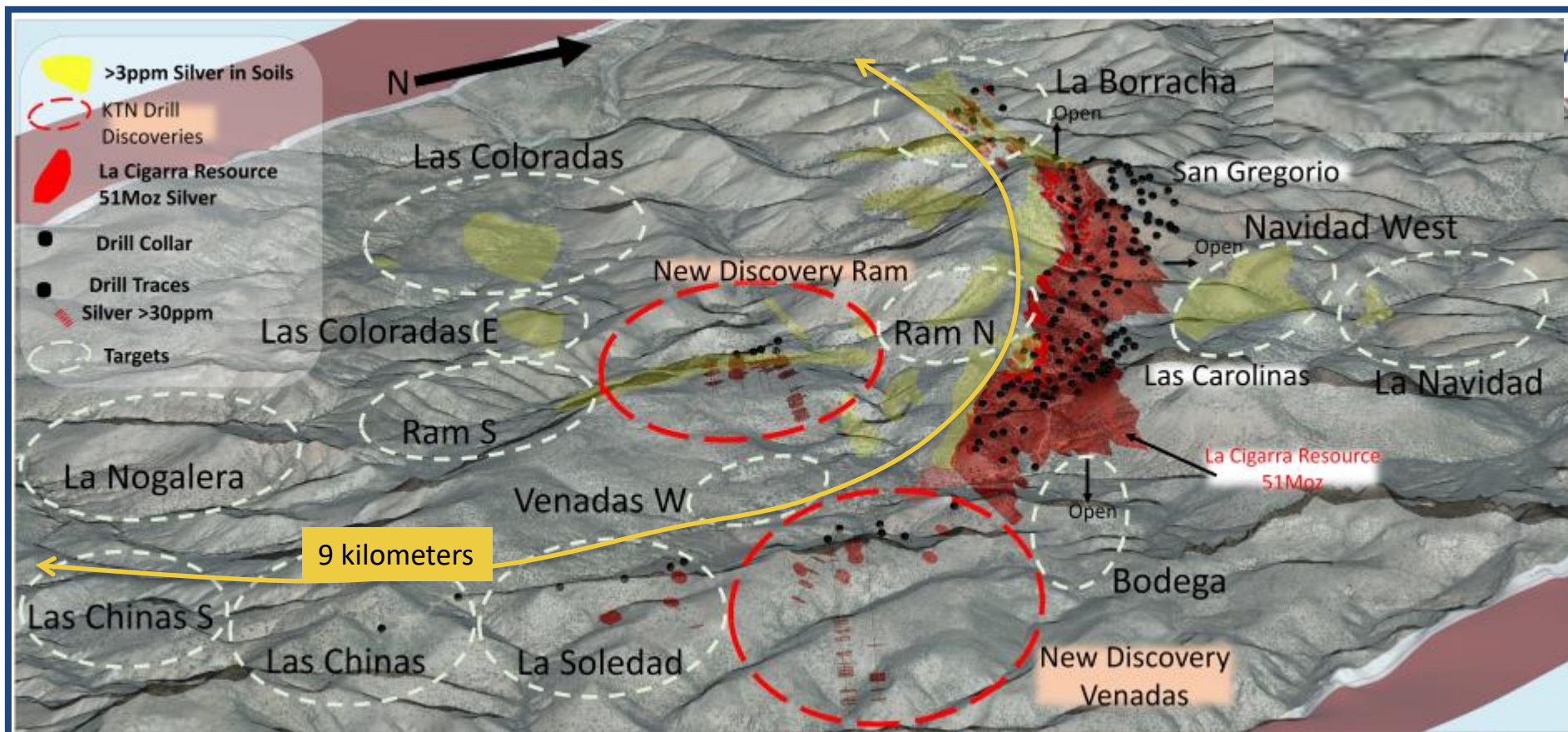




# MULTIPLE EXPLORATION TARGETS

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SILVER INC

## Two New Drill Discoveries At Ram and Las Venadas

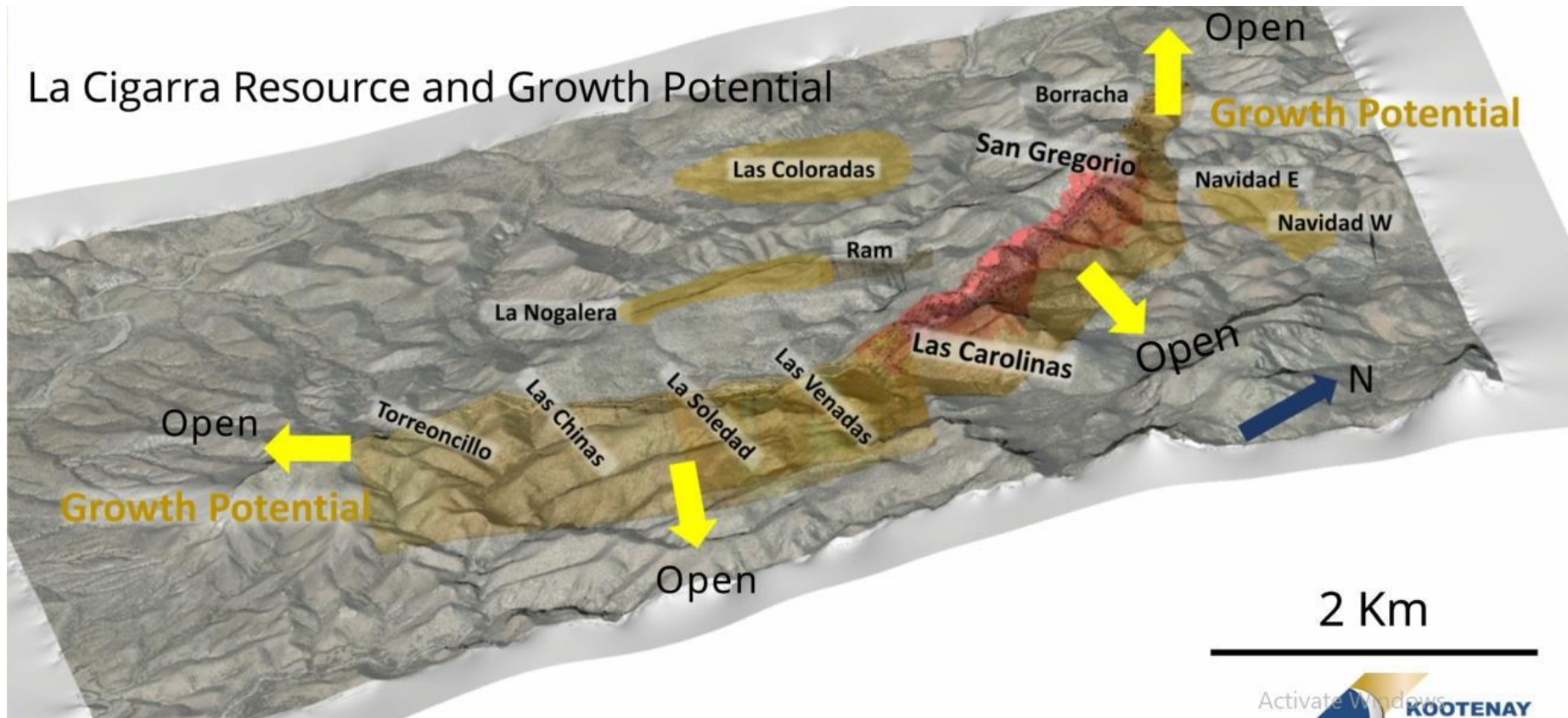


RAM Zone Intercepts:  
89.83 gpt silver over 18.0m incl.  
190.50 gpt silver over 3.0m

Venadas Zone Intercepts:  
91.32 gpt silver over 29.5m; incl.  
123.24 gpt silver over 19.25m

# Resource Growth Potential

Resource (in Red) Within 9km Mineralized Domain (In Gold) Plus 5 Peripheral Zones



RAM Zone Intercepts:  
89.83 gpt silver over 18.0m incl.  
190.50 gpt silver over 3.0m

Venadas Zone Intercepts:  
91.32 gpt silver over 29.5m; incl.  
123.24 gpt silver over 19.25m

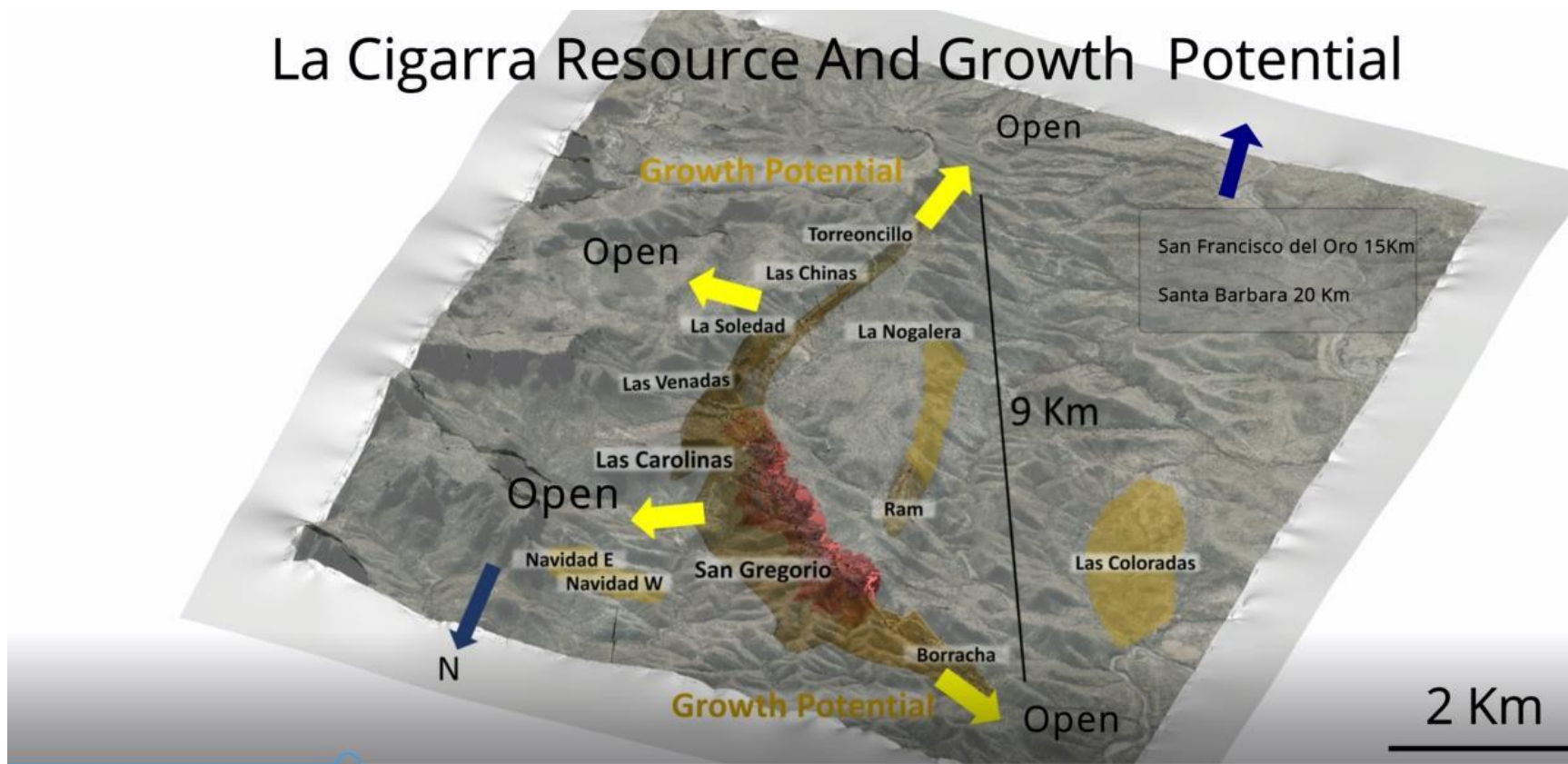


# RESOURCE GROWTH POTENTIAL

**KOOTENAY**  
SILVER INC

One Continuous And Contiguous Mineral Domain Connects All Zones From La Borracha To Torreoncillo - Including The Resource

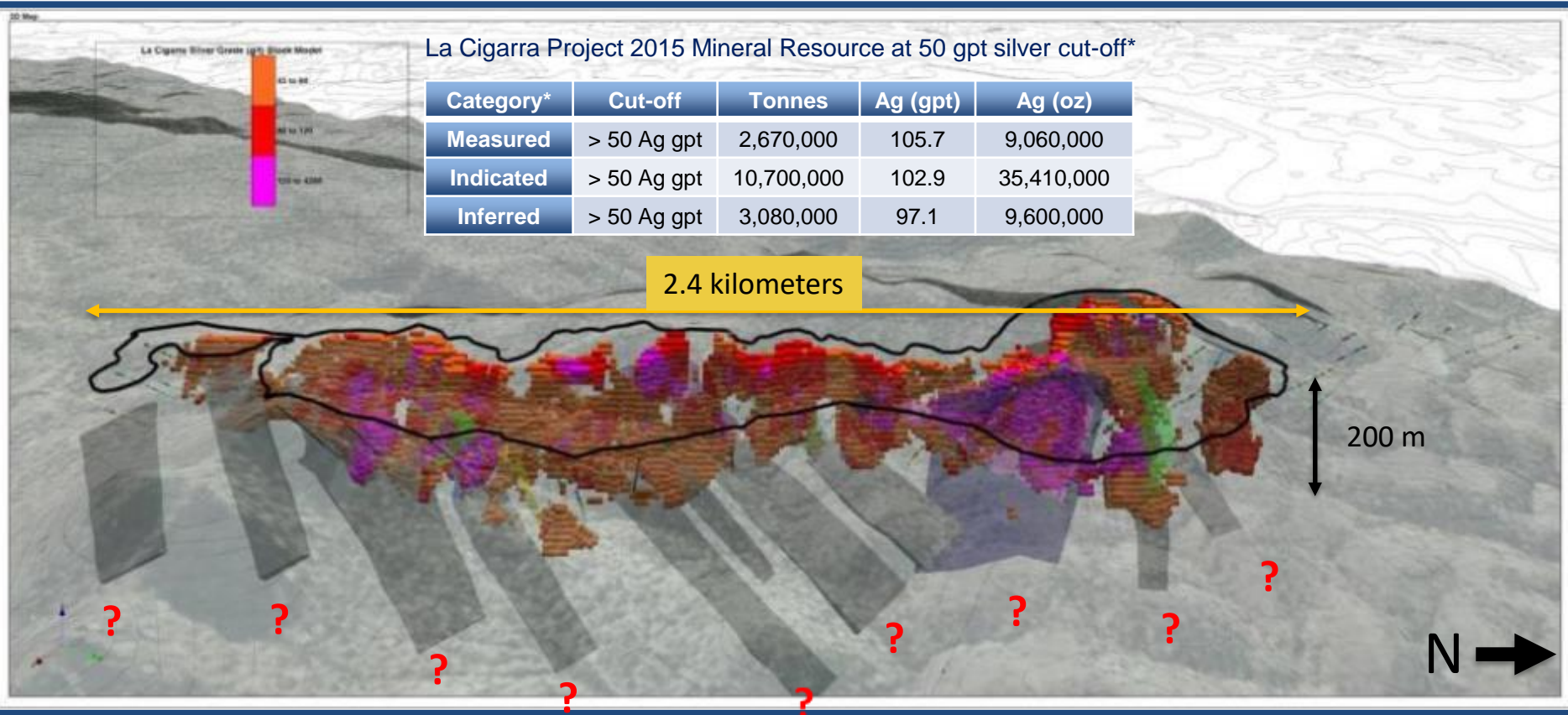
## La Cigarra Resource And Growth Potential





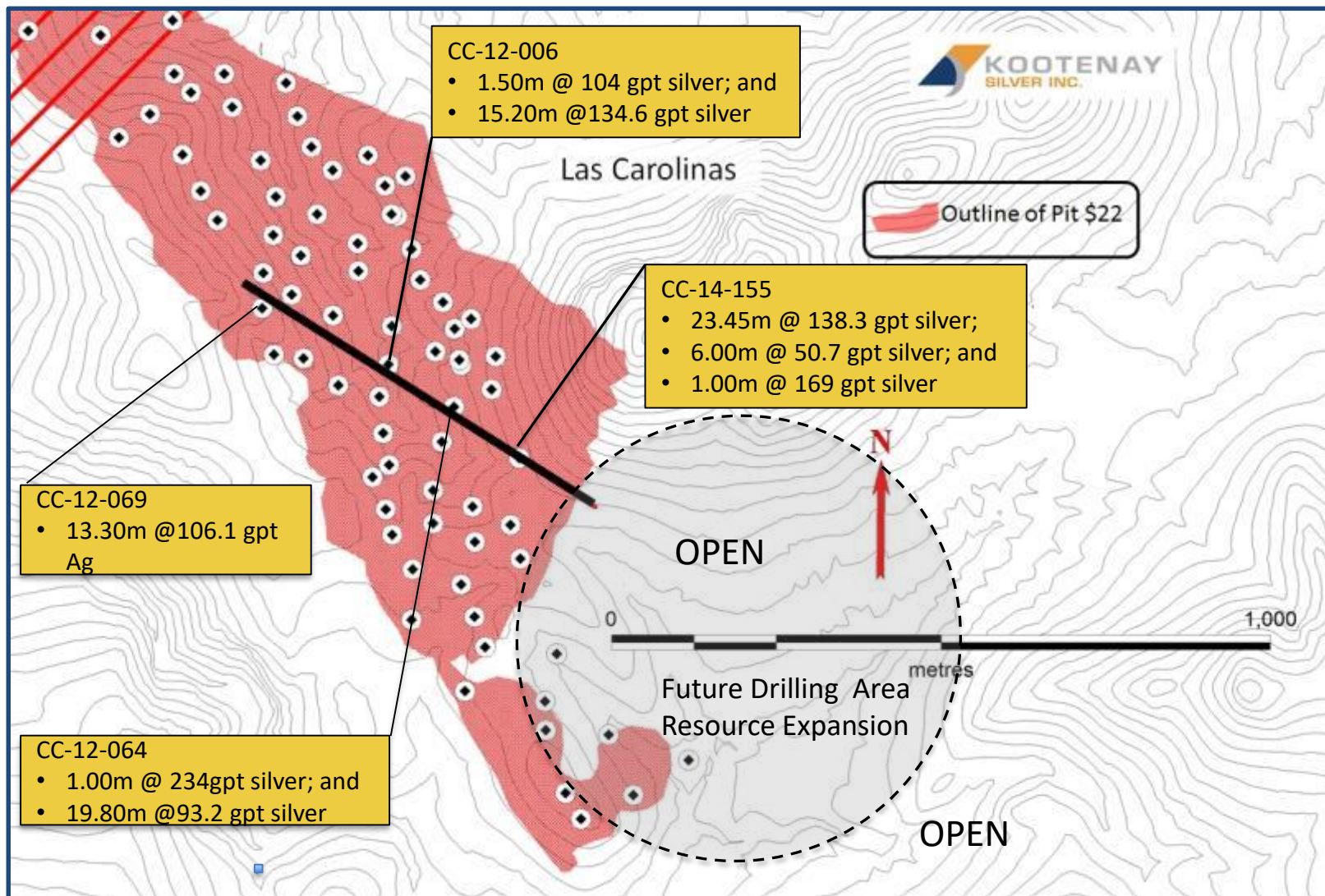
# OPPORTUNITY FOR HIGHER GRADES

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

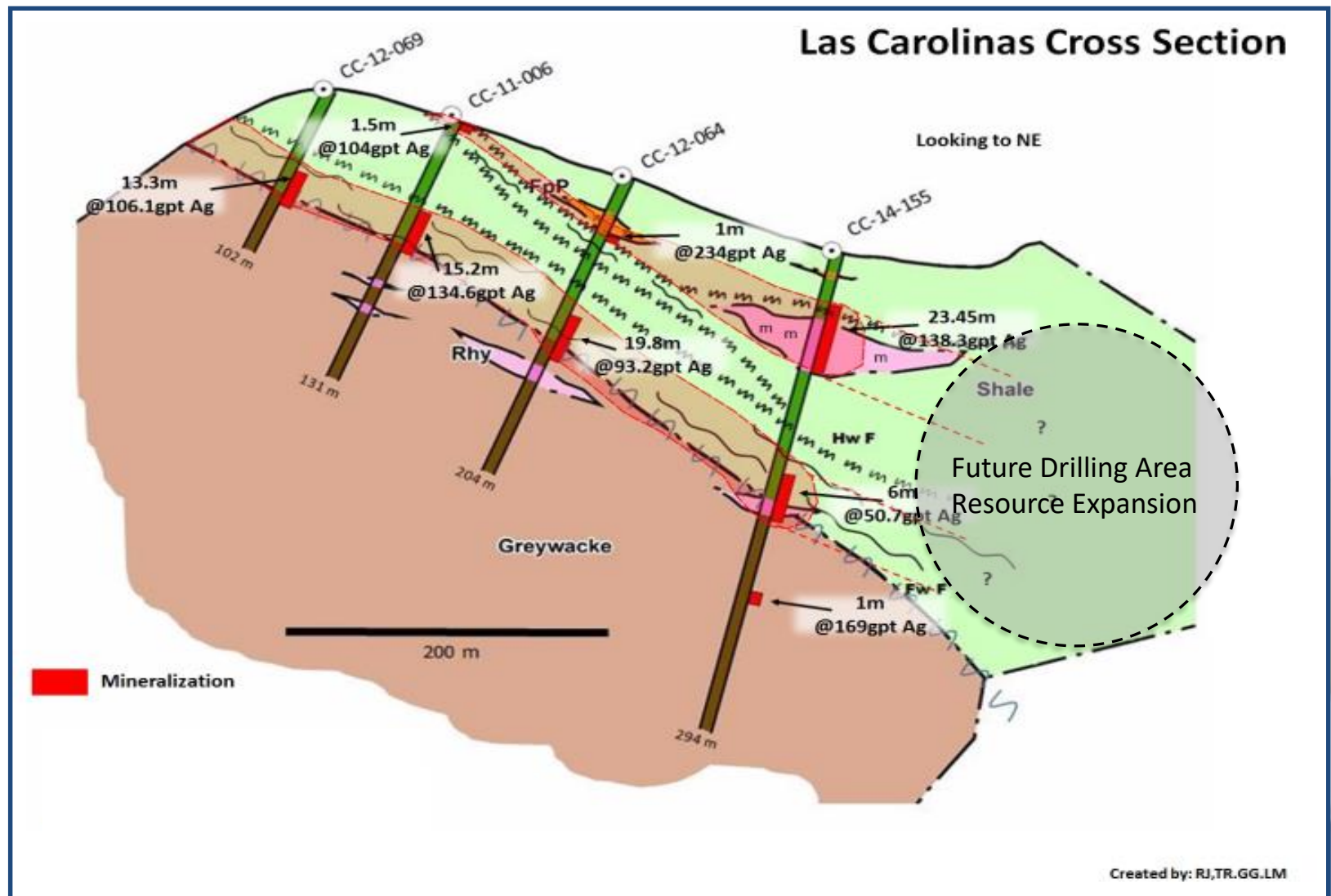


Note: \* Values in this table are reported in relation to a conceptual pit shell at a \$22/oz silver price and for cut-off grades above 35 gpt silver should not be misconstrued with a Mineral Resource Statement. The figures are only presented to show the sensitivity of the block model estimates to the 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.

# LAS CAROLINAS ZONE – DRILL PLAN



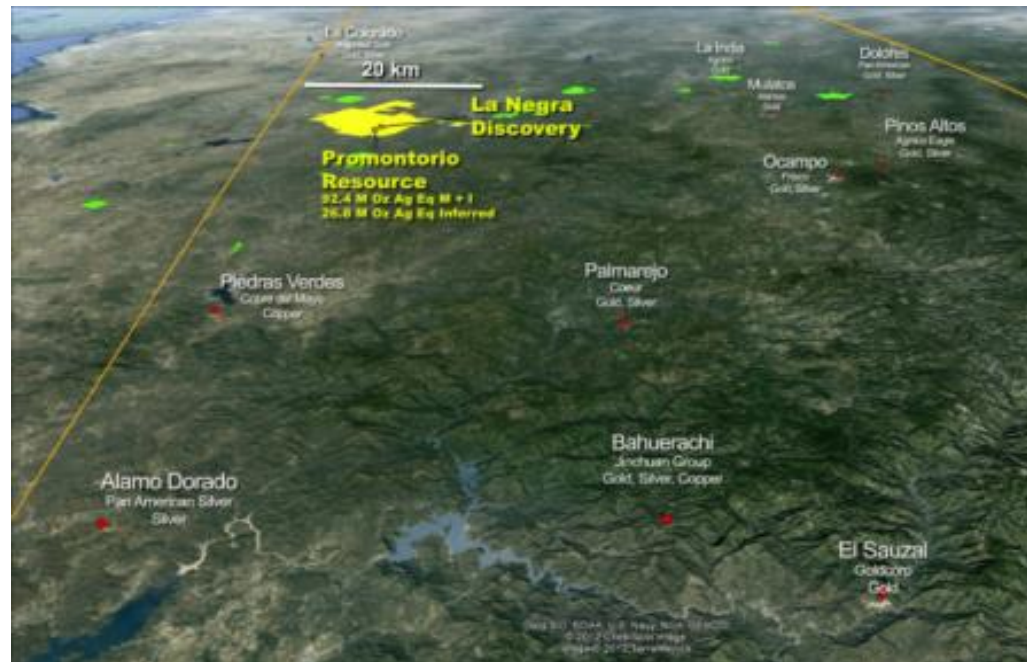
# LAS CAROLINAS – CROSS SECTION





# 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

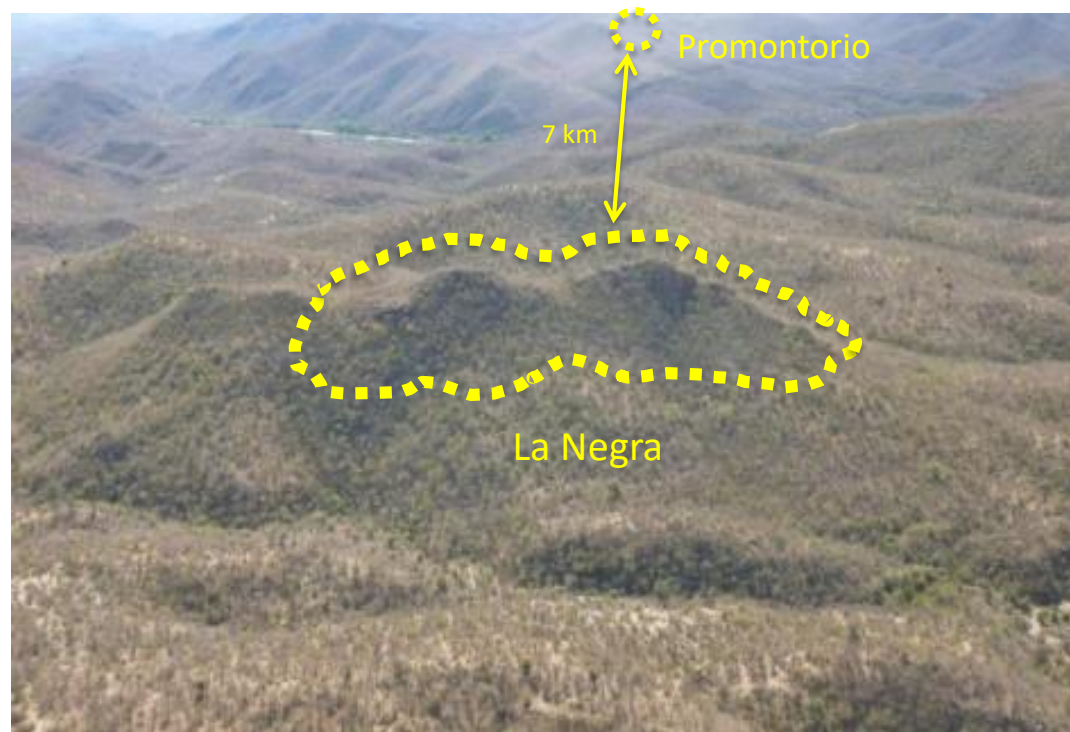


Promontorio (2013)*	Tonnage	Grade	Contained
<b>In-Pit Resources</b>			
• M&I	44.5 Mt	64.3 gpt AgEq	92.0 Moz AgEq
• Inferred	14.6 Mt	52.0 gpt AgEq	24.3 Moz AgEq
<b>Underground Potential</b>			
• M&I	0.2 Mt	57.0 gpt AgEq	0.4 Moz AgEq
• Inferred	1.3 Mt	61.1 gpt AgEq	2.5 Moz AgEq

\* "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
- **4,000m 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

**KOOTENAY**  
SILVER INC

## 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
  - 3 DRILL PROGRAMS UNDERWAY; 4<sup>TH</sup> COMMENCING IN Q4/2017
  - 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
<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.*

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
	<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.

## *“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.



# LA NEGRA CROSS SECTION

## La Negra Section 627500E

