



SILVER ASSET DEVELOPMENT NEW DISCOVERIES CONSOLIDATION

PROMONTORIO



LA NEGRA



LA CIGARRA



FORWARD LOOKING STATEMENTS

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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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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.

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INVESTMENT HIGHLIGHTS

LARGE DIVERSIFIED RESOURCE BASE

- +144 Moz AgEq M&I with 35Moz Ag Eq Inf. – provides strong leverage to silver price

CAPITAL STRUCTURE

- \$8M cash to execute business plan over next 12 to 18 months
- Strategic shareholders: Pan American, Coeur, Agnico, Gold 2000, Sprott

PATH TO PRODUCTION – FUTURE CASH FLOW

- Promontorio & La Negra optioned to Pan American Silver – Carried to Production Interest

DISCOVERY UPSIDE

- Creating value with the drill bit on highly prospective green field targets
- Aggressive drilling and development plan underway at La Cigarra & La Negra
- Discovery through multiple joint ventures partners with PROSPECT GENERATOR PORTFOLIO

PLATFORM FOR AGGRESSIVE GROWTH

- Continued pursuit of other acquisition/ consolidation opportunities



MILESTONES - PAST 36 MONTHS

- 2013Q2 - UPDATED RESOURCE CALCULATION ON PROMONTORIO - 92Moz AgEq in M&I categories with 24.3Moz AgEq INF.
- 2014Q3 - DRILLING CONFIRMS 2nd NEW SIGNIFICANT SILVER DISCOVERY ON PROMONTORIO MINERAL BELT – (La Negra Silver Discovery)
- 2015Q1 - ACQUIRES 52 Moz Ag M+I and 11 Moz Ag Inf. - Merger with Northair Silver; Creating A Leading Mexican Silver Consolidator
- 2016Q1 - PATHWAY TO PRODUCTION – Options Promontorio Mineral Belt to Pan American; KTN retains 25 % CARRIED TO PRODUCTION INTEREST
- 2016Q2 - ACQUIRES 2.5% NSR from Coeur Capital on La Cigarra Project
- 2016Q3 - Pan American Begins 3,400m Drill Program on La Negra
- 2016Q3 - CLOSES C\$6M in Financings – Includes Participation by Pan American to maintain 10% Interest
- 2016Q3 - INITIATES 3,000m Drill Program at La Cigarra Silver Project

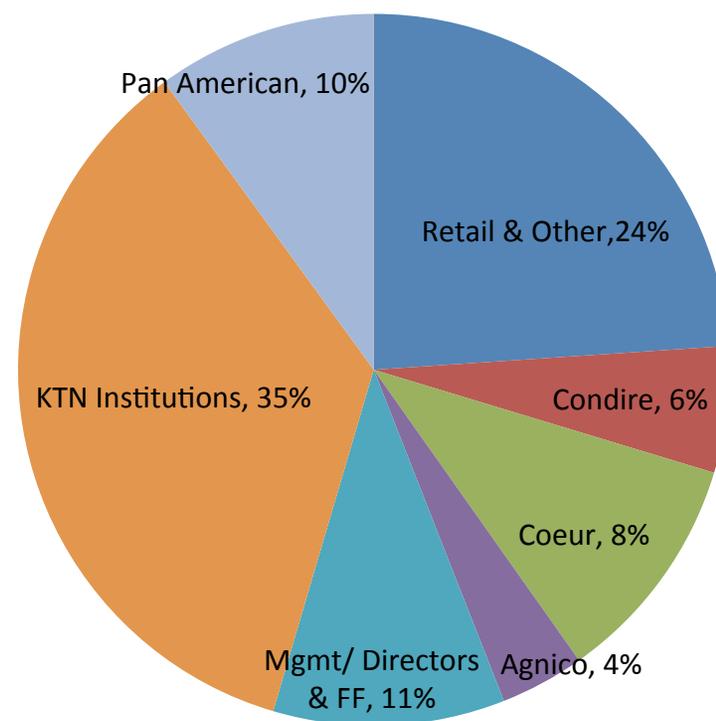
GOALS - NEXT 18 MONTHS

- RESOURCE EXPANSION
 - Drilling underway at La Cigarra and La Negra – Results Pending
 - Drilling scheduled to test 12 targets at La Cigarra and La Negra
- RESOURCE UPDATE on La Cigarra with Initial Resource on La Negra
- ECONOMIC ASSESSMENT on La Cigarra
- RESOURCE ADDITION via acquisition/consolidation
- ATTAIN new high impact early stage projects via prospect generation
- GENERATE RESULTS from Joint Venture Partners

CAPITAL STRUCTURE

Exchange (Tier 1)	TSX.V (“KTN”)
Issued & Outstanding ⁽¹⁾	173.92m
Options	9.66m
Warrants	61.03m
Fully Diluted ⁽¹⁾	244.61m
Current Market Cap ⁽²⁾	CAD ~\$81.74m
KTN (shares 52-week High/Low)	C \$0.60/ \$0.165
Average Daily Volume ⁽³⁾	~555,000
Cash Position	~\$8.0m

KTN.WT (Warrants 52 week High/Low)	C \$0.15/ \$0.40
Average Daily Volume ⁽³⁾	~20,577



⁽¹⁾ Shares issued and outstanding as at Sep. 9, 2016

⁽²⁾ Slide assumes closing price of C\$0.47 per share, Sep. 9, 2016

⁽³⁾ Average daily volume last 30 days

WELL ROUNDED BOARD AND MANAGEMENT TEAM FROM DISCOVERY TO OPERATIONS

MINE BUILDING

- James McDonald - Alamos
- Dick Whittington – Farallon
- Andrea Zaradic - Diamet

FINANCE & LEGAL

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

FINANCE & MARKETING

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

EXPLORATION

- Tom Richards - Teck, Mansfield, Newmont

CONSOLIDATION STRATEGY

CONSOLIDATION THESIS

- Purchasing silver resources at less than finding costs provides an efficient way to build a large resource base and leverage to silver price
- Opportunity to consolidate silver exploration & development assets among a highly fragmented peer group
- KTN's Projects provide a large resource base and upside in Mexico
 - 143Moz Ag Eq. of M+I and 35 Moz Ag Eq of Inferred with Good Upside - excluding La Negra⁽¹⁾

(1) Refer to slides 11 and 16 for the required NI 43-101 Technical disclosure related to breakdown of resources in the M, I and I categories, including tonnes, grades and metals. Which assumes 100% recovery of all metals.

CONSOLIDATION PRECEDENT

HISTORIC SECTOR PERFORMANCE



Pan American:
\$2.50/sh to \$41/sh

Silver Standard:
\$1.25/sh to \$37/sh

First Majestic:
\$0.05/sh to \$23/sh

- ***Kootenay is pursuing strategic acquisitions and partnerships in the current low silver price environment***

PROJECTS PROVIDE INTERGRADED PIPELINE FOR DISCOVERY, DEVELOPMENT & CONSOLIDATION

- DISCOVERY in prospect generator portfolio
- RESOURCE DEVELOPMENT at La Cigarra
- PATH TO PRODUCTION with carried interest at Promontorio & La Negra



La Negra:

- Exploration drill program
- Focus on resource expansion

Promontorio:

- Evaluating regional prospectivity



Prospect Generation Portfolio

La Cigarra:

- Drill program focused on resource expansion

Resource Definition

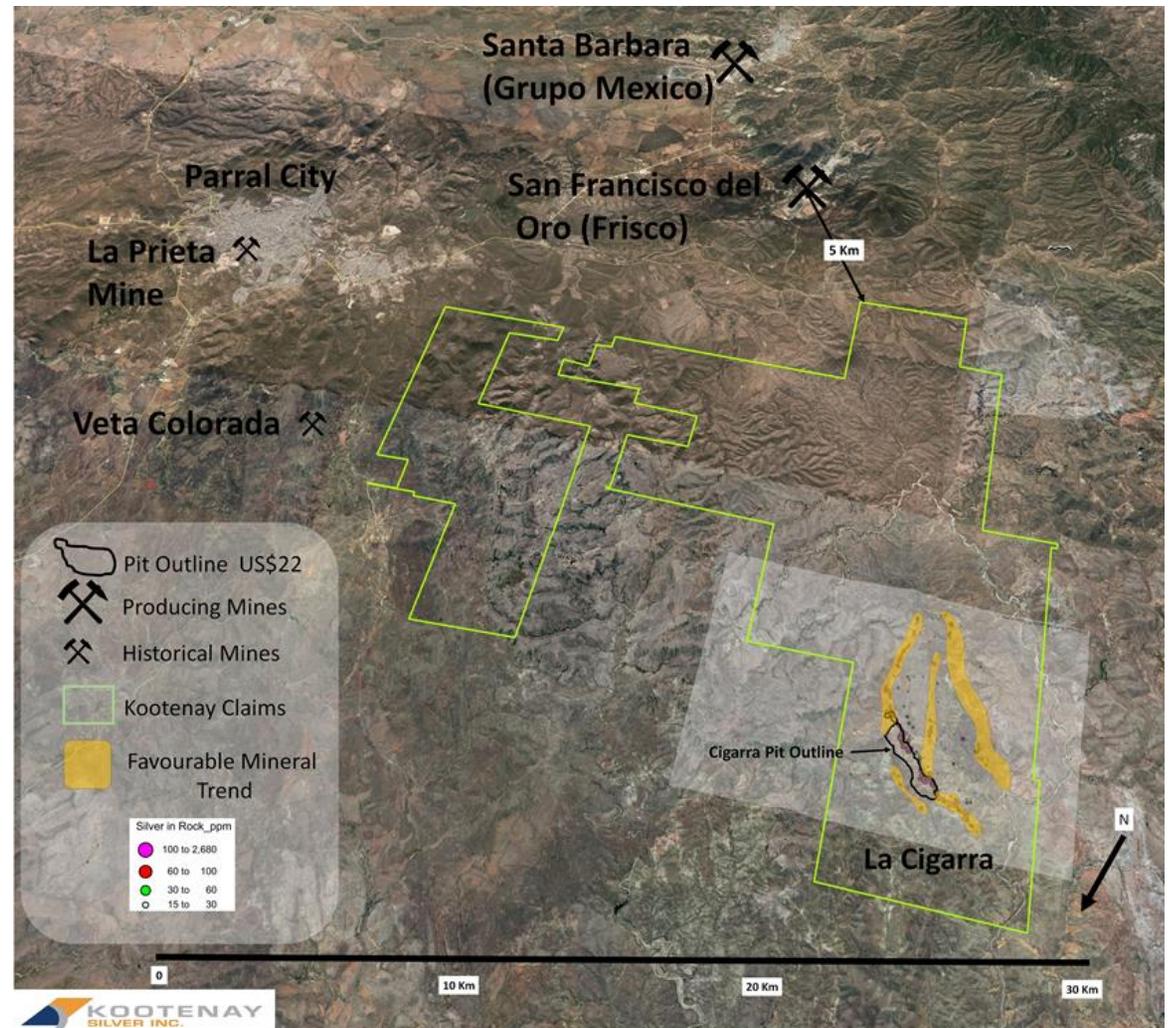
La Negra Development:

- Carried to Production Interest with Pan American Silver

Project Development

LA CIGARRA OVERVIEW

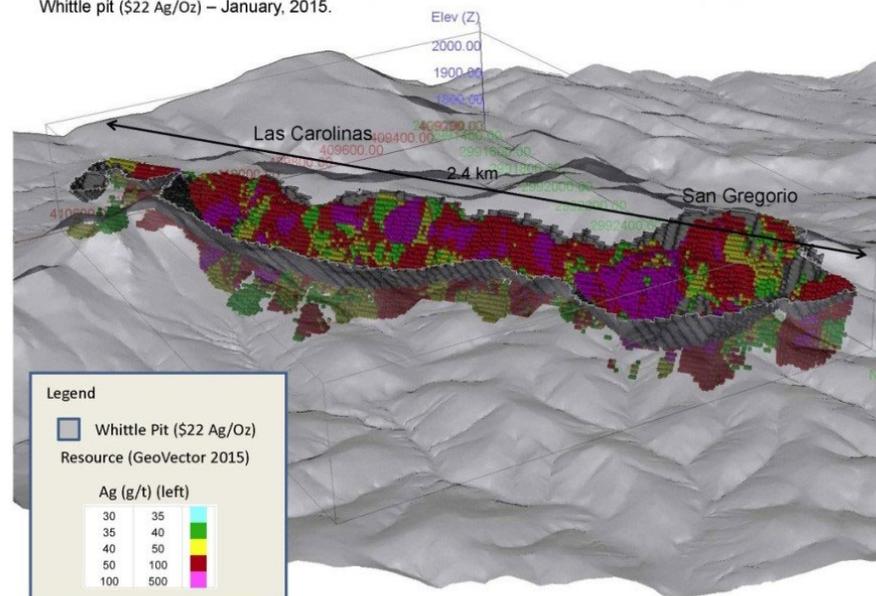
- Located in Chihuahua State, Mexico, within the Historic Parral Silver District
 - over 18,000 hectares in size
 - 26 Km from the city of Parral close to power, rail and highway
- 100% owned with surface rights obtained for mining operations
- Excellent relations with local community and Ejido



LA CIGARRA RESOURCE

- Resource estimate incorporates data from 156 of 173 drill holes
- Pit constrained, potentially surface minable area comprised of the San Gregorio and Las Carolinas mineralized zones
- Significant expansion potential; open along strike at both ends and at depth
- PEA level metallurgy study shows up to 88% silver recoveries and excellent concentrate grades

3D view looking southwest of the San Gregorio/Las Carolinas resource blocks (>35 g/t Ag), Whittle pit (\$22 Ag/Oz) – January, 2015.

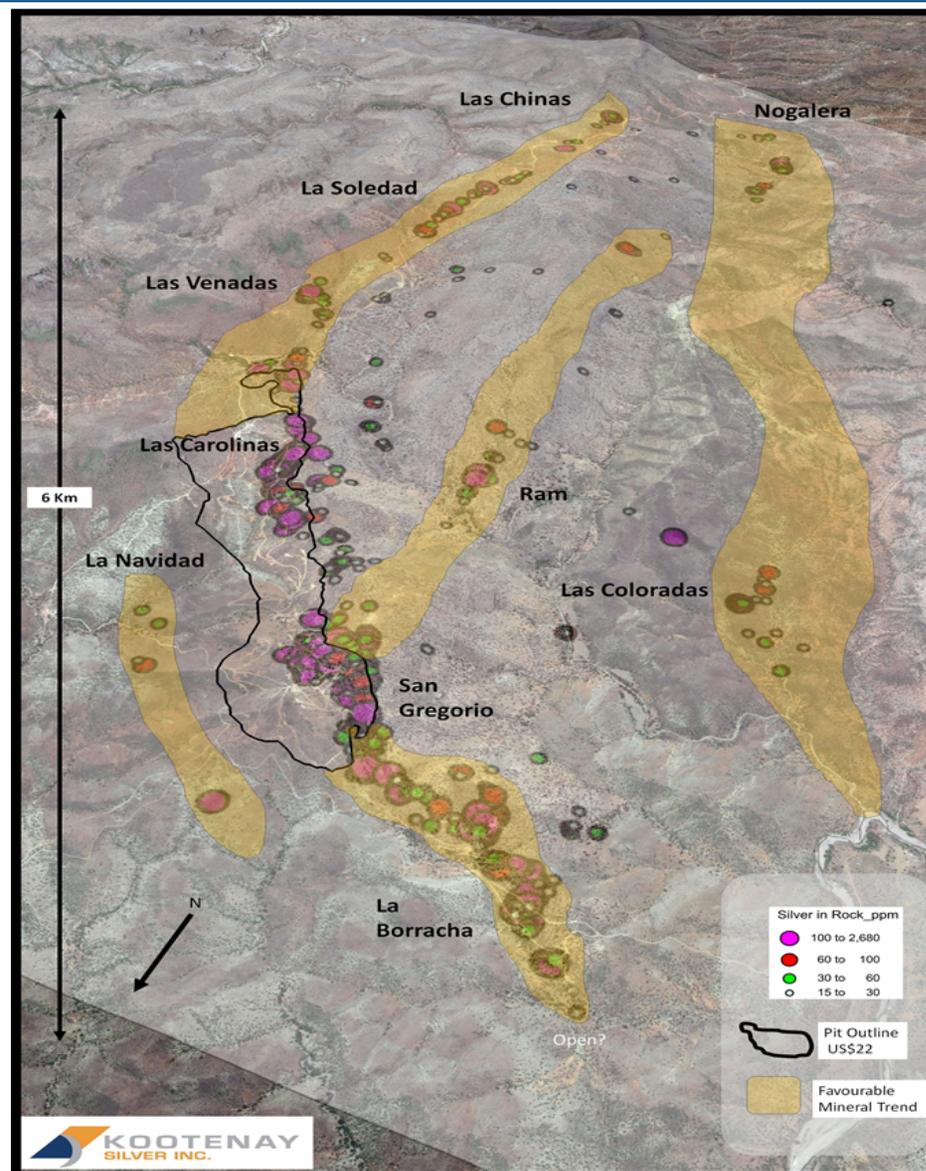


La Cigarra (2015)*	Tonnage	Grade	Contained
Resources			
• M&I	18.5 Mt	86.3 g/t Ag	51.5 Moz Ag
• Inferred	4.5 Mt	80.0 g/t Ag	11.5 Moz Ag

(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.

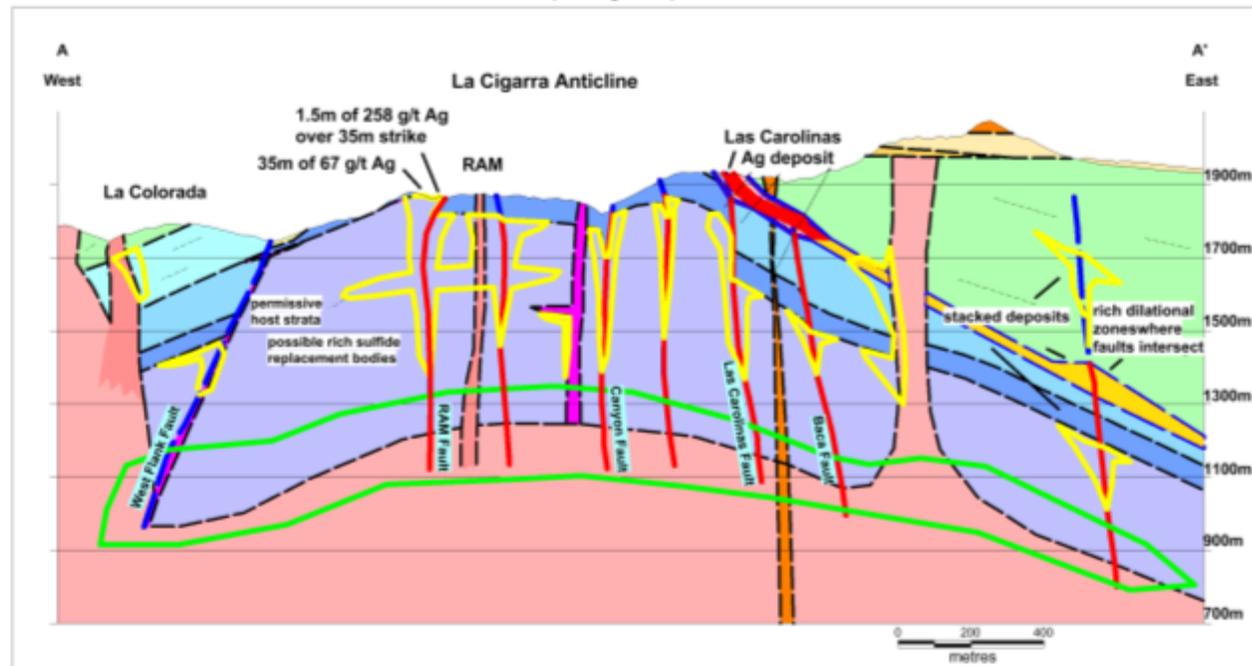
LA CIGARRA EXPLORATION POTENTIAL

- Numerous targets provide potential to increase resource and grade
- Mineralized structure over 6 km of strike
 - Hosts La Cigarra Resource
- Deposit remains open along strike to the NW and SE, and at depth
- Undrilled targets include:
 - RAM Zone
 - La Soledad Zone
 - La Navidad Zone
 - La Colorada Zone
 - Nogalera Zone
- **3,000m Drill Program underway at RAM Zone**



LA CIGARRA E-W CROSS-SECTION

La Cigarra Project
Schematic Cross-section A-A'
La Colorada-RAM-Las Carolinas
(looking north)



Explanation

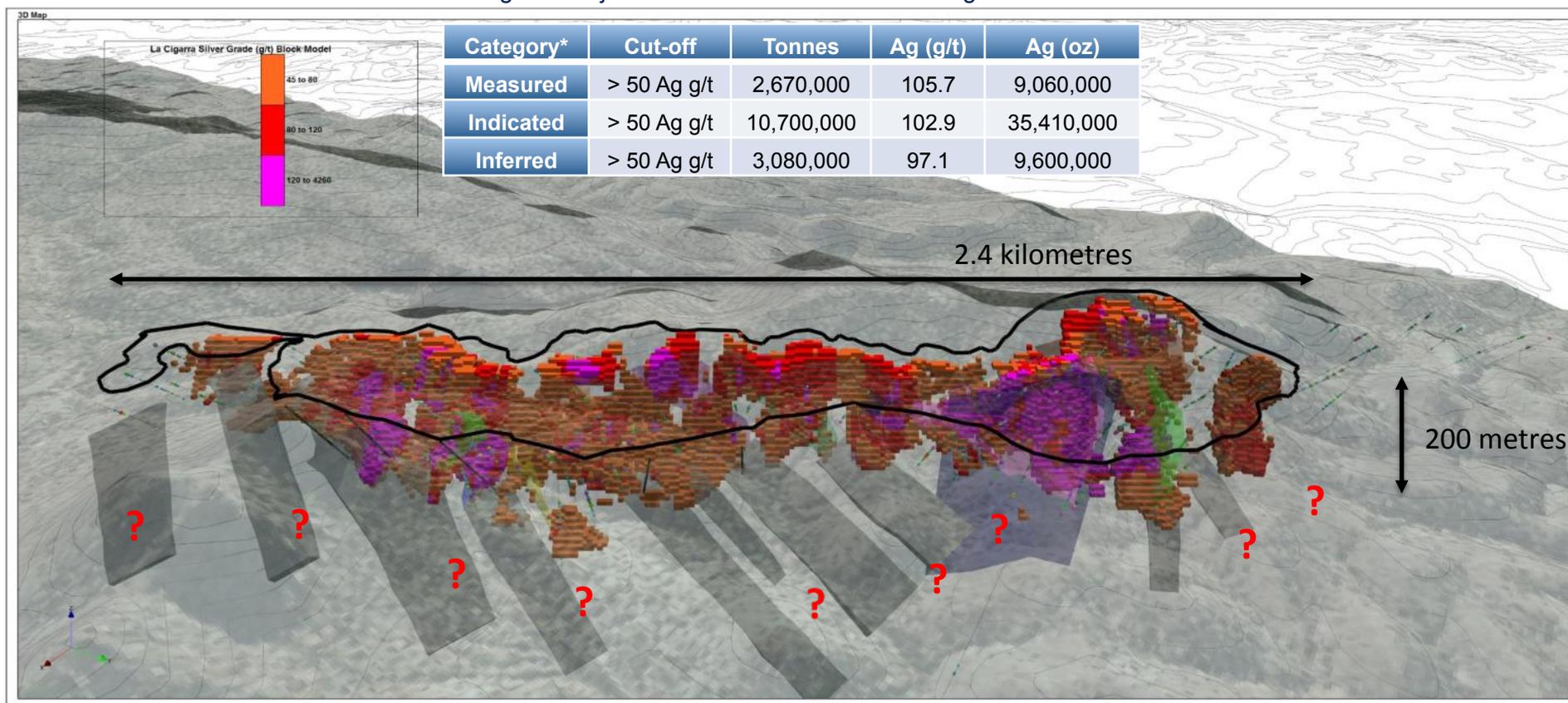
Quaternary-Tertiary		Cretaceous		Targets	
	Quaternary colluvium		Cretaceous (?) granodiorite		Potential extension to known silver deposit
	Tertiary rhyolite		Cretaceous Mezcacala shale/micrite		Potential high-grade polymetallic veins
	Tertiary conglomerate		Cretaceous Mezcacala arenite/shale		Potential disseminated and/or stockwork vein deposits of moderate silver grade
	Tertiary dacite tuff		Cretaceous Mezcacala greywacke/shale		Potential skarn deposits
	Tertiary dacite porphyry		Cretaceous Mezcacala quartzite		
	Tertiary trachyandesite-dacite		Cretaceous Mezcacala undifferentiated		

Date: 100015	
Author: ORE	
Office:	La Cigarra E-W Cross-section
Drawing:	La Colorada-RAM-Las Carolinas
Scale: 1:15,000	Projection: Custom Projection

HIGH GRADE POTENTIAL

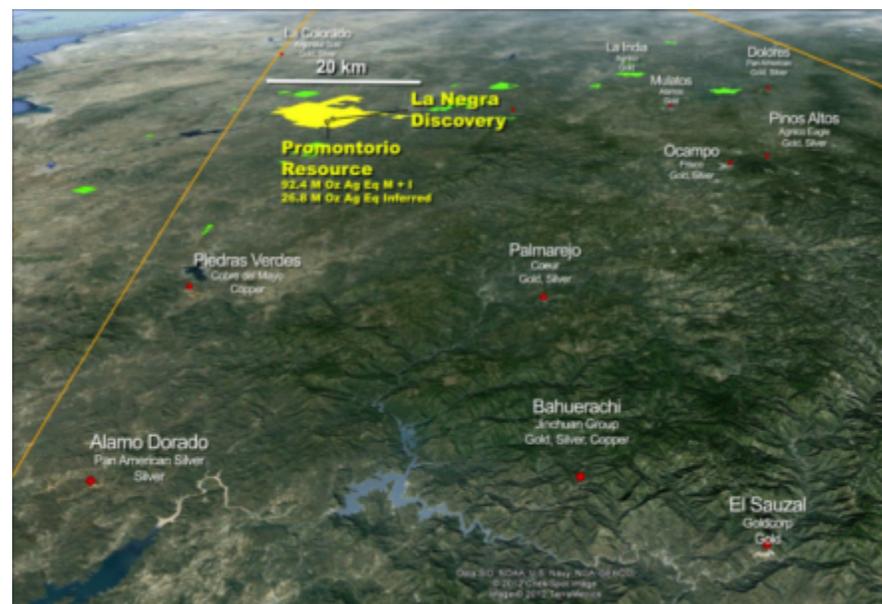
Geological modeling to evaluate potential to expand higher grade zones and improve grade
(Resource blocks shown below are modeled above a 50 gpt silver cutoff)

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



PROMONTORIO MINERAL BELT

- Optioned to Pan American Silver
- 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
- Pan American to spend 32% or US \$3.7M of its 2016 exploration budget on greenfield and Joint Venture projects such as La Negra

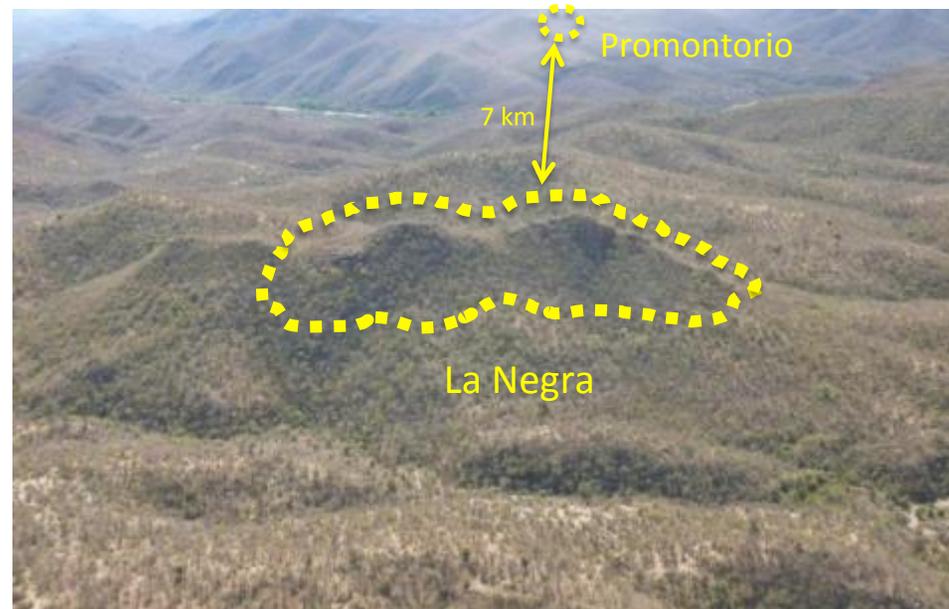


Promontorio (2013)*	Tonnage	Grade	Contained
In-Pit Resources			
• M&I	44.5 Mt	64.3 g/t AgEq	92.0 Moz AgEq
• Inferred	14.6 Mt	52.0 g/t AgEq	24.3 Moz AgEq
Underground Potential			
• M&I	0.2 Mt	57.0 g/t AgEq	0.4 Moz AgEq
• Inferred	1.3 Mt	61.1 g/t AgEq	2.5 Moz AgEq

(1) "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.

LA NEGRA DISCOVERY

- High-grade silver intercepts to 300m vertically from surface
- Open Pit Low Cost Potential
- Surface footprint of ~500m x 200m
- 41 Holes to Date
- Metallurgy indicates potential for leach extraction in 80 to 90% Range
- **3,400m diamond drill program underway by Pan American**



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

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% PAS 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

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

Continued strategy of pursuing JV opportunities feeding the development pipeline and reducing capital and project risk

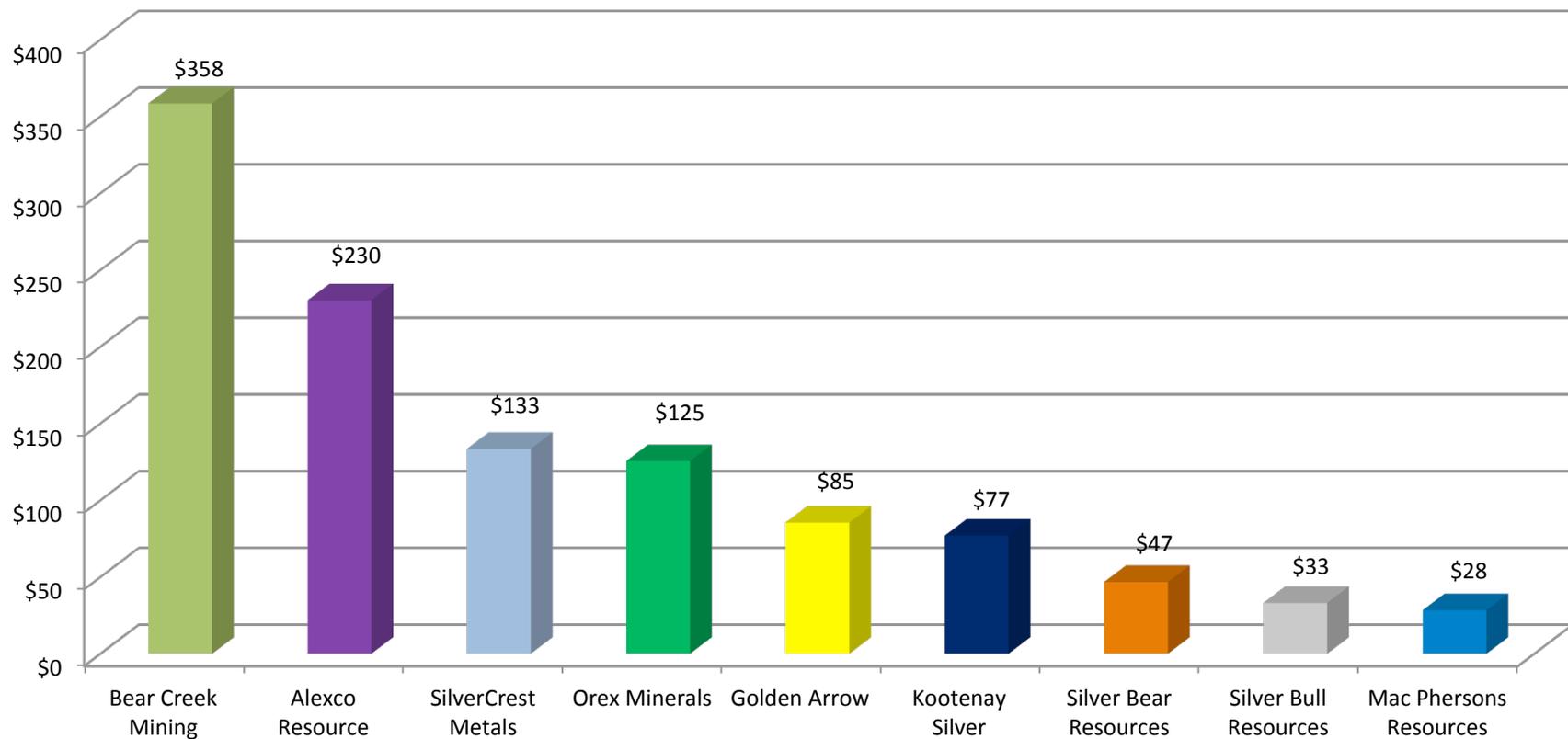
FORWARD PLAN & CATALYSTS

	Near Term	Mid Term
La Cigarra	<ul style="list-style-type: none"> 3,000m drill program underway Three phase drill plan to test undrilled targets and strike of La Cigarra Resource 	<ul style="list-style-type: none"> Update Resource Calculation PEA
Promontorio / La Negra	<ul style="list-style-type: none"> Under Option to Pan American Silver 3,400m of drilling underway at La Negra with surface exploration program 	<ul style="list-style-type: none"> Pan American Silver to evaluate project development options Initial Resource Calculation
Prospect Generator Portfolio	<ul style="list-style-type: none"> JV Partners to determine work programs amongst the three active ventures Evaluate on-going joint venture opportunities 	<ul style="list-style-type: none"> Acquire new high impact early stage projects via prospect generation Results from Joint Venture Partners
Corporate	<ul style="list-style-type: none"> Continue to evaluate other consolidation targets 	<ul style="list-style-type: none"> Resource addition via acquisition/consolidation

Strong continuum of assets to provide steady news flow

SILVER DEV. / EXP. PEER GROUP

Market Cap. (C\$M)
(as at Sep. 13, 2016)



KOOTENAY'S KEY TAKE-AWAYS

- LEADING MEXICAN SILVER CONSOLIDATOR & DEVELOPMENT COMPANY
 - Combined 144Moz AgEq M&I with 35Moz AgEq Inf. ...with more to come
- LARGE CAPITAL MARKETS PRESENCE
 - GREATER LIQUIDITY for shareholders
- PLATFORM FOR AGGRESSIVE GROWTH through:
 - RESOURCE DEVELOPMENT at La Cigarra
 - PATH TO PRODUCTION with carried interest at Promontorio & La Negra
 - DISCOVERY by drilling new zones and within prospect generator portfolio
- CONTINUATION OF ACQUISITION/ CONSOLIDATION STRATEGY
 - Silver ounces are cheaper to buy than they are to find
- POTENTIAL VALUE RE-RATING
 - RESOURCE EXPANSION and advancement to ECONOMIC ASSESSMENT
 - LEVERAGE to silver price



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