



TSX.V: KTN  
OTC: KOOYF

# SILVER IN MEXICO

CORPORATE PRESENTATION | NOVEMBER 2018

# 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.

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 and approved 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

## ✓ HIGH QUALITY ASSETS

- La Cigarra, Promontorio & La Negra...over 144moz Silver Eqv. (M&I)\*

## ✓ FOCUSED ON ADDING OUNCES

- Future Drilling at La Cigarra to Focus on La Borracha, GAP within Resource and Las Carolinas Extension

## ✓ CARRIED TO PRODUCTION INTEREST

- Pan American Silver Option on Promontorio Mineral Belt

## ✓ SUCCESSFUL GENERATIVE PORTFOLIO

- 4 Projects Optioned to 3 Major Miners and 1 Junior explorer
- Exploration Ongoing on Several Properties

## ✓ CONTRARIAN STRATEGY

- Acquiring quality assets at the bottom end of the market – will provide leverage during a recovery in the silver price

\* 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>	195,221,856
Options	11,088,500
Warrants (TSX.V: KTN.WT)	36,919,381
Fully Diluted <sup>(1)</sup>	244,989,737
Current Market Cap <sup>(1)</sup>	~C\$23.4M
KTN (shares 52-week High/Low)	C\$0.24.5/\$0.11
Average Daily Volume <sup>(1)</sup>	149,671 (Average daily volume last 3 months)
Cash Position	~C\$3.3m - (as of June 30, 2018)
KTN.WT (52 week High/Low)	C\$0.125/\$0.03
Average Daily Volume <sup>(1)</sup>	17,584 (Average daily volume last 3 months)
Key Shareholders	Pan American Silver (9%), Gold 2000, Condire
	Management & Directors (10%)
Majors who have invested	Coeur Mining, Agnico Eagle, Pan American Silver

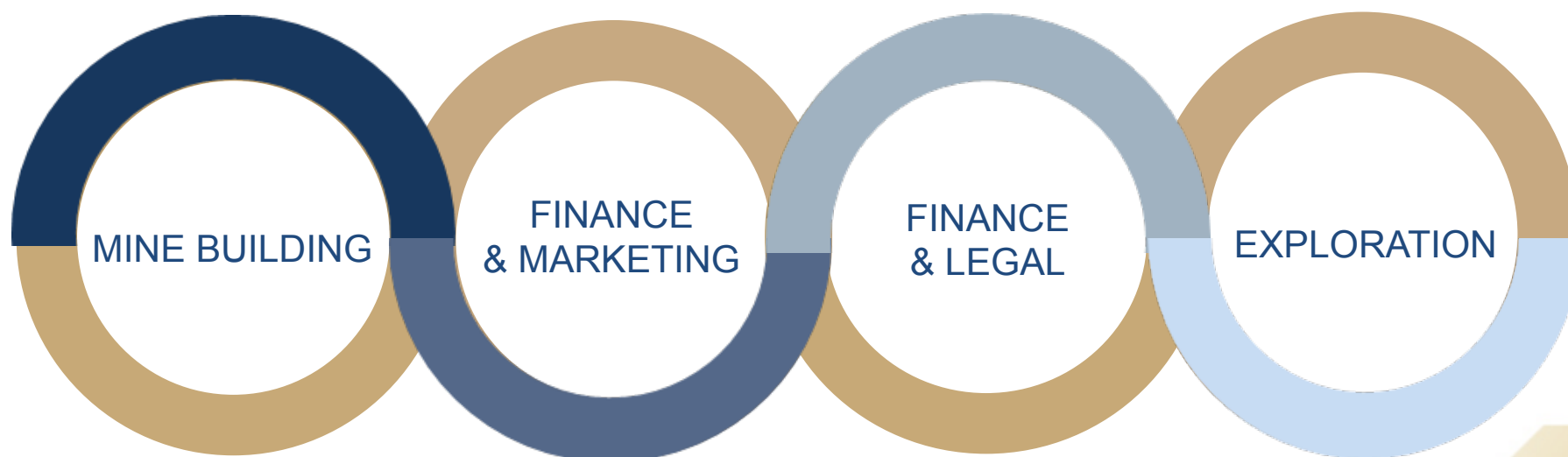
(1) As of Oct. 31, 2018



# 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**  
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**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.)

# DEVELOPING, ACQUIRING & GROWING **KOOTENAY SILVER INC**

## *DEVELOPING...ADVANCED PROJECTS*

- |                                  |   |
|----------------------------------|---|
| <b>LA CIGARRA</b>                | ▪ Focus on New Discoveries & High Grade                 |
|                                  | ▪ Successful 2018 Drill Program                         |
| <b>LA NEGRA/<br/>PROMONTORIO</b> | ▪ Optioned to Pan American Silver                       |
|                                  | ▪ Mapping & Sampling to define additional drill targets |

## *ACQUIRING...NEW PROJECTS*

- |                 |   |
|-----------------|---|
| <b>COPALITO</b> | ▪ Undrilled high grade gold and silver vein system with several kilometers of exposed veins |
| <b>MALÉ</b>     | ▪ Gold property with high grades up to 260 g/t gold in grab samples                         |

## *POTENTIAL TO GROW WITH OPTIONED PROPERTIES*

- |                   |  |
|-------------------|--|
| <b>CERVANTES</b>  | ▪ Gold project optioned to Aztec Minerals          |
| <b>SILVER FOX</b> | ▪ Polymetallic Project optioned to Antofagasta PLC |
| <b>LA MINA</b>    | ▪ Copper/Gold Project optioned to Capstone Mining  |

# LA CIGARRA & PROMONTORIO ASSETS

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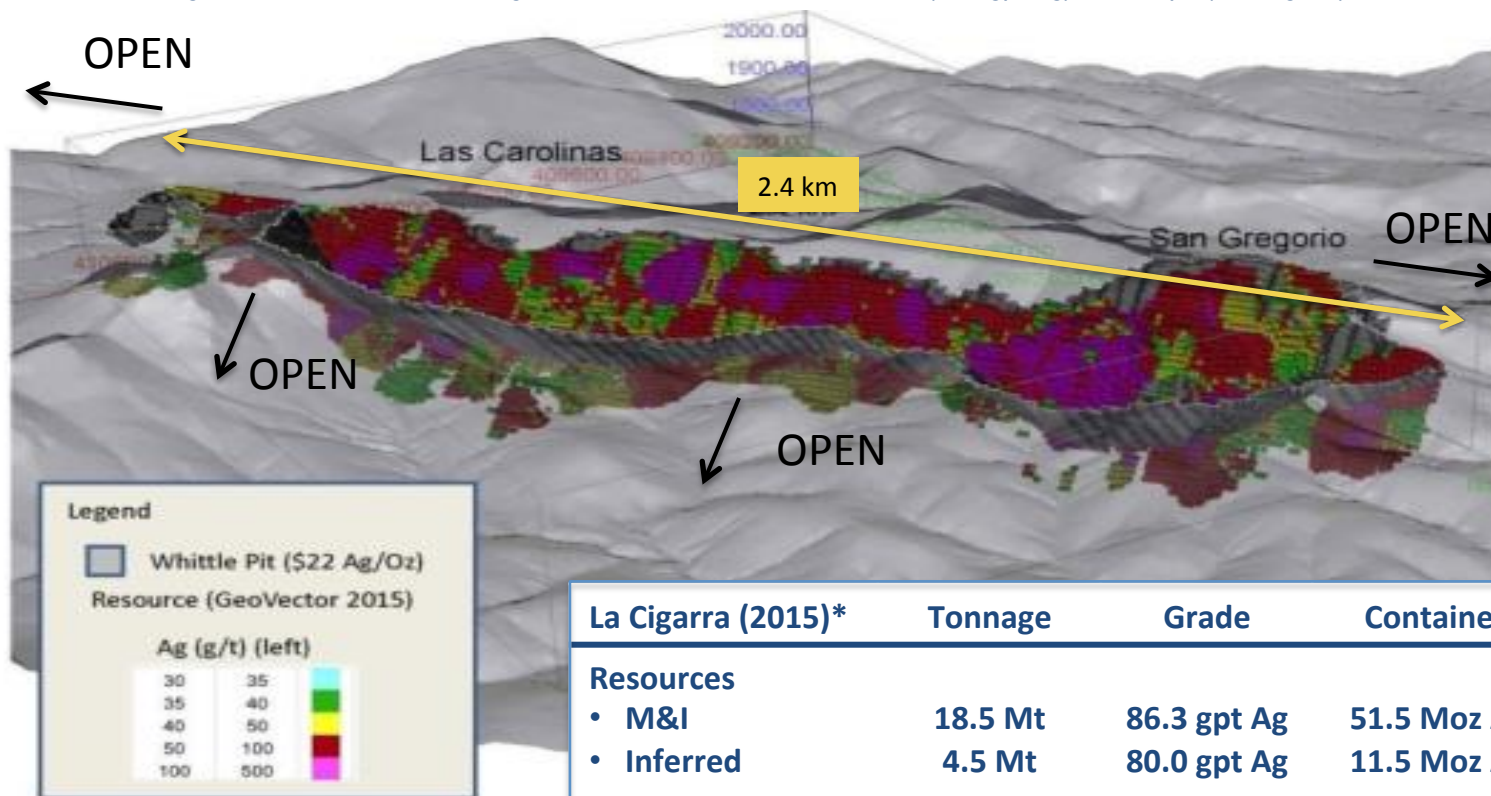


# LA CIGARRA RESOURCE

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## “OPEN ON ALL SIDES”

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

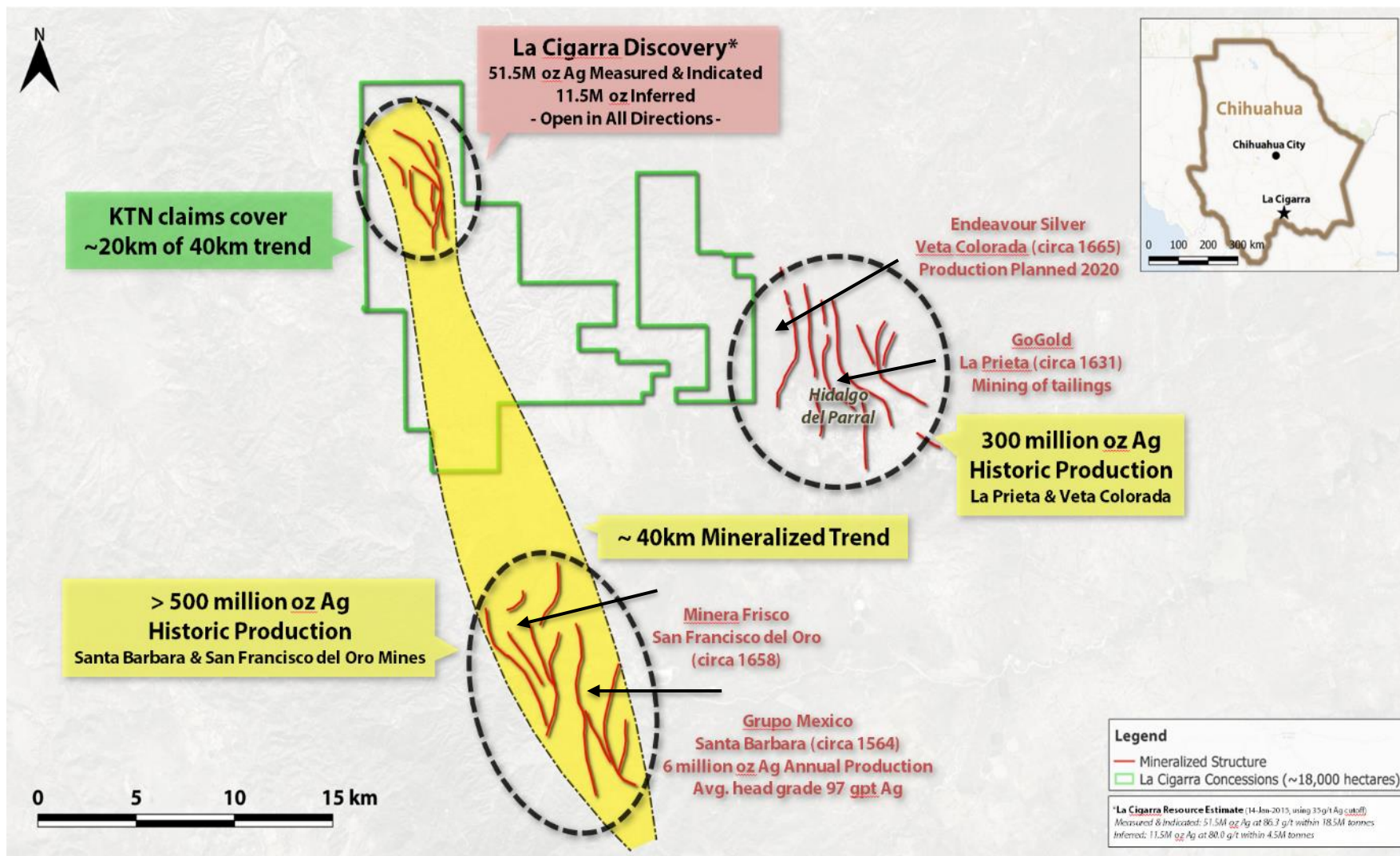


\* NI 43-101 Technical Report on the Updated Mineral Resource Estimate on the San Gregorio/Las Carolinas Zones, La Cigarra Silver Project, Chihuahua, Mexico”, effective date January 14, 2015 prepared by GeoVector Management Inc.. Mineral resources are reported in relation to a conceptual pit shell at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

# LA CIGARRA - PARRAL SILVER DISTRICT

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*“ OVER 800M OZ SILVER PRODUCED ”*

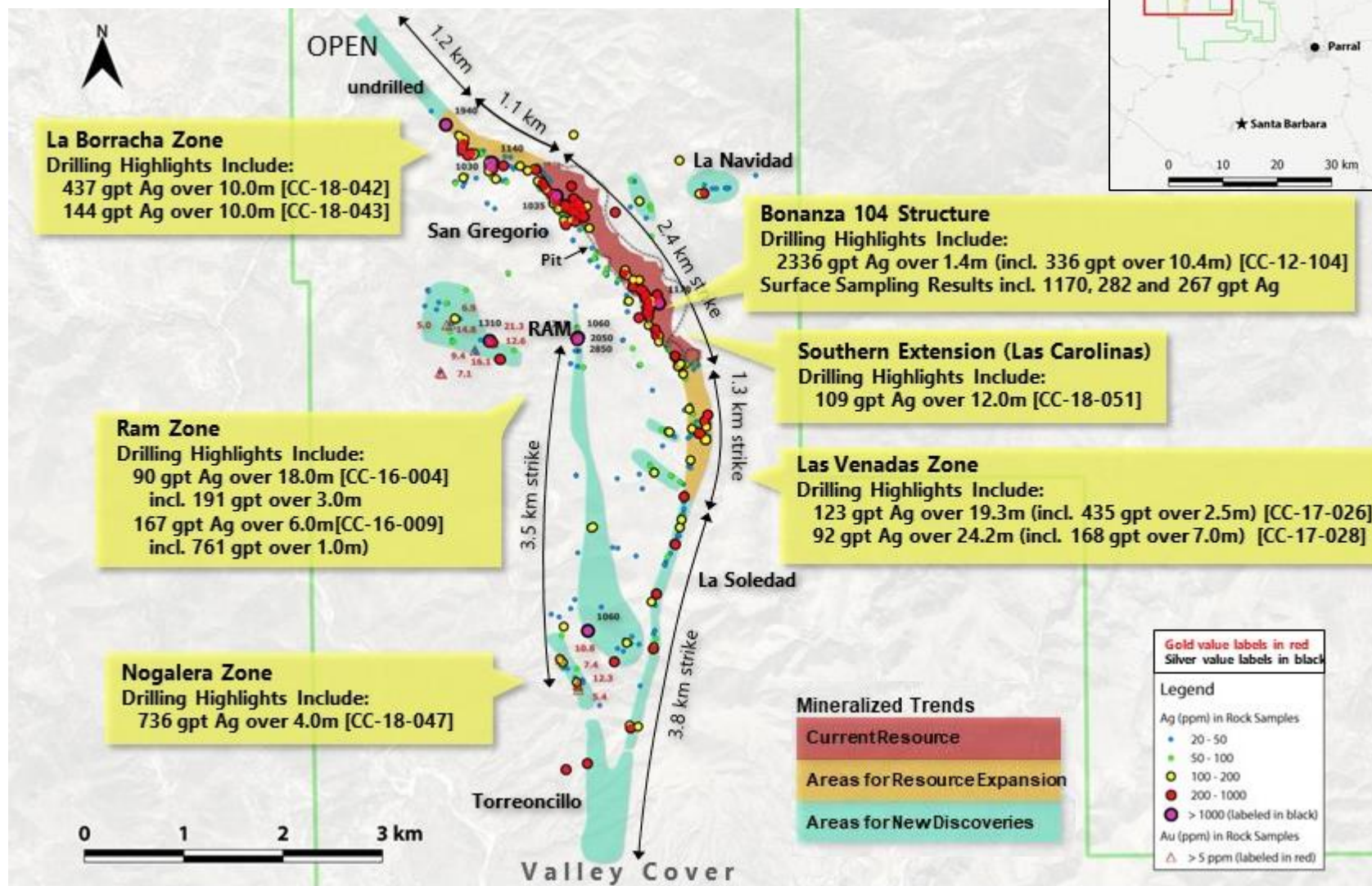




# LA CIGARRA

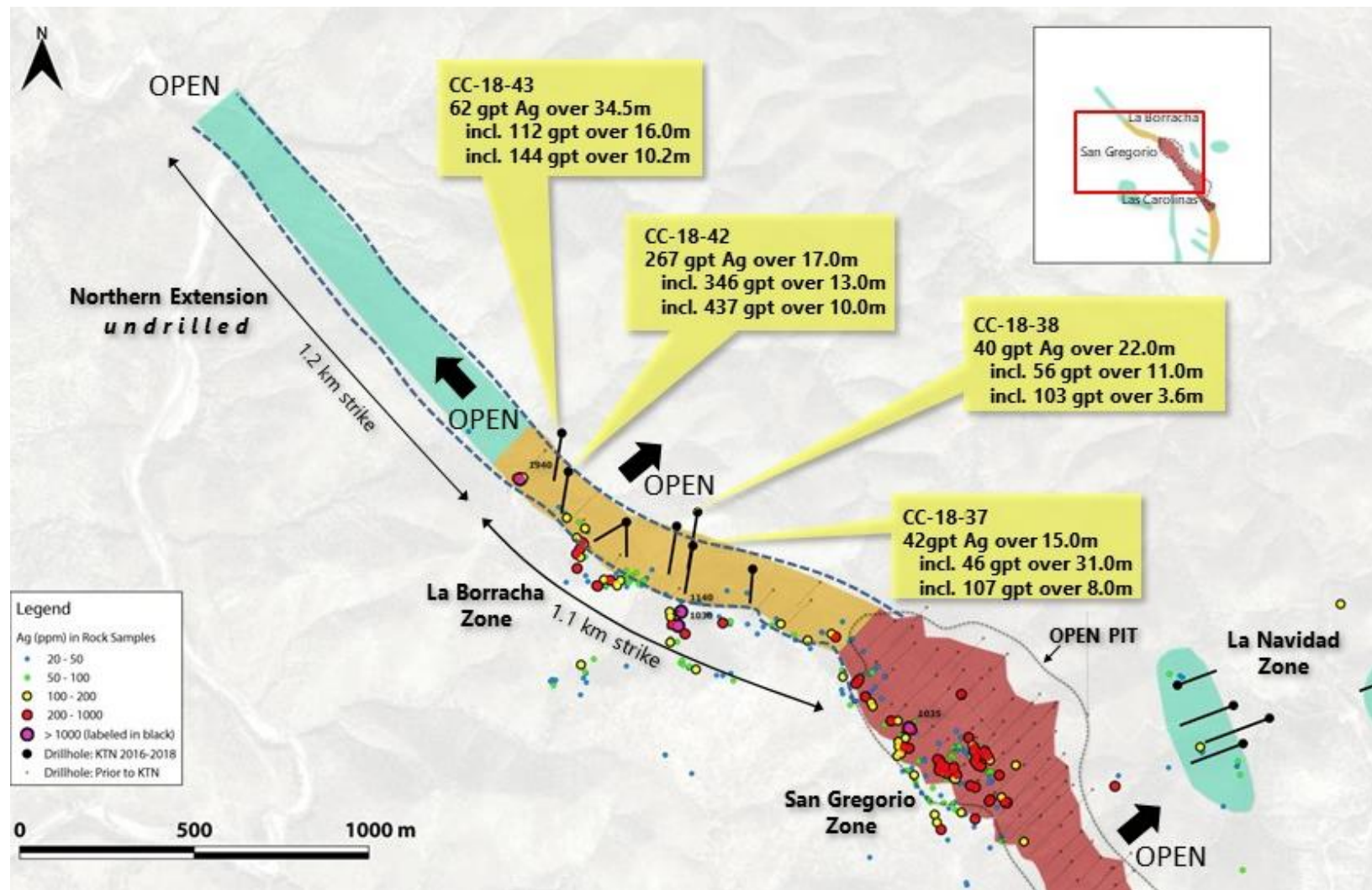
**KOOTENAY  
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## “RESOURCE & POTENTIAL GROWTH AREAS”



# LA BORRACHA - NORTHERN EXTENSION

*“POTENTIAL TO EXTEND RESOURCE 2.3KM TO NORTH”*

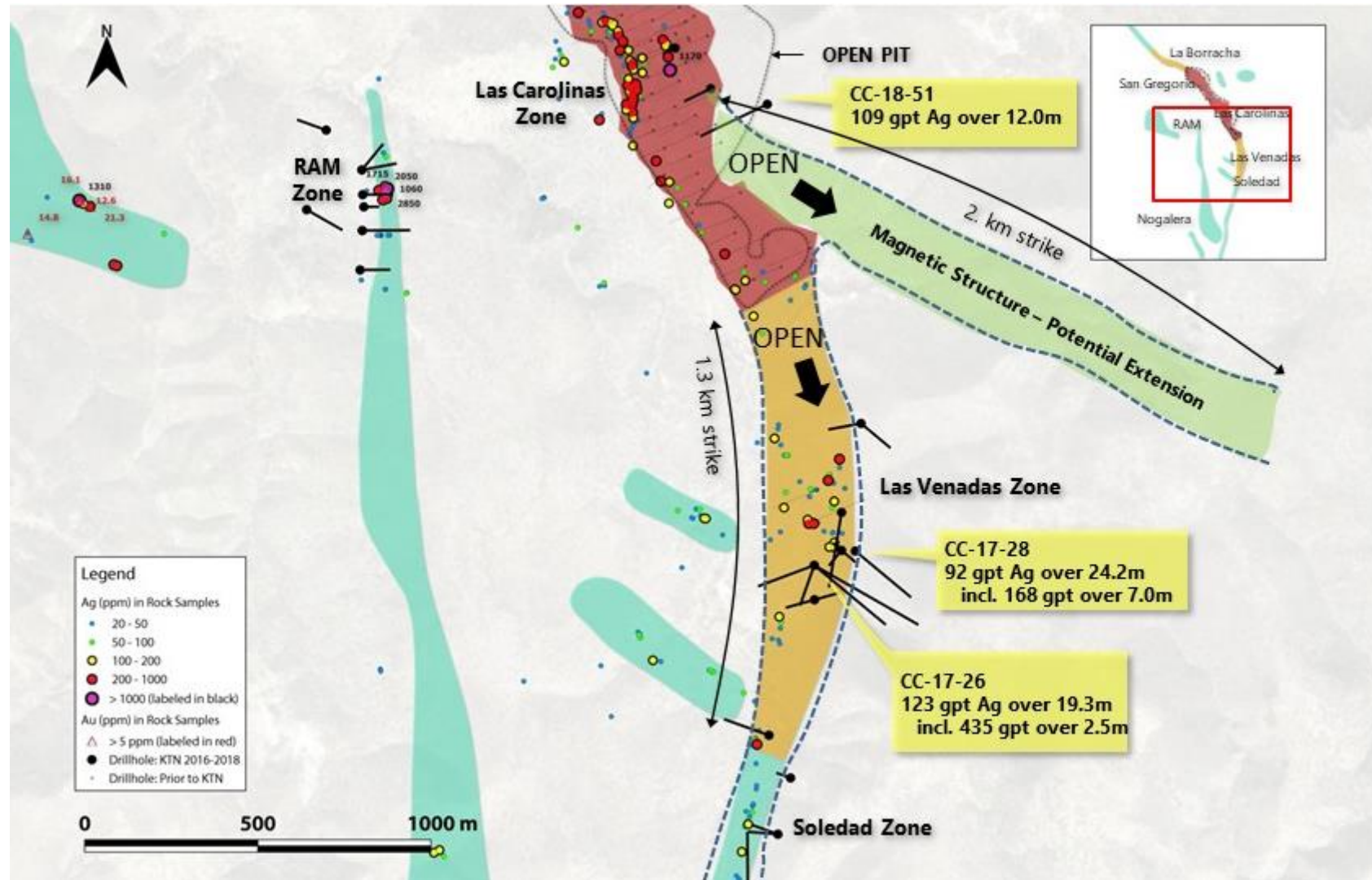




# LAS CAROLINAS - SOUTHERN EXTENSION

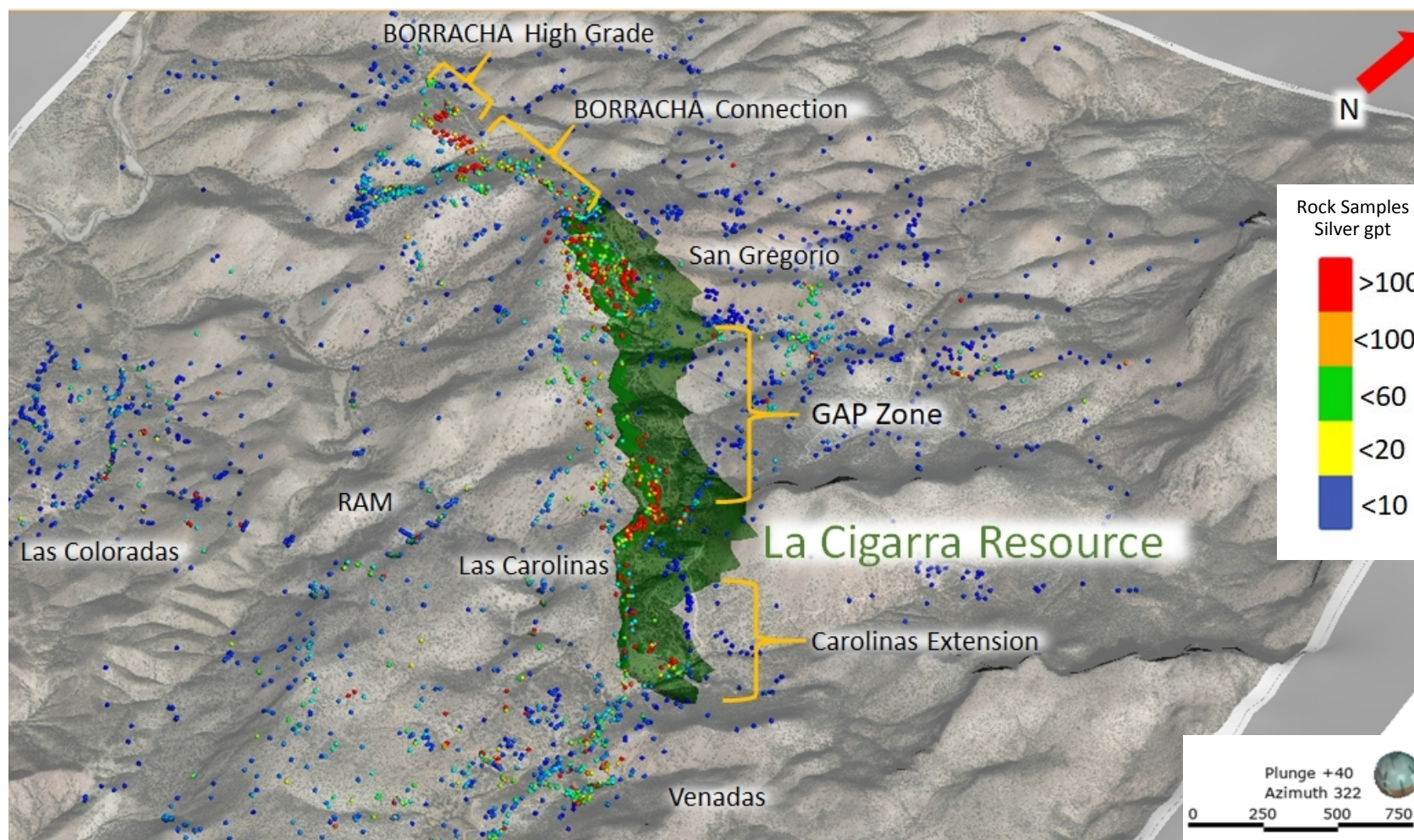
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*“DRILLING OPEN DOWNDIP & SOUTH OF RESOURCE FOR 1.3KM”*



# TARGETING OVER 100 MILLION OZ's

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# TARGETING OVER 100 MILLION OZ's

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Zone	Holes / Meters	Target Area Tonnes	Potential Silver Ounces			
			60 gpt Silver (50% tonnage)	60 gpt Silver (100% tonnage)	85 gpt Silver (50% tonnage)	85 gpt Silver (100% tonnage)
GAP	24 / 6,590	18,404,620	17,753,653	35,507,305	25,151,008	50,302,016
Borracha High Grade	10 / 1,830	8,625,760	8,320,669	16,641,338	11,787,614	23,575,228
Borracha/SG Connector	13 / 2,720	18,564,000	17,907,395	35,814,791	25,368,810	50,737,621
Las Carolinas Extension	15 / 3,530	18,732,480	18,069,916	36,139,833	25,599,048	51,198,096
<b>Total</b>	<b>62 / 14,670</b>	<b>64,326,860</b>	<b>62,051,633</b>	<b>124,103,267</b>	<b>87,906,481</b>	<b>175,812,961</b>

## The Process:

- Target potential was developed by building a mineralized shape in three dimensions using Leap Frog 3D software.
- Mineralized shapes were determined by using hard data primarily from neighbouring resource domains and drill intercepts.
- Shapes (strike, dip and widths) determined from known drill data were then extrapolated along strike and down dip.
- These shapes form untested Target zones Gap, Borracha High Grade, Borracha Connection, Gap and Carolinas Extension.
- In the case of Carolinas Extension geophysics and surface mapping and sampling aided in extrapolating the shapes southward.
- Target zone tonnages based on the shapes were then calculated using Leap Frog software and grade ranges were assigned to develop targeted ounce potential.
- Target zones from known mineralization are extrapolated in a range of 75 to 400 meters.

*Note: These exploration targets ("Targets") are based on the interpretation and extrapolation of the known mineralized zones using all available data including drill intercepts, geologic surveys and surface sampling. There is no assurance that drilling the Targets will result in any increase in the current resource. Readers are cautioned that the potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Targets being delineated as a mineral resource.*

# PROMONTORIO MINERAL BELT

- Optioned to Pan American to earn 75% interest in 4 year deal (in 3<sup>rd</sup>)
- Spend \$US 8 million in expenditures and pay \$US 8 million in cash within 4 years & provide capital 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

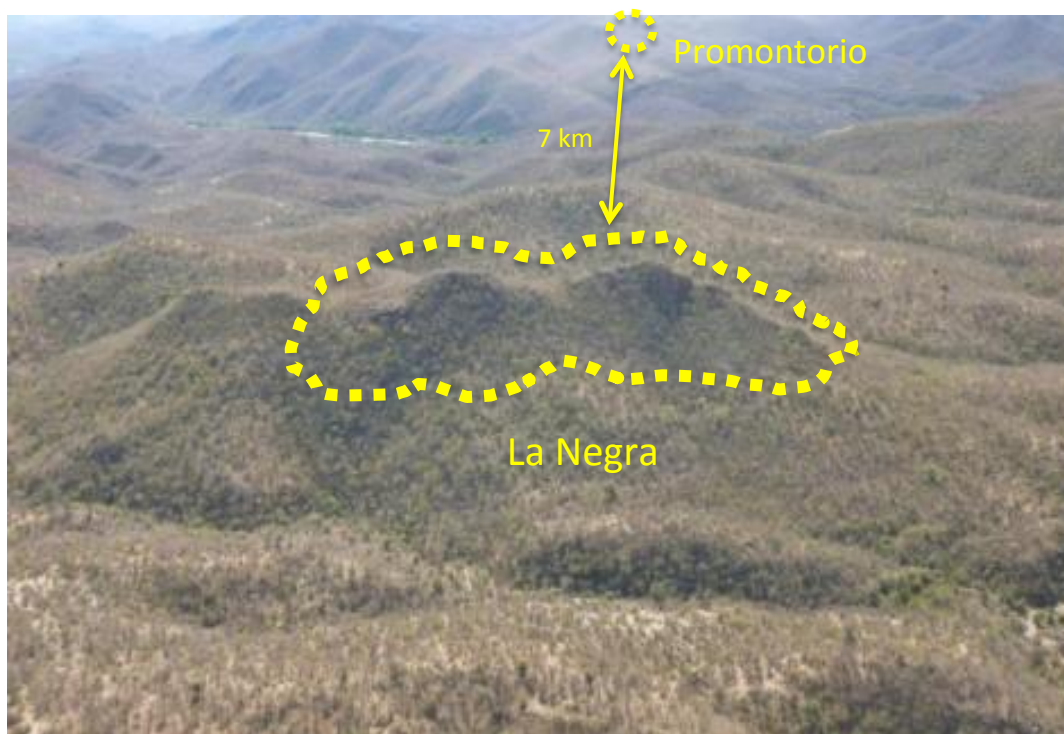
\* "NI 43-101 Technical Report on Resources, Promontorio, Mexico", Report by SRK Consultants Inc. Effective date March 31, 2013. Calculated at a pit-constrained cut-off of 20 gpt AgEq, and an underground cut-off of 45 gpt AgEq using a \$31/oz silver price. AgEq calculated using \$31/oz Ag, \$1,650/oz 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.



# LA NEGRA

## *“HIGH GRADE SILVER DISCOVERY”*

- Surface footprint of ~500m x 200m
- Open Pit Low Cost Potential
- 17,000m over 87 holes drilled
- High-grade silver intercepts to 300m vertically from surface
- Metallurgy indicates potential for leach extraction in 80 to 90% range



### High-grade drill results to date

- |                        |                        |                       |
|------------------------|------------------------|-----------------------|
| ▪ 3,040 gpt Ag over 1m | ▪ 420 gpt Ag over 50m  | ▪ 1,625gpt Ag over 1m |
| ▪ 1,338 gpt Ag over 6m | ▪ 213 gpt Ag over 28m  | ▪ 273 gpt Ag over 59m |
| ▪ 468 gpt Ag over 18m  | ▪ 156 gpt Ag over 200m | ▪ 307 gpt Ag over 10m |

# PROSPECT GENERATOR PORTFOLIO

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SILVER INC

	PROPERTIES	OPTIONED PROPERTIES
Canada	Copley Spike's Big Adventure Meachem Bend Walter the Water Buffalo Connors Creek 2X Fred Fox	SILVER FOX – ANTOFAGASTA PLC MARK – ANTOFAGASTA PLC
Mexico	Santa Lucia Guadalupe Male Mecatona	CERVANTES – AZTEC MINERALS LA MINA – CAPSTONE MINING

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

# KOOTENAY SILVER – WHY INVEST?

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- 
- QUALITY SILVER ASSETS
  - ACQUIRING ASSETS AT FAVORABLE PRICES
  - EXCELLENT DISCOVERY POTENTIAL
  - GROWTH THROUGH NEW DISCOVERIES
  - STRONG MANAGEMENT WITH TRACK RECORD OF SUCCESS
  - SIGNIFICANT LEVERAGE TO SILVER PRICE
  - POTENTIAL FOR VALUE RE-RATING

# CONTACT US

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Twitter: <https://twitter.com/KootenaySilver>



# APPENDIX

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# 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>
<b>Inferred</b>	<b>4,450,000</b>	<b>80.0</b>	<b>0.058</b>	<b>0.13</b>	<b>0.16</b>	<b>11,460,000</b>	<b>8,000</b>	<b>12,680,000</b>	<b>15,610,000</b>

*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;

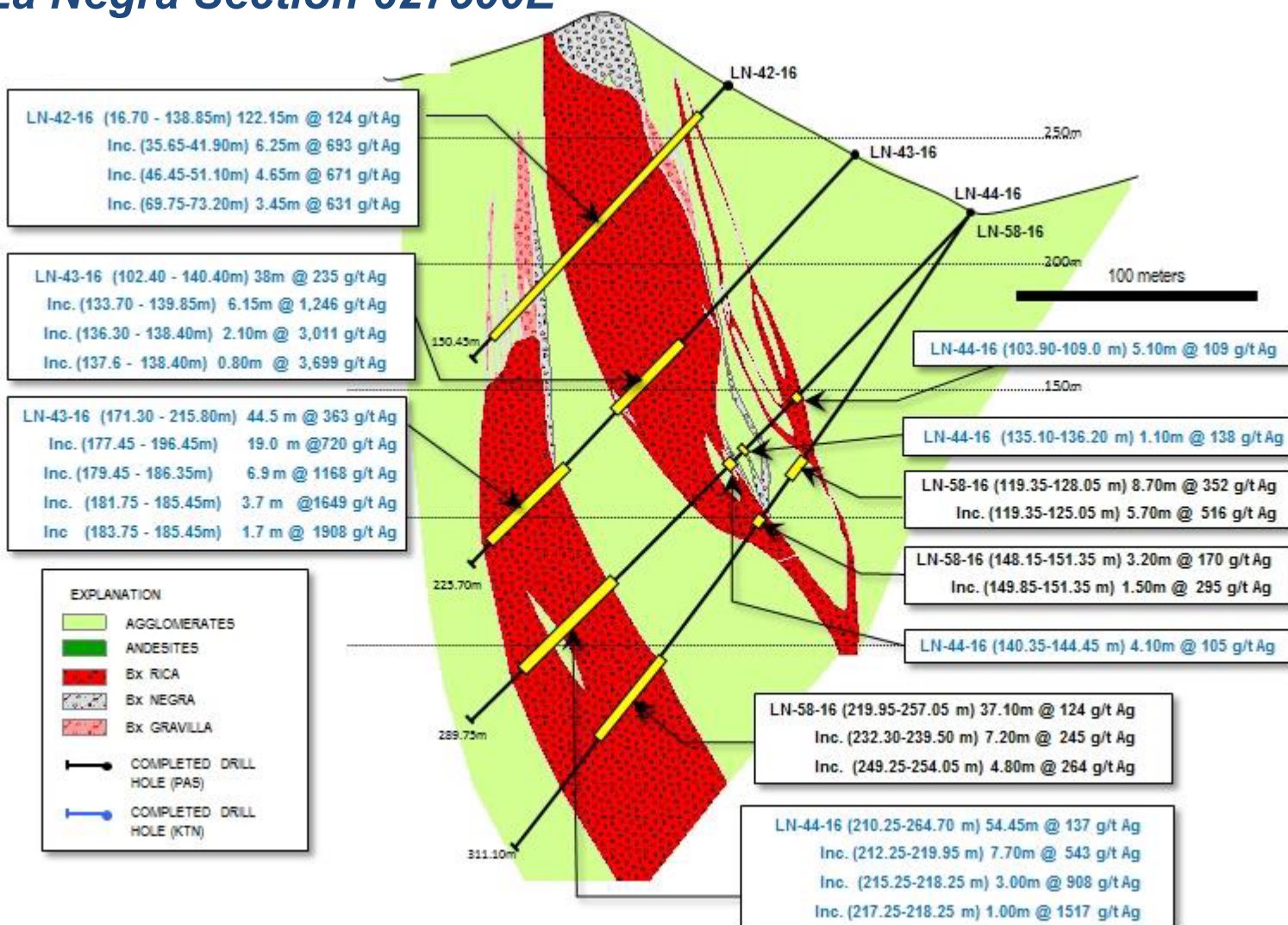
<sup>4</sup> Silver equivalency is based on unit values calculated from the above metal prices, and assumes 100% recovery of all metals; and

<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.



# LA NEGRA CROSS SECTION

## La Negra Section 627500E





## *“CARRIED TO PRODUCTION DEAL”*

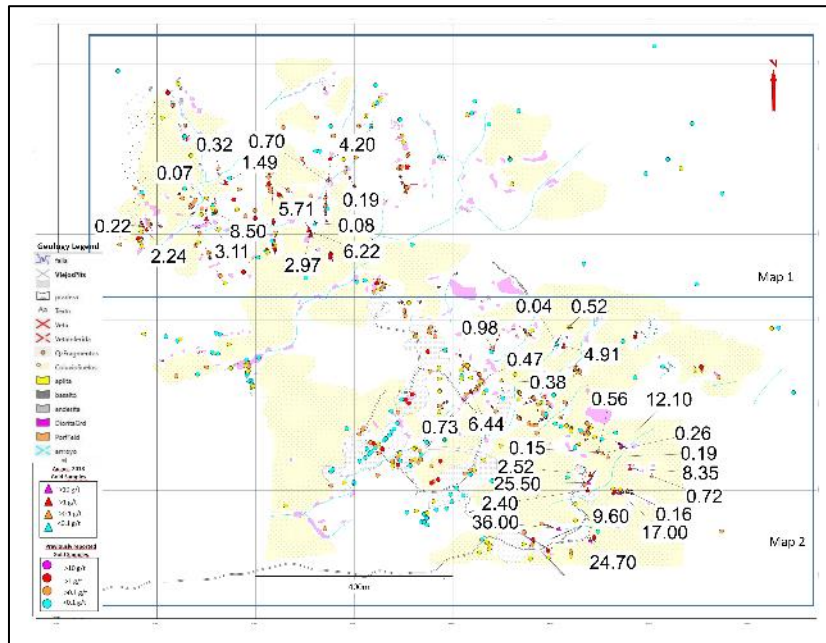
- Provides pathway to production and future cash flow
- Augments and strengthens consolidation platform
- KTN carried interest mitigates project and finance risk
- To earn 75% PAAS invests:
  - US\$16 million in work and cash payments; pay up front C\$350k
  - PAS invests C\$2 million in equity at \$0.22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

# NEW PROJECTS

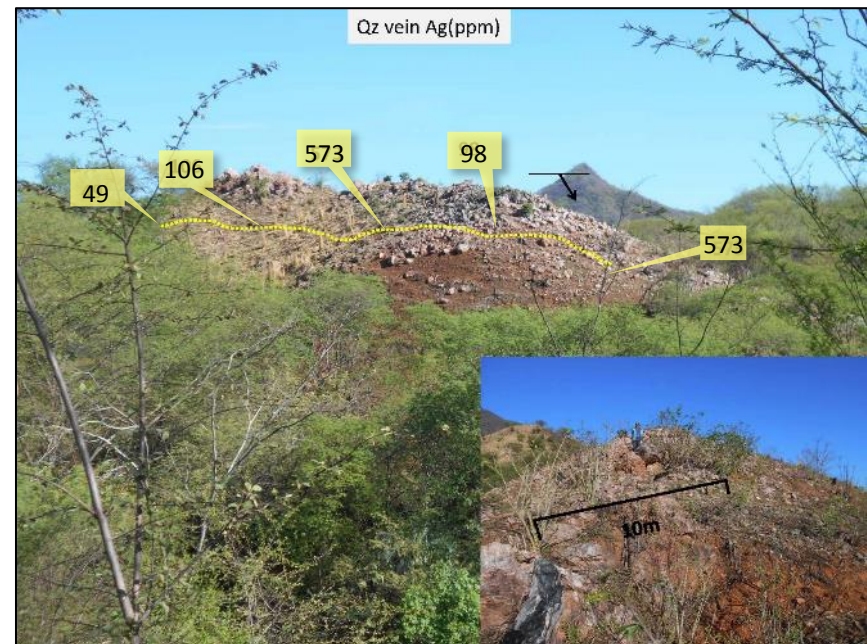
## MALE

Commodity	Gold
Location	Sonora, Mexico
Stage	Advanced sampling
Status	Available for Option
Highlights	Grab sampling of 260, 85.5, 81.2 gpt Au including 172 of 459 samples returning > 1 gpt Au



## COPALITO

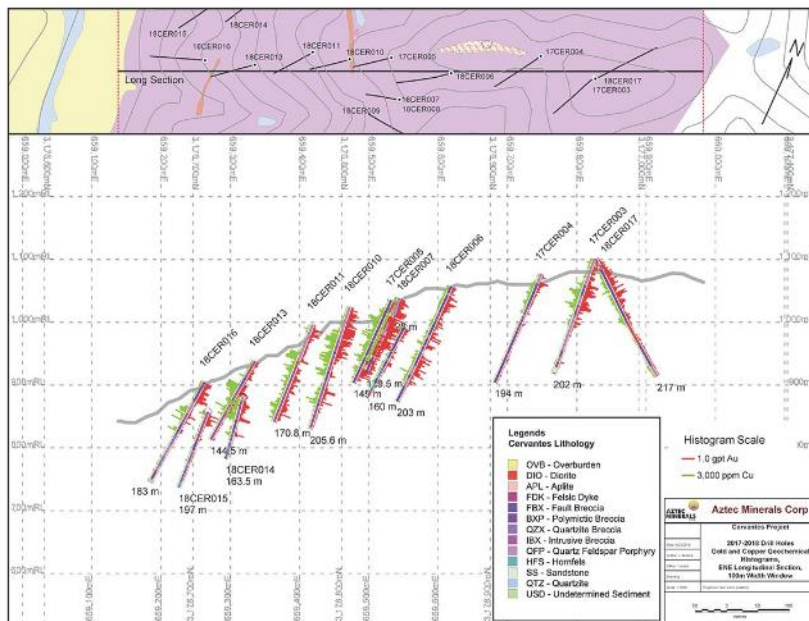
Commodity	Silver, Gold, Lead & Zinc
Location	Sinaloa, Mexico
Stage	Drill Ready (Road accessible)
Status	Available for Option
Highlights	4 Main veins, widths to 15m, strike 2 km+; Surface sampling [5.2m of 109 gpt Ag & 0.18 gpt Au]; Grabs of 3770 gpt Ag and 7.2 gpt Au



# OPTIONED PROJECTS

## CERVANTES

Commodity	Gold
Location	Sonora, Mexico
Stage	Drilling completed in 2018
Status	Optioned to Aztec Minerals
Highlights	139m of 0.71 gpt gold incl. 20m of 2.1 gpt; 122m of 0.6 gpt Au incl. 62m of 0.88 gpt Au



## LA MINA

Commodity	Copper & Gold
Location	Sonora, Mexico
Stage	Mapping and Sampling
Status	Optioned to Capstone Mining
Highlights	Large leached argillized pyritic zone; samples avg. 300 ppm Cu. Exotica zone returned .5% Cu over 40 samples

