

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

Kootenay Silver Inc. (the “Company” or “Kootenay”)  
1820 – 1055 West Hastings Street  
Vancouver, British Columbia V6E 2E9  
Fax: 604.683.2249

**Item 2: Date of Material Change**

December 13, 2017.

**Item 3: News Release**

The news release was disseminated on December 14, 2017 through CNW Newswire and filed on SEDAR.

**Item 4: Summary of Material Change**

Further to its press release dated Nov. 15, 2017, Kootenay closed the initial tranche of its non-brokered private placement (the “Private Placement”) on December 13, 2017 and issued an aggregate of 19,549,480 units at a purchase price of \$0.20 cents per unit for aggregate gross proceeds to the Company of \$3,909,896. Each unit consists of one common share and one-half of a transferable common share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.30 per share until December 13, 2020. Cash finders’ fees to arm’s-length parties totaling \$154,600 were been paid on this portion of the Private Placement.

**Item 5: Full Description of Material Change**

Further to its press release dated Nov. 15, 2017, Kootenay closed the initial tranche of Private Placement on December 13, 2017 and issued an aggregate of 19,549,480 units at a purchase price of \$.20 cents per unit for aggregate gross proceeds to the Company of \$3,909,896. Each unit consists of one common share and one-half of a transferable common share purchase warrant (each a “Warrant”). Each Warrant entitles the holder to acquire one common share at an exercise price of \$0.30 cents per share until December 13, 2020. Cash finders' fees to arm's-length parties totaling \$154,600 were been paid on this portion of the Private Placement.

The net proceeds of the Private Placement will be used to finance the exploration and development of the Company’s La Cigarra project in Chihuahua state, Mexico, possible new acquisitions, and for general working capital purposes.

All securities issued pursuant to the private placement are subject to a four-month hold period under applicable securities laws in Canada, ending on April 14, 2018.

**Item 6: Reliance on subsection 7.1(2) of National Instrument 51-102**

N/A.

**Item 7: Omitted Information**

N/A.

**Item 8: Executive Officer**

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Rajwant Kang, Chief Financial Officer and Corporate Secretary  
Telephone: 604.601.5650

**Item 9: Date of Report**

December 22, 2017