

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Kootenay Silver Inc. (the “**Company**” or “**Kootenay**”)
1650 – 1075 West Georgia Street
Vancouver, British Columbia V6E 3C9
Fax: 604.683.2249

Item 2: Date of Material Change

October 11, 2019.

Item 3: News Release

The news release was disseminated on October 15, 2019 through Canada NewsWire and filed on SEDAR.

Item 4: Summary of Material Change

The Company closed its non-brokered private placement (the “**Private Placement**”) of 7,692,308 units (each a “**Unit**”) at a purchase price of \$0.26 per Unit for aggregate gross proceeds of \$2,000,000, announced on October 4, 2019. The entire Private Placement was fully subscribed for by Ninepoint Silver Equities Class with Sprott Asset Management acting as sub-advisor.

Item 5: Full Description of Material Change

The Company closed its Private Placement of 7,692,308 Units at a purchase price of \$0.26 per Unit for aggregate gross proceeds of \$2,000,000, announced on October 4, 2019. The entire Private Placement was fully subscribed for by Ninepoint Silver Equities Class with Sprott Asset Management acting as sub-advisor.

Each Unit consists of one common share (“**Common Share**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant entitles the holder to acquire one Common Share at an exercise price of \$0.40 per share until October 11, 2021.

Net proceeds of the Private Placement will be used to advance exploration of the Columba Silver Project in Chihuahua State, Mexico, and to fund further work at Copalito, La Cigarra and other projects as well as 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 February 12, 2020.

Forward Looking Statements

The information in this material change report has been prepared as at October 17, 2019. Certain statements in this material change report, referred to herein as "forward-looking statements", constitute "forward-looking statements" under the provisions of Canadian provincial securities laws. These statements can be identified by the use of words such as "expected", "may", "will" or similar terms and include statements regarding the intended use of the net proceeds of the Private Placement. 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, including receipt of the final acceptance of the Private Placement from the TSX Venture Exchange. 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.

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

October 18, 2019.