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

August 10, 2015.

Item 3: News Release

The news release was disseminated on August 11, 2015 through CNW and filed on SEDAR.

Item 4: Summary of Material Change

The Company announced that, further to its press release dated July 16, 2015, it closed the initial tranche of its non-brokered private placement (the "Private Placement") of units (the "Units") raising aggregate gross proceeds of $1,075,950.

Item 5: Full Description of Material Change

The Company announced that, further to its press release dated July 16, 2015, it closed the initial tranche of its Private Placement and issued an aggregate of 3,586,500 Units at a purchase price of $0.30 per Unit raising aggregate gross proceeds of $1,075,950.

Each Unit consists of one common share in the capital of the Company ("Common Share") and one transferable share purchase warrant ("Warrant") of Kootenay. Each Warrant entitles the holder to acquire one Common Share at an exercise price of $0.55 until August 10, 2017. Cash finder's fees to arm's length parties totaling $7,110 have been paid, and 96,000 finders units (the "Finders Units") have been issued, on this portion of the Private Placement. The Finders Units consist of one Common Share and one non-transferable common share purchase Warrant. All securities issued in connection with the Private Placement are subject to a hold period which expires on December 11, 2015.

The net proceeds from the Private Placement will be used to finance additional work on Kootenay's Promontorio property, which includes the new La Negra Breccia discovery, its other properties and for general working capital.

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
Telephone: 604.601.5650

Item 9: Date of Report

August 18, 2015.