

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Kootenay Zinc Corp. (the “**Company**”)
Suite 800-1199 West Hastings Street
Vancouver, British Columbia V6E 3T5

Item 2: Date of Material Change

November 4, 2016

Item 3: News Release

A news release announcing the material change was issued and disseminated on November 4, 2016 and filed on SEDAR (www.sedar.com).

Item 4: Summary of Material Change

The Company has completed a non-brokered private placement of 16,500,000 common shares of the Company at a price of \$0.05 per common share for gross proceeds of \$825,000.

Item 5.1: Full Description of Material Change

The Company has completed a non-brokered private placement (the “**Private Placement**”) of 16,500,000 common shares of the Company (the “**Placement Shares**”) at a price of \$0.05 per Placement Share for gross proceeds of \$825,000. Pursuant to a finder’s fee agreement between the Company and Canaccord Genuity Corp. (“**Canaccord**”), in connection with the Private Placement Canaccord will receive 533,500 common shares of the Company. In addition, pursuant to an advisory agreement between the Company and Canaccord, the Company will issue 500,000 common shares to Canaccord.

The proceeds of the Private Placement will be used to fund exploration activities on the Sully Property in the Fort Steele Mining Division in the southeast portion of the Province of British Columbia in connection with the option agreement (the “**Option Agreement**”) among the Company and Gravitas Metals Corp. (“**Gravitas**”), to pay certain professional fees, and toward general corporate and working capital purposes.

One insider of the Company subscribed for a total of 500,000 Shares, for aggregate subscription proceeds of \$25,000, constituting a “related party transaction” as such term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is relying on the exemptions from the formal valuation and minority approval requirements under MI 61- 101. The Company is exempt from the formal valuation requirement of MI 61-101 in reliance on sections 5.5(a) and (b) of MI 61-101 as the fair market value of the transaction, insofar as it involves interested parties, is not more than the 25% of the Company’s market capitalization, and no securities of the Company are listed or quoted for trading on prescribed stock exchanges or stock markets. Additionally, the Company is exempt from minority shareholder approval relying on sections 5.7(1)(a) and (b) of MI 61-101 as, in addition to the foregoing, (i) neither the fair market value of the Shares nor the consideration received in respect thereof from interested parties exceeds \$2,500,000, (ii) the Company has one or more independent

directors who are not employees of the Company, and (iii) all of the independent directors have approved.

All of the Placement Shares are subject to a statutory hold period of four months and one day from the distribution date.

The Company further announces that John Walther has resigned as a director of the Company.

The Company also announces that Excel Geophysics Inc. has recently completed a gravity survey over the East Target of the Sully Property (the “**Survey**”). That data will produce a detailed gravity model and map that will be used for targeting of next drilling program, currently planned to commence in late November 2016.

Item 5.2: Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7: Omitted Information

No information has been omitted.

Item 8: Executive Officer

For further information, please contact
Anthony Jackson, Chief Financial Officer and Director
Telephone at 604 306-0068

Item 9: Date of Report

November 8, 2016