

**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**

October 12, 2017

**Item 3: News Release**

A news release announcing the material change was issued and disseminated on October 12, 2017 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Item 4: Summary of Material Change**

The Company completed a non-brokered private placement of 10,000,000 flow-through units (the “**Units**”) at a price of \$0.05 per Unit for a total purchase price of \$500,000, each Unit consisting of one flow through common share of the Company and one common share purchase warrant of the Company (a “**Warrant**”), with each such Warrant exercisable into one common share of the Company at a price of \$0.10 per share for a period of one year.

**Item 5.1: Full Description of Material Change**

The Company completed a non-brokered private placement of 10,000,000 flow-through units (the “**Units**”) at a price of \$0.05 per Unit for a total purchase price of \$500,000, each Unit consisting of one flow through common share of the Company and one common share purchase warrant of the Company (a “**Warrant**”), with each such Warrant exercisable into one common share of the Company at a price of \$0.10 per share for a period of one year.

Two insiders of the Company subscribed for a total of 10,000,000 Units, for aggregate subscription proceeds of \$500,000, 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.

**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**

October 16, 2017