

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: Kootenay Zinc Corp. (the "Company" or the "Issuer").

Trading Symbol: ZNK

Number of Outstanding Listed Securities: 38,563,294

Date: August 8, 2017

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.
On July 21, 2017, the company updated on the Sully project, it recently made two attempts to drill the E3 target form a location on the steep slope above and east of the target; both holes experienced bad drilling conditions. Drilling was suspended

before testing the zone to minimize potential loss of equipment and to minimize cost.

Newly mapped outcrops on the slope above and below (east and west) of the E3 area confirm structural trends previously documented. However, outcrops north and south of the E3 gravity anomaly area along the road used to access the E15/16 drill site are cut by numerous faults at differing orientations that are probably part of a narrow north-trending zone that contributed to the drilling difficulties encountered.

Forest fire hazard conditions in the East Kootenays are now high, like that seen in other parts of the province, and are not predicted to change in the next 30 days. Industrial activities (including the use of excavators and drills) are now restricted and will likely be banned by a closure order in the coming days. The drill was removed from the property and will be brought back when available and when forest fire risk is substantially lowered.

2. Provide a general overview and discussion of the activities of management. The Sully project team have attempted to drill the E3 target however both it has experienced bad drilling conditions. As a result, drilling was suspended before testing the zone to minimize the potential loss of equipment and to minimize costs. An alternative drill site has been identified and selected. It is near the valley bottom and provides an opportunity to drill E3 towards east where surface outcrops indicate ground conditions will likely be more favourable.

Also, results have been received from 88 soil samples collected on contour lines that cover the area from about the midpoint of the E3 and north through E4 gravity anomalies. This brings the total number of soil samples analyzed in 2017 to 120. Since the 1980s, 873 soil samples have been analyzed for lead and zinc either by atomic absorption or, since 2000, by ion-coupled plasma techniques. See the Company's news releases dated July 21, 2017 for further details.

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law. Sully project team, has recently made two attempts to drill the E3 target from a location on the steep slope above and east of the target; both holes experienced bad drilling conditions. Drilling was suspended before testing the zone to minimize potential loss of equipment and to minimize cost.

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4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

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5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.
None.
6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.
None.
7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.
None.
8. Describe the acquisition of new customers or loss of customers.
Not applicable
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.
There were no new developments.
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
There were no employee activities.
11. Report on any labour disputes and resolutions of those disputes if applicable.
Not applicable.
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.
There are no legal proceedings.
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None.

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
-	-	-	-
-	-	-	-

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None.

16. Provide details of any changes in directors, officers or committee members.

None.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

There are no trends specific to the Issuer at this time.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: August 8, 2017

Name of Director or Senior Officer

Anthony Jackson
"Anthony Jackson"

CFO, Director

Issuer Details Name of Issuer Kootenay Zinc Corp.	For Month End July 2017	Date of Report YY/MM/D 17/08/08
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Contact Name Anthony Jackson	Contact Position CFO, Director	Contact Telephone No. (604)630.3838
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