MIRAMONT RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FISCAL YEAR ENDED JULY 31, 2020

(Expressed in Canadian Dollars)

Report Date – November 19, 2020

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and the financial condition of Miramont Resources Corp. (the "Company") for the year ended July 31, 2020. This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements and related notes thereto for the years ended July 31, 2020 and 2019. All amounts disclosed in this MD&A are expressed in Canadian dollars, unless otherwise noted.

Management's Responsibility

The Company's management is responsible for the preparation and presentation of the financial statements and this MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and as included in Part 1 of the CPA Canada Handbook – Accounting and the interpretations of the International Financial Reporting Interpretations Committee. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

Forward-Looking Statements

This MD&A may contain forward-looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of exploration or other risk factors beyond its control. Actual results may differ materially from the expected results.

Except for statements of historical fact, this MD&A contains certain "forward-looking information" within the meaning of applicable securities law. Forward-looking information is frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. In particular, forward-looking information in this MD&A includes, but is not limited to, statements with respect to future events such as the transaction with Kuya Silver Corp. ("Kuya"), the sufficiency of the Company's current working capital, anticipated cash flow or its ability to raise necessary funds, and the Company's plans and expectations for its operations and is subject to certain risks, uncertainties and assumptions. Although we believe that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, performance or achievements. Consequently, there is no representation that the actual results achieved will be the same, in whole or in part, as those set out in the forward-looking information.

Forward-Looking Statements (cont'd…)

Forward-looking information is based on the opinions and estimates of management at the date the statements are made, which are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those anticipated in the forward-looking information. Some of the risks and other factors that could cause results to differ materially from those expressed in the forward-looking statements include, but are not limited to: general economic conditions in Canada, the United States, Peru and globally; industry conditions, including fluctuations in commodity prices; the outbreak of an epidemic or a pandemic, including the recent outbreak of the novel coronavirus (COVID-19), or other health crisis and the related global health emergency affecting workforce health and wellbeing, regional or country-wide lock-downs to contain the spread of COVID-19, travel restrictions and disruptions to supply chains; governmental regulation of the mining industry, including environmental regulation; geological, technical and drilling problems; unanticipated operating events; competition for and/or inability to retain drilling rigs and other services; the availability of capital on acceptable terms; stock market volatility; volatility in market prices for commodities; liabilities inherent in mining operations; changes in tax laws and incentive programs relating to the mining industry; and the other factors described herein under "Risks and Uncertainties" as well as in our public filings available at www.sedar.com. Readers are cautioned that this list of risk factors should not be construed as exhaustive.

The forward-looking information contained in this MD&A is expressly qualified by this cautionary statement. We undertake no duty to update any of the forward-looking information to conform such information to actual results or to changes in our expectations except as otherwise required by applicable securities legislation. Readers are cautioned not to place undue reliance on forward-looking information.

Overview

The Company was incorporated on July 15, 2015 under the Business Corporations Act of British Columbia and is a mineral exploration company with a focus on acquiring, exploring and advancing exploration and evaluation assets in Peru. The Company's head office and principal address is located at 23rd Floor - 1177 West Hastings Street, Vancouver, BC, V6E 2K3. The Company's registered and records office is located at 40440 Thunderbird Ridge, Squamish, BC, V8B 0G1. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol KUYA (formerly MONT) and on the OTCQB under the trading symbol KUYAF (formerly MRRMF). The Company is also quoted on the Frankfurt Stock Exchange under the trading symbol 6MR1.

On November 14, 2017, the Company acquired of all of the issued and outstanding shares of Puno Gold Corporation ("Puno"), a privately held Ontario corporation. Minera Puno Gold, S.A.C. ("Minera Puno") is a Peruvian corporation and is a wholly owned subsidiary of Puno. Minera Puno is engaged in the business of mineral exploration and development in Peru and had or subsequently entered into option agreements on the properties within the Cerro Hermoso project, being the Lucia Josefina, Haariana II, An An, and Milenios properties, and on the Lukkacha project. During fiscal 2020 and 2019, all of the option agreements held by Minera Puno were allowed to lapse.

Overview (cont'd…)

On November 14, 2017, the Company also completed a $6,000,010 private placement to fund the planned exploration programs and option payments.

On January 31, 2019, the Company completed a private placement of 471,650 post-Consolidation units at a price of $3.50 per post-Consolidation unit by way of a non-brokered private placement, for total proceeds of $1,650,774. Each unit was comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at a price of $5.00 per post-Consolidation common share, for a period of two years from the date of issue. The Company paid a total of $31,963 in finders' fees and legal fees and issued 8,015 finders' warrants. Each finders' warrant entitles the holder to purchase one common share at a price of $5.00 per post-Consolidation common share, for a period of two years from the date of issue. Refer to the "Subsequent Events" section for a further description of the share Consolidation referred to in this paragraph.

The Company continues to review high-quality, drill-ready precious metals and polymetallic exploration opportunities.

On October 1, 2020, the Company completed the various matters contemplated in the previously announced definitive agreement with Kuya whereby the Company agreed to acquire all of the issued and outstanding shares of Kuya in exchange for shares of the Company. Kuya is a privately held Canadian-based silver focused junior mining company earning into an 80% interest in the Bethania Silver Mine located in central Peru. Refer to the "Subsequent Events" section for a further description of the transaction.

Exploration and Evaluation Assets

Cerro Hermoso

On September 23, 2016, subsequently amended September 18, 2018, Minera Puno entered into an option agreement to acquire a 100% interest in two mining concessions, Lucia Josefina and Haariana II, in the district of Santa Lucia, province of Lampa, Puno Region in Peru known as the Cerro Hermoso Concessions for a total purchase price of US$3,526,000 to be paid over the period to September 27, 2021 (of which a total of US$326,000 was paid to November 14, 2019).

On July 26, 2018, Minera Puno entered into an option agreement to acquire a 100% interest in the Milenios mining concession, contiguous to the Cerro Hermoso Concessions, for a total purchase price of US$110,000 and the greater of: US$200,000 and US$1 for each ounce of gold contained in a National Instrument 43-101 compliant resource on or before July 26, 2022, to be paid over the period to July 26, 2021 (of which a total of US$45,000 was paid to May 26, 2020).

Exploration and Evaluation Assets (cont'd…)

Cerro Hermoso (cont'd…)

On February 5, 2019, Minera Puno entered into an option agreement to acquire a 100% interest in the An An mining concession, contiguous to the Cerro Hermoso Concessions. The An An Agreement has a four-year term and requires payments totaling US$610,000 by February 5, 2023 (of which US$30,000 was paid to November 14, 2019).

On May 15, 2018, the Company announced it had received approval of its environmental impact statement and on December 4, 2018, the Company announced that it had received approval of its final drill permit.

The Company commenced Phase 1 drilling at Cerro Hermoso in January 2019. A total of 3,679 metres was drilled in nine diamond drill holes with the program being completed in April 2019 (refer to the Company's press release dated April 12, 2019 for the results). A Phase 2 drill program commenced in May 2019 to follow-up on mineralization encountered in Phase 1. The Phase 2 program was paused in June 2019 to allow the Company to apply for adjustments to the current drill permit through the Informe Técnico Sustentatorio ("ITS"). The ITS would have provided an amendment to the Company's existing drill permit with the request to drill additional holes on existing platforms throughout the new target area. Submission of the ITS was subsequently cancelled upon review of final drill assays.

In November 2019, the Company announced that it had decided to allow the option agreements for the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project to lapse in order to preserve capital and in May 2020, the Company gave notice of its intension to not make the option payment due on July 26, 2020 on the Milenios concession. The Company recorded a write-off on exploration and evaluation assets of $59,338 during the year ended July 31, 2020 related to the Milenios concession and $3,969,379 in fiscal 2019 related to the Lucia Josefina, Haariana II and An An concessions.

Lukkacha

On May 15, 2017, Minera Puno entered into an option agreement to acquire a 100% interest in certain mining concessions in the District of Chucatamani, Province of Tarata, Tacna Department in Peru, (the "Lukkacha Concessions"), known as the Lukkacha Option Agreement. The Lukkacha Option Agreement has a five-year term. The purchase price is to be paid as follows:

(i) Initial payment of US$200,000 on the effective date of the Lukkacha Option Agreement (paid);
(ii) Annual payments of US$100,000 starting on the first anniversary of obtaining the Supreme Decree. Supreme Decree refers to the issuance by the President of the Republic and countersigned by the President of the Council of Ministers, the Ministry of Energy and Mines and the Minister of Defense, which will authorize Minera Puno to acquire the Lukkacha Concessions and the rights thereon established in the Lukkacha Option Agreement hereof since the Lukkacha Concessions are located within 50 km from the border with the Republic of Chile; and
(iii) A final payment of US$2,500,000 on the execution of public deed of transferring mining rights.

Minera Puno must incur exploration expenditures on the Lukkacha Concessions as follows:

- US$1,000,000 within 24 months following the date of obtaining the Supreme Decree; and
- An additional US$1,000,000 within 36 months following the date of obtaining the Supreme Decree.

Exploration and Evaluation Assets (cont'd…)

Lukkacha (cont'd…)

Minera Puno is responsible, during the validity of the Lukkacha Option Agreement, to make annual payments for the license fees and penalties applicable to the Lukkacha Concessions.

The Company has made an application for the Supreme Decree.

In June 2020, the Company allowed the option agreement for the Lukkacha Concessions to lapse. The Company recorded a write-off on exploration and evaluation assets of $1,522,678 during the year ended July 31, 2020 related to the Lukkacha Concessions.

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha

During the year ended July 31, 2020, the Company incurred total exploration and evaluation expenditures of $144,317 (2019 - $2,083,460) and recorded $202,554 (2019 - $nil) in value added tax ("VAT") refunds for a net recovery of exploration and evaluation expenditures of $58,237 (2019 - $1,941,585) and $nil (2019 - $141,875), respectively, on the Cerro Hermoso and Lukkacha properties (collectively, the "Puno properties").

Expenditures on Cerro Hermoso for the period were focused on reclamation work and the geological analysis of the results on the Phase 2 drill program and related documentation. The VAT refunds were based on expenditures incurred on work performed in fiscal 2019 and were approved by the Peru government in fiscal 2020. Expenditures on Cerro Hermoso for fiscal 2019 were primarily for preparation and completion of the Phase 1 and 2 drilling programs. In January 2019, the Company commenced a Phase 1 drill program that was designed to test three targets outlined by previous sampling, geologic mapping and a geophysics program. In May 2019, the Company commenced phase 2 drilling at Cerro Hermoso. The program was designed to follow up on results from the previous drilling campaign.

Expenditures on Lukkacha for fiscal 2019 were primarily to keep the property in good standing.

(Expressed in Canadian Dollars)

Exploration and Evaluation Assets (cont'd…)

Exploration and Evaluation Expenditures on Cerro Hermoso and Lukkacha (cont'd…)

The exploration and evaluation expenditures (recovery) incurred during the year ended July 31, 2020 were as follows:

Project		Cerro Hermoso		Lukkacha		Total
Assays	$	898	$	-	$	898
Community programs		6,695		-		6,695
Field supplies		8,405		-		8,405
Geological consulting		5,410		-		5,410
Property payments, licences and rights		8,441		-		8,441
Travel		3,188		-		3,188
VAT (recovery)		(181,277)		-		(181,277)
Vehicle rentals and maintenance		4,770		-		4,770
Wages and benefits		85,233		-		85,233
Total	$	(58,237)	$	-	$	(58,237)

The cumulative exploration and evaluation expenditures on the Puno properties incurred by the Company to July 31, 2020 are as follows:

Property		Cerro Hermoso		Lukkacha		Total
Assays	$	119,394	$	-	$	119,394
Community programs		32,347		16,114		48,461
Core shack		1,004		-		1,004
Drilling		984,720		-		984,720
Engineering		10,045		-		10,045
Environmental and permitting		14,998		101,885		116,883
Field supplies		133,890		1,369		135,259
Geological consulting		194,174		-		194,174
Property payments, licences, and rights		104,748		332,056		436,804
Travel		82,392		7,538		89,930
VAT		142,835		-		142,835
Vehicle rentals and maintenance		85,373		619		85,992
Wages and benefits		524,827		-		524,827
Total to July 31, 2020	$	2,430,747	$	459,581	$	2,890,328

(Expressed in Canadian Dollars)

Selected Annual Information

The following table sets out selected annual financial information for the financial years ended ("FYE") July 31, 2020, 2019, and 2018.

Year Ended		July 31, 2020		July 31, 2019		July 31, 2018
Revenue	$	Nil	$	Nil	$	Nil
Loss from continuing operations	$	(2,130,667)	$	(7,444,783)	$	(2,120,377)
- per share[1, 2]	$	(0.38)	$	(1.41)	$	(0.53)
Loss and comprehensive loss	$	(2,130,667)	$	(7,444,783)	$	(2,120,377)
- per share [1, 2]	$	(0.38)	$	(1.41)	$	(0.53)
Total assets	$	2,081,653	$	4,032,059	$	9,025,524
Total non-current financial liabilities	$	Nil	$	Nil	$	Nil
Cash dividends declared - per common share	$	Nil	$	Nil	$	Nil

1. Fully diluted loss per share is not presented as the effect was anti-dilutive.
2. Refer to the "Subsequent Events" section for a description of the share consolidation.

Overall Performance and Results of Operations: Year-to-date

During the year ended July 31, 2019, the Company incurred a loss and comprehensive loss of $2,130,667 compared to a loss and comprehensive loss of $7,444,783 for the year ended July 31, 2019.

The loss and comprehensive loss of $2,130,667 (2019 - $7,444,783) for the current year was comprised of $1,523,779 (2019 - $6,052,839) in property expenses, including write-off of exploration and evaluation assets of $1,582,016 (2019 - $3,969,379); $636,485 (2019 - $1,379,679) in administrative expenses, including share-based payments of $170,067 (2019 - $449,704); and $29,597 (2019 - $(12,265)) in net other income (expense).

The decrease in loss for the current year was attributable to lower expenses incurred on the properties. The completion of the drilling program on the Cerro Hermoso project in FYE 2019 and the ensuing decision to minimize exploration on the project resulted in reduced exploration expenses in FYE 2020. The write-off of exploration and evaluation assets of $1,582,016 associated with the termination of the remaining concessions under option was lower than the $3,969,379 recorded in FYE 2019. As less work was performed on the properties in FYE 2020, administrative expenses also decreased. The increase in loss in FYE 2019 over FYE 2018 was attributable to the increased exploration on the Puno properties, most significantly drilling and its associated costs on the Cerro Hermoso project and the write-off of exploration and evaluation assets of $3,969,379 associated with the termination of certain concessions under option.

Overall Performance and Results of Operations: Year-to-date (cont'd…)

The significant expenditures for the current year, compared to the previous year, included:

Property Expenses

- Exploration and evaluation expenditures – Expenses incurred during the year were primarily for reclamation work and the analysis of results of the drill program at the Cerro Hermoso project, net of the VAT refund of $202,554. The comparative year consisted primarily of funds incurred on exploratory work on the projects. The expenditures on Cerro Hermoso during FYE 2019 were primarily used towards the Phase 1 and 2 drill programs at the Cerro Hermoso project where drilling commenced in January 2019. The expenditures incurred on Lukkacha during FYE 2019 were primarily for costs to keep the property in good standing.
- Write-off of exploration and evaluation assets – The current year includes the write off of the carrying value of the Milenios concession on the Cerro Hermoso project and the Lukkacha project. The prior year includes the write off of the carrying value of the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project.

Administrative Expenses

- Consulting fees – In the prior year, the Company hired outside consultants to provide assistance with the review of the Puno properties.
- Management fees – The current year consists solely of fees paid to Tyson King, the CEO; the prior year also included fees paid to William Pincus, the former CEO. Mr. Pincus was paid additional fees of $189,583 in connection with his departure in accordance with the terms of his consulting agreement with the Company.
- Marketing and investor relations – In the prior period, the Company incurred marketing costs and investor relations fees to update the market on the drilling at Cerro Hermoso. In the current period, the Company has reduced its expenditures as it focused on maintaining cash.
- Share-based payments – Stock options were granted to directors, officers, employees, consultants and advisors in February 2019 and March and April 2018, in accordance with its shareholder-approved stock option plan, with the fair value of the share-based payments being expensed over the vesting period. There were no stock option grants between February 2019 and July 31, 2020.
- Travel – Management reduced its travel to Peru during the current year as drilling was completed and COVID-19 shut down international borders. The prior year includes several trips to Peru associated with the work on the projects.

Summary of Quarterly Results

The following table sets out selected unaudited quarterly financial information for the most recent eight quarters. The amounts presented have been prepared in accordance with IFRS for all eight quarters. The adoption of IFRS 16 effective August 1, 2019 and IFRS 15 effective August 1, 2018 did not impact the Company's previously reported revenues or expenses. Refer to the "New Accounting Policies Adopted" section for further details.

(Expressed in Canadian Dollars)

Summary of Quarterly Results (cont'd…)

Three Months Ended		July 31, 2020		April 30, 2020		January 31, 2020		October 31, 2019
Revenue	$	Nil	$	Nil	$	Nil	$	Nil
Exploration and evaluation expenditures (recovery)	$	5,785	$	38,696	$	(156,633)	$	53,915
Write-off of exploration and evaluation assets	$	1,522,678	$	59,338	$	-	$	-
Administrative expenses (excluding share-based payments)	$	161,922	$	88,895	$	103,582	$	112,019
Share-based payments	$	16,342	$	19,636	$	67,044	$	67,045
Loss from continuing operations	$	1,727,834	$	162,980	$	8,104	$	231,749
- per share [1, 2]	$	(0.31)	$	(0.03)	$	(0.00)	$	(0.04)
Loss and comprehensive loss	$	1,727,834	$	162,980	$	8,104	$	231,749
- per share [1, 2]	$	(0.31)	$	(0.03)	$	(0.00)	$	(0.04)

Three Months Ended		July 30, 2019		April 30, 2019		January 31, 2019		October 31, 2018
Revenue	$	Nil	$	Nil	$	Nil	$	Nil
Exploration and evaluation expenditures	$	771,890	$	894,930	$	351,293	$	65,347
Write-off of exploration and evaluation assets	$	3,969,379	$	-	$	-	$	-
Administrative expenses (excluding share-based payments)	$	179,756	$	410,447	$	178,392	$	161,380
Share-based payments	$	75,274	$	203,432	$	85,499	$	85,499
Loss from continuing operations	$	5,010,311	$	1,526,623	$	607,839	$	300,010
- per share [1, 2]	$	(0.91)	$	(0.30)	$	(0.12)	$	(0.06)
Loss and comprehensive Loss	$	5,010,311	$	1,526,623	$	607,839	$	300,010
- per share [1, 2]	$	(0.91)	$	(0.30)	$	(0.12)	$	(0.06)

1. Fully diluted loss per share is not presented as the effect is anti-dilutive.
2. Refer to the "Subsequent Events" section for a description of the share consolidation.

Overall Performance and Results of Operations: Quarterly

During the three-month period ended July 31, 2020, the Company incurred a loss and comprehensive loss of $1,727,834 compared to a loss and comprehensive loss of $5,010,311 for the three-month period ended July 31, 2019.

The loss and comprehensive loss of $1,727,834 (2019 - $5,010,311) for the current quarter was comprised of $5,785 (2019 - $771,890) in property expenditures, $178,264 (2019 - $255,030) in administrative expenses, and $21,107 (2019 - $14,012) in net other expense. The expenditures with significant changes in the current quarter from the comparative quarter of last year, not described above, were as follows:

Property Expenses

- Exploration and evaluation expenditures – There were minimal expenses in the current period as it had been determined to discontinue exploration on the Cerro Hermoso project and discontinue pursuing the Lukkacha project. The comparative period consisted primarily of funds incurred for completion of the Phase 2 drill program and analysis of results at the Cerro Hermoso project.
- Write-off of exploration and evaluation assets – The current period includes $1,522,678 for the write-off of the carrying value of the Lukkacha concession. The prior period includes the write off of the carrying value of the Lucia Josefina, Haariana II and An An concessions at the Cerro Hermoso project.

Administrative Expenses

- Filing fees – The current period had an increase in filing fees related to the Kuya transaction.

Liquidity and Capital Resources

The Company's cash position was $2,037,582 as at July 31, 2020 compared to $2,348,270 as at July 31, 2019. The Company's working capital was $1,976,836 as at July 31, 2020 compared to $2,353,452 as at July 31, 2019. The Company's cash position consists of funds raised in previous financings, along with proceeds on exercise of warrants, less cumulative expenditures incurred. The cash balance of $2,037,582 as at July 31, 2020 decreased by $310,688 from the $2,348,270 balance as at July 31, 2019. The net decrease was comprised of expenditures on operating activities, which was offset by the receipt of the VAT refunds from the Peru government.

Management believes the Company's current cash resources are sufficient to meet its short-term needs. The Company is continuing to explore various potential sources of financing, but there is no certainty that any additional financings will be completed. The Company raised capital in previous reporting periods through private placements of its common shares and exercise of share purchase warrants, with the result that the current working capital balance is an amount that management believes is sufficient to further operations for the upcoming twelve months. Refer to the "Subsequent Events" section for further details.

Off-Balance Sheet Arrangements

The Company did not enter into any off-balance sheet arrangements or transactions during the period.

(Expressed in Canadian Dollars)

Transactions with Related Parties

The following summarizes the Company's related party transactions with its key management personnel during the year ended July 31, 2020 and 2019:

	2020	2019
Paid or accrued management fees to Tyson King, a director and President and CEO of the Company since April 12, 2019 and formerly a director and Vice-president of the Company	$ 84,000	$ 69,000
Paid or accrued management fees to William Pincus, a director and President and CEO of the Company until April 12, 2019	-	306,247
Paid or accrued professional fees to Lesia Burianyk, CFO of the Company	30,000	30,000
Vesting of share-based payments to Dale Peniuk, a director of the Company	32,605	83,201
Vesting of share-based payments to Quinton Hennigh, a director of the Company	25,614	57,611
Vesting of share-based payments to Gerald Shields, a director of the Company	25,614	57,611
Vesting of share-based payments to Tyson King	28,647	62,343
Vesting of share-based payments to William Pincus	-	11,907
Vesting of share-based payments to Lesia Burianyk	17,357	35,904
	$ 243,837	$ 713,824

As at July 31, 2020, included in accounts payable and accrued liabilities was $30,625 (2019 - $10,296) owing to officers and directors.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and the members of its Board of Directors.

Subsequent Events

Subsequent to July 31, 2020, the Company:

a) provided a credit facility up to $500,000 to Kuya that bears interest at 8% per annum and is to be repaid the earlier of (i) closing of the transaction (as described below in point b) and (ii) January 19, 2021. On August 21, 2020, Kuya drew down $500,000 on the credit facility;

b) completed, on October 1, 2020, the various matters contemplated in the previously announced definitive agreement (the "Definitive Agreement") with Kuya, whereby the Company agreed to acquire all of the issued and outstanding shares of Kuya in exchange for shares of the Company (the "Transaction").

Subsequent Events (cont'd…)

Pursuant to the Definitive Agreement, the Company completed a consolidation of its issued and outstanding common shares (the "Consolidation") on the basis of one post-Consolidation common share (the "Shares") for every 10 outstanding common shares in the capital of the Company. As a condition to the completion of the Transaction, Kuya completed a private placement financing (the "Concurrent Financing"), consisting of a brokered and a non-brokered private placement of 7,477,620 subscription receipts at a price of $1.65 ("Subscription Receipts") per Subscription Receipt for aggregate gross proceeds of $12,338,073. Following shareholder approval for the Consolidation and the Transaction and receipt of the necessary approvals of the CSE, each of the shareholders of Kuya received 1.835 Shares in exchange for each share held in the capital of Kuya and holders of convertible securities in Kuya received replacement securities in the Company.

On closing of the Transaction, the current shareholders of the Company held approximately 30% of the outstanding shares and the Kuya shareholders held approximately 70% of the outstanding Shares (not including the issuance of Shares pursuant to the Concurrent Financing). Accordingly, the Transaction will be accounted for as a RTO of the Company by Kuya and the comparative financial statements in future consolidated financial statements of the combined company will be those of Kuya, the accounting acquiree. On October 7, 2020, the Company began trading on the CSE under the symbol KUYA;

c) granted 740,000 stock options at a price of $0.90 per common share, vesting 1/3 on grant, 1/3 after one year, and 1/3 after two years, for a period of five years, expiring on October 1, 2025;

d) granted 180,000 stock options at a price of $0.90 per common share, vesting on grant for a period of five years, expiring on October 1, 2025; and

e) reached an agreement, in October 2020, to acquire the remaining 20% interest in the Bethania Silver Mine for a total of US$1,750,000 of cash and shares of the Company. The acquisition is subject to completion of final documentation and approval of the CSE.

Share Capital Information

Disclosure of Outstanding Share Data

The authorized capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

(Expressed in Canadian Dollars)

Share Capital Information (cont'd…)

Shares Issued and Outstanding

As at the Report Date, there were Nil preferred shares issued and outstanding. Changes in common shares, options and warrants outstanding from July 31, 2020 to the Report Date are summarized below.

Common share transactions are summarized as follows:

	Number of common shares
Balance as at July 31, 2020	5,577,322
Issued to shareholders of Kuya	13,041,978
Issued on exchange of Subscription Receipts	13,721,432
Balance as at Report Date	32,340,732

Stock options

Option transactions are summarized as follows:

	Number of options
Balance as at July 31, 2020	302,500
Granted	920,000
Balance as at Report Date	1,222,500

Warrants

Warrant transactions are summarized as follows:

	Number of warrants
Balance as at July 31, 2020	479,665
Issued to warrant holders of Kuya	1,908,706
Balance as at Report Date	2,388,371

New Accounting Policies Adopted

The following standard has been adopted by the Company, using the modified retrospective application method, effective August 1, 2019:

IFRS 16, Leases

This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model.

There was no impact on the consolidated financial statements as a result of adopting this standard as the Company has not entered into any contracts that contain a lease.

New standards, interpretations and amendments to existing standards not yet effective

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning after August 1, 2020. These have not been applied in preparing these consolidated financial statements. There are no IFRSs or IFRS Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on these consolidated financial statements.

Financial Instrument Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at July 31, 2020, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

<u>Credit risk</u>

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's credit risk is primarily attributable to its liquid financial assets, being cash and receivables. The Company's primary bank accounts are held with a major Canadian bank and funds are transferred to the subsidiary's foreign bank accounts as required to cover current expenditures; this minimizes the risk to the Company. Receivables are primarily due from a government agency.

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company has sufficient cash as at July 31, 2020 to settle its current liabilities as they come due and management estimates funds are sufficient to further operations for the upcoming twelve months.

Financial Instrument Risk (cont'd…)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of market price changes:

Foreign currency exchange risk – this risk relates to any changes in foreign currencies in which the Company transacts. The effect of a 10% change in the foreign exchange rate on cash held in US dollar accounts would be approximately $56,000 for the year ended July 31, 2020.

Interest rate risk – this risk relates to the change in the borrowing rates of the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% increase or decrease in the interest rates would result in a nominal difference in interest income for the year ended July 31, 2020.

Price risk – this risk relates to fluctuations in commodity and equity prices. The Company closely monitors commodity prices of precious and base metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company. Fluctuations in pricing may be significant.

The Company does not currently use financial instruments designed to hedge these market risks.

Fair value hierarchy

The Company's financial instruments recorded at fair value require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1. Prices in level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

The Company has classified its cash, receivables and accounts payable and accrued liabilities as amortized cost. The fair value of cash was determined using level 1. The fair value of receivables and accounts payable and accrued liabilities approximates their carrying values because of the short-term nature of these instruments.

Capital Management

The Company defines capital as cash, debt, and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the year ended July 31, 2020.

Risks and Uncertainties

The Company is in the mineral exploration and development business and, as such, is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same business. Some of the possible risks include the following:

a) The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. Few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by the Company will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of the minerals and proximity to infrastructure; mineral prices, which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted but could have a material adverse effect upon the Company's operations. Mining operations generally involve a high degree of risk. The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability. There is no certainty that the expenditures made by the Company toward the search and evaluation of precious metals and other minerals will result in discoveries of mineral resources, mineral reserves or any other mineral occurrences.

b) The likely source of future funds for further acquisitions, property development, and exploration programs undertaken by the Company are the sale of equity capital. For the exploration, development of economic ore bodies, and commencement of commercial production, additional financing may be required by the Company. Future equity financings are subject to prevailing market conditions at the time and could result in substantial dilution to the holdings of existing shareholders.

Risks and Uncertainties (cont'd…)

c) The Company's capital resources are largely determined by the strength of the resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for the investor support of its projects.

d) The market price of any mineral is volatile and is affected by numerous factors that are beyond the Company's control. These include international supply and demand, the level of consumer product demand, international economic trends, currency exchange rate fluctuations, the level of interest rates, the rate of inflation, global or regional political events and international events as well as a range of other market forces. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the mineral extraction and/or exploration activities to be undertaken by the Company. This, in turn, greatly affects its ability to raise equity capital, negotiate option agreements and form joint ventures.

e) All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations.

   Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws.

   Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing properties or require abandonment or delays in the development of new mining properties.

f) The exploration and development activities of the Company will require various licenses and permits from various governmental authorities. There is no assurance that the Company will be successful in obtaining the necessary licenses and permits to continue exploration and development activities in the future.

Risks and Uncertainties (cont'd…)

g) The operations of the Company are currently conducted primarily in Peru, as such, the operations of the Company are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties include, but are not limited to: terrorism; extreme fluctuations in currency exchange rates; and changing political conditions, currency controls and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitudes in any of the countries the Company operates in may adversely affect the operations or profitability of the Company. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral rights applications and tenure could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

h) The Company's relationship with the communities in which it operates are critical to ensure the future success of its existing operations and the development of its projects. Certain governmental and non-governmental organizations, some of which oppose globalization and resource development, are often vocal critics of the mining industry and its practices, including the use of cyanide and other hazardous substances in processing activities. Adverse publicity generated by such governmental and non-governmental organizations or others related to extractive industries generally, or the Company's operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact its relationship with the communities in which it operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential risk.

i) The Company is dependent upon the services of key executives, including the directors of the Company and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the inability of the Company to attract and retain additional highly-skilled employees may adversely affect its business and future operations.

j) The mining industry is highly competitive. Many of the Company's competitors for the acquisition, exploration, production and development of mineral properties, and for capital to finance such activities, will include companies that have greater financial and personnel resources available to them than the Company.

k) The mining business is subject to mineral price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. At the present time, the more measured demand for minerals in some emerging economies (notably China and India) has led to moderation in prices for industrial minerals and the lower expectation of future inflation in advanced economies has moderated the price of precious metals. It is difficult to assess how long such trends may continue.

Risks and Uncertainties (cont'd…)

l) The Company's activities may be affected by potential medical pandemic issues, such as the novel coronavirus (COVID-19), as a result of the potential related impact to employees, disruption to operations, supply chain delays, travel and trade restrictions, impact on economic activity in affected countries or regions and local government response to such issues. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce in the mining industry and could be a major health-care challenge for the Company. There can be no assurance that the Company's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. The Company's costs may increase in order to implement necessary precautions as required by local laws or as determined by the Company. As well, there can be no assurance that the Company will not be impacted by adverse consequences that may be brought about by pandemics on global financial markets which may reduce resources, share prices and financial liquidity that may severely limit the financing capital available in the industry that the Company operates in and the mining industry generally.

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, then actual results may vary materially from those described in any forward-looking statements. The exploration and development activities of the Company are subject to various laws governing exploration, development, and labour standards which may affect the operations of the Company as these laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

Proposed Transactions

Currently there are no pending proposed transactions, except as disclosed in the "Subsequent Events" section.

Additional Information

Additional information relating to the Company, is available on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") website at **www.sedar.com.**

Corporate Information

Directors:	David Stein Quinton Hennigh Dale Peniuk Andres Recalde Maura Lendon
Officers:	David Stein, President and CEO Lesia Burianyk, CFO Leah Hodges, Corporate Secretary Tyson King, VP Corporate Development
Auditor:	Davidson and Company, LLP Chartered Professional Accountants Suite 1200 - 609 Granville Street Vancouver, BC, V7Y 1G6
Legal Counsel:	DuMoulin Black, LLP 10th Floor - 595 Howe Street Vancouver, BC, V6C 2T5 Irwin Lowy LLP Suite 401 - 217 Queen Street West Toronto, Ontario, M5V 0R2
Transfer Agent:	Computershare Trust Company of Canada 2nd Floor - 510 Burrard Street Vancouver, BC, V6C 3B9