

**FORM 51-102F3
MATERIAL CHANGE REPORT**

ITEM 1 Name and Address of Company:

Kuya Silver Corporation (the “**Company**”)
23rd Floor, 1177 West Hastings Street
Vancouver, B.C., V6E 2K3

ITEM 2 Date of Material Change:

March 1, 2021.

ITEM 3 News Release:

A news release dated March 1, 2021 was distributed and subsequently filed on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

ITEM 4 Summary of Material Change:

On March 1, 2021, the Company announced that pursuant to a share purchase and option agreement dated February 26, 2021 with First Cobalt Corp., Cobalt Industries of Canada Inc. and CobalTech Mining Inc., the Company acquired a portion of silver mineral exploration assets and an option to acquire up to a 70% interest in and to the balance of certain silver mineral assets, located in the historic Cobalt, Ontario silver mining district.

ITEM 5 Full Description of Material Change:

5.1 – Full Description of Material Change:

Please refer to attached press release.

5.2 – Disclosure for Restructuring Transactions:

Not applicable.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not Applicable.

ITEM 7 Omitted Information:

Not Applicable.

ITEM 8 Executive Officer:

Further information relating to this Material Change Report may be obtained from:

Leah Hodges, Corporate Secretary
Telephone: (604) 377-0403

ITEM 9 Date of Report:

DATED as of March 1, 2021.



Kuya Silver Closes Acquisition of Properties in Northern Ontario and Launches the Silver Kings Project

Vancouver, BC, March 1, 2021 - Kuya Silver Corporation (CSE: KUYA) (OTCQB: KUYAF) (Frankfurt: 6MR1) (the “**Company**” or “**Kuya**”) is pleased to announce that pursuant to a share purchase and option agreement dated February 26, 2021 (the “**Purchase Agreement**”) with First Cobalt Corp. (“**FCC**”), Cobalt Industries of Canada Inc. (“**CIC**”) and CobalTech Mining Inc. (“**CobalTech**”), the Company has acquired a portion of FCC’s silver mineral exploration assets (the “**Kerr Assets**” or the “**Kerr Project**”) from FCC (the “**Transaction**”) as previously announced on December 21, 2020. Pursuant to the terms of the Purchase Agreement, the Company has also acquired from CIC an option to acquire up to a seventy percent (70%) interest in and to the balance of FCC’s silver mineral assets (“**Remaining Assets**”) located in the historic Cobalt, Ontario silver mining district (the “**Option**”).

Kuya’s President and CEO, David Stein stated, “This world class silver mining district has been largely abandoned for the past thirty years, and Kuya is excited to sink our teeth into this project. Kuya has identified the opportunity to follow up on recently discovered high-grade silver mineralization and plans to focus on these high-priority areas in our first phase of exploration. Our goal here is to build enough tonnage to justify a new Ontario silver mine that would be the platform to grow production in the district over time. In addition to the Kerr Project, we look forward to working with First Cobalt on the Silver Kings Joint Venture, where we will take a bigger picture approach and target the discovery of new clusters of veins, which have been the focus of the vast majority of historical production in the district.”

Dr. Quinton Hennigh, Kuya Chairman commented, “The extremely high-grade silver veins of the Cobalt camp occur along high-angle structures that transect the Nipissing diabase sill. Best grades tend to occur in host rocks immediately above or below this sill. When this project is viewed with that model in mind, it is easy to see that most of our tenure is underlain by unexplored or poorly explored areas with potential for both hanging wall and footwall vein targets. We plan to set about building a comprehensive model of historic data as well as collect new data that will allow us to identify new structures that might host high-grade silver mineralization. This camp is world class in every respect, and we see exceptional potential for further discovery.”

Pursuant to the Purchase Agreement, the Company has paid FCC a cash payment of \$500,000, with a further \$500,000 to follow subject to the satisfaction of certain post-closing conditions, and issued 1,437,470 common shares in the capital of the Company (each a “**Common Share**”) at a deemed price per Common Share based on the twenty (20) day volume weighted average trading price of the Common Shares (the “**20 Day VWAP**”), prior to the announcement of the Transaction on December 21, 2020, being \$2.087 per Common Share to acquire 100% of the Kerr Assets.

In order to fully exercise the Option on the Remaining Assets, the Company is to:

- (i) On or prior to the date that is six months from the closing date (“**the Earn-In Date**”) of the Transaction, pay to CIC \$1,000,000 (“**Initial Earn-In Payment**”).
- (ii) In exchange for a forty-nine percent (49%) interest in the Remaining Assets, on or prior to the date that is twelve (12) months from the Earn-In Date pay to CIC \$300,000 (or an equivalent

- in Common Share at the 20 Day VWAP of the Common Shares prior to such payment being made) and having incurred expenditures of no less than \$2,000,000 in and to the Remaining Assets.
- (iii) In exchange for an additional eleven percent (11%) interest in the Remaining Assets on, or prior to the date that is twenty-four (24) months from the Earn-In Date pay to CIC \$350,000 (or an equivalent in Common Shares at the 20 Day VWAP prior to such payment being made) and having incurred expenditures of no less than \$1,000,000 in and to the Remaining Assets; and
 - (iv) In exchange for an additional ten percent (10%) interest in the Remaining Assets on, or prior to the date that is thirty-six (36) months from the Earn-In Date, pay to CIC \$350,000 (or an equivalent in Common Shares at the 20 Day VWAP prior to such payment being made) and having incurred expenditures of no less than \$1,000,000 in and to the Remaining Assets.

As part of the terms of the Transaction, FCC will spend \$1 million of the flow through proceeds it raised in 2020 on eligible expenditures, split equally between the Kerr Assets and the Remaining Assets. In connection with the Option, upon completion of a maiden mineral resource estimate of at least 10,000,000 silver equivalent ounces on the Remaining Assets, the Company will make a milestone payment to FCC of \$2,500,000 million in cash or Common Shares (at the 20 Day VWAP) or \$5,000,000 should the resource exceed 25,000,000 silver equivalent ounces, such milestone payment to continue to be an obligation of the Company for a period of eighteen (18) months following the discovery of the maiden mineral resource. Further, with respect to the Remaining Assets, FCC will have a back-in right for any discovery of a primary cobalt deposit as well as a right of first offer to refine base metal concentrates produced at FCC's refinery.

Following the payment of the Initial Earn-In Payment, the Company and CIC will enter into a joint venture agreement on terms to be negotiated for the joint exploration and development of the Remaining Assets.

All Common Shares issued in connection with the Transaction are subject to a four-month and one day resale restriction from the date of closing, being July 2, 2021.

Introducing the Silver Kings Project in Ontario's most famous silver mining camp

The entire 10,000-hectare land package consisting of the 100%-owned Kerr Project together with the joint venture with FCC will be known as the Silver Kings Project and the joint venture will be referred to as the Silver Kings Joint Venture. Initially Kuya's focus will be on the Kerr Project, where the vast majority of First Cobalt's 35,000 m 2017-2018 shallow drill program occurred. The Kerr Project includes several historic silver mines including Crown Reserve, Silver Leaf, Kerr Lake, Drummond, Hargrave, Silverfields and others which collectively produced an estimated 70 million ounces of silver. FCC identified several bonanza-style silver intercepts while exploring for cobalt, and Kuya intends to follow up on these intersections with new drilling in order to determine the extent of the high-grade silver mineralization. Kuya has identified potential for both extensions to previously-mined silver veins and new discoveries in the recent drilling.

Kuya is planning to start a Phase 1 exploration program at the Kerr Project immediately, which will include a 2,500 m drilling program and is being budgeted to match a \$500,000 flow-through expenditure commitment by FCC.

Some of Kuya's higher priority initial targets include:

- Kerr Mine area where drill-hole FC-18-0058 intersected 3.57 m of 821 g/t silver and 0.45% cobalt (including 1.57 m of 1,756 g/t silver and 0.71% cobalt) from 29.43 m.
- Silver Leaf Mine area where drill-hole FC-18-0174 intersected 2.5 m of 1,441 g/t silver and 0.28% cobalt from 66.0 m
- Drummond Mine area where drill-hole FC-18-0094 intersection 2.0 m of 450* g/t silver and 0.10% cobalt from 20.0 m
- A potential new zone north of the Kerr and Drummond Mines where drill-hole FC-18-0093 intersected 2.2 m of 515* g/t silver and 0.61% cobalt (including 0.7 m of 1,460* g/t silver and 1.81% cobalt) from 1.72.1 m

*Individual silver assays capped at 1500 g/t included in reported intersection

Kuya is currently working with FCC to plan an initial geological program on the Silver Kings Joint Venture and allocation of the \$500,000 flow-through expenditure. Kuya is targeting a drill program on the JV later in the year.

National Instrument 43-101 Disclosure

The technical content of this news release has been reviewed and approved by Dr. Quinton Hennigh, P.Geo., Chairman of Kuya and a Qualified Person as defined by National Instrument 43-101.

About Kuya Silver Corporation

Kuya is a Canadian-based silver-focused mining company that owns the Bethania Project, which includes the Bethania mine, located in Central Peru. The Bethania mine was in production until 2016, toll-milling its ore at various other concentrate plants in the region, the Company's plan is to implement an expansion and construct a concentrate plant at site before restarting operations. The Bethania mine produced silver-lead and zinc concentrates from the run of mine material, until being placed on care and maintenance due to market conditions and lack of working capital.

For more information, please contact the Company at:

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Reader Advisory

This news release may contain statements which constitute "forward-looking information", including statements regarding the plans, intentions, beliefs and current expectations of the Company, its directors, or its officers with respect to the future business activities of the Company. The words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company, or its management, are intended to identify such forward-looking statements. Investors are cautioned that any such forward-looking statements are not guarantees of future business activities and involve risks and uncertainties, and that the Company's future business activities may differ materially from those in the forward-looking statements as a result of various factors, including, but not

limited to, fluctuations in market prices, successes of the operations of the Company, continued availability of capital and financing and general economic, market or business conditions. There can be no assurances that such information will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

Neither the Canadian Securities Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.