KUYA SILVER CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2021

(Expressed in US Dollars)

Report Date – April 19, 2022

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MANAGEMENT'S DISCUSSION & ANALYSIS

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and the financial condition of Kuya Silver Corporation and its subsidiaries (the "Company", "we", or "our") for the years ended December 31, 2021 and 2020. This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements and related notes thereto for the year ended December 31, 2021. References to "Kuya Silver" in this MD&A refer to the Company and its subsidiaries taken as a whole.

Readers are cautioned that this MD&A contains forward-looking statements about expected future events and financial and operating performance of the Company, and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Note on Forward-Looking Information included in this MD&A and to consult the Company's Annual Information Form ("AIF") for the year ended December 31, 2021, which is available on www.sedar.com.

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.

All amounts disclosed in this MD&A are expressed in US dollars, unless otherwise noted. Canadian dollars are represented by CAD $. Information contained herein is presented as at April 19, 2022 (the "Report Date") unless otherwise indicated.

COMPANY OVERVIEW

Kuya Silver is a mineral exploration and development company with a focus on acquiring, exploring, and advancing precious metals assets in Peru and Canada. Effective October 1, 2020, Kuya Silver Corp. ("Kuya"), a privately held Canadian-based, silver-focused junior mining company, incorporated on August 9, 2017, completed a reverse takeover ("RTO") transaction with Miramont Resources Corp. ("Miramont"), a publicly listed company on the Canadian Securities Exchange (the "CSE"). Miramont was incorporated on July 15, 2015, under the Business Corporations Act (British Columbia). On completion of the RTO transaction, Miramont changed its name to Kuya Silver Corporation.

Reverse Takeover Transaction

As the former shareholders of Kuya obtained control of Miramont, the transaction was considered a purchase of Miramont by Kuya and was accounted for as an RTO in accordance with the guidance provided under IFRS 2, Share-based Payment and IFRS 3, Business Combinations. Kuya was deemed to be the acquiring company and its assets, liabilities, equity, and historical operating results are included at their historical carrying values. The net assets of Miramont were recorded at fair value on the date the RTO transaction was completed. As Miramont did not qualify as a business according to the definition in IFRS 3 and the transaction has been accounted for as an RTO, the sum of the fair value of the consideration paid by Kuya under RTO accounting, less Miramont's net assets acquired, was recognized as a listing expense. All of Miramont's share capital, reserves, and deficit balances immediately prior to closing of the transaction were eliminated on closing of the transaction. Pursuant to the RTO, the annual consolidated financial statements are for the year ended December 31, being the year-end of Kuya. The consolidated assets, liabilities, and results of operations of Miramont and Kuya are included subsequent to closing of the RTO. The consolidated financial statements are issued under the legal parent (Kuya Silver Corporation) but are deemed to be a continuation of the legal subsidiary (Kuya).

OVERVIEW OF EXPLORATION AND EVALUATION ASSETS

Bethania Silver Project (Huancavelica, Peru)

<u>Bethania</u>

In October 2017, Kuya entered into the original share purchase agreement (the "Share Purchase Agreement") to acquire 80% of the shares of Minera Toro del Plata S.A.C. (formerly S&L Andes Export S.A.C.) ("MTP"), a privately held Peruvian company based in Lima that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (collectively referred to as "Bethania"). MTP operated the Bethania mine from 2010 to 2016, by mining ore and trucking it to nearby plants for processing into concentrates. MTP ceased mining at Bethania in 2016 and put the mine into care and maintenance. To earn the 80% interest, Kuya was required to make payments totaling $8,000,000 (including $2,500,000 towards repayment of existing liabilities of MTP, $2,000,000 to fund ongoing operations of MTP and the Bethania Project, and $3,500,000 cash on closing) and issue 2,000,000 common shares of Kuya on closing.

In October 2020, the Company agreed to acquire the remaining 20% interest in MTP for a total of $1,750,000 of cash and shares, and on December 15, 2020, completed the purchase of 100% of MTP. As consideration on closing, the Company paid $4,191,822, applied the agreed $715,000 of previous funding as an advance against the final payments and issued a total of 3,929,288 common shares, at a value of $6,084,497 or CAD $1.97 ($1.55) per share.

Carmelita Concessions

On May 14, 2021, the Company announced the acquisition of three mineral concessions, Carmelita 2005, Carmelita 2005 I and Carmelita 2005 II concessions (collectively "Carmelita"), totaling 800 hectares, which are strategically located less than three kilometers west of Bethania. The Carmelita concessions were host to small-scale mining activities until early 2020, producing silver-polymetallic material very similar to Bethania. Kuya Silver plans to incorporate Carmelita into its operations at Bethania going forward.

The total purchase price of $892,500, consists of $492,500 in cash and $400,000 in common shares. Upon signing of the agreements, $293,500 was paid, and the remaining $199,000 will be paid on or before the 12-month anniversary of the signing of the agreements. The $400,000 in common shares in the capital of the Company will be issued on the eighteen-month anniversary of signing the agreements at a deemed price per common share equal to the 10-day average closing price of the common shares on the CSE, ending on the day prior to issuance.

Tres Banderas and Chinita Concessions

These claims and concessions are located primarily in the department of Huancavelica, Peru (with some concessions extending into the departments of Lima and Junín), in the vicinity of, or surrounding Bethania. Chinita I (200 ha) is held by MTP and was acquired with Bethania in the same transaction. Tres Banderas 01 and 02 (2,500 ha) were acquired (by Kuya Silver Peru S.A.C.) through an open application process in 2019-2020.

On November 15, 2021, Tres Banderas 03, Tres Banderas 04, Tres Banderas 05, Tres Banderas 06 and Tres Banderas 07 mineral claims that are in the district of the Bethania concessions and claims were acquired (by Kuya Silver Peru S.A.C.) for a total cost of $565,000 via a sealed bid government auction, representing approximately 1,800 net hectares (22 claim blocks).

Silver Kings Project (Ontario, Canada)

On March 1, 2021, the Company completed an agreement to acquire, from Electra Battery Materials Corporation ("Electra", formerly known as First Cobalt Corp.), certain silver mineral exploration assets (the "Kerr Assets"), as well as an option to acquire up to 70% of the balance of Electra's silver mineral exploration assets (the "Remaining Assets") located in the historic Cobalt, Ontario silver mining district. As part of that agreement, the Company will form a joint venture with Electra, through its wholly owned subsidiary Cobalt Industries of Canada Inc. ("CIC"), the company that holds the Remaining Assets (the "Option").

The entire 10,000-hectare land package will be referred to as the Silver Kings Project, consisting of the 100%-owned Kerr Assets (which going forward, will be referred to as the "Kerr Project") and the joint venture with Electra ("Silver Kings JV").

Kerr Project

The Company paid CAD $1,000,000 ($789,827) and issued a total of 1,437,470 common shares, at a value of $2,668,079 or CAD $2.35 ($1.86) per share, for a total cost of $3,457,906 for 100% of the issued and outstanding common shares and preferred shares of CobalTech Mining Inc. ("CobalTech"), (a wholly owned subsidiary of Electra) that holds the Kerr Assets. As part of the purchase agreement, Electra agreed to provide CobalTech with CAD $ 500,000 at the time of closing, for CobalTech to utilize on flow-through eligible expenditures prior to December 31, 2021. In order to facilitate these flow-through expenditure arrangements, Electra subscribed for 1,000 Class A shares of CobalTech, which granted Electra the ability to appoint a majority of the directors of CobalTech, until such time as the Class A shares were redeemed. The Class A shares were redeemable at the option of CobalTech at a price of CAD $0.001 per Class A share and as a condition of the Purchase Agreement, the Class A shares could not be redeemed until CobalTech incurred the CAD $500,000 of flow through eligible expenditures. As at September 30,2021, having incurred the CAD $500,000 of flow-through eligible expenditures, CobalTech renounced these flow-through eligible expenditures to Electra and redeemed the Class A shares. As a result, the Company obtained control and consolidated CobalTech effective September 30, 2021.

(Expressed in US Dollars)

Silver Kings JV

To fully exercise the Option, the Company must make payments totaling CAD $2,000,000 (and complete work commitments of CAD $4,000,000, as follows:

Work Commitments for Silver Kings JV	**Acquisition in cash (CAD$)**	**Work commitments (CAD$)**
Requirements on or before:		
September 1, 2021 ("Initial Earn-In") – completed	$ 1,000,000	$ -
September 1, 2022 (49% interest)	300,000	2,000,000
September 1, 2023 (additional 11% interest)	350,000	1,000,000
September 1, 2024 (additional 10% interest)	350,000	1,000,000
	$ 2,000,000	**$ 4,000,000**

For the Initial Earn-In, the agreement provides that the Company may issue an equivalent value in common shares of the Company at the 20-day Volume Weighted Average Price ("Earn-in VWAP") in lieu of making the cash payment and for each acquisition payment thereafter, in lieu of making cash payments, the Company may issue shares at an issuance price equivalent to the Earn-In VWAP.

On September 1, 2021, the Company issued 671,141 common shares to Electra, for the Initial Earn-in payment and and is working with Electra to establish the terms of the joint venture agreement for the joint exploration and development of the Remaining Assets.

CORPORATE UPDATE & OUTLOOK

Kuya Silver is undergoing a period of growth as it advances exploration and development of the Bethania Silver Project in Peru and continues with exploration activities at the Silver Kings Project in Ontario.

Bethania Silver Project

In 2021, considerable progress was made in exploration and drilling at Bethania. We completed Phase 1 of the drill program, demonstrating and confirming mineralization in unmined extensions of the Bethania vein system, as well as identifying new vein targets within the northeast-trending Bethania vein system. In November 2021, we announced the commencement of the second phase of the exploration program which includes a detailed surface sampling and trenching program. Over the coming months, we plan to continue with a multi-phase exploration program, the goals of which are to expand the resource base at the Bethania Silver Project by extending known mineralization along strike and at depth, to gain a better understanding of the controls on mineralization in newly identified mineralized zones such as the Hilltop Zone and Carmelita for potential future resource growth and to prospect our properties in the Bethania district for additional near-surface mineralized vein targets. The acquisition of the new concessions (Tres Banderas 03, Tres Banderas 04, Tres Banderas 05, Tres Banderas 06 and Tres Banderas 07) announced on November 18, 2021, are strategic acquisitions that are in the district of the Bethania and Carmelita concessions which could increase the exploration potential of the Bethania Silver project.

The management team continues to move forward towards bringing the Bethania Silver Project to the development stage. During 2021, we made substantial progress on the detailed engineering and design work on a 350 tonnes per day ("tpd") processing facility and tailings storage facility, such that necessary documentation for permitting could be submitted. On January 24, 2022, we received the construction authorization to build a process plant with an installed capacity of 350 tpd. The Company is now fully permitted to proceed with construction of the processing plant, with the ultimate goal of restarting mining and processing ore from Bethania. We announced an initial mineral resource estimate on January 6, 2022, subsequently filing a NI 43-101 Technical Report for the Bethania Silver Project and have engaged third party consultants to complete a preliminary economic assessment ("PEA") on the Bethania expansion project which is expected to be completed and filed in mid-2022.

Silver Kings Project

On the Silver Kings Project, we completed two separate first-pass drill programs in 2021. Approximately 3,500 metres were drilled at the 100%-owned Kerr Project area with another 1,800 metres drilled at the Silver Kings JV. We are currently in the process of reviewing the 2021 results for both the Kerr Project and Silver Kings JV while also taking into account a new comprehensive review of the historical silver mining in the district in order to determine the next steps for further exploration. The management team is committed to both the Kerr Project, in which we see the possibility of more advanced stage silver-cobalt targets, and the Silver Kings JV, in which we believe we have a large, geologically prospective and historically underexplored land package with the potential for new discoveries. Having made the Initial Earn-In Payment on September 1, 2021, we expect to negotiate and enter into a joint venture agreement with Electra for the joint exploration and development of the Silver Kings JV in 2022.

(Expressed in US Dollars)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Selected Financial Information	Three months ended Dec 31		Year ended Dec 31		
	2021	2020	**2021**	2020	2019
Revenue	**$ -**	$ -	**$ -**	$ -	$ -
Exporation & evaluation expenditures	**1,164,344**	5,447	**4,208,356**	9,008	1,502
Administrative expenses[1]	**801,446**	293,056	**2,696,090**	726,475	69,781
Share-based compensation	**67,082**	300,858	**523,670**	326,792	319,841
Equity loss in CobalTech	**-**	-	**208,172**	-	-
(Gain) on write-off of liabilities	**(382,406)**	-	**(514,602)**	-	
Foreign exchange loss/(gain) & other[2]	**25,340**	2,615,471	**(109,954)**	2,615,052	(1,162)
(Loss) for the period	**$ (1,675,807)**	$ (3,214,832)	**$ (7,011,732)**	$ (3,677,327)	$ (389,962)
(Loss) per share (Basic and diluted)[3]:	**$ (0.04)**	$ (0.11)	**$ (0.17)**	$ (0.20)	$ (0.04)
Total Assets	**$ 27,142,602**	$ 21,751,430	**$ 27,142,602**	$ 21,751,430	$ 3,345,441
Non-Current Liabilities	**$ 2,114,555**	$ 51,630	**$ 2,114,555**	$ 51,630	$ -

1. Administrative expense excludes share-based compensation
2. The other expense in 2020 is comprised primarily of the listing fees incurred in the fourth quarter ($2,455,077)
3. Diluted loss per share is the same as basic loss per share.

During the fourth quarter of 2021, we had a loss of $1,675,807 as compared to a loss of $3,214,832 in the same quarter of 2020. The loss for the quarter was comprised of $1,164,344 (2020 - $5,447) in exploration and evaluation expenditures, $868,528 (2020 - $593,914) in administrative expenses, including share-based compensation of $67,082 (2020 - $300,858), a $382,406 (2020 - $nil) gain on write off of liabilities, and a foreign exchange and other expense of $25,340 (2020 - $2,615,471).

The loss for the year ended December 31, 2021 of $7,011,732 (2020 - $3,677,327) was comprised of $4,208,356 (2020 - $9,008) in exploration and evaluation expenditures, $3,219,760 (2020 - $1,053,267) in administrative expenses, including share-based compensation of $523,670 (2020 - $326,792), equity loss of $208,172 (2020 - $nil) from our investment in CobalTech, $514,602 gain on write off of liabilities (2020 - $nil), and a foreign exchange and other gain of $109,954 (2020 – expense of $2,615,052).

Kuya Silver was a private company (Kuya) prior to October 1, 2020 (the time of the RTO) and as such, most payments prior to the RTO related to the share purchase agreement for Bethania which were capitalized as deferred acquisition costs, with minimal administrative expenditures. Administrative expenses such as management compensation, costs related to the RTO, and costs associated with the acquisition of MTP were primarily the costs recorded in the fourth quarter and in the year ending December 31, 2020. Similarly, there were very few expenses in 2019, with only non-cash share-based compensation and a small amount of administrative expenses and other costs.

Details of the significant expenditures for the three months and year ended December 31, 2021, are described below:

(Expressed in US Dollars)

Exploration and Evaluation Expenditures

The exploration and evaluation expenditures incurred during the quarter and year ended December 31, 2021, were as follows:

Exploration and evaluation expenditures	**Three months ended Dec 31**		**Year Ended December 31**	
	2021	2020 [1]	2021	2020 [1]
Bethania Silver Project				
Civil works and engineering	$ 314,054	$ 5,102	$ 1,458,020	$ 5,102
Geology and drilling	123,002	-	960,492	-
Operations and supplies	118,098	345	384,821	345
Property maintenance, licences and rights	3,216	-	50,106	3,561
Safety and environment	2,824	-	91,792	-
Value Added Tax ("VAT")	117,700	-	594,116	-
Wages and benefits	62,944	-	246,503	-
	741,838	5,447	3,785,850	9,008
Kerr				
Geology and drilling	23,488	-	23,488	-
Operations and supplies	1,540	-	1,540	-
Property maintenance, licenses and rights	5,824	-	5,824	-
Safety and environment	19,328	-	19,328	-
	50,180	-	50,180	-
Silver Kings JV				
Geology and drilling	234,839	-	256,726	-
Operations and supplies	32,281	-	32,281	
Wages and benefits	105,206	-	202,494	-
Expense recovery from Electra	-	-	(119,175)	-
	372,326	-	372,326	-
Total	$ 1,164,344	$ 5,447	$ 4,208,356	$ 9,008

1. There were minimal expenses in the 2020 comparative periods: the acquisition of MTP was not completed until December 15, 2020; the Kerr Project and Silver Kings JV were new in 2021.

2. Exploration &evaluation expenditures incurred on Kerr prior to September 30, 2021 are not included in this table but are included in Equity loss in CobalTech.

Bethania Silver Project

Exploration activities at Bethania started in the first quarter of 2021, ramping up over the second quarter with the execution of Phase 1 of the drill program, engineering design work for the Bethania expansion and other costs related to advancing the studies for the development of the project. In the second half of the year, the focus was on advancing the design and engineering of the processing plant, tailings storage facility and other engineering tasks as well as drilling and resource modelling work for the mineral resource estimate (results announced January 6, 2022, Technical Report filed February 22,2022) and forthcoming PEA for the Bethania Silver Project.

(Expressed in US Dollars)

Silver Kings Project

Included in exploration and evaluation expenditures in the fourth quarter are costs for Silver Kings JV ($372,326) and for the Kerr Project ($50,180). With the acquisition of CobalTech on March 1, 2021, the Company started incurring exploration and evaluation expenditures in the second and third quarter of 2021 (in equity losses until consolidation of CobalTech on September 30, 2021). Following the payment of the first earn-in payment for the Silver Kings JV, the Company started incurring exploration and evaluation costs on that project.

We initiated our first drill program at the Kerr Project in April 2021, which was substantially completed in June. Of the work performed and costs incurred, CAD $500,000 of expenditures were flow-through eligible and were renounced to Electra in the third quarter. This was followed by exploratory work on both the Kerr Project and Silver Kings JV, including regional airborne surveys, ground geophysical surveys and bedrock mapping, which were designed to refine target areas in preparation for the drill program at the Silver Kings JV.

The second drill program was designed to test the continuation of mineralization and new target areas at Silver Kings JV property and took place in the fourth quarter of 2021. The cost of this second drill program for the fourth quarter and year ended December 31, 2021 were $372,326 (net of recoveries from Electra).

During the fourth quarter, the Company also completed an NI 43-101 Technical Report on the Silver Kings Project with an effective date of September 5, 2021 and was filed on SEDAR on December 3, 2021.

Administrative Expenses

Administrative Expenses	**Three months ended December 31**		**Year Ended December 31**	
	2021	2020	**2021**	2020
Administrative costs	$ 10,713	$ 6,709	$ 43,079	$ 6,709
Consulting fees	-	18,307	89,931	23,457
Directors' fees	19,835	22,632	91,425	22,632
Filing fees	6,738	26,215	32,013	35,067
Management fees	16,364	85,678	237,619	298,230
Marketing and investor relations	70,877	31,236	303,788	39,596
Office and miscellaneous	162,098	37,839	383,054	38,615
Professional fees	175,395	53,954	466,773	251,197
Share-based compensation	67,082	300,858	523,670	326,792
Shareholder communication	2,094	4,003	13,964	4,489
Transfer agent	1,871	4,206	9,956	4,206
Travel	47,966	2,277	209,669	2,277
Wages and benefits	287,495	-	814,819	-
	$ 868,528	$ 593,914	$ 3,219,760	$ 1,053,267

Administrative expenses of $868,528 were incurred in the three months ended December 31, 2021 as compared to $593,914 in the same period in 2020. For the year, the costs were $3,219,760 in 2021 (2020 - $1,053,267). Kuya Silver became a publicly traded company in October of 2020 and with the closing of the acquisition of MTP on December 15, 2020, and subsequently, the addition of the Silver Kings Project, started growing and adding personnel, incurring expenses in 2021 that were previously minimal or not experienced including:

- Wages and benefits to account for employees at corporate office as well as in Peru,
- Office and miscellaneous expenditures in Peru for running operations and for the Toronto Head Office,
- Costs associated with being a public company that were non-existent or minimal in the prior periods include share-based compensation expense, directors' fees, transfer agent and shareholder communications,
- Marketing and investor relations fees and associated travel to promote the Company.

Equity Loss in CobalTech

An equity loss of $208,172 was recorded for the year ended December 31,2021 (2020-nil) from our interest in CobalTech, representing the Company's 100% share of the exploration and evaluation expenditures incurred in CobalTech less the CAD $500,000 of flow-through eligible expenditures on the mineral properties comprising the Kerr Assets that the Company renounced to Electra effective September 30, 2021. As the Class A shares held by Electra were redeemed effective September 30, 2021, CobalTech was consolidated into the Company as at September 30, 2021 and the net loss for CobalTech from March 1, 2021 to September 30,2021 was recorded as an equity loss. From the fourth quarter onwards, CobalTech became a wholly owned subsidiary of the Company and the financial results were fully consolidated. Prior to signing of the agreement with Electra (March 1, 2021), the Company had no interest in the Silver Kings Project and therefore, these costs were $nil in 2020.

Gain on write-off of liabilities

In the fourth quarter of 2021, we recorded a gain of $382,406 ($514,602 for the year ended December 31, 2021) for liabilities (prior to 2016) that were written off in Peru that are no longer considered payable. No amounts were written off for liabilities in 2020.

Foreign exchange loss/(gain) and other

During the quarter ended December 31, 2021, we had a foreign exchange loss of $25,340 (2020 - $172,263). While the Peruvian sol ("PEN") depreciated overall during 2021, depreciating from 0.274 to 0.250 (PEN/USD), it experienced some modest gains in the fourth quarter of 2021, increasing from 0.247 to 0.250 (PEN/USD), while for the year, we had an overall foreign exchange gain of $103,542. Included in the other income for 2021 is also a small amount of interest income for the year of $6,412 (2020 - $12,288).

In 2020, included in other income were $2,455,077 (non-cash) costs recognized in connection with the RTO and recorded as listing fees.

(Expressed in US Dollars)

CUMULATIVE EXPLORATION AND EVALUATION COSTS

Project	Bethania Silver Project	Kerr	Silver Kings JV	Total
Civil works and engineering	$ 1,463,122	$ -	$ -	$ 1,463,122
Geology and drilling	960,492	23,488	256,726	1,240,706
Operations and supplies	385,166	1,540	32,281	418,987
Property maintenance, licences and rights	53,667	5,824	-	59,491
Safety and environment	91,792	19,328	-	111,120
Value Added Tax ("VAT")	594,116	-	-	594,116
Wages and benefits	246,503	-	202,494	448,997
Expense Recovery from Electra	-	-	(119,175)	(119,175)
Total	$ 3,794,858	$ 50,180	$ 372,326	$ 4,217,364

1) Cumulative costs are as follows: Bethania Silver Project, since acquisition of 100% on December 15, 2020; Kerr, since September 30, 2021 (consolidation date); Silver Kings JV, since September 1, 2021 (initial earn-in payment date).

SUMMARY OF QUARTERLY FINANCIAL 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.

		2021				2020			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Selected Financial Information									
Revenue	$	-	-	-	-	-	-	-	-
Exporation & evaluation expenditures	$	1,164,344	1,391,228	1,440,156	212,628	5,447	-	-	3,561
Administrative expenses[1]	$	801,446	733,687	649,662	511,295	293,056	363,422	43,441	26,556
Share-based compensation	$	67,082	116,681	281,422	58,485	300,858	8,645	8,644	8,645
Equity loss in CobalTech	$	-	97,327	110,845	-	-	-	-	-
(Gain) on write-off of liabilities	$	(382,406)	(132,196)	-	-	-	-	-	-
Foreign exchange (gain) loss and other [2,3]	$	25,340	(34,158)	(221,635)	120,499	2,615,471	(56)	(53)	(310)
Loss for the period	$	1,675,807	2,172,568	2,260,450	902,907	3,214,832	372,011	52,032	38,452
(Loss) per share - Basic and diluted [4]:	$/share	(0.04)	(0.05)	(0.06)	(0.02)	(0.11)	(0.02)	(0.00)	(0.00)

1. Administrative expense excludes share-based compensation
2. Other includes items such as interest income, listing fees (Q4 2020) and other expenses
3. Listing fees in the fourth quarter of 2020 were $2,455,077
4. Diluted loss per share is the same as basic loss per share.

The costs incurred by Kuya Silver in 2020 are not directly comparable to the costs in 2021, as the Company was privately held until the RTO in the fourth quarter of 2020 and had minimal administrative costs and share-based compensation expense until that time. In the third and fourth quarter of 2020, the expenses and fees incurred related primarily to the RTO as well as some costs associated with the acquisition of MTP and share based compensation expense.

The first quarter of 2021 was when the Company started ramping up activities at the Bethania Silver Project, hiring management personnel in Toronto and Peru and incurring additional administrative costs associated with being a publicly traded company. As the Company continued to grow during 2021, costs trended generally upwards in line with hiring, and growing the Company.

(Expressed in US Dollars)

Exploration and evaluation costs in 2021 include costs for our Bethania Silver Project, our Kerr Project and the Silver Kings JV. The drill program at Bethania and the advancement of the design of the mine and processing plant, exploration and evaluation expenses trended higher in the second and third quarter, ramping down in the fourth quarter. With the acquisition of CobalTech on March 1, 2021, the Company started incurring exploration and evaluation expenditures in the second and third quarter of 2021 (in equity losses until consolidation of CobalTech on September 30, 2021 and thereafter in evaluation and exploration expenses). Subsequent to the payment of the first earn-in payment for the Silver Kings JV, the Company also started incurring exploration and evaluation expenditures on that project.

LIQUIDITY AND CAPITAL RESOURCES

		Year ended 31-Dec-21		Year ended 31-Dec-20
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Loss for the period	$	(7,011,732)	$	(3,677,327)
Items not involving cash		188,005		2,954,477
Change in non-cash working capital		(619,963)		7,893
Net cash used in operating activities		(7,443,690)		(714,957)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Investment in and advances to CobalTech		(1,092,861)		-
Acquisition of buildings and equipment		(281,985)		-
Acquisition of exploration & evaluation assets		(858,500)		-
Cash acquired through acquisition of CobalTech		7,555		-
Acquisition of MTP		-		(4,191,822)
Deferred acquisition costs		-		(1,383,166)
Net cash used in investing activities		(2,225,791)		(5,574,988)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Proceeds from issuance of share capital		7,650,175		9,808,169
Share issue costs		(567,961)		(678,044)
Proceeds from short term credit facility		-		378,644
Net proceeds/(Repayment) of related party loans		(158,012)		78,549
Funds received from Miramont		-		1,102,761
Net cash provided by financing activities		6,924,202		10,690,079
Change in cash, net of the effect of foreign exchange on cash		(2,751,951)		4,824,484
Cash, beginning of period		4,904,562		80,078
Cash, end of period	$	2,152,611	$	4,904,562

(Expressed in US Dollars)

The Company's cash position was $2,152,611 as at December 31, 2021 compared to $4,904,562 as at December 31, 2020, a decrease of $2,751,951. The Company's current cash position consists of funds raised in June 2021 of $7,542,135 (CAD $9.2 million) from the bought deal private placement of units, less share issuance costs of $567,961, and option and performance warrants exercises of $108,040 offset by the various cash outflows to December 31, 2021. The funds raised from the June 2021 private placement were spent in accordance with the planned use of proceeds for that financing for development activities at Bethania and for general working capital purposes.

The net decrease in cash for the year ended December 31, 2021 was comprised of net cash from financing activities (2021 - $6,924,202; 2020 - $10,690,079), offset by expenditures on operating activities (2021 - $7,443,690; 2020 - $714,957) and investing activities (2021 - $2,225,791; 2020 - $5,574,988).

Net working capital was $792,136 as at December 31, 2021, compared to working capital of $2,801,457 as at December 31, 2020 as shown below.

Working Capital		**As at Dec 30, 2021**		**As at Dec 31, 2020**
Current assets	$	2,436,765	$ $	5,013,737
Current liabilities	$	1,644,629	$ $	2,212,280
Net working capital	$	792,136	$ $	2,801,457

The Company's continuation as a going concern is dependent upon its ability to complete financings sufficient to meet current and future obligations, the successful results from its business activities, and its ability to operate profitably and generate funds. Existing cash at December 31, 2021 of $2,152,611 is sufficient to meet some of the Company's short-term administrative costs, however additional funding will be needed to continue to fund ongoing administrative costs, exploration and evaluation related expenditures and advancement of the Bethania Silver Project and the Silver Kings Project.

Kuya Silver is continuing to explore various potential sources of financing, but there is no certainty that any additional financings will be completed**.** These factors indicate the existence of material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future.

(Expressed in US Dollars)

TRANSACTIONS WITH RELATED PARTIES

We have identified the members of our Board of Directors and certain senior officers as our key management personnel. The following summarizes the Company's related party transactions with those parties during the three months and year ended December 31, 2021 and 2020:

Related Party Transactions	Three months ended Dec 31		Year ended Dec 31	
	2021	2020	2021	2020
Compensation, Management	$ 164,031	$ 53,857	395,995	181,357
Compensation, Directors	18,826	22,632	87,787	22,632
Share-based compensation, Management[1]	32,296	47,351	139,578	47,351
Share-based compensation, Directors[1]	26,838	88,539	208,123	88,539
	$ 241,991	**$ 212,379**	**831,483**	**339,879**

1) Share-based compensation for management and directors represent the fair value using the Black-Scholes option pricing model of vested options

As at December 31, 2021, included in accounts payable and accrued liabilities was $19,643 (2020 - $170,878) owing to officers and directors.

During the year ended December 31, 2021, a director was repaid $158,012 (2020 - $160,792) for advances made to Kuya in prior years (in the form of shareholder loans); no amounts were advanced to the Company in 2021 (2020 - $239,341). These unsecured loans were due on demand and bore no interest. As at December 31, 2021, the balance of these shareholder loans was $nil (2020 - $156,990).

In addition to management personnel, we have also identified a company which provides engineering and subcontractor services to our operations in Peru as a related party. During the year ended December 31, 2021, administrative costs and exploration & evaluation expenditures of $237,356 was paid or accrued to this company (2020- $nil).

(Expressed in US Dollars)

SHARE CAPITAL INFORMATION

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. As at April 19, 2022, there were no preferred shares issued and outstanding. Changes in common shares, options and warrants outstanding from December 31, 2021 to the Report Date are summarized below.

Common shares	**Number of common shares**
Balance as at December 31,2021 and Report Date	**45,279,981**

Stock options	**Number of options**
Balance as at December 31, 2021	1,542,500
Granted	577,500
Balance as at Report Date	**2,120,000**

Share purchase warrants	**Number of warrants**
Balance as at December 31, 2021 and Report Date	**2,421,325**

CAPITAL & FINANCIAL RISK MANAGEMENT

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.

Kuya Silver 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 December 31, 2021.

Off-Balance Sheet Arrangements

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

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 December 31, 2021, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

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 major Canadian banks 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.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become 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 December 31, 2021 to settle its current liabilities as they come due, however, management estimates additional funds are required to continue current operations for the upcoming twelve months.

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 Company incurs costs for goods and services denominated in currencies other than the presentation currency and is subject to foreign currency risk on assets and liabilities denominated in currencies other than the United States dollar. The effect of a 10% change in the foreign exchange rate on monetary balances held in USD dollar and soles accounts would be approximately $85,000 recorded in profit or loss for the year ended December 31, 2021. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD dollar and soles accounts would be approximately $125,000 recorded in other comprehensive income or loss for the year ended December 31, 2021.

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 have a nominal impact for the year ended December 31, 2021.

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's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, related party loans, and obligation to issue shares. The fair value of these financial instruments approximates their carrying values. Obligation to issue shares is measured at fair value using level 1 inputs.

RISK FACTORS

Kuya Silver is subject to the usual risks associated with a junior mineral exploration company and competes for access to financing, specialized third party service providers and human capital against other exploration companies, some of whom may be better capitalized. While Kuya Silver has been successful in raising financing in the past, the construction and commissioning of a processing plant and tailings storage facility, and commencement of underground mining, if considered appropriate moving forward, will require substantial additional financing that is not guaranteed.

In addition to the foregoing, Kuya Silver is subject to a number of other risks and uncertainties which are listed below and disclosed in full detail under the heading "Risk Factors" in our AIF for the year ended December 31, 2021. These risks are not listed in any particular order and the list is not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Company's business. The realization of any of these risks may materially and adversely affect the Company's business, financial condition, results of operations and/or the market price of the Company's securities.

- Ability to Obtain Financing
- Permits
- Limited Operating History
- Exploration, Development & Operating Risks
- Political & Social Risk in Peru
- Fluctuating Metal Prices & Marketability of Metals and Concentrates
- Environmental Factors
- Mineral Resource Estimates are Inherently Uncertain
- Production Decision Without Identified Mineral Reserves
- Competition
- Dependence on Key Personnel
- Volatility of Share Price
- Lack of Dividends
- Risk of Dilution
- Insurance and Uninsured Risks
- Foreign Exchange
- Financial Reporting Standards and Internal Controls
- Growth Strategy
- Joint Venture Risk
- Title to Mineral Properties
- Surface Rights and Access
- Global Economic Conditions
- Covid-19 Pandemic
- Health & Safety
- Information Systems and Cybersecurity
- Climate Change
- Legal Proceedings

- Reliance on Local Advisors
- Anti-Corruption and Anti-Bribery Laws
- Significant Shareholder Risk
- Fluctuation in the Price of Commodities
- Enforcement of Legal Rights Outside Canada
- Mine Closure Risks
- Conflicts of Interest
- Risk of Loss of Concentrate in Storage or Transit
- Unauthorized Mining

ACCOUNTING DISCLOSURES

Significant estimates

The preparation of consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are, but are not limited to, the following:

<u>Valuation of share-based compensation</u>

The Company uses the Black-Scholes option pricing model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

<u>Accounting for acquisitions</u>

The determination of fair value as of the acquisition date requires management to make certain estimates about future events, including, but not restricted to, fair value of assets including acquired mineral reserves and resources and ore stockpiles, exploration potential, reclamation provisions, future operating costs and capital expenditures, future metal prices, long-term foreign exchange rates and discount rates as well as the determination of fair value of consideration provided.

<u>Estimated reclamation and closure costs</u>

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, movements in foreign exchange rates, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related mining property is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties.

Significant judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in our consolidated financial statements are, but are not limited to, the following:

Carrying value and the recoverability of exploration and evaluation assets

Management has determined that expenditures incurred on exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

Determination of functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment. The Company has determined the functional currency of each entity to be the Canadian dollar.

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 on or after January 1, 2022. These have not been applied in preparing these consolidated financial statements.

There are no IFRS standards nor amendments to standards and interpretations that are not yet effective that would be expected to have a material impact on the consolidated financial statements of the Company, except for the following:

IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in the statement of earnings (loss). This amendment is effective for financial statements beginning on or after January 1, 2022, with early adoption permitted.

While management does not currently anticipate this amendment having a material effect on the Company's consolidated financial statements for 2021, it may have an effect in periods beyond 2021.

IAS 12, Income Taxes

On May 7, 2021, the IASB issued amendments to IAS 12, Income Taxes that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.

The main change is such that the initial recognition exemption provided in IAS 12 would no longer apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments to IAS 12 are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted. The Company is currently evaluating the impact of these amendments on its consolidated financial statements.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A, including but not limited to any information as to the future financial or operating performance of the Company, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements contained in this MD&A include, but are not limited to, those under the headings "Company Overview," "Corporate Update & Outlook" and "Liquidity and Capital Resources," and include, without limitation, statements with respect to: capital requirements and capital expenditures; the Company's working capital needs for the twelve-month period ending December 31, 2022, and the availability of financing to meet those needs; the schedules and budgets for the Company's development projects; success of exploration and development activities; project studies; and permitting matters. The words "may," "could," "will," "expect," "believe," "plan," "intend," "explore," "estimate," "future," "target," "goal," "possibility," "anticipate," "potential," "forthcoming," "culminate" and "continue," and similar words and phrases, and variations of these words and phrases, and statements that certain actions, events or results may, could, should or will be taken, will occur or will be achieved, identify forward-looking statements. Forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business and economic uncertainties and contingencies. The estimates and assumptions of the Company referenced, contained or incorporated by reference in this MD&A, which may prove to be incorrect, include but are not limited to the various assumptions set forth herein, as well as: (1) there being no significant disruptions affecting the operations of the Company, whether due to extreme weather events or other natural disasters, labour disruptions (including but not limited to strikes or workforce reductions), supply disruptions, power disruptions or damage to equipment; (2) permitting for the Company's development projects being consistent with the Company's current expectations; (3) advancement of exploration consistent with the Company's expectations at the Company's projects; (4) political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any political tensions and uncertainty in the Republic of Peru or any restrictions or penalties imposed, or actions taken, by any government, including but not limited to potential amendments to customs, tax and mining laws; (5) the completion of studies on the timelines currently expected and the results of those studies being consistent with the Company's current expectations; (6) certain price assumptions for silver; (7) access to capital markets consistent with the Company's expectations, and sufficient to fund the activities of the Company for the twelve months ending December 31, 2022; (8) potential direct or indirect operational impacts resulting from infectious diseases or pandemics such as the ongoing COVID-19 pandemic; (9) the effectiveness of preventative actions and contingency plans put in place by the Company to respond to the COVID-19 pandemic, including, but not limited to, social distancing and travel restrictions; and (10) changes in national and local government legislation or other government actions, particularly in response to the COVID-19 pandemic. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the inaccuracy of any of the foregoing assumptions; fluctuations in the currency markets; fluctuations in the spot and forward price of silver or certain other commodities (such as fuel and electricity); changes in national and local government legislation, taxation, controls, policies and regulations; the security of personnel and assets; political or economic developments in Canada, Peru or other countries in which the Company does business or may carry on business; business opportunities that may be presented to, or pursued by, the Company; operating or technical difficulties in connection with mining or development activities; employee relations; litigation or other claims against, or regulatory investigations and/or any enforcement actions, administrative orders or sanctions in respect of the Company (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada, environmental litigation or regulatory proceedings or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, Peru or any other applicable jurisdiction; the speculative nature of silver exploration and development including, but not limited to, the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of silver exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins and flooding (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by this cautionary note and those made in our other filings with securities regulators. These factors are not intended to represent a complete list of the factors that could affect the Company. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.