KUYA SILVER CORPORATION

ANNUAL INFORMATION FORM

For the year ended December 31, 2021

Dated April 20, 2022

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Introduction

This Annual Information Form (the "**AIF**") is furnished in connection with the fiscal year ended December 31, 2021 by and on behalf of the management of Kuya Silver Corporation. References to the "**Company**" refer to Kuya Silver Corporation, or to Kuya Silver Corporation and/or one or more or all of its subsidiaries, as the context requires. Unless otherwise indicated, all information contained in the AIF is as of December 31, 2021.

Qualified Persons

The scientific and technical information in this AIF relating to the Company's twelve mineral properties located primarily in the department of Huancavelica, Peru (with some properties extending into the departments of Lima and Junín) (collectively, the "**Bethania Silver Project**") has been reviewed and approved by Scott Jobin-Bevans (PhD., PMP, P.Geo.), Principal Geoscientist at Caracle Creek International Consulting Inc., Simon James Atticus Mortimer (MSc., ACSM, MAusIMM, FAIG), Principal Consulting Geologist at Atticus Geoscience Consulting S.A.C., and Gerardo Acuña Perez (P.Eng., FAusIMM), professional mining engineer and independent consultant, each of whom is a "qualified person" ("**Qualified Person**") within the meaning of *National Instrument 43-101 – Standards of Disclosure for Mineral Projects* ("**NI 43-101**"). This information is based on a technical report with an effective date of January 6, 2022 and an issue date of February 21, 2022, prepared by the Qualified Persons mentioned above in accordance with NI 43-101, unless otherwise stated.

The scientific and technical information in this AIF relating to the Kerr property package (the "**Kerr Project**" or "**Kerr Assets**"), the Sunrise property package, and the Silver Kings joint venture property package, all in the vicinity of Cobalt, Ontario (collectively, the "**Silver Kings Project**") has been reviewed and approved by Alain Carrier, P.Geo., M.Sc., who is a Qualified Person. This information is based on a technical report with an effective date of September 5, 2021 and an issue date of December 3, 2021, prepared by the Qualified Person mentioned above in accordance with NI 43-101, unless otherwise stated.

Both technical reports mentioned above have been filed on SEDAR at www.sedar.com.

Where applicable, the scientific and technical information in this AIF relating to the Bethania Silver Project and the Silver Kings Project has been updated with more current information, including the Company's current and planned exploration, development, and mining programs.

Cautionary Statement

All statements, other than statements of historical fact, contained or incorporated by reference in this AIF, 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, including the provisions of the Securities Act (Ontario), and are based on expectations, estimates and projections as of the date of this AIF. Forward-looking statements contained in this AIF include but are not limited to statements with respect to:

- *the Company's ability to obtain funding on favourable terms or at all;*
- *anticipated exploration activities and the results of those activities;*
- *identification and definition of mineral deposits;*
- *the Company's plans in respect of development and operations;*
- *schedules and budgets for the Company's development projects;*
- *anticipated capital requirements and capital expenditures;*
- *estimates and the realization of such estimates;*
- *potential mining and processing scenarios;*
- *anticipated operating costs, revenues, and cash flow;*
- *the timing and amount of estimated future production;*

- *the future price of silver;*
- *currency fluctuations;*
- *anticipated business trends;*
- *government regulation;*
- *permit applications; and*
- *environmental risks.*

The words "aim," "anticipate," "assumption," "believe," "budget," "continue," "develop," "enhancement," "estimate," "expand," "expect," "explore," "extend," "goal," "focus," "forecast," "forward," "future," "guidance," "indicate," "initiative," "intend," "objective," "opportunity," "optimize," "outcome," "outlook," "plan," "possible," "potential," "progress," "project," "prospective," "schedule," "seek," "study," or "target," or variations of those words, or similar words, phrases, or statements indicating that certain actions, events, or results may, could, should, or will be achieved, received or taken, or will occur or result, and similar expressions, identify forward-looking statements.

Forward-looking statements are necessarily based upon various estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic, and competitive uncertainties and contingencies.

*The estimates, models, and assumptions of the Company referenced, contained, or incorporated by reference in this AIF, which may prove to be incorrect, include but are not limited to the various assumptions set forth herein and in our Management's Discussion and Analysis ("**MD&A**") for the year ended December 31, 2021, 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, protests, blockades, damage to equipment, or otherwise; (2) permitting, development, and operations at or in respect of the Company's development projects being consistent with the Company's current expectations, including without limitation the maintenance or modification of existing permits, licenses, consents, authorizations, and approvals (each, a "**Permit**," and collectively, "**Permits**") and the timely receipt of all Permits necessary for the development of and commencement of production at the Bethania Silver Project, and the successful completion of exploration consistent with the Company's expectations at the Company's projects; (3) 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 developments in the Republic of Peru, and penalties imposed, or actions taken, by any government, including but not limited to amendments or other changes to laws, regulations, rules, and policies relating to mining, environmental protection, water use, labour and employment, safety, customs, and taxation (including, but not limited to, the interpretation, implementation, application, and enforcement of any such laws, regulations, rules, and policies, and any amendments thereto); (4) the completion of studies on the timelines currently expected, and the results of those studies being consistent with the Company's current expectations; (5) the exchange rate between the Canadian dollar and the Peruvian nuevo sol being approximately consistent with current levels; (6) certain price assumptions for silver; (7) prices for diesel, electricity, and other key supplies being approximately consistent with the Company's expectations; (8) the accuracy of the current Mineral Resource estimate of the Company for the Bethania Silver Project; (9) 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; (10) potential direct or indirect operational impacts resulting from infectious diseases or pandemics such as the ongoing COVID-19 pandemic; and (11) the effectiveness of preventative actions and contingency plans put in place by the Company to respond 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;*
- *the Company's ability to obtain financing;*

- *the speculative nature of mineral exploration and development, including but not limited to the risks associated with obtaining and renewing necessary Permits;*
- *political or economic developments in Canada, Peru, or other countries in which the Company does business or may do business;*
- *the security of personnel and assets;*
- *operating or technical difficulties in connection with mining or development activities;*
- *changes in legislation, taxation (including but not limited to income tax, stamp tax, withholding tax, capital tax, tariffs, value-added or sales tax, capital outflow tax, capital gains tax, windfall or windfall profits tax, production royalties, excise tax, customs/import or export taxes/duties, asset taxes, asset transfer tax, property use, and other real estate tax, together with any related fine, penalty, surcharge, or interest imposed in connection with such taxes), controls, policies, and regulations;*
- *litigation or other claims against, or any regulatory investigations, enforcement actions, administrative orders, or sanctions in respect of, the Company, its directors, officers, or employees, including but not limited to securities class action litigation, environmental litigation, or regulatory proceedings, or any investigations, enforcement actions, or sanctions under any applicable anti-corruption laws;*
- *fluctuations in the currency markets, or in the spot or forward price of silver or certain other commodities (such as fuel and electricity);*
- *employee relations;*
- *contests over title to properties, particularly undeveloped properties; and*
- *business opportunities that may be presented to, or pursued by, the Company.*

These uncertainties and contingencies may 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 AIF, including but not limited to those contained in the "Risk Factors" section hereof, are qualified by this cautionary statement and those made in our other filings with the securities regulators of Canada, but not limited to, the cautionary statements made in the "Risk Factors" section of our MD&A for the year ended December 31, 2021. 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.

*In this AIF, the terms "Mineral Resource," "Inferred Mineral Resource," "Indicated Mineral Resource," "Measured Mineral Resource, "Mineral Reserve," "Probable Mineral Reserve," and "Proven Mineral Reserve" comply with reporting standards in Canada and are made in accordance with NI 43-101 under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum Standards on Mineral Resources and Mineral Reserves (the "**CIM Standards**"). These standards differ significantly from the requirements of the United States Securities and Exchange Commission (the "**SEC**") applicable to domestic United States reporting companies. Accordingly, information included in this AIF that describes the Company's Mineral Resource estimate may not be comparable with information made public by United States companies subject to the SEC's reporting and disclosure requirements.*

Market and Industry Data

This AIF includes market and industry information that has been obtained from third-party sources. The Company believes that this market and industry information is accurate, but there is no assurance as to the accuracy or completeness of this information. Although the Company believes that the information from third-party sources referred to in this AIF is reliable, the Company has not independently verified any of this information or ascertained the underlying economic assumptions relied upon by such sources.

Currency Information

In this AIF, unless otherwise indicated, all references to "$", "C$" or "CDN$" are to Canadian dollars, and all references to "US$" are to U.S. dollars. (Please note, however, that all references to "$" in the Company's financial statements for the year ended December 31, 2021 are to U.S. dollars.) The following table reflects the low and high rates of exchange for one US dollar, expressed in Canadian dollars, during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada daily rate of exchange.

	Years Ended December 31		
	2021	**2020**	**2019**
Low for the period	$ 1.2040	$ 1.2718	$ 1.2988
High for the period	$ 1.2942	$ 1.4496	$ 1.3600
Rate at the end of the period	$ 1.2678	$ 1.2732	$ 1.2988
Average rate for the period	$ 1.2535	$ 1.3415	$ 1.3269

Documents Incorporated by Reference

Documents incorporated by reference in this AIF include all those proxy circulars, news releases, and other continuous disclosure documents filed by the Company, copies of which are available on request from the offices of the Company or on the SEDAR website at www.sedar.com.

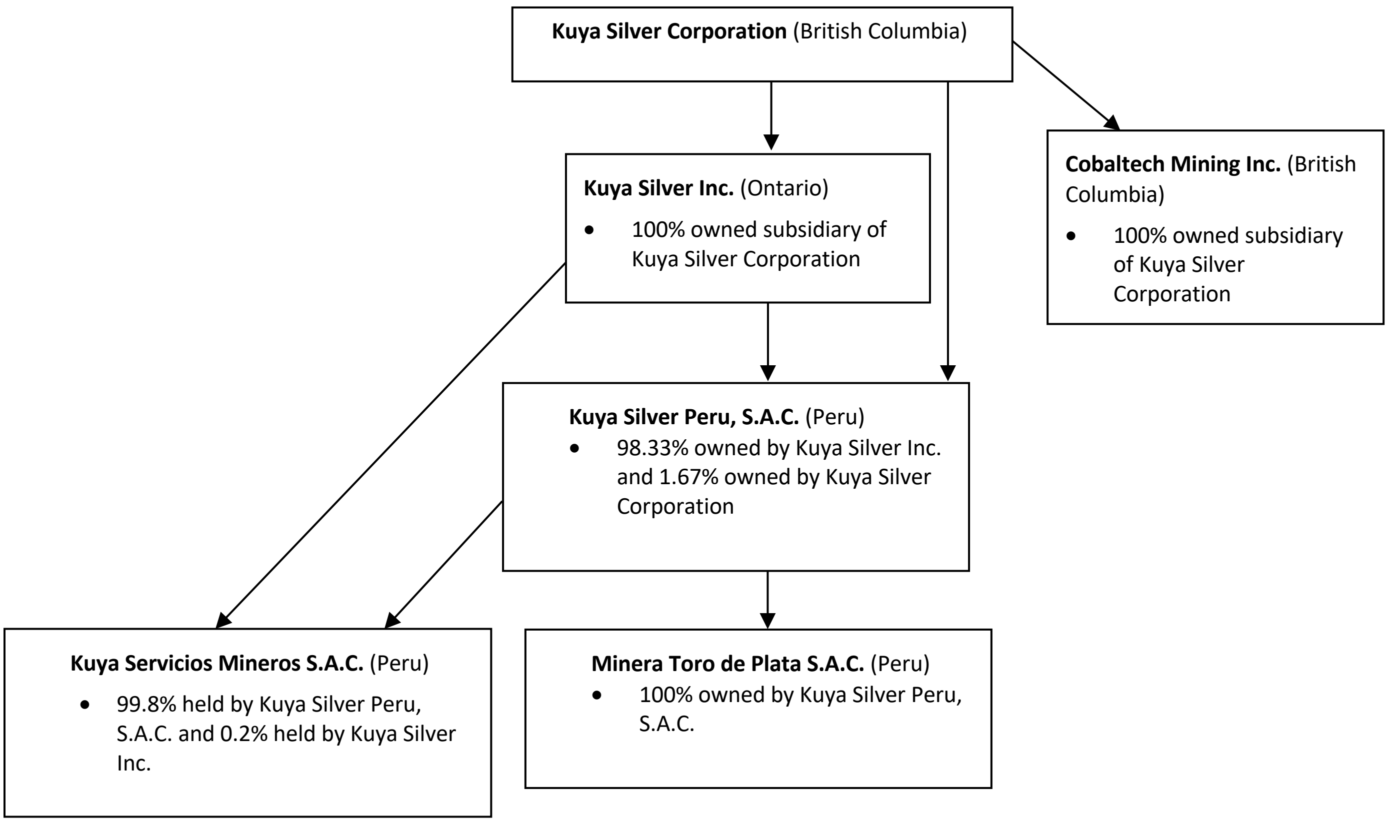
CORPORATE STRUCTURE

Name, Address, and Incorporation

The Company was incorporated under the name "Miramont Capital Corp." on July 15, 2015 under the *Business Corporations Act* (British Columbia) ("**BCBCA**"). The Company's name was changed to "Miramont Resources Corp." on November 18, 2016. On September 30, 2020, the Company changed its name to "Kuya Silver Corporation." References to "**Miramont**" refer to Miramont Capital Corp. or Miramont Resources Corp., as the context requires.
The Company's head office is located at 150 King Street West, Suite 200, Toronto, Ontario, M5H 1J9, and the Company's registered and records office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, British Columbia, V0N 1T0.

Intercorporate Relationships

A significant portion of the Company's business is carried on through subsidiaries. A chart showing the names of the significant subsidiaries of the Company, as of December 31, 2021, is set out below. All subsidiaries are 100% owned (directly or indirectly) unless otherwise noted.



GENERAL DEVELOPMENT OF THE BUSINESS

History of Miramont Prior to Completion of the Amalgamation Transaction

Miramont was formed for the purpose of identifying and acquiring mineral property interests.

On March 27, 2017, Miramont became listed on the Canadian Securities Exchange ("**CSE**"). On April 9, 2018, the Company became listed on the Over-the-Counter Market Place QB Exchange (the "**OTCQB**").

On January 31, 2019, the Company completed a non-brokered private placement of 4,176,498 units. The units were sold at a price of $0.35 per unit, for aggregate gross proceeds of $1,650,774. Each unit consisted of one common share and one common share purchase warrant, each warrant exercisable into one common share at a price of $0.50 until January 31, 2021. The Company paid a total of $28,054 in cash commissions and issued 80,156 finder's warrants. Each of the finder's warrants entitle the holder to purchase one common share at a price of $0.50 until January 31, 2021.

On June 11, 2020, Miramont announced an amalgamation transaction (the "**Amalgamation Transaction**") to be completed pursuant to the *Business Corporations Act* (Ontario) ("**OBCA**") with Kuya Silver Corp. ("**KSC**"), a privately held company incorporated under the OBCA on August 9, 2017, and 2757974 Ontario Inc. ("**Amalco**"), a wholly owned subsidiary of Miramont incorporated under the OBCA on May 29, 2020, pursuant to an amalgamation agreement dated June 10, 2020 among the Company, KSC, and Amalco (the "**Amalgamation Agreement**"). A copy of the Amalgamation Agreement is available on SEDAR under the Company's profile at www.sedar.com.

Further, on June 11, 2020, Miramont announced that it had entered into an engagement letter (the "**Engagement Letter**") with KSC and Cormark Securities Inc. ("**Cormark**"), providing for Cormark to assist with a best-efforts financing of up to $10,000,000 in subscription receipts. On July 23, 2020, Miramont, KSC, and Cormark (on behalf of itself and a syndicate of agents) entered into an agency agreement (the "**Agency Agreement**") that superseded the Engagement Letter and increased the offering to up to $13,000,000.

On July 23, 2020, in connection with the Amalgamation Transaction and the Agency Agreement, Miramont announced that KSC had completed the brokered private placement of 7,174,590 subscription receipts (the "**Subscription Receipts**") at a price of $1.65 per Subscription Receipt, for aggregate gross proceeds of $11,838,074 (the "**Brokered Financing**") as well as a concurrent non-brokered private placement of 303,030 Subscription Receipts on the same terms as the Brokered Financing, for additional gross proceeds of $500,000 (the "**Non-Brokered Financing**," and together with the Brokered Financing, the "**Offerings**"). In connection with the Brokered Financing, the agents received a cash commission of $559,709. No fees were paid in connection with the Non-Brokered Financing. Each Subscription Receipt was automatically exchanged, without payment of any additional consideration, into one common share of KSC upon the satisfaction of certain conditions, including CSE approval of the Amalgamation Transaction, and the common shares of KSC were subsequently exchanged for common shares of the Company in accordance with the terms of the Amalgamation Agreement. The net proceeds from the Offerings were intended to be used to complete the S&L Acquisition (as that term is defined below) and to fund exploration and engineering costs for the development of the Bethania Silver Project.

On September 30, 2020, prior to completion of the Amalgamation Transaction, the Company changed its name to "Kuya Silver Corporation," and on October 1, 2020, the Company completed a consolidation of its issued and outstanding share capital on the basis of one post-consolidated common share for every ten pre-consolidated common shares (the "**Consolidation**"). A total of 55,773,234 common shares of the Company were issued and outstanding prior to the Consolidation, and after the Consolidation, the Company had 5,577,322 common shares issued and outstanding.

History of KSC Prior to Completion of the Amalgamation Transaction

On October 9, 2017, KSC entered into a share purchase agreement (as amended, the "**Bethania SPA**") with S&L Andes Export S.A.C., a private Peruvian company headquartered in Lima, Peru ("**S&L**"), and the two shareholders of S&L (the "**S&L Vendors**"), giving KSC the right to acquire up to an 80% interest in S&L, which owned 100% of the Santa Elena concession and the Chinita I concession (together, the "**Bethania Property**"). S&L operated the Bethania Property from 2010 to 2016, by mining ore and trucking it to nearby plants for processing into concentrates. S&L ceased mining at Bethania in 2016 and put the mine into care and maintenance. A copy of the Bethania SPA is available on SEDAR under the Company's profile at www.sedar.com.

Under the Bethania SPA, KSC agreed to acquire the indirect 80% interest in the Bethania Property from the S&L Vendors for total consideration of US$10,000,000, as described below.

The Bethania SPA provided for the following components of consideration:

- US$4,500,000 investment in the Bethania Property:
    - US$2,500,000 toward repayment of debt and liabilities of S&L.
    - US$2,000,000 for a work program (drilling, PEA, mine expansion), mine care and maintenance, G&A, and deal costs.
- US$3,500,000 acquisition payment (cash).

- US$2,000,000 in KSC common shares at a deemed price of US$1.00, on closing of the transaction.

During 2018, KSC raised US$1,494,000 through the issuance of units priced at US$1.00 per unit. Each unit included one KSC common share and one quarter of a common share performance warrant, exercisable at a nominal cost on completion of the acquisition of 80% of S&L by KSC.

In September 2018, KSC raised an additional US$238,200 through the issuance of KSC common shares priced at US$1.00 per share. Over the course of 2018, KSC's investments pursuant to the Bethania SPA included financial restructuring of S&L, permitting of the concentrate plant and tailings storage, and care and maintenance of the mine.

On August 29, 2019, KSC received a technical report prepared in accordance with NI 43-101 for the Bethania Silver Project, titled "*Independent Technical Report on the Bethania Silver Project, Department of Huancavelica, Province of Huancavelica, District of Acobambilla, Peru*" with an effective date of July 31, 2019.

During 2019, KSC raised US$1,381,500 at US$1.00 per share and raised US$234,880 at US$1.20 per share. Over the course of 2019, KSC's investments pursuant to the Bethania SPA included continued financial restructuring of S&L, permitting of the concentrate plant and tailings storage, basic engineering design, and care and maintenance of the mine.

In February 2020, KSC raised US$557,500 through the issuance of 464,583 KSC common shares at US$1.20 per share.

In June 2020, KSC entered into an amending agreement with S&L and the S&L Vendors whereby the following material changes were made to the Bethania SPA:

- the deadline for KSC to satisfy all conditions for the acquisition was extended to April 30, 2021;
- confirmation of US$3,660,000 invested by KSC as of April 30, 2020 and agreement to convert US$3,110,000 of KSC's investment into a 27% interest in S&L and retain a loan to S&L for US$550,000 plus amount invested in the future under the terms of the Bethania SPA; and
- KSC common shares issued to the S&L Vendors cannot be sold for one year after the date of issuance.

On June 10, 2020, KSC entered into the Amalgamation Agreement with the Company and Amalco, providing for all the issued and outstanding shares of KSC to be exchanged at a ratio of 1.835 of a Company common share for each KSC common share.

On July 23, 2020, KSC completed the Offerings, whereby KSC issued 7,477,620 Subscription Receipts for aggregate gross proceeds of $12,338,074, as described above. The gross proceeds of the Brokered Financing, less 25% of the agent's fees and less certain eligible expenses of the Offerings, were held in escrow pending completion of the Amalgamation Transaction, pursuant to an agreement with Computershare Trust Company of Canada, dated July 23, 2020. The satisfaction of conditions for release of the gross proceeds from escrow occurred on September 30, 2020, and accordingly KSC was deemed to have issued 13,721,432 common shares in the capital of KSC on September 30, 2020.

History of the Company Following Completion of the Amalgamation Transaction

On October 1, 2020, the Company completed the Amalgamation Transaction with KSC and Amalco. In connection with the Amalgamation Transaction, KSC merged with and into Amalco, with Kuya Silver Inc. ("**Kuya Ontario**"), a wholly owned subsidiary of the Company, incorporated under the OBCA, as the surviving entity.

Kuya Ontario has a Peruvian subsidiary, Kuya Silver Peru, S.A.C., formerly known as Aerecura Materiales S.A.C. ("**Kuya Peru**"), in which Kuya Ontario has a 98.33% ownership interest and the Company has the remaining 1.67%.

Following the Consolidation and in connection with the Amalgamation Transaction, the Company issued 26,763,410 common shares to the shareholders of KSC, in exchange for an aggregate of 14,584,969 common shares held by the KSC shareholders, being all of the issued and outstanding share capital of KSC, including the common shares issued to the KSC shareholders in connection with the Offerings. Accordingly, the KSC shareholders received 1.835 common shares of the Company for each KSC common share, resulting in the Company having 32,340,740 common shares issued and outstanding when it resumed trading on the CSE on October 7, 2020.

The Company changed its year-end from July 31 to December 31 in connection with the Amalgamation Transaction, with its first financial year-end after the Amalgamation Transaction being December 31, 2020.

On October 26, 2020, the Company announced that it had entered into a letter agreement with the S&L Vendors (the "**S&L Letter Agreement**"), under which the Company agreed to acquire an additional 20% interest in S&L from the S&L Vendors and thereby acquire full ownership of the Bethania Property. The Company agreed to acquire the additional 20% interest in S&L by making a cash payment of US$1,325,000 and issuing US$425,000 worth of common shares, using an issuance price equal to the average closing price of the common shares during the five trading days prior to the closing of transaction, and using the C$/US$ exchange rate on the day immediately prior to the date of closing.

On October 30, 2020, Kuya Servicios Mineros S.A.C. ("**KSM**"), formerly known as Metals Cloud S.A.C., was acquired for nominal consideration, with 99.8% ownership held by Kuya Peru and the remaining 0.2% held by Kuya Ontario. The Company intends for KSM to provide professional and other services to its operating subsidiaries in Peru.

On November 13, 2020, the Company resumed trading on the OTCQB, following the halt that it requested on June 10, 2020 in connection with the Amalgamation Transaction.

On December 15, 2020, the Company indirectly acquired a 100% interest in S&L from the S&L Vendors, pursuant to the Bethania SPA and the S&L Letter Agreement. Kuya Ontario's Peruvian subsidiary, Kuya Peru, acquired 100% of the issued and outstanding common shares of S&L, the entity that holds title to the Bethania Property (the "**S&L Acquisition**"). The Company renamed S&L "Minera Toro de Plata S.A.C." ("**MTP**").

On February 26, 2021, the Company entered into a share purchase and option agreement (the "**Electra Agreement**") with Electra Battery Materials Corporation, formerly known as First Cobalt Corp. ("**Electra**") and its subsidiaries Cobalt Industries of Canada ("**CIC**") and CobalTech Mining Inc. ("**CobalTech**"), pursuant to which the Company acquired a portion of Electra's silver mineral exploration assets (the "**Electra Transaction**"), as well as an option from CIC to acquire up to a seventy percent (70%) interest in and to the balance of Electra's silver mineral assets ("**Electra Option Assets**") in the Cobalt, Ontario area (the "**Electra Option**").

In connection with the Electra Agreement, the Company made a cash payment of $1,000,000 to Electra and issued 1,437,470 common shares, at a deemed price of $2.087 per common share, being the twenty-day volume-weighted average trading price of the common shares (the "**20-Day VWAP**") prior to the announcement of the Electra Transaction on December 21, 2020. As part of the Electra Agreement, Electra also agreed to provide CobalTech with $500,000 at the time of closing, to be used for flow-through eligible expenditures prior to December 31, 2021. In order to facilitate this flow-through expenditure arrangement, Electra subscribed for 1,000 Class A redeemable voting shares of CobalTech, redeemable automatically by CobalTech upon incurring the flow-through expenditures. Having satisfied this condition, CobalTech redeemed the class A shares with effect as of September 30, 2021.

In fulfilment of a requirement for the exercise of the Electra Option, on September 1, 2021 (the "**Option Initiation Date**"), the Company paid to Electra (at the direction of CIC) the equivalent of $1,000,000 in common shares at the 20-Day VWAP prior to such payment being made. In order to fully exercise the Electra Option, the Company must: (i) in exchange for a forty-nine percent (49%) interest in the Electra Option Assets, on or prior to the first anniversary of the Option Initiation Date, pay CIC an additional $300,000 (or an equivalent in common shares at the 20-Day VWAP prior to such payment being made) and incur expenditures of no less than $2,000,000 in and to the Electra Option Assets; (ii) in exchange for an additional eleven percent (11%) interest in the Electra Option Assets, on or prior to the second anniversary of the Option Initiation Date, pay CIC an additional $350,000 (or an equivalent in common shares at the 20-Day VWAP prior to such payment being made) and incur additional expenditures of no less than $1,000,000 in and to the Electra Option Assets; and (iii) in exchange for an additional ten percent (10%) interest in the Electra Option Assets on, or prior to the third anniversary of the Option Initiation Date, pay CIC an additional $350,000 (or an equivalent in common shares at the 20-Day VWAP of the common shares prior to such payment being made) and incur expenditures of no less than $1,000,000 in and to the Electra Option Assets.

In connection with the Electra Option, upon completion of a maiden Mineral Resource estimate of at least 10,000,000 silver equivalent ounces on the Electra Option Assets, the Company will make a milestone payment to Electra of $2,500,000 in cash or common shares (at the 20-Day VWAP prior to such payment being made), or $5,000,000 should the Mineral Resource exceed 25,000,000 silver equivalent ounces. For a period of eighteen (18) months following the declaration of the maiden Mineral Resource estimate, any additional Mineral Resource estimate in relation to the Electra Option Assets will trigger the same payment obligation, subject to an aggregate cap of $5,000,000. Further, with respect to the Electra Option Assets, Electra has 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 Electra's refinery.

The Company and CIC plan to enter into a definitive joint venture agreement, on terms to be negotiated, for the exploration and development of the Electra Option Assets.

On May 10, 2021, the Company acquired three mineral concessions located in Acobambilla, Huancavelica Department and Chongos Altos, Junín Department, Peru. The Company entered into three separate agreements to acquire the Carmelita 2005, Carmelita 2005 I, and Carmelita 2005 II concessions (collectively, "**Carmelita**"). Carmelita is 800 hectares in total and located less than three kilometres west of the Bethania Property. The Company agreed to pay the vendors US$200,000 on signing, US$250,000 on or before the 12-month anniversary of signing, and on the 18-month anniversary of signing, the value of US$400,000 in common shares, issued at a deemed price per common share equal to the 10-day average closing price of the common shares, ending on the day prior to issuance.

On June 16, 2021, the Company completed a bought deal private placement of units, comprised of one common share and one half of one warrant, at a price of $1.90 per unit. Each whole warrant entitles the holder to purchase one common share at a price of $2.60 until June 16, 2023. This private placement was led by Cormark on behalf of a syndicate of underwriters, with an aggregate of 4,842,650 units sold for gross proceeds of $9,201,035. As consideration for the services provided by the underwriters, the Company paid a cash commission of $507,663. The Company intends to use the net proceeds for development activities at the Bethania Silver Project and for general working capital purposes.

On June 23, 2021, Ms. Annie Sismanian was appointed as Chief Financial Officer of the Company, succeeding Ms. Lesia Burianyk, who remains with the Company as Finance Director.

On August 5, 2021, Mr. Christian Aramayo was promoted from the non-executive officer role of Vice-President, Operations to Chief Operating Officer of the Company.

On August 6, 2021, Dr. Quinton Hennigh retired as a director and Chair of the Board of Directors of the Company (the "**Board**"), and Ms. Maura Lendon was appointed Interim Chair of the Board.

In November 2021, the Company's Peruvian subsidiary Kuya Peru participated in a sealed-bid auction process held by INGEMMET, the government body that governs the mineral concession system in Peru, and won claims to strategic areas in the Acobambilla district, in the immediate vicinity of the Bethania Property, to which mining concessions will be granted. The new concessions will be registered as Tres Banderas 03, Tres Banderas 04, Tres Banderas 05, Tres Banderas 06 and Tres Banderas 07. The Company participated in 27 auctions, and submitted winning bids in 22 of those auctions, representing a total of 2,300 ha. Some of the claims for which the Company submitted the winning bids overlap with the Company's existing claims, so when the acquisitions are final, the net acquisition of new claims will be approximately 1,800 ha, bringing the Company's total holdings in the Acobambilla district to approximately 4,845 ha. The Company disbursed a total of 2.23 million Peruvian soles (approximately US$565,000) for the 22 mining claims.

On January 6, 2022, the Company announced the maiden Mineral Resource estimate for the Bethania Silver Project.

On January 24, 2022, Mr. Javier Del Rio was appointed to the Board.

Significant Acquisitions

Other than as described above, no significant acquisitions or significant dispositions have been completed by the Company during the last three financial years. The Company intends to file a business acquisition report relating to the S&L Acquisition with the applicable regulatory authorities. When filed, the business acquisition report will be available under the Company's SEDAR profile at www.sedar.com.

DESCRIPTION OF THE BUSINESS

Summary

The Company is engaged in the acquisition, exploration, and development of mineral properties, focusing on silver deposits containing lead, zinc, copper, and gold by-products. The Company's common shares are listed on the CSE under the symbol of "KUYA" and quoted on the OTCQB in the United States under the symbol "KUYAF."

The Company's main area of focus is the development and execution of an expansion project to optimize production from the Bethania Silver Project. Subject to the availability of financing, the Company expects to begin construction of a concentrate plant, tailings storage facility, and related infrastructure at the Bethania Property during 2022, and is advancing plans for the related restart of underground mining, with the aim of commencing commercial production of concentrates from the plant in 2023. Further, the Company is working on improving its confidence in and understanding of the silver mineralization through exploration at site and in the region. Exploration and development of the Silver Kings Project is the Company's other area of focus.

Specialized Skill and Knowledge

Most areas of the Company's business require specialized skills and knowledge. Such areas include geology, permitting, drilling, metallurgy, mining engineering, process engineering, health and safety, environmental protection, community relations, logistics, and implementation of exploration programs, as well as finance and accounting. Further, in Peru and each other region where the Company operates, the Company needs access to specialized local knowledge. The Company has hired employees, and engaged consultants and contractors, with extensive experience in these areas and the skills required to assist in the Company's operations.

To attract and retain personnel with the specialized skills and knowledge required for the Company's operations, the Company offers compensation packages that it believes to be competitive. As of the date of this AIF, the Company has been successful in meeting its staffing requirements.

Competitive Conditions

Competition in the mineral exploration and production industry is intense. The Company competes with several large, established mining companies, with greater financial and technical resources, for the acquisition and development of mineral concessions, claims, leases, and other interests, as well as for the recruitment and retention of qualified employees, consultants, and contractors, and the equipment required to continue the Company's exploration, mining, and processing activities.

In the immediate area of the Bethania Silver Project in central Peru, there is competition for exploration properties that may be strategic to the Bethania Silver Project, as well as for local human resources and services. Within a 10 km radius of the Bethania Silver Project, Minera IRL Ltd. operates the Corihuarmi gold mine, and has in the past undertaken regional exploration in the area. Industrias Peñoles S.A.B. de C.V. maintains an exploration project to the north of the Bethania Silver Project. Other Peruvian ventures are active in the region, at various stages of exploration and development.

In addition, the Company is aware that several large copper, gold, and integrated mining companies are interested in the area surrounding the Bethania Silver Project. The Company believes that Peruvian subsidiaries of Anglo American plc, Newmont Corporation, Hochschild Mining plc, Antofagasta plc, and First Quantum Minerals Ltd. participated in the November 2021 auction process held by INGEMMET, the government body that governs the mineral concession system in Peru, in which the Company won 22 claims in the Acobambilla district, contiguous with the Bethania Property and Carmelita.

Cycles

The Bethania Silver Project is in a location where mining activities can be carried out year-round, but during the "wet season," which typically runs from December to February, certain surface activities, including exploration and construction, may be impeded by either wet or snowy conditions.

Employees

As of the date of this AIF, the Company has thirty-four employees in total, with six located in Ontario and twenty-eight located in Peru. The Company's Peruvian subsidiaries engage additional individuals in Peru as necessary for work on the Bethania Silver Project.

The Company entered into an executive employment agreement with Ms. Annie Sismanian dated as of June 8, 2021, pursuant to which Ms. Sismanian provides her services as Chief Financial Officer of the Company. In consideration for her services, Ms. Sismanian receives an annual salary of $210,000.

The Company entered into an executive employment agreement with Mr. Christian Aramayo dated as of August 8, 2021, pursuant to which Mr. Aramayo provides his services as Chief Operating Officer of the Company. In consideration for his services, Mr. Aramayo receives an annual salary of USD$180,000.

The Company entered into an executive employment agreement with Mr. David Stein dated as of January 1, 2021, pursuant to which Mr. Stein provides his services as President and Chief Executive Officer of the Company. In consideration for his services, Mr. Stein receives an annual salary of $235,000.

Social and Environmental Policies

The Company has a code of business conduct and ethics (the "**Code**") that applies to the Company's directors, officers, and employees. The Code does not address every possible business scenario, but rather, sets out key guiding principles of integrity to which Company personnel are expected to adhere in all matters. These principles include, but are not limited to, honest and ethical conduct, fair dealing with internal and external stakeholders, and compliance with all applicable laws, rules, and regulations.

The Company is committed to carrying out all its activities in an ethical manner that prioritizes health and safety, recognizes the concerns of local communities, indigenous peoples, and other stakeholders, and preserves the natural environment. The Company ensures that the contractors and suppliers it engages to provide services on its behalf have appropriate training and qualifications, and that safety procedures are always followed. The importance of ethical behaviour and preservation of the natural environment is stressed to all Company personnel, and all are charged with monitoring operations to ensure they are being carried out responsibly and with integrity.

The Company consults with local communities, indigenous peoples, and other stakeholders, recognizing such practice as a benefit to all. The Company regularly engages with stakeholders, and in the case of indigenous communities and groups, provides frequent updates during program activity.

RISK FACTORS

An investor should carefully consider the following risk factors in addition to the other information contained in this AIF. The risks and uncertainties below are not the only ones related to the Company. Additional risks and uncertainties of which the Company is not currently aware, or that the Company currently considers to be immaterial, may also impair the Company's business. If any of the following risks materialize, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly. An investment in the Company’s common shares is speculative and involves a high degree of risk due to the nature of the Company’s business and the present stage of the Company’s operations. Investors should not invest in the Company’s common shares unless they can afford to lose their entire investment.

Ability to Obtain Financing

Future exploration and development of, and production from, the Company’s mineral properties, including the Bethania Silver Project, the Silver Kings Project, and any new properties in which the Company may acquire an interest, will be dependent on the Company’s ability to obtain capital through equity financing and/or debt financing, or to obtain other means of financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed, or on terms and at rates reasonably acceptable to the Company. Volatile precious metals markets may make it difficult or impossible for the Company to obtain financing on favourable terms, or at all. Even if the Company is successful in starting production at the Bethania Silver Project in accordance with its plans, there can be no assurance that the Company will produce concentrate in sufficient quantities to make capital investments (or scheduled debt repayments, if any), and the Company may need to raise capital from other sources. Further, there is no assurance that the Company’s future cash flow will be sufficient to fund the Company’s operations without requiring any additional capital to meet planned initiatives, and to fund investment, exploration, evaluation, and development activities for the foreseeable future. Any material change in the Company’s capital plans could significantly change the cash and working capital required by the Company.

Permits

The Company’s activities and plans are subject to obtaining and renewing Permits from governmental authorities. Obtaining or renewing the necessary Permits is a complex and time-consuming process, with unique features in each jurisdiction, and it can require the Company to consult with various stakeholders and make costly commitments. The success of the Company’s efforts to obtain and renew Permits, and the length of these processes, depend on many variables beyond the Company’s control, including the interpretation of applicable laws and regulations made by the relevant governmental authority. There can be no assurance, in relation to any of the Company’s mineral projects, that necessary Permits will be obtained by the Company in a timely manner, or at all, or that necessary Permits already held by the Company will be renewed in a timely manner, or at all. Further, new legislation may contain requirements for Permits in addition to those that the Company already holds or is already pursuing. It is also possible that Permits previously issued to the Company may be suspended for a variety of reasons, or that the relevant governmental authority may disagree with the Company on the scope, limitations, or meaning of an existing Permit or group of related Permits.

Permits have been granted to the various owners of the Bethania Property since the implementation of the first Peruvian environmental regulations. These Permits have been transferred from owner to owner and are now held by MTP, the Peruvian subsidiary of the Company that owns the Bethania Property.

The mine area was originally approved in 2009 through a Declaración de Impacto Ambiental (environmental impact statement) (the “**DIA**”), which addressed the environmental and social impact of the mine and allowed mining operations on the Santa Elena concession. The DIA has been modified several times, most recently in 2017. In

December 2020, an application was submitted for further modification of the DIA, in support of the proposed expansion project, and that process is ongoing. In August 2020, the process plant area, tailings storage facility, and associated infrastructure for the proposed expansion project were approved through an Estudio de Impacto Ambiental semidetallado (semi-detailed environmental impact assessment) (the "**EIA-sd**"), following significant consultation with local stakeholders. The EIA-sd has been registered with the federal Ministry of Energy and Mines ("**MEM**"), as required.

Until May 2021, MTP qualified as a Pequeño Productor Minero (small mining producer) ("**PPM**"), and accordingly, the Bethania Property was under the jurisdiction of the Dirección Regional de Energía y Minas for the Huancavelica Region ("**DREM**"), which is an agency of the Huancavelica regional government. As a PPM under the jurisdiction of DREM, MTP enjoyed several advantages over mining companies that are subject to the General Regime administered by federal agencies, including a streamlined permitting process. Following the S&L Acquisition, MTP lost its PPM status and became subject to the more onerous General Regime, but because MTP initiated certain permitting processes with DREM before losing its PPM status, it is entitled to complete those processes with DREM. In January 2022, DREM authorized the construction of a process plant with an installed capacity of 350 tonnes per day, and related infrastructure, including a tailings management facility. In addition, DREM granted MTP a processing concession for the intended location of the plant. Similarly, the application to modify the DIA was submitted while MTP still had PPM status, and DREM continues to review that application. Going forward, all new permitting processes for either the mine area or the plant at the Bethania Property will take place at the national level, under the General Regime.

The Company believes that it has all the material Permits required for the construction of the process plant, underground mining, and start of commercial production at the Bethania Property, provided that the Company abides by the approved specifications and does not produce or process more than 350 tonnes of mineralized material per day from the relevant concessions.

Any delay or failure to obtain a new Permit or renew an existing Permit for the Bethania Silver Project on reasonable terms, or the expiry, suspension, or revocation of any such Permit, or any challenge to or rejection of the Company's understanding or interpretation of its existing Permits by any governmental authority, or any challenge to the status, validity, or terms of any of the Company's existing Permits launched by a third party, could have a material adverse effect on the Company's ability to implement its plans for the Bethania Silver Project, which in turn could have a material adverse effect on the Company's business, operations, and financial condition.

Limited Operating History

The Company is a relatively new company with a limited operating history and no history of mining operations, production, or revenue generation. The Company has yet to generate a profit from its activities in Peru or elsewhere and anticipates that it may take a significant period to achieve positive cash flow from operations. The Company is subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective.

Exploration, Development, and Operating Risks

The exploration for, and development of, mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. Notwithstanding that the Company owns the Bethania Property, which can be considered a small-scale operating mine, the Company is in the process of exploring other properties in Peru and Canada, and few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and determine Mineral Resources and Mineral Reserves, to develop metallurgical processes, and to construct mining and processing facilities at any site. It is impossible to ensure that the Company's exploration and development programs will result in profitable commercial mining operations.

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, processing facilities, and related infrastructure, damage to life or property, environmental damage, and possible legal liability. Although the Company plans to take adequate precautions to manage and minimize risk, processing operations are subject to hazards, such as equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

Political and Social Risk in Peru

The Bethania Silver Project is in Peru, and the Company's activities in Peru are conducted through Peruvian subsidiaries. Mining is a longstanding and important part of Peru's economy, but it is also controversial. There is an increasing level of public attention and advocacy relating to the real and perceived effect of mining activities. The mining industry in Peru is often criticized for causing environmental damage, harming rural communities, and failing to share, in an equitable manner, the wealth generated by mining with the people who are most affected by mining operations. For these reasons, mining operations in Peru are sometimes the target of protests and blockades by local communities, farmers, and Indigenous groups.

The 2021 presidential election in Peru resulted in the election of Pedro Castillo, who campaigned on a far-left agenda, described the mining industry in negative terms, and pledged to redistribute the economic benefits of mining. The government of Mr. Castillo has come into conflict with the mining industry over its policy announcements, decisions on permitting, and actions in response to protests and blockades. Although the government's stance on the mining industry appears to have moderated somewhat, it continues to pursue reforms that could, if implemented, have a material adverse effect on the Company's business, operations, and financial condition. For example, the Peruvian government has proposed tax reform legislation that would significantly increase the tax burden on mining companies. As at the date of this AIF, however, it has not been successful in passing or implementing this tax reform.

For the reasons noted above and other reasons, the Company's activities in Peru are subject to various political, economic, and other risks and uncertainties. Risks and uncertainties include, but are not limited to, changing political conditions arising from changes of government and otherwise, renegotiation or nullification of existing concessions, Permits, and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation of funds, currency controls, protectionism, expropriation of the Company's assets, labour disruptions, including strikes and work stoppages, conflicts with members of local communities, including protests and blockades of the Company's assets, terrorism, corruption of government officials, high rates of inflation, and civil unrest or war.

There is currently no local opposition to exploration and development of the Bethania Silver Project, but there can be no assurance that it will not arise. Local opposition could arise at any time, and such opposition could be violent. If the Company were to experience resistance or unrest in connection with its Peruvian operations, it could have a material adverse effect on the Company's business, operations, and financial condition. The Bethania Property is close to a small community, and accordingly, the Company's activities in that area must be carried out by experienced local personnel in accordance with a thoughtful stakeholder engagement plan. Social acceptance is an integral part of mineral project development in Peru, and lack of social acceptance poses a serious risk at all stages in the life cycle of a mine. There can be no assurance that the Company will be successful in fostering and maintaining social acceptance of the Bethania Silver Project, or avoiding the disruptions experienced by other mining companies in Peru. Further, while the Company takes security measures to protect both personnel and property, there is no guarantee that such measures will prove to be adequate or effective. The occurrence of illegal activity against the Company, its personnel, or its assets cannot be accurately predicted and could have a material adverse effect on the Company's operations.

The Company's activities in Peru are also subject to extensive laws and regulations governing, among other matters, exploration and development of mines, environmental protection (including biodiversity and water, soil and air quality and use), management and use of toxic substances and explosives, waste management, closure and reclamation, health and safety, labour, human rights, cultural heritage, taxes, restrictions on production, price controls, import and export, taxation, maintenance of claims, tenure, government royalties, and expropriation of property. Official interpretations of existing laws and regulations are subject to change, and the Company's interpretation of any law, rule, or regulation, or the terms of any Permit, may differ from the interpretation held by government authorities. To comply with existing laws and future laws, the Company may be required to make significant capital or operating expenditures, or face restrictions on, suspensions of, or delays in development of its properties. There is no guarantee that new constraints on the Company's operations, or additional taxes, will not be imposed, including those that might have significant economic impacts on the Company's operations and financial condition. Further, the legal and regulatory framework in Peru can at times be unclear and inconsistent, and any failure to comply with applicable laws and regulations could lead to, among other things, the imposition of substantial fines, penalties, and sanctions, the revocation of Permits, expropriation of assets, forced reduction or suspension of operations, and other civil, regulatory, or criminal proceedings, the extent of which cannot be reasonably predicted. The Company does not carry political risk insurance.

Fluctuating Metal Prices and Marketability of Metals and Concentrates

The market price of silver and other metals is volatile and affected by many factors beyond the Company's control, including but not limited to international supply and demand, consumer product demand levels, technological innovation, international economic trends, commodity prices, operations costs, variations in mineral grade, currency exchange rate fluctuations, interest rates, the rate of inflation, and regional and global political events. Depending on the price of silver and other metals, the Company may determine that it is impractical to continue its exploration and development activities. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the exploration and development activities planned or intended by the Company. Further, the marketability of concentrates may be affected by government regulation of royalties, production amounts and quality, storage and transportation of concentrate, and the import and export of minerals or other materials, the effect of which cannot be accurately predicted.

Environmental Factors

The Company's activities are subject to environmental regulation in each jurisdiction in which it operates. Environmental legislation worldwide is evolving in a manner that will result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. Although the Company works diligently to comply with all environmental laws and regulations that apply to the Company's activities, there can be no assurance that the Company has been or will be in full compliance. Further, there can be no assurance that any changes in environmental laws and regulations, or the interpretation or enforcement of environmental laws and regulations by any governmental authority, will not adversely affect the Company's operations or financial condition, and a breach of any such laws or regulations could result in fines and penalties. The costs of compliance with existing and future laws and regulations has the potential to reduce the profitability of future operations. Environmental hazards, whether caused by previous owners or operators of the Company's mineral properties, or by the Company itself, may exist on the Company's mineral properties but be unknown to the Company at present.

Exploration and development activities at, and the pursuit of commercial production from, the Company's mineral properties may be subject to environmental review processes under environmental assessment legislation. Compliance with any environmental review process may be costly and delay commercial production. Further, there is a risk that the Company would not be able to proceed with commercial production upon completion of the environmental review process, if government authorities do not approve the proposed mine, or if the costs of compliance with applicable laws and regulations adversely affect the commercial viability of the proposed mine.

Factors beyond the control of the Company, such as delays in environmental review processes, may interfere with the Company's ability to remedy compliance issues inherited from previous owners or operators of the Company's mineral properties in a timely manner, or at all. For example, as noted above under "Permits," in connection with the Company's acquisition of the Bethania Property in December 2020, an application was submitted to DREM for modification of the DIA. The DIA modification set out a detailed proposal for the construction of a water treatment plant at the Santa Elena mining concession, among other infrastructure improvements. Approval of the DIA modification will allow the Company to move forward with the water treatment plant, which is required for lawful discharge of underground mine water, but the application is still under review by DREM. Although the Company has taken all reasonable steps to expedite approval of the DIA modification, in the interest of full compliance with environmental laws and regulations in Peru, the timing of approval by DREM cannot be predicted with confidence.

Insurance against certain environmental risks, including potential liability for pollution and other hazards resulting from the disposal of waste products from production, is not generally available to companies within the mining industry. The Company may be materially adversely affected if it incurs losses related to any significant events that are not covered by its insurance policies.

Mineral Resource Estimates are Inherently Uncertain

As of the date of this AIF, the Company has a Mineral Resource estimate for the Bethania Silver Project but none of its other mineral properties. Mineral Resource estimates are expressions of judgment based on knowledge, experience, and industry practice. There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond the control of the Company, and accordingly, the Bethania Silver Project may yield less mineral production under actual conditions than is currently estimated. In determining whether to advance the Bethania Silver Project or any other development project towards production, the Company must rely upon estimates of the Mineral Resource and grades of mineralization in relation to that project.

Estimates that were valid when made may change significantly upon new information becoming available. Until mineralized zones are mined and processed, Mineral Resources and grades are only estimates based upon geological interpretation and statistical inferences drawn from drilling and sampling, which may prove to be imprecise and unreliable. Further, the Company cannot guarantee that mineral recovery rates achieved in small-scale tests will be duplicated in large-scale tests under on-site conditions or during commercial production.

There can be no assurance that the Mineral Resource estimate for the Bethania Silver Project is accurate or that the actual mineralization can be mined or processed profitably. If the Company encounters mineralization different from what has been predicted by past sampling and drilling, the Mineral Resource estimate for the Bethania Silver Project may need to be adjusted, and mining plans may need to be altered in a way that negatively affects the economic viability of the Bethania Silver Project and its return on capital. The Mineral Resource estimate for the Bethania Silver Project has been determined and valued based on assumptions that may prove to be incorrect. In addition, extended declines in the market price for silver and other metals may render some or all of the mineralization at the Bethania Silver Project uneconomic and adversely affect the Company’s ability to conduct commercial operations on a profitable basis.

Production Decision Without Identified Mineral Reserves

As of the date of this AIF, there are no Mineral Reserves at the Bethania Silver Project. The Company may decide to proceed with its plan to optimize, expand, and restart commercial production at the Bethania Property based on the upcoming preliminary economic assessment, but without having completed any feasibility studies. Accordingly, the Company may not base its production decision on any feasibility studies of Mineral Reserves demonstrating economic and technical viability of the Bethania Silver Project. Mineral properties that are placed into production without the benefit of a feasibility study have historically had a higher risk of failure. The Company’s preliminary economic assessment will include inferred Mineral Resources, which are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There can be no assurance that the conclusions of the preliminary economic assessment will ever be realized. Further, the absence of Mineral Reserves increases the uncertainty that the mineralization at the Bethania Silver Project can be economically produced, and if so, for what period of time, or that the Bethania Silver Project will be profitable.

Competition

The Company's competition is intense in all aspects of its business. The Company competes with many companies in the mining industry, including large, well-established mining companies with significantly greater financial and technical resources and operational experience. Attractive mineral properties in Peru and Canada with the potential for commercial mining operations are scarce and may not be available on terms that the Company considers acceptable, or at all. As a result, the Company may be unable to compete effectively with other mining companies to acquire desirable mineral properties. Further, the Company's competitors may be able to respond more quickly to new laws and regulations or emerging technologies, or devote greater resources to the expansion or efficiency of their operations, than the Company can. In addition, the Company's competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Companies with projects or mines in close proximity to the Bethania Silver Project may have interests that come into operational or legal conflict with ours, including conflicts over shared infrastructure or resources. The Company's inability to successfully compete with other companies would have a material adverse effect on its results of operation and business.

Dependence on Key Personnel

The Company's success depends, in large part, on its ability to attract and retain qualified key management personnel. The number of people skilled in acquisition, exploration, development, and operation of mineral properties is limited, and competition for such people is intense. The Company's growth and viability has depended, and will continue to depend, on the efforts of key personnel and the Company's ability to both retain existing key personnel and attract additional key personnel to financial, administrative, legal, and technical roles within the Company, as well as additional staff for operations in Peru and Canada. The loss of any key personnel, or the inability to recruit new skilled and experienced executives, could increase the Company's recruiting and training costs and decrease the Company's operating efficiency, productivity, and cash flow, which may have a material adverse effect on the Company's development projects, future operations, cash flows, and financial condition. Although the Company has employment agreements or management agreements with its key personnel, it does not have key-man life insurance. The Company provides its key personnel with long-term incentive compensation which generally vests over several years and is designed to retain these individuals and align their interests with those of the Company's shareholders. While the Company believes that it will continue to be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Volatility of Share Price

The Company's share price is highly volatile and subject to significant price and volume fluctuations as a result of many factors, some of which are beyond the Company's control, including fluctuations in the market price of silver and other metals, government regulations, performance of the Company's competitors, and general market conditions. Further, capital markets in general, and the market for precious metals producers in particular, have experienced extreme price and volume fluctuations in recent years that have often been unrelated or disproportionate to the operating performance of the companies concerned. These broad market and industry factors, including public perception of the prospects of mining companies in general, may adversely affect the market price of the Company's common shares, regardless of operating performance.

The Company's common shares are also subject to wide price and volume fluctuations arising from the public's reaction to Company announcements, including announcements relating to the Company's prospects, litigation, arrival or departure of key personnel, operating performance, recommendations by research analysts, and the risk factors described in this AIF, all of which can individually or collectively can have a significant detrimental impact on the market price of the Company's common shares. Following periods of volatility in the market price of a company's securities, investors sometimes initiate securities class-action litigation. Any such litigation, if initiated against the Company, could result in substantial costs and a diversion of management's attention, regardless of the merits.

Lack of Dividends

The Company has never declared or paid any dividends on its common shares. The Company intends to retain its future earnings, if any, for the foreseeable future, to finance its exploration and development activities and the further expansion of its business.

Risk of Dilution

Depending on the Company's exploration, development, and capital investment plans, acquisition activities, and operating and working capital requirements, the Company may issue additional shares as a means of raising capital or satisfying its obligations under option agreements or joint venture agreements, including but not limited to the Company's agreement with Electra in relation to the Silver Kings Project, or under exploration agreements or impact benefit agreements with Indigenous communities. If the Company is required to issue additional shares or decides to enter into joint venture arrangements in order to raise financing through the sale of shares at prices per share different that than the price paid by investors, investors' interests in the Company will be diluted, and investors may suffer dilution in their net book value per share, depending on the price at which the shares are sold.

The Company has also granted, and in the future may grant, to directors, officers, employees, and consultants, stock options to purchase shares as non-cash incentives, in accordance with the Company's stock option plan and the policies of the CSE. The issuance of additional shares upon the exercise of the stock options will cause existing shareholders to experience dilution of their ownership interests. As of the date of this AIF, there are 45,279,981common shares and 1,902,500 stock options issued and outstanding, with the result that if all stock options were exercised, they would represent approximately 4.03% of the Company's issued and outstanding common shares. Further, the Company may in the future replace its existing stock option plan or adopt additional equity compensation plans for its directors, officers, employees, and consultants, including, but not limited to, restricted share units or rights, performance share units, and deferred share units, as awards for service to those persons. Upon settlement, awards made under any replacement plan or additional plan may entitle the recipients to receive common shares, a cash equivalent, or a combination thereof, resulting in further dilution to existing shareholders.

Insurance and Uninsured Risks

The business of the Company is subject to various risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, rock bursts, cave-ins, changes in the regulatory environment, and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to mineral properties, production facilities, or equipment, personal injury or death, environmental damage, delayed or interrupted operations, and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all the potential risks associated with its operations, and insurance coverage may not be available, or may not be adequate, to cover any resulting liability. It is not always possible to obtain insurance against all the risks described above, and further, the Company may decide not to insure against certain risks because of high premiums, or for other reasons. Moreover, insurance against risks such as environmental pollution, or other hazards as a result of exploration and development, is not generally available to the Company or other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Foreign Exchange

The Company may be adversely affected by future fluctuations in foreign exchange rates. For example, to the extent the actual Canadian dollar to U.S. dollar exchange rate is less than the exchange rate used in this AIF, the costs of the Company's future exploration and development activities at the Bethania Silver Project will increase, and thereby decrease funds available for general and administrative expenses and the Company's available unallocated capital. By way of further example, although the Company's equity financings are generally received in Canadian dollars, expenditures on the Bethania Silver Project are generally expected to be incurred in U.S. dollars and Peruvian soles, and accordingly, fluctuations in the Canadian dollar to U.S. dollar exchange rate, or in the Canadian dollar to Peruvian sol exchange rate, could have a material adverse effect on the Company.

Financial Reporting Standards and Internal Controls

The Company prepares its financial reports and statements in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports and statements, management may need to rely upon assumptions, make estimates, or use its best judgment in determining the financial condition or results of operations of the Company. Significant accounting details are described in more detail in the notes to the Company's annual consolidated financial statements for the year ended December 31, 2021. Although the Company believes its financial reporting and financial statements are reliable, the Company cannot provide absolute assurance in that regard.

The Company's failure to maintain effective internal controls over financial reporting could result in the loss of investor confidence in the reliability of its financial statements, result in harm to the Company's business, and negatively impact the trading price of the Company's common shares. In addition, any failure to implement new or improved controls as required, or difficulties encountered in their implementation, could harm the Company's operating results, or cause it to fail to meet its reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel, especially considering the increased demand for such personnel among publicly traded companies.

Growth Strategy

As part of its growth strategy, the Company continues to seek new acquisition opportunities in Peru, Canada, and elsewhere, including both past-producing mines and exploration and development opportunities, with a focus on silver. As such, the Company may from time to time acquire additional mineral properties or the securities of companies that hold mineral properties. The Company's success at completing acquisitions will depend on numerous factors, including but not limited to identifying acquisitions that fit the Company's strategy, negotiating acceptable terms with the vendor of the business or property to be acquired, and obtaining approval from applicable regulatory authorities. Business or property acquisitions could place increased pressure on the Company's cash flow, if such acquisitions involve cash consideration or the assumption of obligations requiring cash payments. Acquisitions involving large shares issuances by the Company would also result in dilution to existing shareholders. (See "Risk of Dilution" above.) Failure to select appropriate acquisition projects (including failure to properly assess value, strengths, weaknesses, liabilities, risks, and potential profitability), negotiate acceptable arrangements (including financing arrangements), or integrate the acquired businesses and their personnel into the Company may result in unanticipated costs, diversion of management attention from existing businesses and day-to-day operations, loss of key employees, and financial losses.

There can be no assurance that any acquisitions or business arrangements that the Company may pursue will be on favourable terms or ultimately benefit the Company. Acquisitions may involve special risks, circumstances, or legal liabilities, including environmental liabilities. These and other risks related to acquiring and operating acquired companies and properties could have a material adverse effect on the Company's results of operations and financial condition, and the price of the Company's common shares. Further, to acquire companies and properties, the

Company may be required to use available cash, incur debt, issue additional securities, enter into off-take, royalty agreements or metal streaming agreements, or a combination of any one or more of these. Such uses could affect the Company's future flexibility and ability to raise capital, operate, explore, and develop its properties, and could dilute existing shareholders and decrease the price of the Company's common shares. Shareholders may have no right to evaluate the merits or risks of any future acquisition undertaken by the Company, save as required by applicable laws.

Joint Venture Risk

There are certain risks associated with joint venture arrangements, including the Company's joint venture with Electra in relation to the exploration and development of the Silver Kings Project (the "**Silver Kings JV**"). Any current or future joint venture partner of the Company may, without limitation: (a) have business interests or objectives that are inconsistent or incompatible with those of the Company; (b) disagree with the Company on how to explore or develop mineral properties; (c) take action contrary to the Company's interests; (d) be unable or unwilling to fulfill its obligations under the agreement that governs the applicable joint venture; or (e) experience financial, legal, or other difficulties. There can be no assurance that the Company will be able to control strategic decisions made in respect of mineral properties that are the subject of joint venture arrangements. Any of the foregoing could have a material adverse effect on the results of operations or financial condition of the Company. In addition, the termination or conclusion of any joint venture arrangement, or litigation between the Company and any of its joint venture partners, could have a material adverse effect on the results of operations or financial condition of the Company.

Title to Mineral Properties

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. While the Company has carried out reviews of title to its mineral properties in Peru and Canada, this should not be construed as a guarantee that title to such interests will not be challenged or impugned. Title insurance is generally not available for mineral properties, and the Company's ability to ensure that it has obtained secure title may be severely constrained. Third parties may have valid claims underlying portions of the Company's interests, including prior unregistered liens, agreements, royalty claims, claims by Indigenous communities, and other encumbrances, and title may be affected by, among other things, undetected defects. If any such challenge is successful, this could have a material adverse effect on the development of the Company's properties as well as its results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Surface Rights and Access

Although the Company acquires the rights to minerals in the ground subject to the mineral titles that it acquires, in most cases the Company does not automatically acquire any rights to, or ownership of, the surface of the areas covered by those mineral titles. In some jurisdictions, applicable law provides for rights of access to the surface for the purpose of carrying on mining activities, but the enforcement of such rights is costly and time-consuming. It is therefore often necessary to negotiate surface access or purchase the surface rights. There can be no assurance that, despite having the right at law to access the surface and conduct mining activities, the Company will be able to negotiate satisfactory agreements with the owners and occupiers of land, and accordingly, the Company may be unable to carry out planned mining activities. The inability of the Company to access land or obtain required surface rights could have a material adverse effect on the Company's ability to explore and develop mineral properties.

Peruvian law does not vest surface rights with mineral rights, and any proposed development of a mineral property in Peru requires the purchase of surface rights or negotiation of an appropriate access agreement with the owners of the surface rights. As at the date of this AIF, the Company has multiple agreements in place with the local community of Bethania for the use of land in relation to the Bethania Silver Project. Although the Company does not anticipate any difficulty in complying with, maintaining, or renewing these agreements, as applicable, and the Company believes that it has positive relationships with host communities, there can be no assurance that the

Company will be successful in obtaining and maintaining the land access or surface rights that it requires for the advancement of the Bethania Silver Project.

Global Economic Conditions

Recent global financial conditions have been characterized by increased volatility. The Company's results of operations could be adversely affected by general conditions in the global economy and global financial markets. A severe or prolonged economic downturn could result in a variety of risks to the Company's business, including the Company's ability to raise additional capital when needed on acceptable terms, or at all. A weak or declining economy could strain the Company's suppliers, possibly resulting in supply disruption, or cause delays in payment by any debtor of the Company. Inflation could cause the Company to incur costs in excess of the Company's expectations. The Company cannot anticipate all the ways in which the current or future economic climate and financial market conditions could adversely impact the Company's business.

COVID-19 Pandemic

In March 2020, the World Health Organization declared a global pandemic of coronavirus disease 2019 ("**COVID-19**") caused by the novel coronavirus designated SARS-CoV-2. Global reactions to the spread of COVID-19 have led to, among other things, significant restrictions on travel and gatherings of individuals, quarantines, business closures, volatility in capital markets, and supply chain disruptions in a wide range of industries and markets. The Company's business has already been, and may continue to be, adversely affected by COVID-19 and its variants.

As of the date of this AIF, COVID-19 has impacted the Company in several ways:

- In March 2020, the Company closed its offices in Lima and significantly reduced activity at the Bethania Property. The Company's offices in Lima have since reopened, and activity at the Bethania Property has since returned to the pre-pandemic level, but with measures in place to reduce the risk of COVID-19 transmission, as described below.
- For much of 2020 and parts of 2021, Peru's international borders were closed, and the Company's management team, consultants, and advisors based outside of Peru were unable to visit the country. These international travel restrictions, combined with restrictions on travel within Peru, have resulted in delays in the completion of certain activities relating to the Bethania Silver Project.
- As a result of steps taken to reduce transmission of COVID-19, the Company has incurred unexpected costs, including in relation to testing.

The Company has mitigated the impact of COVID-19 on its operations through screening, adjustment of work schedules, physical distancing, and remote work where possible. These measures have allowed the Company to continue its operations in Peru and Canada without significant disruption, although there can be no assurance that this success will continue. The Company continues to closely monitor the evolving COVID-19 crisis, follow the advice and guidelines of government officials in Canada and Peru, and adhere to industry-wide best practices.

The COVID-19 pandemic is constantly evolving. As at the date of this AIF, many of the disruptions to business activity caused by COVID-19 have eased significantly in certain countries and regions, due to the effectiveness of vaccination programs, new treatments, public health measures, and government relief initiatives. In other countries and regions, however, these measures have not been implemented successfully or at all, or government restrictions are being renewed or strengthened because of a recent increase in the rate of infections. COVID-19 infections, hospitalizations, and deaths may resurge at any time, either globally or in specific countries or regions, due to the emergence of new variants or for other reasons, and any such resurgence could adversely affect the global economy or lead to the renewal of restrictions, either of which could have a material adverse effect on the Company's prospects. The duration, severity, and geographic spread of any such resurgence, and its impact on the Company's business, operations, and financial condition, cannot be estimated with any degree of certainty at this time.

Despite the measures taken by the Company, the extent to which the COVID-19 pandemic may affect the Company's operations and business in the future is highly uncertain and cannot be predicted with confidence. The ongoing COVID-19 pandemic could adversely impact the health and well-being of the Company's employees, contractors, and consultants, decrease workforce availability and productivity, interfere with international business travel, increase the Company's insurance premiums, constrain the Company's ability to obtain equity or debt financing, and cause supply chain disruptions. Further, the ongoing COVID-19 pandemic, and the measures taken by governmental authorities in response to it, could lead to restrictions on the Company's exploration and development activities, delays in permitting processes and other interactions with governmental authorities, the slowdown or suspension of operations at some or all of the Company's projects, and limits on the ability of Company personnel in Peru to travel through areas where governmental authorities have closed roads to prevent the spread of COVID-19. Any such disruptions could have a material adverse effect on the Company's business, operations, and financial position. In addition, parties with whom the Company does business may also be adversely impacted by the COVID-19 crisis, which may in turn cause further disruption to the Company's business.

Health and Safety

Mining, like other extractive industries, is subject to potential risks and liabilities due to accidents. Any accident could result in serious injury or death, environmental damage, or damage to Company assets. Further, any accident that occurs on any of the Company's mineral properties, or involves any employee, contractor, consultant, or supplier of the Company, or involves any equipment or other assets owned or operated by the Company, could have a material adverse effect on the Company's financial position, interrupt the Company's exploration and development activities, lead to a loss or suspension of existing Permits and reduced ability to obtain or renew Permits, harm the reputation of the Company, damage the Company's relations with local communities, or reduce the perceived appeal of the Company as an employer or business partner.

The Company's employees, contractors, consultants, and suppliers who work at or visit mineral properties in the performance of their duties are subject to many inherent risks, including but not limited to rock bursts, cave-ins, flooding, electrocution, falls, air quality problems, fire, explosions, hazardous substances, and accidents involving mobile equipment and other machinery. If any such risk were to materialize, it could cause occupational illness, temporary or permanent health issues, personal injuries, or death for an individual or multiple people. The Company strives to mitigate all such risks in compliance with local and international standards, and has implemented various health and safety measures designed for that purpose, including improved risk identification and reporting systems, effective management systems to identify and minimize health and safety risks, health and safety training, and the promotion of enhanced employee commitment and accountability. Such precautions, however, may not be sufficient to eliminate all health and safety risks, and the Company's employees, contractors, consultants, and suppliers may fail to consistently follow the rules and procedures that are in place or take advantage of related resources that are made available by the Company. There can be no assurance that no occupational health and safety incidents will occur, and any incidents that do occur may adversely affect the business of the Company and its future operations. For example, the Company's financial position may be affected by monetary damages, settlements, judgements, fines, penalties, and deductibles or risk retention arising from or relating to any incident.

Information Systems and Cybersecurity

Cybersecurity refers to the combination of technologies, processes, and procedures established to protect an organization's information technology systems and data from unauthorized access, attack, or damage. The Company is subject to cybersecurity risks. Cybersecurity risks have increased significantly in recent years, and while the Company has not experienced any material losses relating to cyberattacks or other information security breaches, it could suffer such losses in the future.

The Company's operations depend, in part, on information technology systems that securely process, maintain, and transmit information critical to the business. In addition, the Company and its third-party service providers collect and store sensitive data in the ordinary course of business, including personal information of the Company's employees, as well as proprietary and confidential business information relating to the Company, and in some cases, the Company's suppliers, investors, joint venture partners, and other stakeholders.

Many organizations, including the Company, make significant and increasing use of, and depend on, electronic data communication and storage, including the use of cloud-based services and personal devices, and accordingly, the Company is exposed to evolving technological risks relating to information. Disruption or damage to, or failure of, the Company's information technology systems may arise from various sources, including but not limited to hacking, computer viruses, malware, ransomware, security breaches, natural disasters, power loss, vandalism, theft, and defects in design. The Company cannot guarantee that it will be successful in securing its electronic information, and there may be instances where the Company is exposed to malware, ransomware, cyberattacks, or other unauthorized access or use of the Company's information.

Any data breach or other improper or unauthorized access or use of the Company's information could have a material adverse effect on the Company's business, and could severely damage the Company's reputation, compromise the Company's network or systems, and result in the loss of sensitive information, the destruction or corruption of data, the misappropriation of assets, incidents of fraud, disruption of the Company's normal operations, and the incurring of additional time and expense to remediate and improve the Company's network and systems. Further, the Company could be subject to legal and regulatory liability in connection with any cyberattack or breach, including potential breaches of laws relating to the protection of personal information. As cyber threats continue to evolve, the Company will be required to expend resources to adopt or enhance protective measures or to investigate and remediate any security vulnerabilities.

Climate Change

Many governments have introduced or are moving to introduce climate change legislation and initiatives, whether in fulfillment of international treaty commitments or otherwise. Regulation in respect of emissions (such as carbon taxes) and energy efficiency is becoming more stringent. If the regulatory trend to reduce greenhouse gas emissions continues, compliance may impose additional costs on some of the Company's operations, since diesel fuel or other fossil fuels may be used to power generators and other equipment at the Company's mineral properties.

In addition, the Company's operations could be exposed to various physical risks from climate change, including changes in rainfall rates, reduced water availability, higher temperatures, increased snowfall, and other extreme weather events. Events or conditions such as flooding or drought could disrupt exploration, development, mining, processing, transportation, and rehabilitation activities, create shortages of various resources or commodities, damage the Company's mineral properties or equipment, and increase health and safety risks on site. Such events or conditions could also have adverse effects on the communities around the Company's mineral properties, such as food insecurity, water scarcity, loss or destruction of infrastructure and private property, displacement, and the spread of disease. There can be no assurance that the Company's efforts to mitigate the risks of climate change will be effective or that climate change will not have a material adverse effect on the Company's operations and financial condition.

Legal Proceedings

Legal proceedings may be brought against the Company for various reasons. For example, the Company could be sued in relation to its business activities, volatility in its stock price, or failure to comply with its disclosure obligations. Regulatory and other government agencies in Peru, Canada, and other jurisdictions may bring legal proceedings against the Company for the purpose of enforcing applicable laws and regulations, including in relation to securities, tax, and environmental matters. Investigation, defense, and settlement costs can be substantial, even in relation to claims that have no merit, and accordingly, any legal proceedings could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, or prospects. In addition, legal proceedings may result in significant distraction of the Company's management and other employees.

The Company may become party to disputes governed by the rules of international arbitration. The Company may also be the subject of legal claims in Canada in respect of its activities in Peru or another foreign jurisdiction. In the event of a dispute relating to the Company's assets or operations in Peru or another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of foreign courts, or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's inability to enforce its rights could have a material adverse effect on its business, financial condition, results of operations, cash flows, or prospects.

Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes, but there can be no assurance that this strategy will be effective.

Reliance on Local Advisors

The Company's most important development project is in Peru. Peruvian legal and regulatory requirements with respect to mineral exploration and mining activities, as well as local business customs and practices, are different from those in Canada. Although certain officers and directors of the Company have significant experience in Peru, and the Company benefits greatly from their expertise, the Company must rely, to some extent, on external legal counsel in Peru, and on external consultants based in Peru, to keep abreast of material legal, regulatory, and governmental developments as they pertain to the Company's business operations, and to assist the Company with its governmental relations efforts. In addition, the Company relies on local experts for advice on banking, financing, labour, and tax matters. There can be no assurance that the Company's reliance on local advisors will result in the Company's full compliance with Peruvian legal and regulatory requirements or success in navigating the Peruvian business environment. Any failure to identify, understand or meet the requirements of doing business in Peru could have a material adverse effect on the Company's business, financial condition, and results of operations.

Anti-Corruption and Anti-Bribery Laws

The Company's activities in Peru require interactions with a wide range of public officials at various levels of government. These interactions are subject to the *Corruption of Foreign Public Officials Act* (Canada) ("**CFPOA**"), as well as anti-corruption and anti-bribery laws in Peru, any breach or violation of which could lead to adverse impacts on the Company's business and financial condition. The CFPOA and similar laws in other jurisdictions generally prohibit companies and their intermediaries, including employees, consultants, contractors, suppliers, and agents, from making improper payments to public officials for the purpose of obtaining or retaining any business advantage. Under the CFPOA, a company may be found liable for violations not only by its employees, but also by its consultants, contractors, suppliers, and other third parties that are acting on its behalf or perceived to be doing so. In recent years, there has been a general increase worldwide in the amount of enforcement and the severity of penalties under anti-corruption and anti-bribery laws, resulting in heightened risk for Canadian companies, like the Company, that are developing mineral projects in Peru.

The Code mandates compliance by the Company and its directors, officers, and employees with the CFPOA and other anti-corruption and anti-bribery laws. There can be no assurance, however, that the Code and any procedures for its enforcement will be effective in ensuring that the Company, its employees, contractors, suppliers, and third-party agents strictly comply with such laws. If the Company, any employee of the Company, or anyone acting on its behalf or perceived to be doing so, is alleged to have violated anti-corruption and anti-bribery laws, in Peru or elsewhere, the Company may be subject to reputational harm, decline in the market price of the Company's common shares, securities class action litigation, investigations and prosecutions by governmental authorities in Canada, legal defense and settlement costs, and distraction of the Company's management and other employees. Any conviction of the Company for violating such laws, or any other official determination that the Company has violated such laws, whether in Canada, Peru, or elsewhere, may have further adverse effects on the Company's business and financial condition, including but not limited to civil and criminal fines and penalties, revocation of mineral rights, loss of Permits, and seizure of the Company's assets.

The *Canadian Extractive Sector Transparency Measures Act* ("**ESTMA**") requires public disclosure of payments to governments by companies engaged in the commercial development of oil, gas, or minerals that are listed on a

Canadian securities exchange or meet certain other criteria. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including Indigenous communities and entities established by multiple governments. ESTMA requires reporting on the payment of any taxes, royalties, fees, production entitlements, bonuses, dividends, and infrastructure improvement payments, and any other prescribed payment over $100,000. Failure to report, false reporting, or structuring payments to avoid reporting, may result in fines of up to $250,000. If the Company becomes subject to an enforcement action under CFPOA or is found to have violated ESTMA, this may result in the imposition of significant penalties, fines, or other sanctions on the Company, reputational harm, and other adverse effects on the Company's business and financial condition.

Significant Shareholder Risk

As of the date of this AIF, the Company's officers and directors beneficially own or control, directly or indirectly, approximately 9,711,064 common shares of the Company, which in the aggregate represent approximately 21.45% of the Company's outstanding common shares. As a result, if some or all of these shareholders act together, they may have the ability to control certain matters submitted to the Company's shareholders for approval, including amendments to the Company's articles of incorporation and by-laws and the approval of any business combination. This ability may delay or prevent any acquisition of the Company or cause the market price of the Company's common shares to decline. These shareholders may have interests that differ from other shareholders.

Fluctuation in the Price of Commodities

The prices and availability of commodities or inputs used or consumed in connection with the Company's operations, including but not limited to fuel, electricity, water, and reagents, fluctuate and affect the costs of those operations. These fluctuations can be unpredictable, are beyond the control of the Company, can occur with little or no warning, and may have a material adverse impact on the Company's financial condition and cause delays in the exploration and development of the Company's mineral properties.

Enforcement of Legal Rights Outside Canada

Several of the Company's subsidiaries are organized under the laws of Peru, and some of the Company's directors, managers, and advisors are based in Peru. Given that the Bethania Silver Project is located outside of Canada, and several key individuals associated with the Company are not residents of Canada, investors may have difficulty in effecting service of process within Canada on foreign persons and collecting from or enforcing against foreign persons any judgements obtained by the Canadian courts or Canadian securities regulatory authorities. Similarly, if a dispute arises from the Company's operations in Peru or another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of the courts of Peru or the applicable foreign jurisdiction or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

Mine Closure Risks

In the future, the Company may be required to close any mine that the Company operates. The key risks for mine closure include, without limitation, long-term management of permanent engineered structures and acid rock drainage, achievement of environmental closure standards, orderly transition or demobilization of employees, contractors, and suppliers, and transfer of the site, with its associated permanent structures and other infrastructure, to new owners or custodians. Successful completion of these tasks will depend on the Company's ability to accurately estimate costs in advance and make provisions for them, negotiate and implement agreements with governmental authorities, local communities, employees, and contractors. The consequences of a difficult closure include but are not limited to costs in excess of the Company's expectations, delays in handing over the site, environmental damage, fines and penalties imposed by governmental authorities, conflicts with local communities, and harm to the Company's reputation, any of which could adversely affect the Company's business and financial position.

Conflicts of Interest

Certain directors and officers of the Company serve as directors or officers of other companies. Accordingly, a conflict of interest may arise between their duties as directors or officers of the Company and their duties in respect of such other companies. If any such company is evaluating or pursuing a business opportunity that the Company is also evaluating or pursuing, or if any such company has or proposes to enter into an agreement, venture, or business relationship with the Company, or if any such company is in a dispute with the Company, a conflict of interest would arise between their duties as a director or officer of the Company and their duties in respect of such other company.

The Company's directors and officers are required by the BCBCA and the Code to act honestly, in good faith, and in the best interests of the Company and its shareholders. They are aware that the BCBCA contains provisions governing accountability of directors and officers for corporate opportunity and requiring disclosure of conflicts of interest. Where applicable, conflicts of interest involving the Company's directors and officers will be managed and resolved in the manner set out in the BCBCA, which requires directors and officers to disclose conflicts of interest, and in the case of directors, to refrain from voting on any related matter, unless otherwise permitted under the BCBCA.

There can be no assurance, however, that all conflicts of interest will be identified in a timely manner or at all, or that the interests of the Company will receive priority in every conflict of interest. Further, under certain circumstances, a conflict of interest may expose the Company to liability and impair its ability to achieve its business objectives.

To the best of the Company's knowledge, there are no conflicts of interest between the Company and any director or officer of the Company, except as disclosed below.

The Company has an agreement with SICG S.A.C. ("**SICG**"), a Peruvian consulting firm, under which SICG provides strategic advice in relation to the Company's interests in Peru and performs project management, engineering, and related services for the Bethania Silver Project (the "**SICG Agreement**"). Christian Aramayo, the COO of the Company, is also a director and minority shareholder of SICG, and Mr. Aramayo's father, Hector Aramayo, is the founder and principal of SICG. Mr. Aramayo has disclosed his interest in the SICG Agreement to the Board, as required by the BCBCA and the Code. Although the Company is confident that Mr. Aramayo has acted and will continue to act in the best interests of the Company, and the Company does not believe that Mr. Aramayo's interest in the SICG Agreement poses any risk to, or will have any negative impact on, the Bethania Silver Project or any other aspect of the Company's business, there can be no assurance that the Company has managed or will in the future manage this issue effectively.

Risk of Loss of Concentrate in Storage or Transit

The Company intends to produce concentrates from the Bethania Silver Project. These concentrates will have significant value. Storage and transportation of concentrate give rise to several risks, including but not limited to theft, sabotage, accidents, losses caused by adverse weather conditions, delays in delivery of shipments, and environmental liabilities. While the Company plans to mitigate the risks to its concentrate, whether in storage or during transportation, including by obtaining insurance, there can be no assurance that these measures will be effective, and any theft or loss of concentrate may have a material adverse impact on the Company's financial position and its relationships with purchasers of concentrate, local communities, and governmental authorities.

Unauthorized Mining

Illegal mining activities may occur near or and on the Company's mineral properties in Peru. Illegal mining is associated with several negative impacts, including environmental degradation, human rights abuses, and child labour. In addition, substantial illegal mining activities at the Bethania Silver Project or the Company's other mineral properties in Peru may result in the loss of mineralized material, disrupt or delay the Company's operations, and have a material adverse effect on the value or potential value of those properties. It may be difficult for the Company to prevent or control any illegal mining activities on and around its mineral properties. The Company has engaged security personnel and taken other security measures at the Bethania Silver Project to address the issue of illegal mining, but there can be no assurance that these measures will be effective.

Additional Risks

Please refer to the Company's consolidated financial statements and MD&A for the year ended December 31, 2021, incorporated by reference into this AIF, for additional discussion of risks faced by the Company.

MINERAL PROJECTS

The Company's two material projects are the Bethania Silver Project in Huancavelica Department, Peru, and the Silver Kings Project in Ontario, Canada.

BETHANIA SILVER PROJECT

General

The Bethania Silver Project is in central Peru, approximately 170 km southeast of Lima, in Huancavelica Department. Until 2016, the mine at the Bethania Silver Project produced a silver-polymetallic ore, which was toll-treated at various plants in the region. The Company has identified an opportunity to expand the mine, construct a concentrate plant at site, and restart production.

Current Technical Report

A technical report for the Bethania Silver Project with an effective date of January 6, 2022 and an issue date of February 21, 2022 (the "**Bethania Technical Report**") was prepared for the Company by Scott Jobin-Bevans (PhD., PMP, P.Geo.), Principal Geoscientist at Caracle Creek International Consulting Inc., Simon James Atticus Mortimer (MSc. ACSM, MAusIMM, FAIG), Principal Consulting Geologist at Atticus Geoscience Consulting S.A.C., and Gerardo Acuña Perez (P.Eng., FAusIMM), professional mining engineer and independent consultant (the "**Bethania Authors**") in accordance with NI 43-101. The below summary is a direct extract and reproduction of the summary contained in the Bethania Technical Report, without material modification or revision, other than to provide updates and ensure consistency with the defined terms used elsewhere in this AIF, for ease of reading. All defined terms used in the summary but not defined in the summary or elsewhere in this AIF shall have the meanings given to them in the Bethania Technical Report. The below summary is subject to all the assumptions, qualifications, and procedures set out in the Bethania Technical Report. For full technical details, reference should be made to the complete text of the Bethania Technical Report, which has been filed under the Company's SEDAR profile at www.sedar.com. The Bethania Technical Report is incorporated by reference in this AIF and the summary set forth below is qualified in its entirety with reference to the full text of the Bethania Technical Report. The Bethania Authors have reviewed and approved the scientific and technical disclosure contained in this AIF related to the Bethania Silver Project.

As at the date of this AIF, consultants engaged by the Company are in the final stages of preparing a Preliminary Economic Assessment (as that term is defined in NI 43-101) in relation to the Bethania Silver Project (the "**Bethania PEA**"). Subject to the resolution of any issues arising during the Company's review of the Bethania PEA, the Company expects to file the Bethania PEA on SEDAR during the second quarter of the current financial year, at which point the Bethania PEA will replace the Bethania Technical Report as the current technical report for the Bethania Silver Project.

Property Description and Location

The Bethania Silver Project, located in the high Andes of Central Peru and about 70 km (direct) southwest of the city of Huancayo, capital city of neighbouring Junín Department, consists of 7 mining concessions and 5 mineral claims, situated near the borders of the departments of Huancavelica, Lima, and Junín. Collectively, the 12 properties are referred to as the Bethania Silver Project, and the focus of the Bethania Technical Report is on the Santa Elena mining concession ("**Santa Elena**").

Santa Elena, on which the Bethania silver mine (the "**Bethania Mine**") is located, is in the northwestern part of Huancavelica Department, Province of Huancavelica, and District of Acobambilla. Santa Elena is about 316 km by road from Peru's capital city of Lima, but it is possible to fly from Lima to Jauja (Jauja is about 50 km or a one-hour drive from Huancayo) and then drive southwest to Santa Elena via Huancayo (about 4 hours).

Historically known as Mina Santa Elena, the Bethania Mine operated intermittently from 1977 and was put on care and maintenance in 2016. The Bethania Mine and related infrastructure are centred at approximate UTM coordinates 442766mE, 8603236mN (PSAD56, UTM Zone 18 South; EPSG:24878) and at about 4,688 metres above mean sea level ("**mAMSL**").

Santa Elena was originally registered in 1970 to cover artisanal and colonial-era pits and workings known at the time. This concession, covering 45 hectares (1.5 km x 300 m), is owned 100% by the Company. All mineralization that is the focus of the Bethania Technical Report is located within the Santa Elena concession (11020736X01).

With respect to the other 11 properties, the Chinita I concession is registered to MTP, Tres Banderas 01 to 07 are registered to Kuya Silver S.A.C., and Carmelita 2005, Carmelita 2005 I, and Carmelita 2005 II were purchased by Kuya Silver S.A.C. in May 2021.

The 12 properties that comprise the entire Bethania Silver Project cover about 4,845 ha and annual holding costs are about US$14,535. The Company is permitted to undertake exploration work on all concessions and mineral claims.

Accessibility, Climate, Local Resources, Infrastructure and Physiography

Santa Elena is about 316 km by road from Peru's capital city of Lima, but it is possible to fly from Lima to Jauja (Jauja is about 50 km or a one-hour drive from Huancayo) and then drive southwest to Santa Elena via Huancayo (about 4 hours).

Climate is seasonal with heavy rains (or snow) typically falling between November and March.

The cities of Huancayo and Huancavelica offer a range of goods and services, education institutions, and workers well-experienced in mineral exploration and mining.

The Bethania Mine uses generators to supply power, although there are transmission lines supplying energy to nearby active mines. There are several large lakes within the surrounding area, one of which is currently used as the water supply to the Bethania village.

The Bethania Silver Project lies within a sub-circular altiplano surrounded by hilly topography between 4,691 and 4,858 mAMSL. Hillsides can be barren of vegetation, and the lower ground is populated by short grasses and scrub mostly used for transient sheep grazing.

History

According to locals, silver veins in the region and at Santa Elena (*e.g.*, Española Vein) were first exploited by the Spaniards as early as the 1600s, through small-scale mining of the rich silver veins. Modern exploitation of the vein systems (Española and 12 de Mayo veins) started in 1977, was suspended in the 1980s due to political issues in Peru (*i.e.*, 1980s terrorism), and subsequently re-started production in 2008 which continued until 2016.

Historical Mineral Resource and Mineral Reserve Estimates

The previous owners calculated their own internal Mineral Resources and Mineral Reserves estimates (Milla, 2016a; Milla and Osorio, 2016) for planning purposes, and at times to promote investment in the mining operation. Estimates made on six (6) veins by Milla (2016a) are summarized in Table 1-1 and Table 1-2.

Table 1-1. Historical Mineral Resources, Bethania Mine, March 2016 (Milla, 2016a).

RESOURCES Category	Tonnes (t)	Ag (oz/t)	Pb (%)	Zn (%)	Cu (%)	Ag (contained oz)
Measured	67,710	15.94	4.39	2.50	0.25	1,190,033
Indicated	260,528	15.96	4.46	2.50	0.25	4,583,063
Inferred	132,964	14.98	4.94	2.94	0.30	2,195,573
					Total (Mea+Ind):	**5,773,096**
					Total (Inf):	**2,195,573**

Table 1-2. Historical Mineral Reserves, Bethania Mine, March 2016 (Milla, 2016a).

RESERVES Category	Tonnes (t)	Ag (oz/t)	Pb (%)	Zn (%)	Cu (%)	Ag (contained oz)
Proven	67,710	15.94	4.39	2.50	0.25	1,190,033
Probable	41,444	15.28	4.73	2.96	0.27	698,243

These historical estimates were prepared by Dionicio Milla Simon (Geological Engineer), as documented in a report titled, "Mina Santa Elena Estimacion de Recursos y Reservas Minerales," dated March 2016, and were calculated using simple block modelling for partially developed and measured stope blocks and larger indicated and inferred resource blocks extended in depth, using sampling data collected along the backs of the development levels.

Development on veins was methodically and consistently sampled and assayed for Ag, Pb and Zn, and the width of each vein sample and location is recorded. Copper was assayed only intermittently, and more sampling is required in order to include copper in any future mineral resource or mineral reserve estimates. No cut-off grade was provided, but a specific gravity (density) of 3.0 and a dilution factor of 5% were applied.

Mineral Reserve estimates considered mineralized material that was immediately accessible above and below existing mine workings and was calculated exclusive of Mineral Resources.

Although the historical estimates were completed using the classifications set out in sections 1.2 and 1.3 of NI 43-101 and following the guidelines of the CIM Standards, they are not considered current resources and are not consistent with NI 43-101, as they lack up-to-date sampling, sample preparation, and assaying QA/QC support, as well as estimation limits determined through robust geostatistical estimation. There are no recent estimates or data available to the Company with respect to these historical estimates.

Verification of the historical Mineral Resource and Mineral Reserve estimates would require systematic diamond drilling in the area of the historical estimates in order to generate a statistically significant number of samples of the historical resource and reserve blocks. Future Mineral Resource and Mineral Reserve estimates would also benefit from the re-sampling of the bottom level of the mine at the 4640 Level.

A Qualified Person has not done sufficient work to classify the historical estimates as current Mineral Resources or Mineral Reserves and the Company is not treating the historical estimates as current Mineral Resources or Mineral Reserves. Investors should not therefore rely on the historical estimates as current Mineral Resources or Mineral Reserves until they have been verified and supported in a technical report in accordance with NI 43-101. Furthermore, the conversion of Mineral Resources to Mineral Reserves requires a mine plan, and there is at present no workable mine plan.

Geology and Mineralization

The Bethania Silver Project is located in the Cordillera Central, which contains prolific and prospective base and precious metals belts that are host to numerous styles of mineralization, including epithermal Au-Ag, porphyry Cu-Au-Mo, and replacement/skarn Zn-Cu. Peru is the second-largest silver producer in the world, with approximately 50% of silver production associated with gold production and 50% associated with base metal/polymetallic mines.

The Bethania Mine and other deposits, occurrences, and mines in the immediate area are interpreted to be located within an ancient volcanic caldera. Mineralization exploited to date comprises a swarm of steeply dipping east-northeast striking anastomosing narrow veins with vein widths ranging from a few centimetres to several metres.

Deposit Types

Given the lithological, structural, mineralogical, and alteration characteristics observed at the Bethania Silver Project and specifically in the Bethania Mine vein system, mineralization identified to date can be classified as a polymetallic intermediate sulphidation epithermal (“**ISE**”), with significant accumulations of silver, lead, zinc, copper, and gold.

Exploration

Prior to 2019, there had been no systematic surface or underground exploration at Santa Elena. Data and information compilation were initiated in 2019, and a high-resolution elevation drone survey was completed in April 2019. The Company announced the results of surface vein sampling in April 2021 and completed a 4,988.05-metre diamond drilling program on 26 July 2021 with the announcement of results. Over the course of 2021, the Company has conducted surface sampling over parts of Santa Elena, as described below.

Surface Sampling

Over the course of 2021, more than 500 surface samples, including rock grab samples and trench samples, were collected from veins exposed at surface or under shallow cover, as well as mineralized or unmineralized host rock. The Company focused surface sampling primarily on two zones over the past year: the Main Zone (also referred to as the Bethania Mine Area) and the Hilltop Zone. The work was undertaken in two phases: Phase 1 occurred in February and March of 2021, in preparation for the 2021 drill program described below; Phase 2 surface sampling began in November 2021 and is ongoing as at the date of this AIF.

Main Zone (Bethania Mine Area) Sampling

Sampling occurring recently in Phase 2 in the Main Zone has resulted in the recognition of numerous new mineralized vein structures (branches and splays) associated with the previously identified vein systems, 12 de Mayo, Victoria, and Española. In addition, some samples were taken on known veins to get a better sense of the trends and orientation of the higher-grade zones withing the Bethania vein system. (See the Company’s news releases dated 26 January 2022 and 16 March 2022.)

One of the most promising discoveries from this area is the newly identified Carmen Vein (and Carmen Vein branch) located on the southern flank of the Bethania property, dipping to the north and sub-parallel to the Victoria Vein. While some samples reported anomalous silver (up to 343 g/t) it was found to be consistently mineralized by anomalous gold grades (up to 6.26 g/t) along a 300-metre strike length.

Hilltop Zone Sampling

The easternmost area sampled to date (in Phase 1) identified a new vein at surface, named the Santa Elena vein or Veta Santa Elena, located in the northeast region of the Property, approximately 500 m along strike from the eastern limit of the Española underground workings. Rock grab samples were collected at approximately 10 m intervals along surface exposure of the vein system. Seven consecutive rock gran samples distributed over a length of 60 m, averaged 698 g/t Ag (22.4 oz/t Ag), 2.79 g/t Au and 3.07% Pb. Results from the Veta Santa Elena sampling included:

- 2833 g/t Ag (91.1 oz/t Ag), 5.20 g/t Au, 10.6% Pb
- 300 g/t Ag (9.6 oz/t Ag), 11.03 g/t Au, 2.17% Pb
- 812 g/t Ag (26.1 oz/t Ag), 0.32 g/t Au, 4.82% Pb

A second zone of interest was located at the intersection between a parallel vein structure to the Española 2 vein and the newly identified "Samantha" vein in the northeast part of the Property. At the vein intersection, four consecutive rock grab samples distributed over a length of 30 m (northwest-southeast) averaged 258 g/t Ag (8.3 oz/t Ag) and 2.84% Pb. Along the Samantha Vein, three consecutive rock grab samples distributed over a length of 20 m (west-northwest-east-southeast) averaged 171 g/t Ag (5.5 oz/t Ag) and 2.33% Pb (*see* the Company's news release dated April 8, 2021).

Further sampling of the Hilltop Zone in Phase 2 work resulted in positive results from the Mercedes Vein, Española 2 Vein, and No. 24 Vein. (See the Company's news releases dated 26 January 2022, and 16 March 2022.)

<u>Exploration Potential – Bethania Silver Mine</u>

At the Bethania Mine, much can be gained by drilling along the well-known northeast-trending and lesser explored northwest-trending mineralized structures to determine strike and depth continuity, from surface and/or from underground. In most cases, this should involve relatively low-risk drilling to increase the known mineralized vein system along strike and at depth and provide a better understanding of the mineralization style at Santa Elena.

Historically, production has focused on the vein systems at Santa Elena and to date, no systematic studies have been conducted to identify and characterize the disseminated sulphide mineralization observed in the host rocks (*i.e.*, altered andesite-dacite and stockwork siliceous breccias) located between the vein sets.

<u>Drilling</u>

The 2021 diamond drilling program began on 16 March 2021 and achieved the drilling of 36 drill holes totalling 4,988.05 metres. Drill platforms were constructed according to the layout in the drilling permit, using the Company's survey personnel who were responsible for marking the collar position (surveyed before and after drilling) and orientating the drill rig.

Drilling was contracted to Ingeomin S.A.C. (Lima, Peru), with all cores drilled in HQ3 (61.1 mm diameter). On completion of each drill hole the casing was removed, the hole opening cemented closed, and the location covered with a cement marker. The drilling contractor was responsible for recording the downhole survey, using a DeviGyro™ multishot surveying tool. The drilling contractor undertook surveys up and down the hole to verify the downhole surveys and the core was orientated using Devico core orientation tools.

For exploration objectives, the drilling program was split into two parts. Thirty-three drill holes (4,406.05 m) were drilled in the western third of Santa Elena (Bethania Mine area), testing the seven main veins that make up historical mineral resources, and three drill holes (582 m) in the Hilltop Zone (east-northeastern portion of the Property) where the Company had previous identified mineralized veins at surface.

The drilling program identified the continuation of the main veins, mineralization style, and grade in the area of the historical resource, and the drilling on the Hilltop Zone is interpreted to have intersected the Mercedes Vein in hole BDH-36, and the Española 2 Vein and Daniela Vein at depth in hole BDH-01.

Sample Preparation, Analyses and Security

Sample preparation and analyses has been undertaken for surface and drill core samples, both of which were accompanied by an internal QA/QC program consisting of inserting Certified Reference Material ("**CRM**"), blanks (coarse and fine), and twin samples for core. Surface samples were taken on site by conventional methods and placed in sample bags at the sampling location. Core was logged, cut, and sampled on site using appropriate procedures and supervision.

During the 2021 exploration program, 120 surface samples were taken which were QC-supported by including 12 control samples, and 3,257 core samples were taken which were QC-supported by the inclusion of 482 control samples.

The samples were temporarily stored in a secure warehouse on site until there was a sufficient number of samples to send to SGS Laboratories in Lima for assay. All transport of samples was done via a bonded courier service.

Samples were assayed for Au by fire assay, 36 elements by ICP-AES Multi-acid digestion and over limits of Ag, Pb, Zn by Atomic Absorption, multi-acid digestion. SGS Laboratories in Lima has international certifications OHSAS 18001, ISO 14001, and ISO 9001, is accredited by INACAL under the NTP-ISO / IEC 17025, and is independent of the Company.

At the end of the drilling program, all core was removed from site and transported to Lima for storage in a secure warehouse. Sample pulp and sample reject material was returned by SGS and is also stored in the same warehouse.

Samples for density determination were undertaken at the end of the modelling process when all available information had been compiled. A total of 59 samples were selected within modelled veins and other mineralized structures in the footwall and hanging-wall of the vein structures. Results showed an average specific gravity of 3.1 g/cm^3 for the vein material and 2.71 g/cm^3 for the mineralized structures in the footwall and hanging-wall.

Data Verification

The Bethania Authors have reviewed the historical data and information regarding past exploration, development work, and historical mining at Santa Elena, as provided by the Company. The Company was entirely cooperative in supplying the Bethania Authors with all the information and data requested, and there were no limitations or failures to conduct the verification.

- Scott Jobin-Bevans (P.Geo., APGO#0813), visited the Bethania Silver Project for one day on 15 June 2019.
- Simon Mortimer (MAusIMM, FAIG), visited the Bethania Silver Project from the 24 to 27 May 2021 on behalf of Caracle Creek International Consulting Inc.
- Gerardo Acuña Perez (P.Eng., FAusIMM #337049), visited the Bethania Silver Project on 19 February 2022 on behalf of Caracle Creek International Consulting Inc.

Past mine production data and the safety statistics, as reported to MEM during the period 2013-2016, are evidence that the mine was worked to accepted standards, and although it should be recognised that geological data relating this last period of mine working lacks QA/QC support, mine mapping and sampling is noted to be of a high standard, and the Bethania Authors are confident that this data can be used for guidance in the planning of future work programs and for the purposes of geological modelling and inclusion in Mineral Resource estimation.

Mineral Processing and Metallurgical testing

Successful processing of mineral production from the Bethania Mine was carried out by toll treatment in various central Peruvian processing plants during the last period of operation from January 2013 to August 2016. MEM records the production of 741,398 ounces of silver, 1,608 tonnes of lead, and 1,128 tonnes of zinc for the Bethania Mine during this period.

Process recoveries averaged 92% of silver into lead and zinc concentrates, 92% of lead into lead concentrates, and 75% of zinc into zinc concentrates. Future metallurgical testwork will need to be carried out to improve the recovery of zinc, and to investigate whether a saleable copper concentrate can be produced.

Mineral Resource Estimates

The maiden Mineral Resource estimate for the Project has been completed on the Bethania Silver Project using all available information and data (Tables 1-1). The Mineral Resources for the Bethania Silver Project were classified in accordance with the most current CIM Standards.

Table 1-1. Maiden Mineral Resource Estimate Statement for the Bethania Silver Project, Peru.

Category	Tonnage	GRADE						CONTAINED METAL	
		Ag	Pb	Zn	Au	Cu	AgEq	Ag	AgEq
		(g/t)	(%)	(%)	(g/t)	(%)	(g/t)	(oz)	(oz)
Indicated	404,000	332	2.63	1.95	0.26	0.16	451	4,317,540	5,858,521
Inferred	700,000	249	2.51	1.58	0.24	0.12	356	5,600,256	8,006,431

*Silver equivalent (AgEq) is calculated using metal prices (in US$) of $1,849.78 /oz gold, $25.44 /oz silver, $1,981.79 /t lead, $2,658.62 /t zinc, and $7,971 /t copper, and by applying recovery factors of 0.4439, 0.9324, 0.9449, 0.9265, and 0.8829, respectively.

In order to determine the quantity of mineralization that shows a "reasonable prospect for eventual economic extraction" using underground mining methods, Qualified Person Simon Mortimer generated two block models, the first being a sub-blocked model based on the geometries of the mineralised structures, and the second being a regularised block model with block size based on a minimum mining width of 0.6m. The material that shows a reasonable prospect for eventual economic extraction was determined using the regularized block model, applying a cut-off of 100 ppm silver equivalent, which was based upon an evaluation of current mining and processing costs. The final resource estimation statement also considered the material in the upper levels that had already been extracted and the material that could not be mined due to safety concerns.

Highlights of the maiden Mineral Resource estimate include:

- Indicated Mineral Resources of 5,858,521 oz silver equivalent* at an average grade of 451 g/t AgEq contained in 404,000 tonnes.
- Inferred Mineral Resources of 8,006,431 oz silver equivalent* at an average grade of 356 g/t AgEq contained in 700,000 tonnes.
- Silver represents 74% of the gross metal value* in the Indicated Mineral Resource and 70% of the gross metal value in the Inferred Mineral Resource.
- Approximately 63% of the Indicated silver equivalent ounces are located above the main historical production adit level (4670 Level).

- Identified three main mineralized structures that control the 18 veins included in the maiden Mineral Resource estimate.
- Significant resources contained above the 4670 Level, including approximately 56% of the Indicated tonnes and 34% of the Inferred tonnes.
- Resource model extends to a maximum depth from surface of 230 m in the 12 de Mayo vein, 200 m in the Española vein and 180 m in the Victoria vein. All three vein systems appear to be similarly important in controlling silver mineralization and remain open along strike and at depth.

It is the opinion of the Qualified Persons that the maiden Mineral Resource Estimate (*see* Table 1-1), completed in accordance with the requirements of the NI 43-101, reasonably reflects the mineralization that is currently known on the Bethania Silver Project, and that there are reasonable prospects for future economic extraction, likely using narrow vein underground mining methods.

The Mineral Resources are not Mineral Reserves, as they do not have demonstrated economic viability. The estimate is categorized as Inferred Mineral Resources, Indicated Mineral Resources, and Measured Mineral Resources based on data density, geological and grade continuity, search ellipse criteria, drill hole density, and specific interpolation parameters. The effective date of the mineral resource estimates is 10 December 2021, based on the drill hole data compilation status and cut-off grade parameters.

Mineral Reserve Estimates

There are no current Mineral Reserves at Santa Elena.

Mining Methods

Previous mine operators adopted the resuing method of mining, which resulted in very slow production advances and required a high amount of closely spaced timber supported development, the slow advancing of which contributed to the decision to cease production in 2016.

Clearly a more productive mining method is required with less development, but this cannot be defined until detailed geotechnical studies are carried out in order to overcome the "fair" to "poor" wall rock conditions reported as surrounding the narrow veins.

The recommendations for underground exploration drilling in the Bethania Technical Report include the mining of 10 drilling chambers and one short ventilation tunnel. The mining of these will provide the opportunity to test alternative means of ground support, the results of which will assist mine planning in the future.

The Company expects that the Bethania PEA, when filed, will contain a more detailed discussion of mining methods.

Recovery Methods

Prior to the Company taking over Santa Elena, Buenaventura Ingenieros SA were contracted to carry out the basic design and siting of a process plant and concentrator. The resulting plant design was included in the permitting process to approve the process plant siting and general layout.

Basic engineering took place between September 2019 and March 2020, with environmental permitting granted in August 2020, and more detailed engineering, which is ongoing, beginning in January 2021.

Design work assumed approximate head grades for Pb (3% to 4%), Zn (3%), Ag (10 to 15 ounces per tonne), and plant recoveries based upon previous toll treatment results.

The concentrator plant (Planta Bethania) is provisionally designed to handle:

- the reception of mineralized rock to 180mm sizing;
- primary crushing to 100mm, and secondary crushing to 10mm sizing;
- grinding and classification of the concentration feed; and,
- flash, bulk, differential, and cleaner flotation of Pb and Zn concentrates, and the possible inclusion of Cu concentration if this is determined as being cost-effective.

The currently envisaged process plant has a design capacity of 350 tpd, being the maximum throughput permitted when registered with MINEM as a PPM. It is noted that the process design is not yet supported by current Mineral Resources or Mineral Reserves and should be revaluated when that information become available.

The Company expects that the Bethania PEA, when filed, will contain a more detailed discussion of recovery methods.

Project Infrastructure

The infrastructure (existing and proposed) has been permitted using two separate environmental instruments; (1) a DIA and modifications thereto, which have been used to obtain the construction and operation license to permit the mining operation (existing underground mine and associated infrastructure); and, (2) an EIA-sd, which has been used to permit a process plant, tailings storage facility ("**TSF**"), and associated infrastructure.

The existing mine area at the Bethania Mine has a relatively small surface footprint, most of which is located within the western quadrant of Santa Elena. The infrastructure comprises:

- Dirt roads of varying conditions connect mining levels, waste dumps and fixed infrastructure.
- Mine entrances for levels 760, 740, 720, 700, 690 and 670.
- Waste dumps on levels 760, 740 (2 separate dumps), 720 (2 separate dumps), 700 and 690.
- Explosive magazine and a separate area for storing of blasting accessories.
- Generator group (500 KWH capacity).
- Two areas for compressors sited to support ventilation and drilling.
- Fuel storage tank with fuel distribution system.
- Solid waste storage area, lubricant storage area, general workshop, and general warehouse.
- Offices, health and safety, mine planning, mine change house, lunchroom, and superintendent office.
- Water neutralization pond to treat acid water drainage.

The above-mentioned infrastructure is what the mine required for historic mining, with the final product toll-treated in various offsite process plants.

A modification to the existing DIA has been lodged with DREM to approve the following changes to the infrastructure:

- New fuel station project: storage and distribution area.
- Water treatment plant for residual water.
- Contaminated soils (oils, fuel) storage area.

The general components of the process plant and TSF approved in the EIA-sd consist of the following:

- Process plant.
- TSF.
- Access road and connecting road network.
- Coarse mineralized rock stockpile.
- Overburden storage areas,

- Freshwater ponds (two), recirculation pond, and contingency pond,
- Power plant, process plant sub-station, general substation.

No infrastructure exists in the area for the proposed process plant apart from 2.0 km of dirt roads that pass through the general area.

The Company expects that the Bethania PEA, when filed, will contain a more detailed discussion of infrastructure.

Market Studies and Contracts

At the effective date of the Bethania Technical Report, no market studies had been performed, but the Bethania Authors note that the marketing of Pb concentrates carrying high-grade silver would be expected to attract competitive bids from various traders that operate in Peru. Any contracts for the sale of Zn concentrates carrying much lower-grade silver would normally be linked to the sale of Pb concentrates in order to ensure sale.

The current low Cu content of the mineralization indicates that further metallurgical studies would be required to demonstrate how much silver might be recovered by copper flotation, and to determine whether a saleable copper concentrate can be achieved.

It is important to note that due to the high-grade silver mineralization, the historical Mina Santa Elena (now the Bethania Mine) has been successfully worked for various production periods since 1977, and it is the potential for continuing high-grade silver mineralization that is driving the Project's current exploration program, parallel mine design studies, and environmental permitting.

The Company expects that the Bethania PEA, when filed, will describe the scope and results of the first market study for the Bethania Silver Project.

Environmental Studies, Permitting and Social or Community Impact

Permits have been granted to the various owners of the Bethania Property since the implementation of the first Peruvian environmental regulations, and these have been transferred to successive owners through corporate acquisition and/or property sale. The mine area was approved through a DIA and modifications, and the process plant area, TSF, and associated infrastructure were approved through an EIA-sd that has been registered with MEM, as required.

The DIA for the mine area was approved through Directorial Resolution No.102-2009-DIA – issued 3 November 2009. The DIA approved the exploration and exploitation of the mineral within Santa Elena. The DIA has been modified several times, with the last major modification taking place in 2017, which incorporated updating environmental impacts of the mining activities and proposals for how to manage, prevent, mitigate, control, and monitor the mining operation. The DIA was also used as the basis for an approved ITS (Regional Directorial Resolution No. 005–2021/GOB–REG–HVCA/GRDE–DREM) for the construction of 20 drill platforms and associated works related to drilling activities undertaken in 2021 which are the subject of the Bethania Technical Report. In addition, the mine has an approved mine closure plan, Regional Directorial Resolution No. 107–2018/GOB–REG–HVCA/GRDE–DREM, issued 5 December 2018. This resolution approved the Mine Closure Plan (temporal or definite closure) of the Bethania Mine. The Company is currently in the process of modifying the DIA presented in 2017 to include new components, including a water treatment plant to treat residual water and an area for treating contaminated hydrocarbon soils. The application was submitted on 14 December 2020 and is in process, but is not required for construction.

The EIA-sd for the process plant area was approved through Directorial Resolution No. 032-0200/GOB.REG.HVCA/GRDE/DREM – issued 21 August 2020. The components approved in the EIA-sd comprised the process plant, tailings facility, and associated infrastructure.

Environmental liabilities identified in the DIA recorded liabilities on site which consisted of:

- Abandoned underground workings including stopes, mine level entrances, development drives, crosscuts and raises.
- Abandoned buildings and instillations including stockpiles (waste and mineral).
- Disturbed areas such as accesses to the historic mine workings.

The remediation of the areas identified have been included in the mine closure plan approved through Regional Directorial Resolution No. 107–2018/GOB–REG–HVCA/GRDE–DREM.

The Company submitted a closure plan for the Beneficiation Concession to the Dirección General de Asuntos Ambientales Mineros in November 2021.

The Company has developed and maintains good positive relationships with the stakeholders of the Bethania Silver Project, including through land usage agreements with the local Poroche community of Bethania, which provide for:

1. Usage of the land within the Santa Elena mining concession (45 ha). The current agreement expires on 31 August 2022. The Company has obtained approval from the community to extend the land use for an additional ten years, with royalty payments set at US$0.25 per tonne mined, and the terms and conditions of this extension are in the process of being finalized.
2. Usage of the land within the Bethania Plant Beneficiation Concession area. The current agreement was signed on 21 August 2019 and increased the land usage area to 36.40 ha for an indefinite period. The contract includes fixed yearly payments and a royalty of US$0.75 (excluding tax) for every tonne treated.

Other agreements include a verbal agreement for water usage and an agreement to rent a house in the local community.

<u>Capital and Operating Costs</u>

Only ongoing care and maintenance, exploration, and permitting costs were considered by the Bethania Authors. The Company expects, however, that the Bethania PEA, when filed, will contain a discussion of capital and operating costs.

<u>Economic Analysis</u>

No economic analysis was made for, or included in, the Bethania Technical Report. The Bethania PEA, however, when filed, will contain an economic analysis.

<u>Adjacent Properties</u>

There are two producing mines: the Corihuarmi gold mine, 9 km to the north-northwest of the Bethania Property, and the Heraldos Negros Pb-Zn-Ag mine, 11 km to the east of the Bethania Property, and there is exploration activity currently proceeding throughout the surrounding area.

<u>Interpretation and Conclusions</u>

Santa Elena, one of 12 properties (7 concessions and 5 mineral claims) that comprise the Bethania Silver Project, is located in the Cordillera Central of Peru and is host to volcanic-hosted intermediate sulphidation epithermal Ag-Pb-Zn-Cu-Au mineralization. This polymetallic mineralization is primarily hosted by relatively narrow northeast-trending veins and structures which contain bonanza grade silver grades (i.e., >170 g/t Ag) and are hosted by altered andesite and dacite.

Based on evaluation of the data available from the Bethania Silver Project, the Bethania Authors have formed the following conclusions:

1. The Bethania Mine has been successfully worked on and off and on a very small scale from 1977 to 2016, but then ceased to work due to lack of investment in mine development and a much-needed on site treatment facility.

2. Past toll treatment of production has shown that the polymetallic minerals are suited to standard flotation processing, although better recovery could be achieved for the zinc content.

3. The past underground "resuing" method of mining was slow and labour-intensive. This necessitated the mining of many raises between levels and limited the interval between levels to no more than 20 to 30 metres. Poor host rock conditions meant that close timber support was applied almost throughout the mine, and this means of ground support contributed to limiting production, due to the very slow advance.

4. During the last two years of operation, the mine was sunk below its bottom drainage level by means of winzes and the start of a decline shaft. This further slowed development advance within the mine, and it is clear from this that a new mining method and development design need to be planned to replace the "resuing" method and provide access into deeper levels.

5. The 2021 drilling program from surface was mainly focussed on the mine area and extensions to known veins, for the purpose of adding support to develop the mine further in order to block out new Mineral Resources. This program has encountered low-grade mineralization adjacent to and between the known veins, which now needs to be considered as the Project moves towards underground exploration, a new mining method, and proposals for an on-site mineral processing facility.

6. During the removal of timber supports, there will be the opportunity to take new channel samples and test confidence in previous underground sampling and mapping, and the assaying of samples taken. This work should be fully supported by QA/QC and written geological procedures, together with detailed reporting.

7. The vein system within the Bethania Property is considered to be open and prospective in all directions. Further surface exploration such as trenching, mapping, and sampling across the veins, adjacent to the veins and within intervening alteration, should be completed across the Bethania Property.

8. No further metallurgical test work is recommended at this stage because we do not know from mine planning what the future mineral-waste ratio and characteristics might be. However, the Company should continue to securely store coarse sample rejects (as started with the completed drilling program) with a view to preparing testwork samples as soon as representivity can be demonstrated. A minimum of 30 kg per test is normally required, and the provenance and preparation of each sample must be reported on by a Qualified Person.

9. The maiden Mineral Resource estimate is encouraging and will form the basis for a Phase 2 diamond drilling program, with holes designed from surface and from underground set-ups, along with guiding additional future surface and underground exploration.

Recommendations

It is the opinion of the Bethania Authors that additional exploration expenditures are warranted on the Bethania Silver Project and specifically the Bethania Mine at Santa Elena. Future attention should also be given to the prospectivity of the additional mineral properties that the Company has acquired or applied for in the region (i.e., Chinita I, Carmelita, and Tres Banderas 01 to 07).

A breakdown of costs for a single-phase recommended work program, with surface and underground components, at Santa Elena is provided in Table 1-3. These recommendations total approximately CAD$2.5 million dollars.

Table 1-3. Recommended single-phase work program and budget, Bethania Silver Project.

Work Item (Santa Elena)	Cost (CAD$)
Underground Drone Surveys	$50,000
Underground Vein Sampling	$50,000
Trenching and Sampling	$75,000
Geological Mapping (geology, alteration, structure) and sampling	$30,000
Geophysics - Drone Magnetic Survey	$25,000
Geophysics - Induced Polarization	$75,000
Mine Planning - trade-off studies	$55,000
Water Treatment Facility	$475,000
Underground Mine Rehabilitation (5-month plan)	$370,000
Surface Diamond Drilling Program	$500,000
Underground Diamond Drilling Program	$840,000
Total (CAD$):	**$2,545,000**

With respect to the Bethania Mine, an underground drilling program should also be implemented (see details below). An underground drone (UAV) survey is also recommended.

Given the completion of the Phase 1 diamond drilling program and the maiden Mineral Resource estimate on the Mine Zone vein system at Santa Elena, further exploration work should focus on proving the down dip extension of the mine zone vein system, the definition of the vein system in the Hilltop Zone, and the development of a project scale three-dimensional geological interpretation. Surface work should be completed for trenching, sampling, and mapping (geological, alteration and structural) of the Hilltop Zone vein system, followed up with a drilling program to confirm downdip extension on the veins. A recommended surface diamond drilling program has been outlined in Table 1-4 (see Figure 26-1 in Section 26).

Surface geophysical surveys such as induced polarization (chargeability/resistivity) and a high-resolution magnetic survey (possibly drone-based) are also recommended.

Table 1-4. Recommended surface drilling program to test the Hilltop Zone vein system, Santa Elena.

DDH	NORTH	EAST	Z	DD Station	TARGET	ANGLE	AZIMUTH	LENGTH (m)
P1	443223	8603039	4854	1	Veta Daniela, Española 2 Rocio & Mercedes	-45	22	230
P2	443223	8603039	4854	1	Veta Daniela, Española 2 Rocio & Mercedes	-55	22	270
P3	443175	8603052	4869	2	Veta Daniela, Española 2 Rocio & Mercedes	-45	22	270
P4	443175	8603052	4869	2	Veta Daniela, Española 2 Rocio & Mercedes	-55	22	325
P5	443130	8603082	4856	3	Veta Daniela, Española 2 Rocio & Mercedes	-50	22	260
P6	443130	8603082	4856	3	Veta Daniela, Española 2 Rocio & Mercedes	-60	22	320
P7	443235	8603201	4823	4	Veta Santa Elena & Mercedes	-45	15	80
							Total 670 Level:	**1755**

Recommended Underground Exploration

It is recommended that as soon as a permit is granted to proceed with underground access and exploration, the Company consider an underground exploration program to (1) verify historical sampling information, and (2) to probe the down dip continuation of the mineralised structures.

Recommended drill hole collar locations for a 33-hole underground diamond drilling program, totalling 4,790 m (Table 1-5) and to be completed from 10 different locations (Table 1-6) (see Section 26 - Figure 26-1 and Figure 26-2).

With respect to the 10 different drill hole set-up locations (Table 1-6), the existing timber support will have to be removed and ground conditions assessed for support using shotcrete and/or reinforced shotcrete support. These locations will then have to be increased in size, sufficient to accommodate diamond-drilling equipment within the drill bays. Where ground conditions are very poor, it may not be necessary to use drill and blast, and shotcrete may have to be used to support temporary advances until the final excavation shape has been completed. This work, though laborious, will provide much-needed information on the alternative ground support methods that have to be considered in a more productive mine design.

Table 1-5. Recommended underground diamond drilling, Bethania Silver Mine.

DDH	LEVEL	LOCATION	DD Station	TARGET	ANGLE	AZIMUTH	LENGTH (m)
1	670	North end of CX650	1	Veta Española west continuation, 670L	Hor.	320	70
2	670	North end of CX650	1	Veta Española west continuation, 670L	Hor.	8	70
3	670	North end of CX650	1	Veta 12 de Mayo west continuation, 670L	Hor.	179	85
4	670	North end of CX650	2	Veta Victoria west continuation, 670L	Hor.	129	60
5	670	North end of CX650	2	Veta Victoria west continuation, 670L	Hor.	174	70
6	670	Near East end CX650	3	Veta 12 de Mayo & branches below, 640L	-25	160	200
7	670	XC south 270m E, V. Español	4	Veta 12 de Mayo & branches below, 640L	-25	178	215
8	670	XC south 270m E, V. Español	4	Veta 12 de Mayo & branches below, 640L	-25	155	210
9	670	Veta Español, c.400 East	5	Veta 12 de Mayo below the 640L	-20	148	175
10	670	Veta Español, c.500 East	6	Veta 12 de Mayo below the 640L	-20	154	175
24	670	XC south 270m E, V. Español	4	Veta 12 de Mayo below the 640L	-47	170	210
25	670	Veta Español, c.400 East	5	Veta 12 de Mayo below the 640L	-47	160	230
26	670	Veta Español, c.500 East	6	Veta 12 de Mayo below the 640L	-47	160	255
30	640	North end of CX650	1	Veta 12 de Mayo below the 640L	-55	170.35	180
32	640	North end of CX650	2	Veta Española below the 670L	-50	345	170
						Total 670 Level:	**2375**
11	640	640 Level start from Decline	7	Veta Española west at the 640 Level	Hor.	333	50
12	640	641 Level start from Decline	7	Veta Española west at the 640 Level	Hor.	18	55
13	640	642 Level start from Decline	7	Veta Victoria & branch veins below 640L	-10	180	150
14	640	643 Level start from Decline	7	Veta Victoria & branch veins below 640L	-10	196	185
15	640	644 Level start from Decline	7	Veta 12 de Mayo & branch veins below 640L	-25	158	170
16	640	End of 640 V.Victoria East	8	Veta Española below the 640L	-10	0	120
17	640	End of 640 V.Victoria East	8	Veta Española below the 640L	-10	20	125
18	640	End of 770 winze access East	9	Veta Española below the 640L	-10	346	130
19	640	End of 770 winze access East	9	Veta Española below the 640L	-10	8	130
20	640	From 990 winze access East	10	Veta Española below the 640L	-5	0	170
21	670	640 Level start from Decline	7	Veta Española west at the 640 Level	-47	170	150
22	670	641 Level start from Decline	7	Veta Española west at the 640 Level	-58	170	190
23	670	642 Level start from Decline	7	Veta Española west at the 640 Level	-80	350	80
27	640	End of 640 V.Victoria East	8	Veta Española below the 640L	-78	170	100
28	640	End of 640 V.Victoria East	8	Veta Española below the 640L	-67	350	150
29	640	End of 640 V.Victoria East	8	Veta Española below the 640L	-51	350	120
31	640	End of 770 winze access East	9	Veta Española below the 640L	-46	350	170
33	640	From 990 winze access East	10	Veta Española below the 640L	-47	340	170
						Total 640 level:	**2415**
						TOTAL PROPOSED DRILLING:	**4790**

The cost of the recommended underground 20-hole drilling program, together with geological support, and the mining of 10 underground drill bays is summarised in Table 1-3 (line item “Underground Diamond Drilling Program”). It should be noted that this budget is only approximate, as it is not currently possible to go underground and carry out a more detailed examination of the ground and working conditions that will be encountered.

Table 1-6. Proposed underground drilling stations, Bethania Silver Mine.

Preliminary Inspections						Shotcrete Support		
Drill Station	**Safety**	**Feasibility & Excavation Required**	**Ventilation Requirements**	**Remove Timber Support**	***Mine Excavation Required**	**2" Only**	**Includes Mesh in Larger Excavation**	**Daily Inspection Support Condition**
1	X	X	70 m from 670 portal	X	X		?	X
2	X	X	160 m from 670 portal	X	X	?		X
3	X	X	175 m from 670 portal	X	X	?		X
4	X	X	Forced through ventilation	X	X	?		X
5	X	X	Forced through ventilation	X	X		?	X
6	X	X	Forced through ventilation	X	X		?	X
7	X	X	100 m from decline portal	X	X	?		X
8	X	X	Forced through ventilation	X	X	?		X
9	X	X	Mine 42 m vent. connection	X	X		?	X
10	X	X	Mine 42 m vent. connection	X	X		?	X

Recommended Mine Planning

Now that the Company has completed a Mineral Resource estimate, it is recommended that trade-off studies be conducted in order to:

1. Determine the most productive and cost-effective way to sink the mine below the 670 Level by continuing the -30 degree decline or mining a vertical shaft, or by ramping down trackless at -8 or -10 degrees.

2. Consider changing the timber support method to the application of shotcrete in most development advances.

3. Consider a stoping method like ascending cut and fill using captive equipment or “rill-shrinkage” which does away with the need for raises every 50 m and only requires around 15% of the raises previously needed for access, ventilation, and rock passes in comparison with those previously planned.

4. Consider wider spacing of main levels together with variations on rill-shrinkage where 10 m deep crown pillars are left for more productive long-hole extraction, and sill pillars above the crown pillars are extracted at the same time. If carefully planned and executed, long-hole extraction of pillars can be carried out to widths less than a metre, depending upon the wall-rock conditions.

5. Consider all the safety, occupational health, and environment aspects that need to be incorporated when changing the mining methodology.

Trade-off studies cannot however be carried out in isolation. It is important to get full access into the mine to gather as much geotechnical data as possible in relation to mining at different widths. This will probably require entire rehabilitation of the 670 Level and drainage and rehabilitation of the 640 Level, its access, and decline shaft which is currently being used as a sump for acid water control.

Mr. Gerardo Acuña Perez estimates that the trade-off studies work program should cost approximately CAD$55,000. The above-mentioned studies are required for future mine planning and developing some of the modifying factors required for converting Mineral Resources to Mineral Reserves.

Mine planning costs exclude underground mine care & maintenance (estimated at between CAD$25,000 to CAD$50,000 per month) and underground mine rehabilitation costs (estimated at CAD$370,000).

Recommended Metallurgical Testwork

Metallurgical testwork will be required in the future, but not as part of the Phase 1 work program. As previously documented, the mining method and mine planning need to be defined to understand what future mineral-waste ratio and characteristics might be encountered before a metallurgical test work program can be implemented to replicate run-of-mine conditions.

Recommended Environmental Studies, Permitting, and Community or Social Work

The mine planning work mentioned above requires that the DIA modification submitted on 14 December 2020 be approved. The new components included in the modification include a water treatment plant (to treat residual water) and an area for treating contaminated soils (oils, fuel). The water treatment facility is required to treat acid water in the lower levels of the mine and has to be installed before the mine can be dewatered. The Company estimates that the water treatment facility will cost CAD$475,000 to install.

In addition, it is recommended that the Company renegotiate the land usage agreement for Santa Elena which expires in 2022, in order to normalize any verbal community agreements with written agreements.

SILVER KINGS PROJECT

General

The Silver Kings Project is in the historic Cobalt silver mining district, within and to the south of the Town of Cobalt, in the Timiskaming District of Ontario, Canada, approximately 200 km by road northeast of Sudbury. Historically, the district was the site of extensive mineral exploration and production between 1905 and 1982, with approximately 550 million ounces of silver production, but it has been largely abandoned for the past forty years. The Company sees an opportunity to identify new zones of high-grade silver mineralization and/or expand on previously-mined silver mineralization, either independently on the Kerr Project or in collaboration with its joint venture partner Electra on the Silver Kings JV, or both.

Current Technical Report

A technical report on the Silver Kings Project with an effective date of September 5, 2021 and an issue date of December 3, 2021 (the "**Silver Kings Technical Report**") was prepared for the Company by Alain Carrier, P.Geo., M.Sc. (OGQ No. 281, PGO No. 1719, NAPEG No. L2701) of InnovExplo Inc. (the "**Silver Kings Author**"), in accordance with NI 43-101. The Silver Kings Author is a Qualified Person who is independent of the Company, and he is responsible for all items in the Silver Kings Technical Report. The below summary is, for the most part, a direct extract and reproduction of the summary contained in the Silver Kings Technical Report, without material modification or revision, other than to provide some updates on the status of the Silver Kings Project and ensure consistency with the defined terms used elsewhere in this AIF, for ease of reading. All defined terms used in the summary but not defined in the summary or elsewhere in this AIF shall have the meanings given to them in the Silver Kings Technical Report. The below summary is subject to all the assumptions, qualifications, and procedures set out in the Silver Kings Technical Report. For full technical details, reference should be made to the complete text of the Silver Kings Technical Report, which has been filed with the applicable regulatory authorities and is available under the Company's SEDAR profile at www.sedar.com. The Silver Kings Technical Report is incorporated by reference in this AIF and the summary set forth below is qualified in its entirety with reference to the full text of the Silver Kings Technical Report. The Silver Kings Author has reviewed and approved the scientific and technical disclosure contained in this AIF related to the Silver Kings Project.

Property Description and Location

The Property comprises mining titles located within and to the south of the Cobalt town limits in Northern Ontario (Figure 5.1). The main ways to access the Project are as follows:

- Trans-Canada Highway 11;
- Highway 11B, which links the town of Cobalt and Trans-Canada Highway 11;
- King Street, which is the continuation of Highway 11B from Cobalt to the community of North Cobalt;
- Highway 567, a secondary highway starting in North Cobalt and heading south along Lake Timiskaming.

The Silver Kings Project comprises three land packages: the Kerr Assets, which belong to the Company; the Sunrise package, which also belongs to the Company; and the package to which the Silver Kings JV applies. CIC, a wholly-owned subsidiary of Electra, is the registered owner of most of the mineral titles that are included in the Silver Kings JV, and a third party, Canadian Silver Hunter Inc. ("**CSH**"), is the registered owner of the balance of the mining titles (the "**CSH Titles**"), with Electra's interest in the CSH Titles governed by a 2017 option agreement. Electra, CIC, and the Company are parties to the Electra Agreement, under which the Company acquired the Electra Option, being an option to earn up to a 70% interest in the properties that are included in the Silver Kings JV. Some of the claims within the Silver Kings JV land package, totaling 53 mining claims (867 ha), were also subject to an option held by RJK Explorations Ltd. ("**RJK**"), but that option terminated on March 3, 2022, as discussed in more detail below, leaving the Company as the only optionee. The Silver Kings Project covers a collective area of 17,237 ha (172.37 km^2).

On March 1, 2021, the Company announced that pursuant to the Electra Agreement, the Company had purchased CobalTech in order to acquire the Kerr Assets and had also acquired the Electra Option (source: March 1, 2021 press release of the Company with the subject "Kuya Silver Closes Acquisition of Properties in Northern Ontario and Launches the Silver Kings Project"). The Company is now the operator of the Silver Kings JV, in accordance with the Electra Agreement. On September 1, 2021, in fulfilment of a requirement for the exercise of the Electra Option, the Company issued 671,141 common shares to Electra.

The Kerr Assets, which are located 3 km southeast of the town of Cobalt, include 13 mineral patents (150 ha), one mineral lease (16 ha), and 32 mining claims (204 ha), for a combined total of 371 ha (3.71 km^2). Historical silver production of approximately 75 million ounces from 8 mines (Kerr Lake - 28.5 Moz, Crown Reserve - 20.3 Moz, Silverfields - 20 Moz, Drummond - 3.9 Moz, Lawson - 0.9 Moz, Hargrave - 0.5 Moz, Silver Leaf - 0.5 Moz and Conisil - 0.1 Moz [Sergiades, 1968]) within this property, accounts for approximately one sixth of the total silver production from the Cobalt mining camp, and the Company believes there is potential for further development.

The Silver Kings JV includes 14 mineral patents (176 ha), 51 mineral leases (445 ha), and 715 mining claims (12,544 ha), for a combined total of 13,164 ha (131.6 km^2). This property links the main Cobalt mining camp to the nearby Silver Centre mining camp. The property hosts favorable geology for the development of high-grade silver-cobalt veins and hosts the 19.2 Moz Keeley-Frontier mine and numerous smaller mines or occurrences. There is potential for extensions of mineralization near the Keeley-Frontier mine as well as new discoveries within the property.

The Sunrise package was largely acquired through claim-staking during 2021 and 2022 in three locations: Temagami, Latchford, and mining claims adjacent to the Silver Kings JV property. The Sunrise package includes 180 mining claims for a combined total of 3952.2 ha (39.52 km^2). The claims adjacent to the Silver Kings JV property were acquired to extend and consolidate that property but are 100% owned by the Company. The Latchford and Temagami claim blocks are adjacent to known mineralization with favorable geology and have the potential for new discoveries.

In July 2021, Electra notified the Company of a dispute between Electra and CSH with respect to the CSH Titles. Electra believes that it has duly earned a 50% interest in the CSH Titles, but Electra and CSH disagree on this point. Electra is making efforts to resolve this issue with CSH and have its 50% interest in the CSH Titles confirmed. If CSH refuses to recognize Electra's 50% interest in the CSH Titles, and Electra and CSH are unable to negotiate a new agreement with respect to the CSH Titles, either party could initiate legal proceedings to settle the dispute, and it is impossible to predict the outcome with confidence. The Silver Kings Project, at least near the past-producing Keeley-Frontier Mine at Silver Centre, could be delayed as a result of any legal action, and further, the portion of the Silver Kings JV land package that is represented by the CSH Titles could be lost.

In March 2022, Electra transferred 53 mining claims to RJK in exchange for the termination of RJK's option on certain claims forming part of the Silver Kings JV land package. As part of this transaction, RJK granted Electra a 2% net smelter return royalty on the commercial production of precious and base metals from the claims transferred to RJK, and a 2% gross overriding royalty on the commercial production of diamonds from those claims, with any royalty to be shared between Electra and the Company in proportion to their respective interests in the Silver Kings JV. The mining claims transferred to RJK Explorations are prospective for diamonds but have low potential for silver-cobalt mineralization, whereas the claims formerly under option to RJK are prospective for both silver-cobalt and diamonds.

Geological Setting and Mineralization

The Silver Kings Project is located in the historic Cobalt and Silver Centre mining camps in the eastern part of the Cobalt Embayment in northeastern Ontario. The Projects include numerous past-producing silver-cobalt (Ag-Co) mine sites that occur near the contact of steeply-dipping Archean rocks with shallowly-dipping Proterozoic rocks that have undergone a complex geological evolution.

The Cobalt Embayment is underlain by Archean granite-greenstone basement that is locally exposed in the Project area but is mostly overlain by the Proterozoic sedimentary rocks of the Huronian Supergroup, both of which are intruded by the Proterozoic Nipissing Diabase. These rocks are, in turn, locally unconformably overlain by a succession of Paleozoic sedimentary rocks.

The Archean basement comprises metavolcanic, metasedimentary and granitoid rocks that form part of the Abitibi granite-greenstone belt.

In the Proterozoic, the area underwent a continental rifting that evolved into a passive margin facilitating the deposition of the thick succession of four consecutive, fluvial, marine and glacial sedimentary cycles comprising the Huronian Supergroup of the Southern Province. Each cycle consists of a basal conglomerate, followed by mudstone, siltstone and sandstone. In the Cobalt area, only the youngest sedimentary cycle, the Cobalt Group, is present that is attributed to the irregular and uneven opening of the Huronian basin. The Cobalt Group is internally subdivided into the basal Gowganda Formation, comprising the lower Coleman Member and the upper Firstbrook Member, and the overlying Lorrain Formation. The lower Coleman Member of the Gowganda Formation consists of conglomerate, greywacke, quartzite and arkose and is the most important economic host rock to the Ag-Co mineralization.

The regionally extensive Nipissing Diabase intrusive complex consists predominantly of mafic sills and dikes that intrude the Archean and Proterozoic rocks near the unconformity. The sills are horizontal to shallowly dipping and their undulation indicates that they may be folded about regional-scale, gentle folds. The axial plane of these potential folds (or faults parallel to them) are structures that, in part, may control the distribution of the Ag-Co mineralization. More importantly, the Nipissing Diabase is the most important geological feature to control the distribution of the Ag-Co mineralization, as the bulk of the historically produced ore was within an approximate 100 m prospective zone adjacent to either the upper or lower contact of the Nipissing Diabase sill.

The high-grade silver-cobalt mineralization occurs as sharp-walled and fracture-filling polymetallic veins that pinch and swell and range in width from <5 cm to >30 cm. The veins are filled by complex ore minerals including native silver, cobaltite and skutterudite. In detail, mineralogy includes Ni-Co-arsenides, sulpharsenides, native silver and bismuth, minor antimonides, and Pb-, Zn-, Cu-, Ag-, Bi-, Sb-sulphides and sulfosalts, that are accompanied by carbonate and silicate gangue minerals (mainly calcite ± dolomite± quartz). Hydrothermal alteration haloes are uncommon and thin if present, although localized spotted chlorite alteration and zoned sulphide mineralization are observed. The texture of the veins indicates multiple reactivations of vein emplacement and deformation with evolving vein mineralogy. Individual veins may extend up to 1,000 m horizontally and up to 120 m vertically, generally near the Nipissing Diabase upper or lower sill contact, in what is locally referred to as the productive zone.

The most economically significant host is the Huronian Coleman Member sedimentary rocks, but the veins also intersect the Nipissing Diabase and the Archean metavolcanic and metasedimentary rocks. Most of the 442.5 Moz of documented silver production (Sergiades, 1968) was from the Coleman Member host rocks, including the bulk of production from the Nipissing (93.3 Moz), Cobalt Townsite (37 Moz), Tretheway (7.2 Moz), Coniagas (33.9 Moz) and combined Kerr Lake mines (Crown Reserve, Kerr Lake, Lawson, Hargrave, Drummond; 55.4 Moz), but major production was also recorded in the Archean volcano-sedimentary rocks at the Beaver-Temiskaming mines (19.2 Moz) and Keeley-Frontier mines (19.1 Moz).

Single veins may be economically viable, such as the Wood's Vein at the Keeley-Frontier mine, but veins also occur in clusters and locally as breccia-fill veins. Historically, Ag-rich ore shoots are found: 1) in close proximity to major regional-scale faults, such as the NW-striking Cross Lake Fault and the NE-striking Cobalt Lake Fault; 2) parallel or subparallel to Archean bedding; 3) localized by vein intersections where the steeply dipping structures cross shallowly-dipping structures, such as the Archean-Proterozoic unconformity and the upper and/or lower Nipissing Diabase contact; and 4) in areas where the unconformity or Diabase contact is offset or forms large-scale arches or troughs.

Interpretations and Conclusions

The objective of InnovExplo's mandate was to prepare a technical report on the exploration status of the Silver Kings Project. The Silver Kings Technical Report also addresses the Electra Agreement, under which the Company acquired the Kerr Assets, as previously announced on December 21, 2020. Pursuant to the terms of the Electra Agreement, the Company has also acquired from CIC an option to acquire up to a seventy percent (70%) interest in the balance of Electra's silver mineral assets located in the historic Cobalt, Ontario silver mining district. The Silver Kings Technical Report meets that objective.

The Silver Kings Project has historical developments and production that yielded major quantities of silver and cobalt (plus lesser nickel and copper) and is located in a favorable exploration area between the Cross Lake and Montreal River faults where most of the Co-Ag occurrences are concentrated. The area between Cobalt to the north and Silver Centre to the south hosts only a few occurrences of cobalt and silver; however, the central part of the Silver Kings Project has the pertinent criteria to discover new areas for five-element vein-type mineralization. The Nipissing Diabase sills are present throughout the central part of the Silver Kings Project in Cobalt sedimentary rocks and Archean windows (fensters).

After conducting a detailed review of all pertinent information, the Silver Kings Author concludes the following:

- Despite the extensive surficial prospecting, exploration, and mining efforts over the past century, there are further prospective exploration targets in the Silver Kings Project areas. These targets were not pursued in the past because they were not known to be connected to mineralized structures on surface.
- A few potentially mineralized veins that were intersected in recent drilling by the Company in the eastern part of the Kerr Assets remain open to the N-NE and up-dip. Follow-up on these mineralized zones may result in the discovery of new Ag-Co resources.
- Although the drill holes that were drilled in the western part of the Schumann Lake area did not yield any significant Ag concentrations, the 2018 mapping campaign resulted in a better understanding of the geology of the area, including the critical structures (buried Huronian Supergroup rocks and unconformity, Nipissing Diabase arch). Therefore, the Silver Kings Author thinks that there are additional lithostructural targets in the central and eastern part of the Schumann Lake area that may be explored by future drill holes.
- Additionally, the Silver Kings Author recommends following up and drilling lithostructural targets, such as in the Caswell Lake area, where Nipissing Diabase is overlain by the Coleman Member sedimentary rocks.
- The Silver Centre area (Silver Kings JV south sector) hosts a Nipissing Diabase arch with mineralization known near the upper Diabase contact, but relatively little at the lower Diabase contact. Further exploration potential exists at depth, both beneath the Diabase and down-plunge of the Diabase arch.
- Opportunities exist to discover additional mineralized zones at the Silver Kings Project.

Recommendations

Based on the results of exploration at the Silver Kings Project, the Silver Kings Author recommends advancing the Kerr Assets and Silver Kings JV to the next phase of development. The Silver Kings Author also recommends continuing the property-scale exploration program, including geological compilation and drill target generation.

The Silver Kings Author has prepared a cost estimate for the recommended two-phase work program to serve as a guideline. Expenditures for Phase 1 are estimated at C$1.371M (incl. 20% for contingencies). Expenditures for Phase 2 are estimated at C$1.716M (incl. 20% for contingencies). The grand total is C$3.09M (incl. 20% for contingencies). Phase 2 is contingent upon the success of Phase 1.

DIVIDENDS AND DISTRIBUTIONS

Dividends can be declared by the Board when deemed appropriate from time to time. As of the date of this AIF, the Company has not declared any dividends on its common shares, and it is unlikely that earnings will be available for the payment of dividends in the foreseeable future.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As of the date of this AIF, there are 45,279,981 common shares issued and outstanding, and the Company has not issued any preferred shares.

The holders of common shares are entitled to receive notice of and to attend all meetings of the shareholders and shall have one vote for each common share held at all meetings of the shareholders. The holders of common shares are entitled to: (a) receive any dividends as and when declared by the Board, out of the assets of the Company properly applicable to the payment of dividends, in such amount and in such form as the Board may from time to time determine; and (b) receive the remaining property of the Company (after payment of all outstanding debts) in the event of any liquidation, dissolution or winding-up of the Company. The holders of the common shares have no pre-emptive, redemption or conversion rights, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a securityholder to contribute additional capital.

MARKET FOR SECURITIES

The common shares of the Company currently trade on the CSE under the symbol "KUYA" and are quoted on the OTCQB under the symbol "KUYAF."

Trading Price and Volume

The following table sets forth the highest and lowest price for the month, as well as the average daily volume of the trading of the common shares, on days when there was trading activity on the CSE, for the periods indicated.

Price Range Per Common Share

	High ($)	Low($)	Volume
April 2022[(1)]	1.15	0.95	43,379
March 2022	1.35	1.01	40,768
February 2022	1.18	0.92	25,585
January 2022	1.26	0.87	44,571
December 2021	1.07	0.76	79,175

Price Range Per Common Share

	High ($)	Low($)	Volume
November 2021	1.41	0.89	57,690
October 2021	1.46	1.03	49,399
September 2021	1.63	0.88	39,171
August 2021	1.85	1.24	41,413
July 2021	1.79	1.29	53,234
June 2021	2.19	1.34	92,871
May 2021	2.37	1.95	172,315
April 2021	2.79	2.04	101,641
March 2021	2.63	2.03	63,695
February 2021	2.95	2.00	109,944
January 2021	3.13	2.00	95,837

Notes:

(1) Up to and including April 20, 2022.

Prior Sales

The following table summarizes the issuances of common shares and securities convertible into common shares for the financial year ending December 31, 2021 and up to and including April 20, 2022.

Date Issued	Class of Security	Number of Common Shares Issued/Issuable	Price/Deemed Price/Exercise Price of Security
January 6, 2021	Common Shares(1)	191,757	US$0.0005
February 2, 2021	Common Shares(1)	57,343	US$0.0005
February 5, 2021	Common Shares(2)	50,000	$0.90
March 1, 2021	Common Shares(3)	1,437,470	$2.087
March 9, 2021	Common Shares(1)	6,881	US$0.0005
March 12, 2021	Common Shares(1)	20,643	US$0.0005
June 16, 2021	Common Shares(4)	4,842,650	$1.90
June 24, 2021	Stock Options(5)	250,000	$1.90
June 24, 2021	Stock Options(6)	275,000	$1.55
June 24, 2021	Stock Options(7)	100,000	$1.55
September 1, 2021	Common Shares(3)	671,141	$1.49
October 29, 2021	Common Shares(2)	100,000	$0.90
January 31, 2022	Stock Options(8)	427,500	$0.94
January 31, 2022	Stock Options(9)	150,000	$0.94

Notes:

(1) The common shares were issued pursuant to the exercise of performance warrants with a deemed price per common share of US$0.0005.

(2) The common shares were issued pursuant to the exercise of stock options with a deemed price per common share of $0.90.

(3) The common shares were issued pursuant to the Electra Agreement.

(4) The common share were issued pursuant to the bought deal financing completed on June 16, 2021.

(5) The stock options were issued June 24, 2021 to the independent directors of the Board and are exercisable at a price of $1.90 per common share (at the same price as the financing completed on June

16, 2021) until June 24, 2026. The stock options are subject to vesting provisions with 1/3 vesting on date of grant and 1/3 vesting every year thereafter for a total of 2 years.

(6) The stock options were issued June 24, 2021 and are exercisable at a price of $1.55 per common share until June 24, 2026. The stock options are subject to vesting provisions with 1/3 vesting on date of grant and 1/3 vesting every year thereafter for a total of 2 years.

(7) The stock options were issued June 24, 2021 and are exercisable at a price of $1.55 per common share until June 24, 2023. The stock options are not subject to vesting provisions.

(8) The stock options were issued January 31, 2022 and are exercisable at a price of $0.94 per common share until January 31, 2027. The stock options are subject to vesting provisions with 1/3 vesting on date of grant and 1/3 vesting every year thereafter for a total of 2 years.

(9) The stock options were issued January 31, 2022 and are exercisable at a price of $0.94 per common share until January 31, 2027. The stock options are not subject to vesting provisions.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As of the date of this AIF, the following common shares of the Company are held in escrow:

Designation of class held in escrow	Number of securities held in escrow	Percentage of class
Common shares	3,991,124	8.81%

Note:

(1) Held in escrow pursuant to an escrow agreement dated as of October 1, 2020, among the Company, Computershare Investor Services Inc., and certain shareholders of the Company (the "**Escrow Agreement**"), in connection with the Amalgamation Transaction. A copy of the Escrow Agreement is available on SEDAR under the Company's profile at www.sedar.com.

DIRECTORS AND OFFICERS

Name, Occupation, and Security Holding

The following table sets out information about each director and officer of the Company, as at the date of this AIF:

Name and Municipality of Residence	Position with the Company	Date of Appointment	Number of Common Shares(5)	Principal Occupation for the Past Five Years
David Stein(4) *Ajax, ON, Canada*	President, CEO and Director	October 1, 2020	9,427,914 20.82%	President, CEO and Director of the Company; President and Director of KSC; and former President and CEO of Aberdeen International Inc.
Annie Sismanian *Toronto, ON, Canada*	CFO	June 23, 2021	Nil	CFO of the Company, former VP Corporate Development and Investor Relations of Guyana Goldfields; VP Corporate Development of Hydro One
Christian Aramayo(4) *Lima, Peru*	COO	August 5, 2021	Nil	COO of the Company, former VP Operations of the Company; former Deputy CEO of SICG S.A.C.

Name and Municipality of Residence	Position with the Company	Date of Appointment	Number of Common Shares[5]	Principal Occupation for the Past Five Years
Tyson King *Vancouver, BC, Canada*	VP Corporate Development	July 15, 2015[6]	238,000 0.53%	Self-employed business consultant for mining and exploration companies; Senior officer of the Company (2015 – present) and Director of the Company (July 15, 2015 to October 1, 2020)
Dale Peniuk[1] [2] [3] *West Vancouver, BC, Canada*	Director	March 6, 2018	Nil	Chartered Professional Accountant (CPA, CA) and corporate director
Maura Lendon[1] [2] [3] *Toronto, ON, Canada*	Director and Interim Chair	October 1, 2020	25,100 0.06%	Senior VP, General Counsel of Greenlane Renewables Inc.; Former Chief General Counsel and Corporate Secretary of Primero Mining (2012-2018)
Andres Recalde[1] [2] [3][4] *Oakville, ON, Canada*	Director	October 1, 2020	Nil	Director of Mining for Common Good
Javier Del Rio[1][4] *Miraflores, Lima, Peru*	Director	January 24, 2022	Nil	VP South America and USA for Hudbay Minerals Inc.
Leah Hodges *Squamish, BC, Canada*	Corporate Secretary	July 15, 2015	20,050 0.04%	Self-employed consultant

Notes:

(1) Independent Director.
(2) Member of the Audit Committee.
(3) Member of the Nominating, Compensation and Governance Committee.
(4) Member of the Technical, Safety, Environment, and Social Responsibility Committee.
(5) Based on 45,279,981 Common Shares issued and outstanding as of the date of this AIF.
(6) Tyson King resigned as a director, President and CEO of the Company on October 1, 2020, and was appointed as VP Corporate Development.

Directors are elected at each annual meeting of the shareholders of the Company. Each director will serve for a term expiring at the subsequent annual general meeting of the shareholders of the Company.

As at the date of this AIF, the directors and executive officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 9,711,064 (excluding shares issuable to directors and executive officers pursuant to stock option exercises) or 21.45% of the 45,279,981 issued common shares of the Company. This information as to beneficial ownership of shares was provided by the respective directors and executive officers individually, as it is not within the knowledge of the Company.

Board Committees of the Company

The Board has the following committees:

Audit Committee

The purpose of the Audit Committee is to assist the Board in discharging its responsibilities with respect to the integrity of the financial statements and the financial reporting process, external and internal audits, compliance with legal and regulatory requirements, internal controls, financial risk management, and disclosure.

Nominating, Compensation, and Governance Committee

The purpose of the Nominating, Compensation, and Governance Committee is to assist the Board in discharging its responsibilities with respect to identifying individuals qualified to become new board members; setting director and senior executive compensation; and assessing and making recommendations to the Board regarding certain compensation related and governance matters as delegated by the Board.

Technical, Safety, Environment, and Social Responsibility Committee

The purpose of the Technical, Safety, Environment and Social Responsibility Committee is to assist the Board in discharging its responsibilities with respect to: reviewing, with management, the Company’s strategies, goals, management systems and policies with respect to operations, health, safety, environmental affairs, sustainable development, human rights and social impact; technical matters relating to exploration, development, permitting, construction and operation of the Company’s mining activities; mineral resources and mineral reserves on the Company’s mineral properties including disclosures of technical information; due diligence in the development, implementation and monitoring of systems and programs for management, and compliance with applicable law related to health, safety, environment and social responsibility; monitoring the Company’s performance in matters of safety, and environment and social responsibility; and monitoring compliance with applicable laws related to safety, environment and social responsibility.

PROMOTERS

Other than David Stein, the President and CEO of the Company, and Tyson King, who served as the President and CEO of the Company prior to completion of the Amalgamation Transaction, no person or company has acted as a promoter of the Company within the two most recently completed financial years or during the current financial year. Mr. Stein holds, directly and indirectly, 9,427,914 common shares (approximately 20.82% of the issued and outstanding common shares of the Company, on a non-diluted basis) as of the date of this AIF. Mr. King holds 238,000 common shares (approximately 0.53%) of the total issued and outstanding common shares of the Company, on a non-diluted basis) as of the date of this AIF. Other than an annual salary of $235,000 for Mr. Stein, annualized fees of $84,000 paid to Mr. King for the performance of consulting services, and incentive stock options issued to Mr. Stein and Mr. King by the Board, Mr. Stein and Mr. King have not received any compensation or payments from the Company during the financial year ending on December 31, 2021 or the current financial year.

LEGAL PROCEEDINGS

There are no legal proceedings material to the Company to which the Company is a party, or relating to any property of the Company, and no such proceedings are known by the Company to be contemplated.

REGULATORY ACTIONS

Other than being placed on the Reporting Issuers in Default List by the British Columbia Securities Commission (the "**BCSC**") on May 5, 2021 for certain deficiencies noted in the technical report for the Bethania Silver Project that was current at that time, no penalties or sanctions were imposed against the Company by any court relating to securities legislation or by any securities regulatory authority during the Company's most recently completed financial year, and there are no other matters to disclose under this item.

The BCSC removed the Company from the Reporting Issuers in Default List on October 20, 2021 following the filing on October 15, 2021 of a revised technical report for the Bethania Silver Project and an amended and restated Annual Information Form for the financial year ended December 31, 2020, reflecting the scientific and technical information from the revised technical report (collectively, the "**Revised Documents**"). The Revised Documents may be found on SEDAR at www.sedar.com.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described in this AIF, no director, executive officer, proposed management nominee for director, or person who, to the knowledge of the directors or officers of the Company, beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of any class or series of outstanding voting securities of the Company, or any of the respective associates or affiliates of any of the foregoing, has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected, or is reasonably expected to materially affect, the Company.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Company's common shares is Computershare Trust Company of Canada, which maintains the register of transfers of the Company's common shares at its offices located at 510 Burrard Street, 3rd Floor, Vancouver B.C., V6C 3B9.

MATERIAL CONTRACTS

Other than as set out below, no material contracts were entered into by the Company during the financial year ended December 31, 2021 or before such time that are still in effect, other than in the ordinary course of business. The Company has the following material contracts:

1. the Bethania SPA;
2. the Amalgamation Agreement;
3. the Escrow Agreement; and
4. the Electra Agreement.

INTERESTS OF EXPERTS

Each of the following persons has prepared, certified, or authored a statement, report, or valuation described or included in a filing, or referred to in a filing, made by the Company under *National Instrument 51-102 – Continuous Disclosure Obligations* during or relating to the financial year of the Company ended December 31, 2021: Scott Jobin-Bevans, PhD., PMP, P.Geo., Simon Mortimer, MSc, ACSM, MAusIMM, FAIG, Gerardo Acuña Perez, P.Eng., FAusIMM, Alain Carrier, P.Geo., M.Sc., Dr. Quinton Hennigh, P.Geo., and David Lewis, P.Geo. To the Company's knowledge, after reasonable enquiry, each of these persons beneficially owns, directly or indirectly, or exercises control or direction over, less than 1% of the Company's outstanding common shares as at the date of this AIF.

Davidson & Company LLP ("**Davidson**") is the independent external auditor of the Company, with a Vancouver office address of 1200 – 609 Granville Street, Vancouver, B.C., V7Y 1G6. Davidson was first appointed as auditor of the Company in October 2016. Davidson is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia. RSM Canada LLP was the independent auditors of KSC until October 1, 2020, with a Toronto office address of 11 King Street West, Suite 700, Toronto, Ontario, M5H 4C7, and is independent with respect to KSC and the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

AUDIT COMMITTEE

Audit Committee Charter

The Charter of the Company's Audit Committee is attached to this AIF as Schedule "A."

Composition of the Audit Committee

The following table identifies the members of the Audit Committee as of the date of this AIF, and indicates whether they are independent, as that term is defined in *National Instrument 52-110 Audit Committees* ("**NI 52-110**"), and whether they are financially literate, as that term is defined in NI 52-110:

Name	Independent	Financially Literate
LENDON, Maura	Yes	Yes
PENIUK, Dale - Chair	Yes	Yes
DEL RIO, Javier	Yes	Yes

Relevant Education and Experience

Each member of the Audit Committee brings unique education and experience relevant to the performance of their responsibilities as an Audit Committee member. This includes, but is not limited to, an understanding of the accounting principles used by the Company to prepare its financial statements, the ability to assess the general application of accounting principles in connection with the accounting for estimates, accruals and provisions, experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that can reasonably be expected to be raise by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities, and an understanding of internal controls and procedures for financial reporting.

The following table describes the relevant education and experience of the members of the Audit Committee:

Name	Education	Experience
LENDON, Maura	Master of Laws from Osgoode Hall Law School (2000), a Master of Business Administration from the Richard Ivey School of Business (1988), and a Bachelor of Laws from University of Western Ontario (1984). Ms. Lendon is also a graduate of the Institute of Corporate Directors – Rotman School of Management Directors Education Program (2011).	Senior VP, General Counsel of Greenlane Renewables Inc., Founder and Chief General Counsel of Scalable General Counsel, providing general counsel services to growing companies, 2019 to 2021; director of Revival Gold Inc. since 2020; and director of Eastmain Resources Inc. from 2018 to 2020. Previously, she was Chief General Counsel and Corporate Secretary of Primero Mining from 2012 to 2018. Ms. Lendon was Senior Vice President, Corporate Services, Chief Legal Officer and Corporate Secretary of Hudbay Minerals from 2008 to 2011, and prior to that, was Chief Counsel, Canada and Chief Privacy Officer (Canada) of AT&T. Ms. Lendon has served on other not-for-profit and public boards.
PENIUK, Dale	B.Comm, University of British Columbia (1982), and Chartered Accountant designation (now CPA, CA) from the Institute of Chartered Accountants of British Columbia (now the Chartered Professional Accountants of British Columbia) (1986).	Chartered Professional Accountant (CPA, CA), including more than 20 years with KPMG LLP and predecessor firms, the last ten years as an Assurance Partner with a focus on mining companies. In addition to the Company, he is presently a director and audit committee chair of MAG Silver Corp., Lundin Mining Corporation, and Argonaut Gold Inc., and has been the audit committee chair of several other reporting issuers since 2006.
DEL RIO, Javier	Bachelor of Mining Engineering from Universidad Nacional de Ingenieria (UNI), as well as an MBA with specialization in finance from Daniels College of Business of Denver University. He recently completed the ICD-Rotman Directors Education Program.	Multicultural mining executive with over 30 years of experience in the mining industry in both corporate and business unit roles and in open-pit, underground, and expansion initiatives. As VP South America and USA for Hudbay Minerals Inc., a Canadian mining company, he is responsible for the strategic and operational performance of the business units located in Peru, Arizona, and Nevada, which also includes executive oversight of human and capital resources for the business units and ensuring corporate standards are met in environmental management, health and safety performance, and community relations. Since joining Hudbay in 2010, Javier has held management positions in Canada and in Peru in the areas of business development and business unit leadership. Prior to that, Javier held management positions in Newmont Mining Corporation in the USA and in Peru in the areas of business planning, optimization process, and business analysis, and he began his career working underground as a mining engineer in the highlands of Peru.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years ended December 31, 2021 and 2020 for audit, audit-related, tax, and all other fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
2021	$86,000	$30,000	$Nil	$Nil
2020	$20,000	$27,000	$Nil	$Nil

Note:

1. The amounts noted in the table above reflect the fees billed by Davidson to the Company in each of the fiscal years ended December 31, 2021 and 2020.

Exemption

As a "venture issuer", the Company is relying on the exemption provided in Section 6.1 of NI 52-110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com, including information provided in the Company's financial statements and MD&A for the financial year ended December 31, 2021. Further, the management information circular of the Company filed for its most recent annual meeting of shareholders contains information on directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER OF KUYA SILVER CORPORATION

1. Mandate

The Audit Committee will be responsible for managing, on behalf of shareholders of Kuya Silver Corporation (the "**Corporation**"), the relationship between the Corporation and the external auditors, and other matters of financial integrity, reporting and compliance with applicable laws. The Audit Committee's responsibilities are set out in detail in Section 4.

2. Membership of the Audit Committee

Composition

The Audit Committee will be comprised of at least three directors, or such other number as is required to satisfy the audit committee composition requirements of National Instrument 52-110, as amended from time to time. Each member will be a director of the Corporation.

Independence

The Audit Committee will be comprised of a number of independent directors required to enable the Corporation to satisfy:

(a) the independent director requirements for audit committee composition required by National Instrument 52-110, as amended from time to time, and

(b) the independent director requirements of the stock exchange on which the Corporation's shares are traded from time to time.

Chair

The board of directors shall designate by resolution one member of the Audit Committee as its chairperson. The position description for the chair is attached as Exhibit 1 hereto. The chairperson may be removed at any time, with or without cause, by resolution of the board.

Expertise of Audit Committee Members

Each member of the Audit Committee must be financially literate. Financially literate means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Financial Expert

The Corporation will strive to include a financial expert on the Audit Committee. An Audit Committee financial expert means a person having: (i) an understanding of financial statements and accounting principles; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience in preparing, auditing, analyzing or evaluating financial statements that present a similar breadth and level of complexity as the Corporation's financial statements; (iv) an understanding of internal controls; and (v) an understanding of an Audit Committee's functions.

3. Meetings of the Audit Committee

The Audit Committee must meet in accordance with a schedule established each year by the board of directors, and at other times as the Audit Committee may determine. A quorum for transaction of business in any meeting of the Audit Committee is a majority of members. At least once a year, the Audit Committee must meet with the Corporation's chief financial officer and external auditors separately.

4. Responsibilities of the Audit Committee

The Audit Committee will be responsible for managing, on behalf of the shareholders of the Corporation, the relationship between the Corporation and the external auditors. In particular, the Audit Committee has the following responsibilities:

External Auditors

(a) the Audit Committee must recommend to the board of directors:

(i) the external auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit or review services for the Corporation; and

(ii) the compensation of the external auditors;

(b) the Audit Committee must be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;

(c) with respect to non-audit services:

(i) the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries; and

(ii) the Audit Committee must pre-approve all non-audit services provided to the Corporation or its subsidiaries by its external auditors or the external auditors of the Corporation's subsidiaries, except *de minimis* non-audit services as defined in applicable law.

(d) the Audit Committee must also:

(i) review the external auditors' proposed audit scope and approach;

(ii) review the performance of the external auditors; and

(iii) review and confirm the independence of the external auditors by obtaining statements from the external auditors on relationships between the external auditors and the Corporation, including non-audit services, and discussing the relationships with the external auditors;

<u>Accounting Issues</u>

(e) the Audit Committee must:

(i) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and,

(ii) ask management and the external auditors about significant risks and exposures and plans to minimize such risks.

<u>Financial Statements, MD&A and Press Releases</u>

(f) the Audit Committee must:

(i) review the Corporation's financial statements, MD&A and earnings press releases before the Corporation publicly discloses this information;

(ii) in reviewing the annual financial statements, determine whether they are complete and consistent with the information known to Audit Committee members, and assess whether the financial statements reflect appropriate accounting principles;

(iii) pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(iv) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of impairment of mineral properties, plant and equipment, income taxes, reclamation provisions, litigation reserves and other commitments and contingencies;

(v) consider management's handling of proposed audit adjustments identified by the external auditors;

(vi) ensure that the external auditors communicate certain required matters to the Audit Committee;

(vii) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure referred to in paragraph (f)(i) (above), and must periodically assess the adequacy of those procedures;

(viii) be briefed on how management develops and summarizes quarterly financial information, the extent to which the external auditors review quarterly financial information and whether that review is performed on a pre- or post-issuance basis;

(ix) meet with management, either telephonically or in person, to review the interim financial statements;

(x) to gain insight into the fairness of the interim financial statements and disclosures, the Audit Committee must obtain explanations from management on whether:

(a) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(b) changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Corporation's operations and financing practices;

(c) generally accepted accounting principles have been consistently applied;

(d) there are any actual or proposed changes in accounting or financial reporting practices;

(e) there are any significant or unusual events or transactions;

(f) the Corporation's financial and operating controls are functioning effectively;

(g) the Corporation has complied with the terms of loan agreements or security indentures; and

(h) the interim financial statements contain adequate and appropriate disclosures;

Compliance with Laws and Regulations

(g) the Audit Committee must:

(i) periodically obtain updates from management regarding compliance with laws and regulations;

(ii) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;

(iii) review the findings of any examinations by regulatory agencies such as the British Columbia or Ontario Securities Commissions; and

(iv) review, with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements;

Financial Integrity Complaints

(h) the Audit Committee must establish procedures for:

(i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

Other Responsibilities

(i) the Audit Committee must:

- (i) review and approve the Corporation's hiring policies of employees and former employees of the present and former external auditors of the Corporation;

- (ii) evaluate whether management is setting the appropriate tone by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

- (iv) focus on the extent to which internal and external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown;

- (v) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management;

- (vi) periodically review and reassess the adequacy of this Charter and recommend any proposed changes to the board for approval;

- (vii) review with management the policies and procedures with respect to approval of expense reimbursement requests that are submitted by the chief executive officer or the chief financial officer to the Corporation for payment;

- (viii) assist the board to identify the principal financial risks of the Corporation's business and, with management, establish systems and procedures to ensure that these risks are monitored; and

- (ix) carry out other duties or responsibilities expressly delegated to the Audit Committee by the board.

5. Authority of the Audit Committee

The Audit Committee shall have the authority to:

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the Audit Committee; and

(c) communicate directly with the internal and external auditors.

Exhibit 1 to Audit Committee Charter

Kuya Silver Corporation

(the "Corporation" or "Kuya")

Position Description – Audit Committee Chair

The responsibilities of the Audit Committee chair include, among other things:

(a) Managing the affairs of the Audit Committee (the "**Committee**") and monitoring its effectiveness;

(b) managing the meetings of the Committee by ensuring meaningful agendas are prepared and guiding deliberations of the Committee so that appropriate decisions and recommendations are made; and

(c) setting up agendas for meetings of the Committee and ensuring that all matters delegated to the Committee by the board are being dealt with at the Committee level during the course of the year.