



Kuya Silver Announces Term Loan and Provides Corporate Update

Vancouver, B.C. – July 22, 2022 – Kuya Silver Corporation (CSE: KUYA) (OTCQB: KUYAF) (Frankfurt: 6MR1) (the “**Company**”) announced it has agreed to a term loan financing (the “**Loan**”) with two non-arm’s-length related parties of the Company (the “**Lenders**”) for aggregate proceeds of CAD\$300,000 to be used for general working capital purposes in Peru and Canada.

The Loan will have a 12-month term and an interest rate of 4%, accrued monthly, with interest becoming due and payable on repayment of the principal or at the end of the term. Additionally, the Company has agreed to issue the Lenders 450,000 common share purchase warrants (each a “**Warrant**”), with the number of Warrants granted to each Lender proportional to the amount provided by such Lender. Each Warrant will entitle the holder to purchase one common share of the Company at a price of CAD\$0.47 until the date that is 12 months from the date of issuance. The Warrants will be subject to a hold period expiring four months and one day from the date of issuance.

Corporate Update

Kuya’s goal for the Bethania Silver Project (the “**Project**”) remains to build a 350-tpd processing facility (the “**Plant**”) as contemplated in the technical report summarizing the results of the recent preliminary economic assessment in relation to the Project (the “**PEA Report**”). However, in the immediate future, the Company’s management has decided to focus on reviewing options that will add further value to the Project, until conditions are supportive for raising the required funds and making a construction decision. The Company is evaluating the opportunity to conduct toll-milling (i.e. processing ore from the Project at a third-party mill into saleable concentrate) at Bethania prior to construction, which could generate near-term cash flow while de-risking the mining operation by providing valuable production experience, and advancing the underground development required for eventual full-scale production.

In addition to toll-milling, the Company’s management believes there are opportunities to expand on the Company’s exploration strategy throughout the Bethania district, where several high-priority targets are ready to be followed up with mapping and sampling programs to advance these targets to a drill-ready stage.

For more information on the Project, please see the PEA Report, the full title of which is “Bethania Silver Project – NI 43-101 Technical Report (Preliminary Economic Assessment prepared for Kuya Silver Corporation), Huancavelica, Peru.” The PEA Report was prepared by Mining Plus, with contributions from other consultants, and has an effective date of April 6, 2022. The PEA Report is available under the Company’s SEDAR profile at www.sedar.com.

The Company's President and CEO David Stein stated, "The Kuya management team has worked hard to add value to its 100%-owned Bethania Silver Project, bringing it closer to the construction phase and assembling a much larger land position surrounding the mine in the Bethania district. We believe that the value of this exciting silver asset is there to be unlocked and we are well-positioned to achieve rapid growth, in production and cash flow, and in exploration, as the markets improve."

Related Party Transaction Disclosure

The participation of the Lenders in the Loan constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of related party participation in the Loan, as neither the fair market value (as determined under MI 61-101) of the subject matter of, nor the fair market value of the consideration for, the Loan, insofar as it involves the related parties (being the Lenders), exceeds 25% of the Company's market capitalization (as determined under MI 61-101). Further details will be included in a material change report to be filed by the Company. The material change report will not be filed more than 21 days prior to closing of the Loan due to the timing of the announcement of the Loan and the anticipated closing thereof occurring in less than 21 days.

Qualified Persons

The technical content of this news release has been reviewed and approved by Mr. David Lewis, P.Geol., Exploration Director of Kuya Silver and a "Qualified Person" as defined by *National Instrument 43-101 – Standards of Disclosure for Mineral Projects*.

About Kuya Silver Corporation

Kuya Silver is a Canadian-based mineral exploration and development company with a focus on acquiring, exploring, and advancing precious metals assets in Peru and Canada.

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Reader Advisory

This release contains statements that constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs, and current expectations of the Company, its directors, or its officers with respect to the future business activities of the Company. The words "may," "would," "could," "should," "will," "intend," "plan," "goal," "anticipate," "believe," "estimate," "expect," "achieve," "must," "next," "focus," "potential," "progress," "develop," "continue," "advance," "investigate," "optimize," "improve," "opportunity," "future," "prospect," "vision," "target," "growth," "envisage," "option," "roadmap," "pursue," "near-term," "de-risking," "eventual," "later," "until," and similar expressions, as they relate to the Company or its management, are intended to identify such forward-looking information. Forward-looking information in this release includes, but is not limited to, information relating to the use of the proceeds of the Loan. Investors are cautioned that statements including forward-looking information are not guarantees of future business activities and involve risks and uncertainties, and that the Company's future business activities may differ materially from those described in the forward-looking information as a result of various factors, including but not limited to fluctuations in the market price of silver and other commodities, successes of the operations of the Company, continued availability of capital and financing, the Company's ability to obtain and renew required permits, licenses, consents, authorizations, and approvals, general economic, market, and business conditions, and the other risks identified under the heading "Risk Factors" in the Company's annual information form dated April 20, 2022 and in other disclosure documents available on the Company's profile on SEDAR at www.sedar.com. There can be no assurances that such forward-looking information will prove accurate, and therefore, readers are advised to rely on their own evaluation of the risks and uncertainties. The Company does not assume any obligation to update any forward-looking information except as required under the applicable securities laws.

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