KUYA SILVER CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023

(Expressed in US Dollars)

Report Date – November 23, 2023

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and the financial condition of Kuya Silver Corporation ("Kuya Silver", the "Company", "we", or "our") as at and for the three and nine months ended September 30, 2023. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes thereto for the three and nine months ended September 30, 2023, and the audited annual consolidated financial statements and related notes thereto, as well as the related annual MD&A for the year ended December 31, 2022. References to "Kuya Silver" in this MD&A refer to the Company and its subsidiaries taken as a whole.

Readers are cautioned that this MD&A contains forward-looking statements about expected future events and financial and operating performance of the Company, and that actual events may vary from management's expectations. Readers are encouraged to read the Cautionary Note on Forward-Looking Statements included in this MD&A and to consult the Company's audited annual consolidated financial statements and corresponding notes as well as the MD&A for the year ended December 31, 2022, which are available under the Company's profile on the SEDAR+ website at www.sedarplus.ca.

The Company's management is responsible for the preparation and presentation of the financial statements and this MD&A. The financial statements have been prepared in accordance with International Financial Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and as included in Part 1 of the CPA Canada Handbook – Accounting and the interpretations of the International Financial Reporting Interpretations Committee, including IAS 34 Interim Financial Reporting. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument ("NI") 51-102 of the Canadian Securities Administrators.

All amounts disclosed in this MD&A are expressed in United States ("US") dollars ("USD"), unless otherwise noted. Canadian dollars are represented by CAD $. Information contained herein is presented as at November 23, 2023 (the "Report Date") unless otherwise indicated.

COMPANY OVERVIEW

Kuya Silver is a mineral exploration and development company with a focus on acquiring, exploring, and advancing precious metals properties in Peru and Canada. The Company's head office and principal address is located at 150 King Street West, Suite 200, Toronto, ON, M5J 1J9. The Company was incorporated on July 15, 2015, under the Business Corporations Act (British Columbia) and the Company's registered and records office is located at 40440 Thunderbird Ridge, Squamish, BC, V8B 0G1. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol KUYA.

OVERVIEW OF EXPLORATION AND EVALUATION ASSETS

Bethania Silver Project (Huancavelica, Peru)

The Bethania Silver Project is comprised of the Bethania mine that operated from 2010 to 2016, the Carmelitas concessions, and the Tres Banderas and Chinita concessions as detailed below and collectively covers approximately 4,981 hectares. The Company's goal for the Bethania Silver Project is to build a 350 tonnes per day ("tpd") processing plant as contemplated in the Amended and Restated Preliminary Economic Assessment (the "PEA") which was filed on SEDAR+ on October 10, 2023 and posted on the Company's website. The PEA envisages a 350 tpd underground mine feeding a processing plant that would process mineralized material and also incorporates the potential to toll-mill mineralized material prior to the construction and commissioning of a new processing plant at site.

Bethania

On December 15, 2020, Kuya Silver completed the purchase of 100% of the shares of Minera Toro del Plata S.A.C. ("MTP"), a privately held Peruvian company based in Lima that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession located in the district of Acobambilla, department of Huancavelica, Peru. MTP operated the Bethania mine from 2010 to 2016, by mining ore from underground and trucking it to nearby plants for processing into concentrates.

Carmelitas Concessions

On May 14, 2021, the Company announced the acquisition of three mineral concessions, Carmelita 2005, Carmelita 2005 I and Carmelita 2005 II concessions (collectively "Carmelitas"), which are strategically located less than three kilometers west of Bethania, located in the district of Acobambilla, department of Huancavelica and in the district of Chongos Altos, department of Junín, Peru. The Carmelitas concessions were host to small-scale mining activities until early 2020, producing silver-polymetallic material very similar to Bethania. Kuya Silver plans to incorporate Carmelitas into its operating activities at Bethania going forward.

The initial total purchase price of $892,500 consisted of $492,500 in cash and $400,000 in common shares in Kuya Silver. Upon signing of the agreements, $293,500 was paid (including $42,500 of other costs allocated to the transaction). The remaining $199,000 was due on May 14, 2022, and the $400,000 in common shares in the capital of the Company was due to be issued on the eighteen-month anniversary of signing the agreements (November 14, 2022) at a deemed price per common share equal to the 10-day average closing price of the common shares on the CSE, ending on the day prior to issuance.

On September 21, 2022, we announced an amendment to this agreement, which increased the total purchase price from $892,500 to $952,500 including the earlier issuance of common shares. Kuya Silver issued 1,084,490 common shares, equivalent in value to $400,000 (at a price of CAD$0.49 per share, equivalent to the 20-day volume-weighted average price ending on September 16, 2022, as per the calculation of the deemed price of the common shares in the amended agreement). The remaining $259,000 was paid in cash in tranches with the final payment of $100,000 being made on January 30, 2023.

OVERVIEW OF EXPLORATION AND EVALUATION ASSETS (cont'd…)

Bethania Silver Project (Huancavelica, Peru) (cont'd…)

Tres Banderas and Chinita Concessions

The Tres Banderas and Chinita concessions are located primarily in the department of Huancavelica, Peru (with some concessions extending into the departments of Lima and Junín), in the vicinity of, or surrounding Bethania. Chinita I is held by MTP and was included in the acquisition of MTP while Tres Banderas 01 through 07 mineral claims, (that are in the near to and contiguous with the Bethania concession) were acquired through an open application process from 2019 and 2022. In 2022, a mineral claim application for Tres Banderas 08 (contiguous with Tres Banderas 06 to the south) was submitted, and in early 2023 a mineral concession for this claim was awarded to Kuya S.A.C.

Silver Kings Project (Ontario, Canada)

On March 1, 2021, the Company completed an agreement to acquire, from Electra Battery Materials Corporation ("Electra"), certain silver-cobalt mineral exploration assets (the "Kerr Assets"), as well as an option to acquire up to 70% of the balance of Electra's silver-cobalt mineral exploration assets (the "Remaining Assets") located in the historic Cobalt, Ontario silver-cobalt mining district. As part of that agreement, the Company had the option of forming a joint venture with Electra ("Silver Kings JV"), through its wholly owned subsidiary Cobalt Industries of Canada Inc. ("CIC"), the company that holds the Remaining Assets. On December 31, 2022, the Company and Electra amended the original agreement to provide the Company with the right to acquire 100% of the Remaining Assets, which was then completed in January 2023.

Since November 2021, Kuya has also acquired (primarily through claim-staking) additional mining claims in the Cobalt mining district, with some being adjacent to the Kerr Assets or the Remaining Assets, and others located in nearby prospective areas. These claims are collectively referred to as the Sunrise Claims.

The Silver Kings Project encompasses the 100%-owned Kerr Assets ("Kerr Project"), the Remaining Assets and the Sunrise Claims totaling 17,854 hectares in the Coleman, Gilles Limit, Lorrain, South Lorrain, Kittson, Barr, Klock, Dane, Cassels, and Riddell townships in north-eastern Ontario. Certain of the claims that are part of the Remaining Assets are subject to a 2% net smelter returns royalty as detailed below in the "Other Silver Kings Properties (formerly Silver Kings JV)" section.

Following consolidation of the Silver Kings Project land package, as a next step, the Company executed a diamond drill program in early 2023 at the Silver Kings Project targeting silver-cobalt mineralization, specifically in the Campbell-Crawford, North Drummond, and Silver Leaf target areas.

Kerr Project

On September 30, 2021, the Company obtained control of CobalTech Mining Inc. ("CobalTech") the company that holds the Kerr Assets which includes twelve patents in both Coleman and Gilles Limit townships, a lease, and several mineral claims. The total consideration paid for the acquisition of CobalTech Mining Inc. was $3,457,906 including cash consideration of CAD $1,000,000 ($789,827) and 1,437,470 common shares issued at a value of $2,668,079. In connection with the acquisition a reclamation provision in the amount of $1,842,580 has been recorded for future reclamation and rehabilitation obligations on the Kerr Assets.

OVERVIEW OF EXPLORATION AND EVALUATION ASSETS (cont'd…)

Other Silver Kings Properties (formerly Silver Kings JV)

To fully exercise the option on the Remaining Assets, the Company was to make payments totaling CAD $2,000,000 and complete work commitments of CAD $4,000,000 by September 1, 2024. As per the December 31, 2022 amendment to the original agreement, the Company acquired a 100% interest in the Remaining Assets by making payments of CAD $2,000,000 (including what had been already paid at the time). As per the amendment, the Company granted a 2% royalty on net smelter returns from commercial production on the Remaining Assets to Electra. The Company is no longer required to complete any work commitments.

The original agreement provided that Kuya Silver may issue an equivalent value in common shares of the Company at the 20-day volume weighted average price immediately prior to the date the actual respective payment is made in lieu of making the cash payments. On September 1, 2021, the Company issued 671,141 common shares to Electra, in in lieu of a CAD $1,000,000 cash payment. Following this payment, the Company and Electra had intended to enter a Joint Venture Agreement ("JVA") for the joint exploration and development of the project. In advance of the commitments due on September 1, 2022, Electra provided a notice of waiver of the requirements of the JV Earn-In Payment Schedule on a temporary basis, to allow sufficient time for Kuya Silver and Electra to negotiate, finalize and execute an amendment to the agreement in respect of the Remaining Assets. On December 31, 2022, the Company and Electra completed the amendment, as described above. On January 31, 2023, the Company issued 2,702,703 common shares to Electra, in lieu of the CAD $1,000,000 cash payment to acquire the remaining interest. Additionally on January 31, 2023, the Company issued 405,405 common shares to Electra, for settlement of CAD $150,000 of accounts payable and accrued liabilities due to Electra.

On March 24, 2023, the Company entered into a settlement agreement with Canadian Silver Hunter Inc. ("CSH") and Cobalt Projects International Corp. (a subsidiary of Electra, "CPIC"), which settles a dispute (the "Dispute") between CSH and CPIC regarding certain mineral properties previously optioned by CPIC from CSH. The Dispute was transferred to the Company upon the Silver Kings JV amended Purchase Agreement and Option. To settle the Dispute, the Company issued 1,666,667 common shares to CSH and obtained a 100% interest in the mineral properties associated with the Dispute. In connection with settling the Dispute, the Company also entered into an agreement with CSH granting CSH a 2% royalty on net smelter returns from the related mineral properties.

CORPORATE UPDATE AND OUTLOOK

Financings

The Company started 2023 with $1,196,879 in cash, from financings obtained through various means during 2022. Included in the opening cash balance were the remaining flow-through share funds of $844,780 from a December 2022 flow-through financing.

April 2023

In April 2023, the Company closed, in two tranches, a non-brokered private placement and issued 6,686,888 units at a price of CAD $0.27 per unit for total proceeds of CAD $1,805,460. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of CAD $0.50 per common share for a period of 24 months from the date of issue. The Company paid a total of CAD $28,524 for finders' fees and issued 105,644 finders' warrants in connection with this private placement. Each finder's warrant entitles the holder to acquire one common share at a price of CAD $0.50 per common share for a period of 24 months from the date of issue.

July 2023

In July 2023, the Company closed a non-brokered private placement and issued 2,920,218 units at a price of CAD $0.44 per unit for total proceeds of CAD $1,284,896. Each unit consisted of one flow-through common share and one-half of one non-flow-through common share purchase warrant. Each whole warrant entitles the holder to acquire one non-through common share at a price of CAD $0.60 per common share for a period of 18 months from the date of issue. The Company paid a total of CAD $69,174 for finders' fees and issued 157,213 finders' warrants in connection with this private placement. Each finder's warrant entitles the holder to acquire one non-flow-through common share at a price of CAD $0.44 per common share for a period of 18 months from the date of issue. The flow-through shares were issued at a premium of $133,029.

August 2023

In August 2023, the Company closed, in two tranches, a non-brokered private placement and issued 2,781,300 units at a price of CAD $0.27 per unit for total proceeds of CAD $750,951. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of CAD $0.50 per common share for a period of 24 months from the date of issue. The Company paid a total of CAD $15,147 for finders' fees and issued 56,100 finders' warrants in connection with this private placement. Each finder's warrant entitles the holder to acquire one common share at a price of CAD $0.50 per common share for a period of 24 months from the date of issue.

CORPORATE UPDATE AND OUTLOOK (cont'd…)

Exploration and evaluation assets

Bethania Silver Project

The Company's goal for the Bethania Silver Project remains to build a 350 tpd processing plant. However, in the immediate future, the Company's management is focused on reviewing options that could add further value to the Bethania Silver Project, including opportunities to conduct toll-milling (i.e. processing ore at a third-party mill into saleable concentrate) prior to construction of the processing plant, which could generate near-term cash flow while de-risking the mining operation by providing valuable production experience, training to the potential workforce and advancing the underground development required for eventual full-scale production.

On October 10, 2023, the Company entered into a toll milling services agreement, via MTP, which is Kuya Silver's Peruvian subsidiary, with Compania Minera San Valentin ('CMSV'), which operates a processing plant approximately 20 km by road from the Bethania project. CMSV is to provide toll milling services to MTP for up to three concentrate production circuits, specifically, silver-lead, zinc and copper-silver. The terms in the agreement are guaranteed for twenty-four months and renewable upon mutual agreement. There will be provision for on-site monitoring by MTP personnel. The agreement does not require any minimum production obligations for MTP. As part of the terms of the toll milling agreement, prior to commencement of toll milling operations, Kuya Silver will commit to an upfront payment of $230,000 to CMSV. The toll milling services agreement and any related payments are subject to the completion of definitive documentation. l
Kuya Silver plans to engage in preparatory work necessary to restart production over the coming months to recondition and upgrade the underground working areas which have seen little to no traffic for the past seven years. The pre-production work is expected to include removal and replacement or reinforcement of certain underground supports, water pumping (dewatering), removal of broken rock material, tunnel, rail and ventilation maintenance, etc. Initial production is planned to focus on areas with existing underground infrastructure and will transition over time to newly developed areas. Kuya Silver plans to recondition and improve historical working areas to a high standard in order to reduce safety risks and improve productivity and maintain that same high standard as it develops new areas of the mine. This work will be required in advance of any production from the Bethania project. and is subject to the Company obtaining funding sufficient to support the commencement of this work.

The Company's management also believes there are opportunities to expand on the Company's exploration strategy throughout the Bethania district, including the Carmelitas concessions, 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. The Company recently completed an initial surface sampling program at Carmelitas, which was successful in discovering a new zone of mineralized veins and demonstrated that silver polymetallic vein mineralization could be more extensive than previously understood.

CORPORATE UPDATE AND OUTLOOK (cont'd…)

Exploration and evaluation assets (cont'd…)

Silver Kings Project

Kuya Silver has completed transactions that consolidate more than 18,000 ha of exploration claims, patents, and leases under the scope of the Silver Kings Project. While management sees many targets throughout the property package, exploration in the near-term is focused in the vicinity of Kerr Lake (2 km southeast of the town of Cobalt), where our most advanced targets are located, including Campbell-Crawford and North Drummond targets. In early 2023, the Company made a new silver vein discovery on the Campbell-Crawford claim, which is now known as the Angus Vein. In addition, the Company has identified other veins and vein structures both in drilling and on the surface in close proximity to the Angus Vein with the potential to host silver-cobalt mineralization. With the recent flow-through financing completed in July 2023, it is expected that exploration work will be focused on drilling Campbell-Crawford and nearby prospects to expand our understanding of this previously unidentified zone of mineralization.

A diamond drill is now mobilized at site to start work on at the Campbell-Crawford area. The primary drill target is the Angus Vein to test the lateral extent of the discovery made earlier in the year. In addition, secondary drill targets in the nearby and untested McNamara and Clark veins, with similar surface characteristics to the Angus Vein are expected to be tested.

(Expressed in US Dollars)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Details of the significant expenditures for the three and nine months ended September 30, 2023, are described below.

Selected Financial Information	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Revenue	**$ -**	$ -	**$ -**	$ -
Exploration & evaluation expenditures	**301,766**	317,701	**1,567,219**	1,528,653
Administrative expenses[1]	**455,119**	791,783	**1,408,065**	2,244,063
Share-based compensation	**86,096**	132,032	**240,000**	640,314
(Gain) on settlement of accounts payable and accrued liabilities	**-**	-	**(13,440)**	(4,797)
Other (income) expense	**67,373**	78,643	**(38,796)**	145,096
(Loss) for the period	**$ (910,354)**	$ (1,320,159)	**$ (3,163,048)**	$ (4,553,329)
(Loss) per share (Basic and diluted)[2]:	**$ (0.01)**	$ (0.03)	**$ (0.05)**	$ (0.10)

1. Administrative expenses exclude share-based compensation.
2. In periods when the Company has a loss, diluted loss per share is the same as basic loss per share.

During the third quarter of 2023, the Company had a loss of $910,354 as compared to a loss of $1,320,159 in the same quarter of 2022. The loss for the quarter was comprised of $301,766 (2022 - $317,701) in exploration and evaluation expenditures, $541,215 (2022 - $923,815) in administrative expenses, which includes share-based compensation of $86,096 (2022 - $132,032), and net other expense of $67,373 (2022 - $78,643). Net other expense for the three months ended September 30, 2023, included a foreign exchange loss of $75,739 (2022 - $66,648), accretion expense of $15,012 (2022 - $11,995) and income due to the recognition of flow-through premium of $23,377 (2022 –$nil). Losses for the third quarter were lower in 2023 compared to the same quarter in 2022 due to less spending on administrative expenses in the areas of wages and benefits, miscellaneous and office expenses, marketing and investor relations, and share based compensation. In addition, there was an issue of warrants in connection with loans in the 3rd quarter of 2022.

The loss for the nine months ended September 30, 2023, of $3,163,048 (2022 - $4,553,329) was comprised of $1,567,219 (2022 - $1,528,653) in exploration and evaluation expenditures, $1,648,065 (2022 - $2,884,377) in administrative expenses, including share-based compensation of $240,000 (2022 - $640,314), and $38,796 of other income (2022 – net other expense of $145,096). Other income (net of other expense) for the nine months ended September 30, 2023, consisted of a loss from foreign exchange of $58,507 (2022 – 108,459), accretion expense of $44,903 (2022 – 36,637), and the recognition of flow-through share premium of $142,205 (2022 - $nil). Losses for the nine months ended September 30, 2023 were lower than the same period as 2022 due to significant drops in spending on administrative expenses including share-based compensation. Other income also contributed to the lower loss in 2023 due to the recognition of the flow-through share premium and a lower foreign exchange loss recorded in 2023.

(Expressed in US Dollars)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (cont'd…)

Exploration and Evaluation Expenditures

Exploration and evaluation expenditures for the three and nine months ended September 30, 2023, and 2022 are as follows:

Exploration and evaluation expenditures	**Three months ended September 30**		**Nine months ended September 30**	
	2023	2022	**2023**	2022
Bethania Silver Project				
Civil works and engineering	$ **388**	16,408	$ **39,315**	$ 332,365
Geology and drilling	**6,148**	4,516	**21,256**	151,498
Operations and supplies	**14,587**	82,664	**128,632**	277,805
Property maintenance, licences and rights	**687**	1,414	**36,667**	10,709
Safety and environment	**10,309**	66,109	**46,959**	149,484
Value Added Tax ("VAT")	**13,010**	42,245	**79,627**	188,768
Wages and benefits	**55,363**	67,320	**161,947**	270,935
	100,492	280,676	**514,403**	1,381,564
Silver Kings Project				
Civil works and engineering	**774**	-	**152,959**	-
Geology and drilling	**82,526**	-	**528,732**	-
Operations and supplies	**31,692**	18,141	**103,170**	41,967
Property maintenance, licenses and rights	**-**	3,639	**-**	13,566
Safety and environment	**4**	-	**2,670**	1,841
Wages and benefits	**86,278**	15,245	**265,285**	89,715
	201,274	37,025	**1,052,816**	147,089
Total	**$ 301,766**	$ 317,701	**1,567,219**	$ 1,528,653

<u>Bethania Silver Project</u>

With the completion of the Amended and Restated PEA in the third quarter of 2023, and the management decision in mid-2022 to focus on reviewing options to add further value to the Bethania Silver Project, including evaluating toll-milling options, we incurred costs primarily for general operating and maintenance costs at Bethania. In the current quarter, expenditures have continued to be incurred primarily on general operating and maintenance costs.

<u>Silver Kings Project</u>

Exploration and evaluation expenditures during the third quarter of 2023 were made to follow up from our drilling program earlier in the year and prepare for a second phase of drilling in 2023. In the third quarter of 2023, Kuya Silver completed a bedrock stripping, mapping and geochemical sampling program on several targets with results still to be reported. The focus of the work on the Silver Kings project during the first and second quarters was executing our first phase 2023 drill program.

(Expressed in US Dollars)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (cont'd…)

Administrative Expenses

Administrative Expenses	Three months ended September 30		Nine months ended September 30	
	2023	2022	**2023**	2022
Administrative costs	$ 10,062	$ 10,337	$ 30,096	$ 31,572
Consulting fees	7,431	-	7,431	6,211
Directors' fees	25,146	25,971	75,214	76,383
Filing fees	7,899	10,715	24,908	26,928
Warrants issued for loans	-	52,012	-	52,012
Management fees	15,652	16,079	46,816	49,111
Marketing and investor relations	47,961	71,389	115,772	223,369
Office and miscellaneous	67,632	178,432	261,952	393,047
Professional fees	50,624	59,313	173,927	255,809
Share-based compensation	86,096	132,032	240,000	640,314
Shareholder communication	1,921	1,695	8,432	11,700
Transfer agent	6,539	2,310	12,357	9,636
Travel	62,201	54,890	112,578	148,803
Wages and benefits	152,051	308,640	538,582	959,482
	$ 541,215	$ 923,815	$ 1,648,065	$ 2,884,377
less: Share based compensation[1]	(86,096)	(184,044)	(240,000)	(692,326)
Cash - Admin costs	**$ 455,119**	**$ 739,771**	**$ 1,408,065**	**$ 2,192,051**

1. Share based compensation consists of warrants issued for loans and share based compensation.

Administrative expenses (excluding share-based compensation) of $455,119 were incurred in the three months ended September 30, 2023, as compared to $739,771 in the same period in 2022. For the nine-month period, the costs were $1,408,065 in 2023 (2022 - $2,192,051). The decrease in administrative expenses for both the quarter and year to date for 2023 versus the comparable periods last year reflect a continuing conservation of funds in the administrative spend. Share based compensation is lower in both the quarter and nine months ended in September 2023 versus the comparable periods in 2022. The main drivers of the reduced costs in share-based compensation were the reduced expense recorded for the stock options in 2023 as the stock options issued in 2022 and prior periods had a calculated fair value higher than those issued in 2023 and the fact that there were fewer headcount receiving share based compensation. Wages and benefits were lower in both the quarter and nine months ended September 30, 2023, as compared to last year due to a reduction in overall executive salaries and a lower headcount. The current and interim CFO fees are recorded in professional fees. In addition, professional fees were lower due to not requiring interim review work in 2023 versus 2022.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS (cont'd…)

Other Items

Included in other income/expense for the periods are the following: foreign exchange loss/(gain), accretion expense on reclamation provisions, gain on settlement of accounts payable and accrued liabilities, and recognition of the flow-through share premium as flow-through funds are spent. Foreign exchange losses and gains are due to fluctuations in the Peruvian Sol ("PEN") and the USD to the CAD. The foreign exchange loss for the third quarter of 2023 was $75,739 and for the nine months ended September 30, 2023, we recorded a loss of $58,507 (2022 – loss of $66,648 and $108,459 respectively). Also included in the other expense for the third quarter of 2023 and the nine months ended September 30, 2023, was $15,012 (2022 – $11,995) and $44,903 (2022 - $36,637) respectively of accretion expense related to the reclamation provision which was recorded as an increase to the reclamation provision on Kerr. In December 2022, the Company recorded a flow-through share premium of $118,269 on the issuance of flow-through shares.
In July 2023, the Company recorded a flow-through share premium of $133,029 on a second issuance of flow-through shares. Flow-through share premiums are reduced on a pro-rata basis as qualifying resource expenditures are incurred. The Company incurred exploration and evaluation expenditures on the Silver Kings Project by the end of the second quarter of 2023 leading to the full recognition of the flow-through premium of the December 2022 flow-through share issuance. For the third quarter of 2023, the partial recognition of the premium on the 2nd issuance of flow-through shares was $23,337 which was recorded to other income as continued qualifying expenditures were made on the Silver Kings Project. In total for both issuances, $142,205 for the nine months ended September 30, 2023 (2022 - $nil) was recorded. Lastly, the gain on settlement of accounts payable in the current year was a result of issuing shares to Electra to settle debt in the first quarter of 2023.

(Expressed in US Dollars)

CUMULATIVE EXPLORATION AND EVALUATION COSTS

The following table presents the cumulative exploration and evaluation costs incurred by the Company on its properties for the nine months ended September 30, 2023:

Project	Bethania Silver Project	Silver Kings Project	Total
Civil works and engineering	$ 2,188,553	$ 152,959	$ 2,341,512
Geology and drilling	1,280,228	811,166	2,091,394
Operations and supplies	1,140,640	212,567	1,353,207
Property maintenance, licences and rights	110,338	21,587	131,925
Safety and environment	440,358	38,206	478,564
Value Added Tax ("VAT")	1,056,244	-	1,056,244
Wages and benefits	1,001,516	661,818	1,663,334
Expense recovery from Electra	-	(119,175)	(119,175)
Total	$ 7,217,877	$ 1,779,128	$ 8,997,005

1. Cumulative costs are as follows: Bethania Silver Project, since acquisition of 100% on December 15, 2020; Silver Kings Project, which consists of Kerr from September 30, 2021 (consolidation date), Silver Kings JV from September 1, 2021 (initial earn-in payment date) to January 31, 2023 (payment for amended Option) and Silver Kings Project from January 31, 2023.

Bethania Silver Project

The Company's goal for the Bethania Silver Project is to build a 350 tpd processing plant and substantial progress has been made on that project since completion of the acquisition on December 15, 2020. The cumulative costs detailed in the table above, reflect the achievement of the following:

- Completion of a two-phase drill program at Bethania
- Completion of an initial mineral resource and filing a National Instrument 43-101 ("NI 43-101") Technical Report
- Completion of a technical report relating to the PEA, prepared in accordance with NI 43-101
- Permitting of the project, including receipt of the construction authorization for a 350 tpd processing plant as well as tailings management facilities and other infrastructure.

The next significant milestone for the Company on the Bethania Silver Project is to initiate mine rehabilitation and underground development required to restart mining operations. Further work may include finalizing plans and making a construction decision on the process plant, with the ability to achieve these milestones subject to raising the required funding.

(Expressed in US Dollars)

CUMULATIVE EXPLORATION AND EVALUATION COSTS (cont'd…)

Silver Kings Project

In 2021, we completed two separate first-pass drill programs; drilling approximately 3,500 metres at the 100%-owned Kerr Project area with another 1,800 metres drilled at the Silver Kings JV. The costs in the above table reflect expenditures for these drill programs (and related activities such as review of assay results and compiling historical data etc.), property maintenance costs and other related activities. During 2022, the Company focused on consolidating a greater property package at the Silver Kings Project through both staking new claims and amending our option agreement with Electra to acquire 100% of the Remaining Assets, subject to a royalty of 2% of net smelter returns, which was completed during the first quarter of 2023. We also commenced and completed a drill program totaling 3,537 metres in 2023 with a second drill program currently underway and expected to be completed in the first quarter of 2024.

SUMMARY OF QUARTERLY FINANCIAL RESULTS

The following table sets out selected unaudited quarterly financial information for the most recent eight quarters. The amounts presented have been prepared in accordance with IFRS for all eight quarters.

			2023			**2022**			**2021**
		Q3	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**
Selected Financial Information									
Revenue	$		-	-	-	-	-	-	-
Exporation & evaluation expenditures	$	301,766	423,522	841,931	244,606	317,701	566,085	644,867	1,164,344
Administrative expenses[1]	$	455,119	455,365	497,581	808,951	791,783	770,806	681,474	801,446
Share-based compensation	$	86,096	75,616	78,288	41,296	132,032	278,618	229,664	67,082
(Gain) on settlement of accounts payable and	$								
accrued liabilities	$		-	(13,440)	-	-	(4,797)	-	(382,406)
Foreign exchange loss/(gain) and other [2]	$	67,373	(49,444)	(56,725)	11,390	78,643	42,772	23,681	25,340
Loss for the period	$	910,354	905,059	1,347,635	1,106,243	1,320,159	1,653,484	1,579,686	1,675,807
(Loss) per share - Basic and diluted [3]:	$/share	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.04)	(0.04)	(0.04)

1. Administrative expenses exclude share-based compensation.
2. Other includes items such as interest income, accretion expense (commencing in the period ended March 31, 2022), and the recognition of the flow-through share premium on qualified exploration and evaluation expenditures starting in the first quarter of 2023 and continuing through to the third quarter of 2023.
3. In periods when the Company has a loss, diluted loss per share is the same as basic loss per share.

The Company currently has no revenue. Loss for the period can significantly vary quarter-over-quarter based on the amount of exploration and evaluation expenditures incurred, share-based compensation expense reported, and other items. Exploration and evaluation expenditures vary based on the exploration and evaluation activities in process during the period and time of year; share-based compensation expense can vary based on the timing and valuation of grants of share-based awards; and the timing and amount of other recurring and non-recurring items such as foreign exchange loss/(gain), (gain) on settlement of accounts payable and accrued liabilities, accretion expense, and the recognition of the flow-through share premium on qualified exploration and evaluation expenditures, and other expense/(income).

SUMMARY OF QUARTERLY FINANCIAL RESULTS (cont'd…)

Exploration and evaluation expenditures during the fourth quarter of 2021 was the start of a ramp down of expenditures that continued into the subsequent quarters. The fourth quarter of 2021 also included a gain on the settlement of accounts payable and accrued liabilities.

The first quarter of 2022 included costs for completing the mineral resource estimate and advancing the PEA and engineering work related to the Bethania Silver Project. Exploration and evaluation costs were also incurred for the continued surface sampling and trenching program at Bethania which commenced on November 15, 2021. While administrative costs remained relatively consistent throughout 2022, due to financing constraints, no new exploration programs were undertaken in the last three quarters of 2022. Expenditures focused on completing the PEA study, keeping the Bethania property in good standing, completing engineering work and mine plans at Bethania and assessing various options to add value for the Bethania Silver Project. During the fourth quarter of 2022, the Company completed the negotiations on the amendments to the Silver Kings JV agreement.

During the first and second quarters of 2023, the Company ramped up work on the Silver Kings Project. In quarter 4 2022, we raised CAD $1,150,000 in flow-through funds, which was spent on the Silver Kings Project in 2023. There was a decrease in funds spent on exploration and evaluation costs on the Bethania Silver Project compared to 2022. In the third quarter of 2023, a flow-through share issuance provided funds for the continuing work on the Silver Kings Project. Administrative expenses continued to remain lower than 2022 due to the decreases in overall wage costs, office and miscellaneous expenses, and travel. Share based compensation is consistent with the previous quarter in 2023 but lower than 2022 due to the higher attributed fair value of the options in periods before 2023 and lower headcount of those receiving share based compensation. Included in foreign exchange (gain)/loss was a loss for the quarter of $75,739, a gain on the flow-through share premium of $23,377 which has been recorded in each of the 2023 quarters, and an accretion expense of $15,012.

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(Expressed in US Dollars)

LIQUIDITY AND CAPITAL RESOURCES

	9 months ended September 30, 2023	9 months ended September 30, 2022
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the period	$ (3,163,048)	$ (4,553,329)
Items not involving cash	92,246	773,747
Change in non-cash working capital	119,393	(261,388)
Net cash used in operating activities	(2,951,409)	(4,040,970)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Disposal of facilities and equipment	20,500	-
Additions to exploration and evaluation assets	(100,000)	(60,000)
Net cash used in investing activities	(79,500)	(60,000)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	2,869,884	3,015,758
Share issue costs	(84,896)	(308,462)
Net cash provided by financing activities	2,784,988	2,707,296
Change in cash	(245,921)	(1,393,674)
Effect of foreign exchange on cash	167	12,891
Cash, beginning of period	1,196,879	2,152,611
Cash, end of period	$ 951,125	$ 771,828

The Company's cash position decreased from $1,196,879 at December 31, 2022, to $951,125 as at September 30, 2023. After taking into account the net cash of $2,784,988 provided by the issuance of share capital and the proceeds realized from the disposal of $20,500 of equipment, $2,951,409 of cash was used for operating activities and $100,000 for investing activities during the nine month period ending September 30, 2023.

In the first nine months of 2023, cash was used primarily for general and administrative expenses and exploration and evaluation expenditures, which is consistent with the comparative period. In addition, there was cash paid for additions to exploration and evaluation assets. This was for the remaining balance owed on the Carmelitas property (part of Bethania) and had been previously accrued. Additionally, $20,500 was received in the first nine months from the sale of vehicles. This compares to $60,000 of cash used in investing activities for the first nine months of 2022. Net cash proceeds from share capital issued was $2,784,988 in the current year as compared to net cash proceeds of $2,707,296 in the comparable period in 2022.

The Company had net working capital of $291,965 as at September 30, 2023, compared to net working capital of $341,259 as at December 31, 2022, as shown below. Although the Company had cash in excess of current liabilities as at September 30, 2023, $777,686 of the cash relates to unspent flow-through share proceeds which is required to be only spent on qualified Silver Kings exploration costs. As such, without additional financing the Company would not be able to meet its projected administrative costs over the next twelve months.

(Expressed in US Dollars)

LIQUIDITY AND CAPITAL RESOURCES (cont'd…)

Working Capital		September 30, 2023		December 31, 2022
Current assets	$	1,175,536	$	1,562,906
Current liabilities		883,571		1,221,647
Net working capital (deficiency)	$	291,965	$	341,259

Kuya Silver's continuation as a going concern is dependent upon its ability to complete financings sufficient to meet current and future obligations, the successful results from its business activities, and its ability to operate profitably and generate funds. While we raised gross proceeds of CAD $5,857,569 ($4,460,268) in fiscal 2022, and CAD $3,841,307 ($2,869,884) in the nine months ended September 30, 2023, additional funding will be needed to continue to fund ongoing administrative costs, exploration and evaluation related expenditures and advancement of the Bethania Silver Project and the Silver Kings Project over the upcoming twelve months.

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

Use of Proceeds

Except for the CAD $1,150,000 of flow-through shares issued in December 2022, the funds raised in fiscal 2022 were used for general working capital purposes, which includes expenditures on exploration and evaluation assets and administrative expenses. The flow-through share funds raised in 2022 were spent on qualifying exploration expenditures on the Silver Kings Project during 2023.The CAD $1,284,896 of flow-through share funds raised in July 2023 are being used on exploration expenditures of the Silver Kings Project. The funds raised via private placements during the second and third quarter of 2023 of CAD $2,556,411 were to be used and were used for working capital purposes.

(Expressed in US Dollars)

TRANSACTIONS WITH RELATED PARTIES

We have identified the members of our Board of Directors ("Board") and certain senior officers as our key management personnel. The following summarizes the Company's related party transactions with those parties and their spouses during the nine months ended September 30, 2023 and 2022:

Related Party Transactions		Three months ended September 30		Nine months ended September 30	
		2023	2022	2023	2022
Compensation, Management[1]	$	123,330	138,018	389,819	419,741
Compensation, Directors[2]		24,223	24,910	72,453	73,175
Share-based compensation, Management[1,3,4]		42,292	59,491	142,607	418,171
Share-based compensation, Directors[1,3]		33,230	31,259	67,468	118,139
Consulting fees		-	-	-	5,957
	$	**223,075**	**$ 253,678**	**672,347**	**1,035,183**

1. The Company's Senior Officers and spouses included above were David Stein, Christian Aramayo, Stephen Peters, Lesia Burianyk, and Angela Vargas.
2. The Company's Independent Directors included above were Andres Recalde, Dale Peniuk, Maura Lendon, and Javier Del Rio.
3. Share-based compensation for management and directors represent the fair value using the Black-Scholes option pricing model of options.
4. Share-based compensation for management also includes the fair value of RSUs in the 2023 period. RSUs are recorded at fair value based on the market value on the grant date and charged to profit or loss over the vesting period of the RSUs.

As at September 30, 2023, included in accounts payable and accrued liabilities was $16,863 (December 31, 2022 - $53,703) owing to officers and directors.

In addition to management personnel, we have also identified SICG S.A.C., a company which provides engineering and subcontractor services to our operations in Peru as a related party as this company also provides key management personnel services to Kuya which are included in "Compensation, Management" in the Related Party Transactions table above. During the three and nine months ended September 30, 2023, administrative and exploration and evaluation expenditures of $41,528 (2022 - $88,489) and $86,817 (2022 - $190,022) respectively were paid or accrued to this entity, which provides engineering and subcontractor services for the Bethania Silver Project. As at September 30, 2023, included in accounts payable and accrued liabilities was $7,562 (December 31, 2022 - $nil) owing to this entity.

COMMITMENTS AND CONTINGENCIES

Commitments

As at September 30, 2023, the Company has a commitment to pay a monthly fee of $5,000 for advisory services provided to the Company in Peru to a shareholder of the Company. This commitment remains in place for as long as this shareholder maintains a share ownership position of more than five percent of the Company.

During the nine months ended September 30, 2023, the Company raised flow-through funds and agreed to use its commercially reasonable best efforts to incur qualifying exploration expenditures by December 31, 2023. As at September 30, 2023, the Company was obligated to incur $777,686 (CAD $1,055,942) in qualifying exploration expenditures.

(Expressed in US Dollars)

COMMITMENTS AND CONTINGENCIES (cont'd…)

Contingencies

As at September 30, 2023, the Company has the following contingency: MTP withheld an accrued payment of $140,000 due to Compañía Minera San Valentín S.A.C. ("San Valentin") and an arbitration was initiated by San Valentin against the Company before an arbitration panel. The Company was ordered to pay $93,597 plus penalties, interest, and legal fees to the courts per a judicial order in settlement for the $140,000. In November 2021, the Company paid $93,597 towards the settlement. There is currently $46,403 included in accounts payable and accrued liabilities as at September 30, 2023, with respect to San Valentin for penalties, interest, and legal fees.

During the nine months ended September 30, 2023, MTP received a first-instance court judgement ordering MTP to pay $170,876 plus interest to Andes Consorcio Minera Del Peru S.A.C. ("ACOMIMPE"). ACOMIMPE had originally claimed $1,167,835 relating to work performed prior to the Company's purchase of MTP. The Company has filed an appeal and is seeking to have this claim be declared unfounded. ACOMIMPE has also filed an appeal of this judgement which, combined with the Company's appeal, may result in a greater or lesser amount to be awarded. The outcome of this matter is not determinable at this time.

SHARE CAPITAL INFORMATION

The authorized capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at November 23, 2023, there were no preferred shares issued and outstanding. Changes in the number of common shares, stock options, share purchase warrants, finder's fee units, and restricted share units outstanding from September 30, 2023, to the Report Date are summarized below.

Common shares	
Balance as at September 30, 2023 and Report Date	**76,145,183**

Stock options	
Balance as at September 30, 2023 and Report Date	**2,609,800**

Share purchase warrants	
Balance as at September 30, 2023 and Report Date	**17,647,023**

Finder's units	
Balance as at September 30, 2023 and Report Date	**13,395**

Restricted share units	
Balance as at September 30, 2023 and Report Date	**762,500**

CAPITAL AND FINANCIAL RISK MANAGEMENT

Capital Management

The Company defines capital as cash, debt, and the components of shareholders' equity. The Company's objectives when managing capital are to identify, pursue, and complete the exploration and development of its exploration and evaluation assets, to maintain financial strength, to meet its on-going liabilities, to continue as a going concern, to maintain creditworthiness, and to maximize returns for shareholders over the long term. The Company manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the nine months ended September 30, 2023.

Off-Balance Sheet Arrangements

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

Financial Instrument Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at September 30, 2023, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

<u>Credit risk</u>

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

<u>Liquidity risk</u>

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company does not have sufficient cash as at September 30, 2023, to settle its current liabilities as they come due and additional funds are required to continue current operations for the upcoming twelve months.

<u>Market risk</u>

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

CAPITAL AND FINANCIAL RISK MANAGEMENT (cont'd…)

Foreign currency exchange risk – This risk relates to any changes in foreign currencies in which the Company transacts. The Company incurs costs for goods and services denominated in currencies other than the presentation currency and is subject to foreign currency risk on assets and liabilities denominated in currencies other than the United States dollar. The effect of a 10% change in the foreign exchange rate on monetary balances held in United States dollar and Peruvian soles accounts would be approximately $60,000 recorded in profit or loss for the nine months ended September 30, 2023. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD dollar and Peruvian soles accounts would be approximately $144,000 recorded in other comprehensive income or loss for the nine months ended September 30, 2023.

Interest rate risk – This risk relates to the change in the borrowing rates affecting the Company. The Company is not exposed to interest rate risk as it does not have any significant financial instruments with interest rates, with the exception of cash. Interest earned on cash is based on prevailing bank account interest rates, which may fluctuate. A 1% increase or decrease in the interest rates would have a nominal impact in interest income for the nine months ended September 30, 2023.

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

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

Fair value hierarchy

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

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

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

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

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. The fair value of cash, receivables, accounts payable and accrued liabilities approximates their carrying values due to the short-term nature of these financial instruments.

RISK FACTORS

Kuya Silver is subject to the usual risks associated with a junior mineral exploration company conducting business internationally and competes for access to financing, specialized third party service providers and human capital against other exploration companies, some of whom may be better capitalized. While Kuya Silver has been successful in raising financing in the past, mine rehabilitation, commencement of underground mining, toll-milling (i.e., processing ore at a third-party mill into saleable concentrate) prior to construction and/or construction and commissioning of a processing plant, tailings storage facility and related infrastructure, if considered appropriate moving forward, will require substantial additional financing that is not guaranteed.

In addition to the foregoing, Kuya Silver is subject to a number of other risks and uncertainties which are disclosed in full detail under the heading "Risk Factors" in the MD&A for the year ended December 31, 2022. The risks and uncertainties 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 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.

ACCOUNTING DISCLOSURES

New Accounting Policies Adopted

IAS 12, Income Taxes

Effective January 1, 2023, the Company adopted the amendments to *IAS 12, Income Taxes*, which requires companies to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. There was no impact on the condensed interim consolidated financial statements on adoption.

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

A number of new standards and amendments to standards and interpretations have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2024, which have not been applied in preparing these consolidated financial statements as they are not yet effective. The standards and amendments to standards that would be applicable to the consolidated financial statements of the Company are the following:

IAS 1, Presentation of Financial Statements

The amendments clarify the requirements for classifying liabilities as current or non-current. The amendments provide a more general approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. This amendment is effective for financial statements beginning on or after January 1, 2024, with early adoption permitted.

The Company is assessing the potential impact of the application of this standard.

SUBSEQUENT EVENTS

On October 10, 2023, the Company entered into a toll milling services agreement, via MTP, which is Kuya Silver's Peruvian subsidiary, with Compania Minera San Valentin ('CMSV'), which operates a processing plant approximately 20 km by road from the Bethania project. CMSV is to provide toll milling services to MTP for up to three concentrate production circuits, specifically, silver-lead, zinc and copper-silver. The terms in the agreement are guaranteed for twenty-four months and renewable upon mutual agreement. There will be provision for on-site monitoring by MTP personnel. The agreement does not require any minimum production obligations for MTP. As part of the terms of the toll milling agreement, prior to commencement of toll milling operations, Kuya Silver will commit to an upfront payment of $230,000 to CMSV. The toll milling services agreement and any related payments are subject to the completion of definitive documentation.

On November 6, 2023, Kuya announced a conditional strategic investment by Trafigura PTE Ltd ("Trafigura"), through two of its subsidiaries, to invest $1.2 million to acquire units of Kuya Silver to support the restart of production from the Bethania mine, to produce sliver-lead and zinc concentrates. Each unit consists of one common share in the capital of Kuya Silver and one half of one warrant which entitles the holder to acquire one common share for a purchase price equal to 150% of the applicable subscription price for the units for a period of two years following the applicable closing.

The first tranche of units will be issued for an aggregate of $230,000, conditional upon the signing of an offtake agreement for the primary concentrate products from the Bethania mine. The second tranche of units will be issued for an aggregate of $970,000, conditional on Kuya Silver raising an additional $1.3 million for a new investment of $2.5 million.

The units will be issued for a subscription price equal to the 10-day volume weighted average price of the Common Shares on the CSE as of the applicable tranche closing date. Both tranches are contingent upon meeting further due diligence conditions and other conditions typical for a transaction of this nature and are subject to agreement of final transaction documents. In addition, Trafigura has agreed to hold the Common Shares acquired in this transaction for a minimum of one year and will exercise its Warrants if the Common Shares trade at a premium of 25% to the Warrant exercise price for one month.

On November 9, 2023 Kuya announced a non-brokered private placement of a minimum of 9,000,000 units and up to a maximum of 14,000,000 units of the Company at a price of CAD$0.25 per Unit for aggregate gross proceeds of a minimum of CAD$2,250,000 and up to a maximum of CAD$3,500,000. Each Unit will consist of one common share in the capital of the Company (each, a "Common Share") and one Common Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Common Share at an exercise price of CAD$0.37 per Common Share for a period of 24 months from the date of issuance. The Warrants are subject to accelerated expiration whereby if the closing trading price of the Common Shares on the Canadian Securities Exchange (the "Exchange"), or such other stock exchange where the majority of the trading volume occurs, for any period of 15 consecutive trading days equals or exceeds CAD$0.50, the Company may, upon issuing a press release (the "Acceleration Notice"), accelerate the expiry date of the Warrants to the date that is 15 days following the date of the Acceleration Notice. If the Warrants are not exercised by the accelerated expiry date, the Warrants will expire and be of no further force or effect. For more detailed information, a Form 45-106F19 offering document (the "Offering Document") can be accessed under Kuya Silver's profile at www.sedarplus.ca or at www.kuyasliver.com. The Company intends to use the net proceeds for development expenses for the Company's Bethania project, the exploration program for the Company's Silver Kings project, and general working capital purposes. The Offering may close in multiple tranches.

SUBSEQUENT EVENTS (cont'd…)

There is no certainty that these financings or any additional financings will be completed.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

All statements, other than statements of historical fact, contained or incorporated by reference in this MD&A, including but not limited to any information as to the future financial or operating performance of the Company, constitute "forward-looking information" or "forward-looking statements" within the meaning of certain securities laws, and are based on expectations, estimates and projections as of the date of this MD&A. Forward-looking statements contained in this MD&A include, but are not limited to, those under the headings "Company Overview," "Corporate Update and Outlook" and "Liquidity and Capital Resources," and include, without limitation, statements with respect to: capital requirements and capital expenditures; the Company's working capital needs for the next twelve months, and the availability of financing to meet those needs; the schedules and budgets for the Company's development projects; success of exploration and development activities; project studies; and permitting matters. The words "may," "can," "could," will," "expect," "believe," "plan," "intend," "explore," "estimate," "advance," "future," "target," "goal,", "objective," "possibility," "opportunity," "anticipate," "potential," "ongoing," "next," "pursue," and "continue," and similar words and phrases, and variations of these words and phrases, and statements that certain actions, events or results may, could, should or will be taken, will occur or will be achieved, identify forward-looking statements. Forward-looking statements are necessarily based upon estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business and economic uncertainties and contingencies. The estimates and assumptions of the Company referenced, contained or incorporated by reference in this MD&A, which may prove to be incorrect, include but are not limited to the various assumptions set forth herein, as well as: (1) there being no significant disruptions affecting the operations of the Company, whether due to extreme weather events or other natural disasters, labour disruptions (including but not limited to strikes or workforce reductions), supply disruptions, power disruptions or damage to equipment; (2) permitting for the Company's development projects being consistent with the Company's current expectations; (3) advancement of exploration consistent with the Company's expectations at the Company's projects; (4) political and legal developments in any jurisdiction in which the Company operates being consistent with its current expectations including, without limitation, the impact of any political tensions and uncertainty in the Republic of Peru or any restrictions or penalties imposed, or actions taken, by any government, including but not limited to potential amendments to customs, tax and mining laws; (5) the completion of studies on the timelines currently expected and the results of those studies being consistent with the Company's current expectations; (6) certain price assumptions for silver; (7) access to capital markets consistent with the Company's expectations, and sufficient to fund the activities of the Company for the next twelve months; (8) potential direct or indirect operational impacts resulting from infectious diseases or pandemics such as the ongoing COVID-19 pandemic; (9) the effectiveness of preventative actions and contingency plans put in place by the Company to respond to the COVID-19 pandemic, including, but not limited to, social distancing and travel restrictions; and (10) changes in national and local government legislation or other government actions, particularly in response to the COVID-19 pandemic. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: the inaccuracy of any of the foregoing assumptions; fluctuations in the currency markets; fluctuations in the spot and forward price of silver or certain other commodities (such as fuel and electricity); changes in national and local government legislation, taxation, controls, policies and regulations; the security of personnel and assets; political or economic developments in Canada, Peru or other countries in which the Company does business or may carry on business; business

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS (cont'd…)

opportunities that may be presented to, or pursued by, the Company; operating or technical difficulties in connection with mining or development activities; employee relations; litigation or other claims against, or regulatory investigations and/or any enforcement actions, administrative orders or sanctions in respect of the Company (and/or its directors, officers, or employees) including, but not limited to, securities class action litigation in Canada, environmental litigation or regulatory proceedings or any investigations, enforcement actions and/or sanctions under any applicable anti-corruption, international sanctions and/or anti-money laundering laws and regulations in Canada, Peru or any other applicable jurisdiction; the speculative nature of silver exploration and development including, but not limited to, the risks of obtaining necessary licenses and permits; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of silver exploration, development, and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, and flooding (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can directly or indirectly affect, and could cause, the Company's actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by this cautionary note and those made in our other filings with securities regulators. These factors are not intended to represent a complete list of the factors that could affect the Company. The Company disclaims any intention or obligation to update or revise any forward-looking statements or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.