

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

ITEM 1 Name and Address of Company:

Kuya Silver Corporation (the “**Company**”)
Suite 200 - 150 King Street West
Toronto, ON, M5H 1J9

ITEM 2 Date of Material Change:

December 7 and December 8, 2023.

ITEM 3 News Release:

News releases dated December 7 and December 8, 2023 were distributed via Newsfile and subsequently filed on the System for Electronic Document Analysis and Retrieval Plus (SEDAR+) at www.sedarplus.ca.

ITEM 4 Summary of Material Change:

On December 8, 2023, the Company announced it had completed the first tranche of a USD\$1,200,000 non-brokered private placement pursuant to an agreement with Trafigura Pte Ltd (“**Trafigura**”), through two of its subsidiaries, whereby Trafigura has invested USD\$230,000 to acquire 1,248,716 units (“**Trafigura Units**”) of the Company at a price of CDN\$0.25 per Trafigura Unit to support the restart of production from the Bethania mine located in central Peru, to produce silver-lead and zinc concentrates (the “**Trafigura Offering**”). Each Trafigura Unit consists of one common share in the capital of the Company (“**Common Share**”) and one Common Share purchase warrant (“**Trafigura Warrant**”). Each Trafigura Warrant entitles the holder to acquire one Common Share for \$0.37 for a period of two years from the date of issuance. Trafigura has agreed to hold the Common Shares acquired in the Trafigura Offering for a minimum of one year and will immediately exercise the Trafigura Warrants if the Common Shares trade at a premium of 25% to the Trafigura Warrant exercise price for one month.

On December 11, 2023, the Company announced it had closed the first tranche (“**First Tranche**”) of a non-brokered private placement (the “**Offering**”) pursuant to the listed issuer financing exemption under Part 5A of National Instrument 45-106 - *Prospectus Exemptions* (the “**LIFE Exemption**”), by issuing 10,349,000 (“**Units**”) at a price of \$0.25 per Unit for aggregate gross proceeds of \$2,587,250. The Company filed a Form 45-106F19 offering document (the “**Offering Document**”) on November 9, 2023 related to the Offering, which may be accessed under the Company’s profile at www.sedarplus.ca and on the Company's website <https://www.kuyasilver.com>. Pursuant to the Offering, each Unit consisted of one Common Share and one Common Share purchase warrant (“**Warrant**”). Each Warrant entitles 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. The Units issued in the Offering are not subject to any statutory hold period under applicable Canadian securities laws, subject to limitations prescribed by the LIFE Exemption. In connection with the First Tranche, the Company paid fees to qualified parties (each, a “**Finder**”) in accordance with the policies of the Exchange, being a cash commission of \$104,985, which was 6.0% on total proceeds received from subscribers introduced to the Company by each Finder and issued 419,940 in non-transferable Common Share purchase warrants (each, a “**Finder's Warrant**”), which was 6.0% of the total Units issued to subscribers introduced to the Company by each Finder. Each Finder's Warrant entitles the holder thereof to acquire one Common Share at an exercise price of CAD\$0.25 per Common Share for a period of 24 months from the date of issuance. The Company

intends to use the net proceeds from the Offering for development expenses for the Company's Bethania project, the exploration program for the Company's Silver Kings project, and general working capital purposes, as more specifically detailed in the Offering Document.

ITEM 5 Full Description of Material Change:

5.1 – Full Description of Material Change:

On December 8, 2023, the Company announced it had completed the first tranche of a USD\$1,200,000 non-brokered private placement pursuant to an agreement with Trafigura, through two of its subsidiaries, whereby Trafigura has invested USD\$230,000 to acquire 1,248,716 Trafigura Units of the Company at a price of CDN\$0.25 per Trafigura Unit to support the restart of production from the Bethania mine located in central Peru, to produce silver-lead and zinc concentrates. Each Trafigura Unit consists of one Common Share in the capital of the Company and one Trafigura Warrant. Each Trafigura Warrant entitles the holder to acquire one Common Share for \$0.37 for a period of two years from the date of issuance. Trafigura has agreed to hold the Common Shares acquired in the Trafigura Offering for a minimum of one year and will immediately exercise the Trafigura Warrants if the Common Shares trade at a premium of 25% to the Trafigura Warrant exercise price for one month. The Trafigura Warrants issued in connection with the first tranche closing of the Trafigura Offering are exercisable until December 7, 2025.

On December 11, 2023, the Company announced it had closed the First Tranche of the Offering pursuant to the LIFE Exemption by issuing 10,349,000 Units at a price of \$0.25 per Unit for aggregate gross proceeds of \$2,587,250. The Company filed the Offering Document on November 9, 2023 related to the Offering, which may be accessed under the Company's profile at www.sedarplus.ca and on the Company's website <https://www.kuyasilver.com>. Pursuant to the Offering, each Unit consisted of one Common Share and one Warrant. Each Warrant entitles 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 an 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. The Units issued in the Offering are not subject to any statutory hold period under applicable Canadian securities laws, subject to limitations prescribed by the LIFE Exemption. In connection with the First Tranche, the Company paid fees to Finders in accordance with the policies of the Exchange, being a cash commission of \$104,985, which was 6.0% on total proceeds received from subscribers introduced to the Company by each Finder and issued 419,940 in non-transferable Finder's Warrants, which was 6.0% of the total Units issued to subscribers introduced to the Company by each Finder. Each Finder's Warrant entitles the holder thereof to acquire one Common Share at an exercise price of CAD\$0.25 per Common Share for a period of 24 months from the date of issuance. The Warrants and Finder's Warrants issued in connection with the First Tranche are exercisable until December 8, 2025, subject to the Acceleration Notice applicable on the Warrants. Securities issued to Finders are subject to a statutory hold period expiring April 9, 2024 in accordance with applicable Canadian securities laws. The Company intends to use the net proceeds from the Offering for development expenses for the Company's Bethania project, the exploration program for the Company's Silver Kings project, and general working capital purposes, as more specifically detailed in the Offering Document.

5.2 – Disclosure for Restructuring Transactions:

Not applicable.

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

Not Applicable.

ITEM 7 Omitted Information:

Not Applicable.

ITEM 8 Executive Officer:

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

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

ITEM 9 Date of Report:

DATED as of December 18, 2023.

Reader Advisory

This material change report contains statements that constitute "forward-looking information," including statements regarding the plans, intentions, beliefs, and current expectations of the Company, its directors, or its officers with respect to the future business activities of the Company. The words "may," "would," "could," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect," "must," "next," "propose," and similar expressions, as they relate to the Company or its management, are intended to identify such forward-looking information. Without limiting the generality of the foregoing statements, the proposed use of the proceeds of the Trafigura Offering and the Offering is forward-looking information. 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 market prices, successes of the operations of the Company, continued availability of capital and financing, and general economic, market, and business conditions. 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.