KUYA SILVER CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2024

(Expressed in US Dollars)

Report Date – MAY 28, 2024

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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 months ended March 31, 2024. 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 months ended March 31, 2024, 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, 2023. 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, 2023, 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 May 28, 2024 (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 (Santa Elena mining concession) that operated from 2010 to 2016, the Carmelitas concessions, and the Tres Banderas concessions as detailed below and collectively covers approximately 4,295 hectares. One of the Company's key goals for the Bethania Silver Project is to develop a 350 tonnes per day ("tpd") mining operation that would include the construction of a 350 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.

In fiscal 2021, subsequently amended in fiscal 2022, the Company entered into agreements to acquire mining concessions located in the district of Acobambilla, department of Huancavelica, Peru, west of Bethania, known as the Carmelitas concessions. The Company completed the acquisition for a total purchase price of $952,500, which consisted of making cash payments totaling $552,500 and issuing 1,084,490 common shares, valued at $399,910. The final payment of $100,000 was paid in fiscal 2023.

Tres Banderas Concessions

The Tres Banderas 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. Tres Banderas 01 through 07 mining claims, (that are near to and contiguous with the Santa Elena mining concession, which includes the Bethania mine) were acquired through an open application process from 2019 and 2022 by Kuya Silver S.A.C. ("Kuya S.A.C."). In early 2023, a mineral concession for Tres Banderas 08 (contiguous with Tres Banderas 06 to the south) was awarded to Kuya S.A.C. These concessions cover other favourable targets in close proximity to the Bethania mine, including the Tito-PH prospect located on the Tres- Banderas 03 concession.

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

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 14,414 hectares in the Coleman, Gilles Limit, Lorrain, South Lorrain, Kittson, Barr, Klock, and Dane 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. The Company continually manages its property position based on strategic goals, geological potential and expenditure requirements and may increase or decrease these holdings from time to time.

Following consolidation of the Silver Kings Project land package, as a next step, the Company executed two separate diamond drill programs in 2023 at the Silver Kings Project targeting silver-cobalt mineralization in the Kerr Project area, specifically on the Campbell-Crawford and Airgiod properties.

<u>Kerr Project</u>

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. In connection with the acquisition, a reclamation provision in the amount of $1,739,102 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 2024 with $2,650,187 in cash, from financing obtained through various means during 2023. Included in the opening cash balance are the remaining flow-through share funds of $388,309. During the three months ended March 31, 2024, no new financings were undertaken.

Subsequent to March 31, 2024, a financing was completed by the Company. Details are found in the subsequent event section.

Exploration and evaluation assets

Bethania Silver Project

One of the Company's key goals for the Bethania Silver Project is to resume mining operations and to build a 350 tpd processing plant. However, in the immediate future, the Company's management is focused on reviewing options which includes resuming underground mining activities and 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.

The Company plans to restart operations by toll milling mineralized material at one or more of the nearby mills in the area. There is a robust spot market for milling services within trucking distance from the Bethania project, and in the past the Company has disclosed agreements with service providers such as: Compania Minera San Valentin and Peru Sol. The Company maintains discussions with several mills with a goal of minimizing costs, including trucking expense, and maximizing concentrate production performance. Environmental and social factors are also considered by Kuya Silver in committing to any third-party business arrangements.

In early 2024, Kuya Silver started 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 included 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 has focused 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.

Even though the PEA has demonstrated 7 years of life of mine, 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. Between two vein systems identified at Carmelitas (also referred to as Carmelitas Main and Carmelitas Norte) and the Company's understanding of the Bethania mine area, the Company can identify at least 2.3 kilometres of combined strike length of mineralized vein systems which collectively to date have seen minimal exploration at depth.

CORPORATE UPDATE AND OUTLOOK (cont'd…)

Exploration and evaluation assets (cont'd…)

Silver Kings Project

Kuya Silver has completed transactions that consolidate 14,414 hectares 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, Airgiod and North Drummond targets (also referred to as the Kerr Project). In early 2023, the Company made a new silver vein discovery on the Campbell-Crawford claim, which is now known as the Angus Vein. Since then, the Company has identified other veins and vein structures both in drilling and on the surface in close proximity to the Angus Vein which have been shown to host silver-cobalt mineralization. In our most recent drill campaign performed during fourth quarter of 2023, the Company further extended the footprint of silver-cobalt mineralized veins on the Campbell-Crawford property, delineating several new veins. In addition, Kuya Silver drilled a successful step-out hole intersecting a newly identified mineralized vein on the adjacent Airgiod property, approximately 250 m west of the Angus Vein discovery. The second phase of 2023 drilling was completed, with results released in January 2024. Currently exploration plans for the remainder of the year include surface work and detailed geophysics in order to refine specific drill targets on the project with an emphasis on advanced targets in the Kerr Lake and Silver Centre areas which are anticipated to be partially funded from the remainder of the flow-through financing from 2023.

(Expressed in US Dollars)

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Details of the significant expenditures for the three months ended March 31, 2024 and 2023 are described below:

Selected Financial Information		**Three months ended March 31,**		
		2024		2023
Revenue	**$**	-	$	-
Exploration & evaluation expenditures		**524,842**		841,931
Administrative expenses[1]		**550,512**		497,581
Share-based compensation		**87,475**		78,288
(Gain) on settlement of accounts payable and accrued liabilities		**-**		(13,440)
Other (income) expense		**6,661**		(56,725)
(Loss) for the period	$	**(1,169,490)**	$	(1,347,635)
(Loss) per share (Basic and diluted)[2]:	**$**	(0.01)	$	(0.02)
Cash dividends declared	**$**	-	$	-

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 first quarter of 2024, the Company had a loss of $1,169,490 as compared to a loss of $1,347,635 in the same quarter of 2023. The loss for the quarter was comprised of $524,842 (2023 - $841,931) in exploration and evaluation expenditures, $550,512 (2023 - $497,581) in administrative expenses excluding share-based compensation of $87,475 (2023 - $78,288), and net other loss of $6,661 (2023 - $70,165 net other income). Net other loss for the three months ended March 31, 2024, included income due to the recognition of flow-through premium of $9,727 (2023 –$87,917), a foreign exchange loss of $2,962 (2023 - $16,301), and accretion expense of $13,426 (2023 - $14,891, and a gain on settlement of accounts payable and accrued liabilities of $Nil (2023 - $13.440), Losses for the three months ended March 31, 2024 were lower compared to the same period in 2023 due mainly to less exploration & evaluation expenditures. These lower costs were somewhat offset with increased administrative expenses including share-based compensation and net other expenses versus net other income 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 months ended March 31, 2024, and 2023 are as follows:

Exploration and evaluation expenditures		**Three months ended March 31**		
		2024		2023
Bethania Silver Project				
Civil works and engineering	$	**19,492**		19,233
Geology and drilling		**-**		15,053
Mine rehabilitation		**258,733**		-
Operations and supplies		**23,350**		66,071
Property maintenance, licences and rights		**180**		31,868
Safety and environment		**3,184**		15,315
Value Added Tax ("VAT")		**39,347**		15,555
Wages and benefits		**63,798**		50,861
		408,084		213,956
Silver Kings Project				
Civil works and engineering		**17,001**		103,302
Geology and drilling		**5,314**		412,148
Operations and supplies		**10,295**		32,657
Safety and environment		**885**		2,656
Wages and benefits		**83,263**		77,212
		116,758		627,975
Total	**$**	**524,842**	**$**	841,931

Bethania Silver Project

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 been focused on preparing the site for mining which is reflected in the mine rehabilitation category in the above chart.

Silver Kings Project

Exploration and evaluation expenditures during 2023 was predominantly focused on two drill programs which totaled 9,371 metres combined between spring and fall programs. The first phase drilling tested several targets in the Kerr Project, with a focus on the Campbell-Crawford property where the new Angus Vein discovery was made. The second half program continued to test and expand the understanding of buried silver-cobalt mineralization at Campbell-Crawford, with one hole in the adjacent Airgiod property making a new vein discovery at depth (Moran Vein). In the three months ended March 31, 2024, the Company focused on field work to generate greater confidence and prioritize targets at the project to guide future drilling programs.

(Expressed in US Dollars)

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

Administrative Expenses

Administrative Expenses	Three months ended March 31	
	2024	2023
Administrative costs	$ **27,365**	$ 9,981
Directors' fees	**25,014**	24,915
Filing fees	**8,703**	8,825
Management fees	**15,569**	15,526
Marketing and investor relations	**95,495**	39,841
Office and miscellaneous	**79,208**	86,353
Professional fees	**68,117**	66,284
Share-based compensation	**87,475**	78,288
Shareholder communication	**2,943**	2,802
Transfer agent	**1,876**	2,803
Travel	**72,596**	28,035
Wages and benefits	**153,626**	212,216
	637,987	575,869
less: Share based compensation	**(87,475)**	(78,288)
Cash - Admin costs	**$ 550,512**	**$ 497,581**

Administrative expenses (excluding share-based compensation) of $550,512 were incurred in the three months ended March 31, 2024, as compared to $497,581 in the same period in 2023. The increase in administrative expenses for the three months ended March 31, 2024 compared to the comparable period last year reflect increased spending in the area of travel as a result of business development initiatives and travel related to the Bethania site, general investor consulting and advisory services. Offsetting those increases to a certain extent was a reduction in wages and benefits over last year mainly coming from the Peruvian operations.

Other Items

Included in other income/expense for the periods are the following: the recognition of the flow-through share premium as flow-through funds are spent, foreign exchange loss/(gain), gain on settlement of accounts payable and accrued liabilities, and accretion expense on reclamation provisions. 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 first quarter of 2024 was $2,962 (2023 - $16,302). Also included in the other expense for the first quarter of 2024, was $13,426 (2023 – $14,891) of accretion expense related to the reclamation provision which was recorded as an increase to the reclamation provision on Kerr. In addition to the forgoing, a premium on the flow-through shares of $9,727 (2023 - $87,917) was recognized in the quarter. The three months ended March 31, 2023 contained a gain on settlement of accounts payable of $13,440 relating to the issuance of shares to Electra to settle debt.

(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 three months ended March 31, 2024:

Project		Bethania Silver Project		Silver Kings Project		Total
Civil works and engineering	$	2,246,335	$	227,575	$	2,473,910
Geology and drilling		1,281,967		1,308,984		2,590,951
Mine rehabilitation		258,733		-		258,733
Operations and supplies		1,234,210		267,979		1,502,189
Property maintenance, licences and rights		110,524		76,563		187,087
Safety and environment		467,586		41,250		508,836
Value Added Tax ("VAT")		1,109,108		-		1,109,108
Wages and benefits		1,116,646		847,118		1,963,764
Expense recovery from Electra		-		(119,175)		(119,175)
Total	**$**	**7,825,109**	**$**	**2,650,294**	**$**	**10,475,403**

Cumulative costs are as follows: Bethania Silver Project, since acquisition of 100% on December 15, 2020; Silver Kings Project, which consists of Kerr Assets 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 develop a 350 tpd mining operation that would include the construction of 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 5,000-metre 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
- Commencement of mine rehabilitation in advance of restarting mining activities

In the first quarter, the Company has taken initial steps to commence reconditioning and underground development required to restart mining operations, with a plan in subsequent quarters to recover mineralized material from the mine, stockpile this material at site and process it at nearby plants to produce saleable concentrates. In the longer term, further work may include finalizing plans, including arranging financing to make a construction decision on the Bethania process plant.

(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 completed drill programs totaling 9,371 metres over the course of 2023 with the results from the final batch of assays reported early 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.

		2024	2023				2022		
		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Selected Financial Information									
Revenue	$	-	-	-	-	-	-	-	-
Exporation & evaluation expenditures	$	524,842	951,556	301,766	423,522	841,931	244,606	317,701	566,085
Administrative expenses[1]	$	550,512	502,669	455,119	455,365	497,581	808,951	739,771	770,806
Share-based compensation	$	87,475	76,925	86,096	75,616	78,288	41,296	184,044	278,618
(Gain) on settlement of accounts payable and accrued liabilities	$ $	-	-	-	-	(13,440)	-	-	(4,797)
Foreign exchange loss/(gain) and other[2]	$	6,661	(157,291)	67,373	(49,444)	(56,725)	11,390	78,643	42,772
Loss for the period	$	1,169,490	1,373,859	910,354	905,059	1,347,635	1,106,243	1,320,159	1,653,484
(Loss) per share - Basic and diluted [3]:	$/share	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.02)	(0.03)	(0.03)

1. Administrative expenses exclude share-based compensation.
2. Other includes items such as interest income, accretion expense, 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 first quarter of 2024.
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…)

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 the fourth quarter of 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 and fourth 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 relatively consistent across all quarters in 2023 and generally 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 the foreign exchange loss (gain) and other category was a foreign exchange gain for the quarter of $71,714, a gain on the flow-through share premium of $100,368 which has been recorded in each of the 2023 quarters, and an accretion expense of $14,790.

In the first quarter of 2024, work was undertaken on the preparation of the Bethania site for mining which is expected to commence by the second half of 2024. These costs were recorded in exploration and evaluation expenditures. Administrative expenses increased over the fourth quarter of 2023 as travel and marketing spending increased mainly due to business development initiatives as well as the initiation of preparatory work on the Bethania site. The foreign exchange loss (gain) and other category contains a loss on foreign exchange of $2,797, accretion expense of $13,426, and a recognition of the premium on flow-through shares of $9,727.

(Expressed in US Dollars)

LIQUIDITY AND CAPITAL RESOURCES

	Three months ended March 31, 2024	Three months ended March 31, 2023
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the period	$ (1,169,490)	$ (1,347,635)
Items not involving cash	(19,143)	(87,218)
Change in non-cash working capital	(10,951)	696,118
Net cash used in operating activities	(1,199,584)	(738,735)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Disposal of facilities and equipment	-	20,500
Additions to exploration and evaluation assets	-	(100,000)
Net cash used in investing activities	-	(79,500)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Share issue costs	(40,070)	-
Share subscriptions received in advance	-	96,279
Net cash provided by financing activities	(40,070)	96,279
Change in cash	(1,239,654)	(721,956)
Effect of foreign exchange on cash	(588)	2,331
Cash, beginning of period	2,650,187	1,196,879
Cash, end of period	$ 1,409,945	$ 477,254

The Company's cash position decreased from $2,650,187 at December 31, 2023, to $1,409,945 as at March 31, 2024. Cashflows used in operations of $1,199,584 were mainly used at the Bethania site in preparation for mining activity that is expected to commence later this year and to cover general administrative expenses in both Peru and Canada. This compares to $738,735 of cashflow used in operating activities during the same period last year. No new financings were closed in the first quarter 2024, although share issue costs of $40,070 related to a December 2023 financing closing were paid. In the first quarter of 2023, there was $96,279 of cash received in advance for a share subscription that closed subsequent to that period end. There were no funds used in investing activities in the first quarter of 2024 while in the same quarter last year, $100,000 was paid relating to the remaining balance owed on the Carmelitas property while $20,500 was received by the Company on the disposal of vehicles.

The Company had net working capital of $903,806 as at March 31, 2024, compared to net working capital of $2,012,055 as at December 31, 2023, as shown below. Although the Company had cash in excess of current liabilities as at March 31, 2024, $302,024 of the cash related to unspent flow-through share proceeds which is required to be spent on qualified Silver Kings exploration costs.

(Expressed in US Dollars)

LIQUIDITY AND CAPITAL RESOURCES (cont'd…)

Working Capital		March 31, 2024		December 31, 2023
Current assets	$	**1,800,693**	$	3,005,783
Current liabilities		**896,887**		993,728
Net working capital	$	**903,806**	$	2,012,055

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 $8,084,156 ($6,014,197) in fiscal 2023, and CAD $1,391,439 ($970,000) up to the Report Date in 2024, additional funding may 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 remainder of the year.

Although the expectation is that revenues from the operation of the Bethania mine site are to be earned in the second half of 2024, 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 near future.

Use of Proceeds

The funds raised in the fourth quarter of 2023 and in 2024 were and are being used for start up operations at the Bethania mine site, Silver Kings exploration expenditures, and working capital purposes throughout 2024.

(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 three months ended March 31, 2024 and 2023:

Related Party Transactions	Three months ended March 31	
	2024	2023
Compensation, Management[1]	$ **121,682**	134,405
Compensation, Directors[2]	**24,095**	24,028
Share-based compensation, Management[1,3,4]	**47,393**	48,318
Share-based compensation, Directors[1,3]	**11,572**	17,694
	$ 204,742	$ 224,445

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 restricted share units in the period. Restricted share units 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 restricted share units.

As at March 31, 2024, included in accounts payable and accrued liabilities was $15,188 (December 31, 2023 - $31,049) 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 months ended March 31, 2024, administrative and exploration and evaluation expenditures of $19,255 (2023 - $26,065) were paid to this entity. As at March 31, 2024, included in accounts payable and accrued liabilities were $4,733 (December 31, 2023 - $nil) owing to this entity.

COMMITMENTS AND CONTINGENCIES

Commitments

During the year ended December 31, 2023, the Company raised flow-through funds and agreed to use its commercially reasonable best efforts to incur qualifying exploration expenditures by December 31, 2024. As at March 31,2024, the Company was obligated to incur $302,024 (CAD $408,932) in qualifying exploration expenditures.

COMMITMENTS AND CONTINGENCIES (cont'd…)

Contingencies

The Company may be involved in legal proceedings arising in the ordinary course of business, including the actions described below. The potential amount of the liability with respect to such legal proceedings is not expected to materially affect the Company's financial position and results from operations. The Company has accordingly not accrued any amounts related to the litigations below (unless otherwise noted). The Company intends to vigorously defend these claims.

As at March 31, 2024, the Company has the following contingencies:
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 to the courts towards the settlement. There is currently $46,403 included in accounts payable and accrued liabilities as at March 31, 2024 with respect to San Valentin for penalties, interest and legal fees.

In fiscal 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 in 2020. 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.

(Expressed in US Dollars)

SHARE CAPITAL INFORMATION

The authorized capital of the Company consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at March 31, 2024, there were no preferred shares issued and outstanding. Balances of the number of common shares, stock options, share purchase warrants, and restricted share units outstanding from March 31, 2024, to the Report Date are summarized below.

Common shares	
Balance as at March 31, 2024	**93,360,399**
Issued	5,514,756
Balance as at Report Date	**98,875,155**

Stock options	
Balance as at March 31, 2024 and Report Date	**3,359,800**

Share purchase warrants	
Balance as at March 31, 2024	**34,055,679**
Issued	5,266,324
Exercised	(248,432)
Expired	(326,666)
Balance as at Report Date	**38,746,905**

Restricted share units	
Balance as at March 31, 2024 and Report Date	**1,137,500**

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 year ended March 31, 2024.

Off-Balance Sheet Arrangements

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

Financial Instrument Risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. As at December 31, 2023, the Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they 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 has sufficient cash as at December 31, 2023, to settle its current liabilities as they come due but additional funds are required to continue current operations for the upcoming twelve months.

Market risk

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

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 $41,000 recorded in profit or loss for the three months ended March 31, 2024. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD $ and Peruvian soles accounts would be approximately $172,000 recorded in other comprehensive income or loss for the three months ended March 31, 2024.

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 three months ended March 31, 2024.

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

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

Fair value hierarchy

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

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

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

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

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities. 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 and mining 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, 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, may require substantial additional financing that is not guaranteed.

The Company's operating and capital costs are affected by the cost of commodities and goods such as fuel and supplies, which have been assumed to be available for purchase. It has also been assumed that the Company will have access to the required amount of sufficiently skilled labour as required for operations. Certain factors are outside the Company's control and an increase in the costs of (due to inflation, impacts of the Russia and Ukraine conflict, supply chain disruptions or otherwise), or a lack of availability of, commodities, goods and labour may have an adverse impact on the Company's financial condition and results of operations. The current global economic environment has caused significant volatility in foreign exchange rates, which may also have an adverse impact on the Company's financial condition and results of operations.

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, 2023. 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 1, Presentation of Financial Statements

Effective January 1, 2024, the Company adopted the amendments to *IAS 1, Presentation of Financial Statements,* which 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. There was no impact on the unaudited consolidated interim 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, 2025 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:

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1; many of the existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its operating profit or loss.

The Company is currently assessing the impact of this new accounting standard on its financial statements.

SUBSEQUENT EVENTS

Subsequent to March 31, 2024, the Company:

a) issued 248,432 common shares, for proceeds of CAD $89,708 ($65,381) on the exercise of warrants; and

b) on April 11, 2024, the Company closed the final tranche of a $1,200,000 non-brokered private placement pursuant to an agreement with Trafigura Pte Ltd ("Trafigura") through two its subsidiaries, whereby Trafigura has invested $970,000 (CAD $1,316,581) to acquire 5,266,324 units of Kuya Silver at a price of CAD $0.25 per unit to support the restart of production from the Bethania mine. Each unit consists of one common share in the capital of Kuya Silver and one common share purchase warrant. Each warrant entitle the holder to acquire one common share for CAD $0.37 until April 11, 2026. Trafigura has agreed to hold the common shares acquired in the offering for a minimum of one year and will immediately exercise the warrants if the common shares trade at a premium of 25% to the warrant exercise price for one month

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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 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

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

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.