



Kuya Silver To Strengthen Financial Position With Convertible Financing As Silver Production At Bethania Ramps Up

Toronto, Ontario - 1, 2024 - Kuya Silver Corporation (CSE: KUYA) (OTCQB: KUYAF) (FSE: 6MR1) (the "**Company**" or "**Kuya Silver**") is pleased to announce that it has agreed upon the terms upon which it proposes to enter into a definitive convertible financing agreement (the "**Agreement**") with L1 Capital Global Opportunities Master Fund (the "**Investor**"). Under the terms of the Agreement, the Investor will subscribe for, and the Company will issue, a unit ("**Unit**") comprised of a secured convertible debenture of the Company (the "**Debenture**") and a number of common share purchase warrants of the Company (each a "**Warrant**"). The Debenture will be issued in the principal amount CAD \$1,111,111 and includes an original issue discount of 10% in favour of the Investor. The Company will receive net proceeds of CAD \$1,000,000, less a 2% transaction fee to the Investor and applicable closing costs. The number of Warrants comprising the Unit shall be equal to the principal amount of the Debenture divided by the 10-day volume weighted average trading price ("**VWAP**") of the common shares of the Company (each a "**Common Share**") prior to the issuance of the Unit, multiplied by 33%. Each Warrant may be exercised to acquire a Common Share for a period of 30 months from the date of issuance. The exercise price of the Warrants will be equal to 130% of the closing price of the Common Shares on the Canadian Securities Exchange (the "**CSE**") on the day prior to the date of issuance of the Warrants. The net proceeds of the financing will provide additional financial flexibility as the Company ramps up its silver mining operations at the Bethania Project, Peru.

David Stein, Kuya Silver's President and CEO remarked, "Kuya Silver has never been busier, with intensifying production operations at the Bethania project and an active drilling campaign at the Silver Kings project happening simultaneously. The Company is in the enviable position of being able to advance and add value at two high-quality silver projects at the same time. This relatively small additional funding will greatly help the Company manage its working capital as we transition to a growing silver producer, we are very pleased to have a supportive partner for this transaction."

The Agreement also contemplates that, at the option of the Company, and provided at the time that the outstanding principal amount of the Debenture is less than CAD \$600,000 and the trading price of the Common Shares is more than CAD \$0.25 per share, the Investor shall subscribe for an additional unit ("**Additional Unit**") comprised of an additional secured convertible debenture of the Company (the "**Additional Debenture**") and a number of Common Share purchase warrants of the Company (each an "**Additional Warrant**"). The Additional Debenture comprising the Additional Unit will be issued in the principal amount of CAD \$555,555 and, after a 10% original issue discount, the Company would receive net proceeds of CAD \$500,000, less a 2% transaction fee to the Investor and applicable closing costs. The number of Additional Warrants comprising the Additional Unit shall also be equal to the principal amount of the Additional Debenture divided by the 10-day VWAP of the Common Shares prior to the issuance of the Additional Unit, multiplied by 33%. Each Additional Warrant may be exercised to acquire a Common Share for a period of 30 months from the date of issuance. The exercise price of the Additional Warrants will be equal to 130% of the closing price of the Common Shares on the CSE on the day prior to the date of issuance of the Additional Warrants. The subscription for the Additional Unit shall be completed on the date that is the later of December 15, 2024, or 100 days after the date of issuance of the Unit.

Each of the Debenture and Additional Debenture will have a 15-month term from the date of issuance and will bear an annualized interest rate of 8% calculated daily and paid quarterly. At the option of the Investor, each of the Debenture and Additional Debenture shall be convertible into Common Shares of the Company at a conversion price equal to the closing price of the Common Shares on the CSE on the day prior to the date of conversion. The Company may elect to repay all or part of the Debenture and/or the Additional Debenture prior to the respective maturity dates at an amount equal to 110% of the respective principal amounts, plus accrued interest and interest to the end of the quarter in which the repayment was made. Upon receipt of a notice of repayment, the Investor shall have the option to exclude up to one-third of the then outstanding principal amount of the Debenture and/or the Additional Debenture from such early repayment.

The securities underlying the Unit and Additional Unit will not be subject to any statutory hold period under applicable Canadian securities laws.

About Kuya Silver Corporation

Kuya Silver is a Canadian-based, growth-oriented mining company with a focus on silver. Kuya Silver operates the Bethania silver mine in Peru, while developing district-scale silver projects in mining-friendly jurisdictions including Peru and Canada.

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Reader Advisory

This news release 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," "new," "potential," "prospective," "target," "future," "verge," "favourable," "implications," and "ongoing," 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, any discussion regarding the proposed Agreement with the Investor, the proposed use of the proceeds of the financing and the Company's business operations, 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.

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