



Kuya Silver Announces Letter of Intent to Accelerate Production at Bethania Project and Updates Ramp-Up Progress

Toronto, Ontario – December 5, 2024 - Kuya Silver Corporation (CSE: KUYA) (OTCQB: KUYAF) (FSE: 6MR1) (the "**Company**" or "**Kuya Silver**") is pleased to announce a Letter of Intent ("**LOI**") with Novamera Inc. to deploy their patented Surgical Mining™ process from surface, which, if implemented, would provide additional production tonnage over and above the Company's conventional underground mining production at its flagship Bethania mine in Peru. Novamera's innovative technologies has been successfully deployed at projects spanning Canada to South America, focusing on both precious and energy transition metals. Kuya Silver sees this partnership as an opportunity to produce bonus tonnage, not previously expected in the conventional underground mine plan. In addition, Kuya Silver is pleased to provide an update on current silver mining activities at its flagship Bethania mine in Peru.

Key Highlights:

- Kuya Silver and Novamera plan to implement their state-of-the-art and environmentally friendly Surgical Mining™ process to gain additional production tonnage from surface as quickly as possible in 2025.
- This additional bonus production, expected to be approximately 100 tonnes per day ("**tpd**") could allow for a faster ramp-up to the initial 350 tpd production target, and potentially accelerate a production expansion beyond 350 tpd.
- Novamera has agreed to arrange financing for the Surgical Mining™ Project ("**SM Project**") at no up-front cost to Kuya Silver.
- Bethania ramp-up continues: Previously unknown mineralized structure branching off the Española vein was uncovered during normal development activities has provided additional higher-than-average grade material to date.

Surgical Mining™ Project

Kuya Silver is pleased to partner with Novamera Inc. with the aim of implementing its patented Surgical Mining™ technique at the Bethania project. The Bethania resource area consists of a swarm of structurally controlled silver-polymetallic veins, many of which extend to surface. Novamera's mining solution is well suited to the geology at Bethania, drilling large diameter holes from surface targeting vein mineralization. The resulting broken rock recovered consists of mineralized material similar to what would be mined using conventional underground mining methods. The technology consists of data driven hardware and software solutions to guide the drill process and minimize dilution. Once drilled, the holes can be immediately reclaimed to provide structural support to the mine with a minimal environmental footprint on surface.

Kuya Silver and Novamera have engaged to complete a definitive agreement on the SM Project as well as refining and finalizing the implementation plans over the next few months. Currently it is anticipated that the SM Project would provide up to an additional 100 tpd of production from surface, having little impact on Kuya Silver's conventional underground mining activities. The additional 100 tpd production could generate significant incremental revenue, enhancing cash flow and accelerating overall project payback.

With minimal surface disruption and real-time reclamation, the SM Project aligns with Kuya Silver's commitment to sustainable mining practices.

Novamera has agreed to source funding for upfront capital required for the SM Project, which is expected to be on the order of \$4.0 - \$4.5 million USD, to be repaid from SM Project cash flows, after which Kuya Silver has agreed to pay Novamera a revenue share (capped at USD \$50/oz silver price).

David Stein, Kuya Silver's President and CEO stated, "Since being introduced to Novamera and its Surgical Mining™ process, we have been fascinated by the possibility to use this technology at Bethania, which seems perfectly suited for this kind of technique to increase production and extract resources near surface that might otherwise be sterilized by normal mining operations. The arrangement with Novamera results in minimal upfront financial or operational risk to Kuya Silver, with the opportunity to profit meaningfully from this bonus production opportunity."

Dustin Angelo, Novamera's CEO said of the LOI, "We are excited to partner with Kuya Silver and help them unlock more value from their mineral resources. It's great to be working with such an outstanding team that is willing to explore innovative solutions that benefit all stakeholders of a mining project. We look forward to partnering with Kuya Silver, getting this project started in short order and showcasing the operational, economic and environmental benefits of Surgical Mining™.

Bethania Ramp-up Update

The Bethania mine is ramping up production, broadly within expected parameters at this stage of the process. Overall production in Q3 and early Q4 was slowed by longer-than-expected lead time to purchase explosives, however these issues have now been fully resolved. To date, the mine has achieved close to 40 tpd of production, while at this stage mine development is still being heavily prioritized to reach optimal production levels in the near future. Currently the Company expects to achieve 100 tpd of mineralized and non-mineralized (development) material by mid Q1, with proportion of development declining in Q2 and beyond. Kuya Silver aims to achieve its initial target of 350 tpd by Q3 2025 (not including the SM Project).

In the normal course of mine development, Kuya Silver was pleased to encounter a previously unknown mineralized branch of the Española Vein while developing production access on the main Española Vein. Kuya Silver is currently mining this new vein with grades to date being well above the expected average. While this recent production success is not necessarily indicative of future production expectations, it is worth noting that our 2021-22 diamond drilling program, identified several previously unknown veins, now part of our resource estimate, and today in the early stages of mining operations we are seeing similar occurrences.

Finally, in preparation for year-end, the Bethania team is preparing to submit its mine plan for 2025 to the Peruvian authorities. In that plan, Kuya Silver has designed a new production ramp, to be developed progressively over the course of the year and beyond, which would improve safety, and allow for production to increase beyond 100tpd with better access to deeper levels of the mine. Kuya Silver has also designed a preliminary underground exploration drill program into its 2025 operations plans.

National Instrument 43-101 Disclosure

The technical content of this news release has been reviewed and approved by Kevin J. O'Connell, P.E., Independent Technical Advisor to Kuya Silver and a Qualified Person as defined by National Instrument 43-101.

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.

About Novamera

Novamera is a surgical mining technology company that has developed data-driven hardware and software solutions that pinpoint, map, navigate and extract high value narrow vein deposits. Novamera's precision drilling products integrate into conventional drilling equipment, enabling mining companies to quickly and sustainably mine various metal and mineral deposits that are otherwise uneconomic due to size, geometry and orientation. The process has large scale environmental and social impacts to support ESG targets and improve social licence. Requiring a small footprint with no blasting, the solution produces 95% less waste, 44% less GHG emissions and 99% less water discharge.

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