

High Grade Silver in Peru



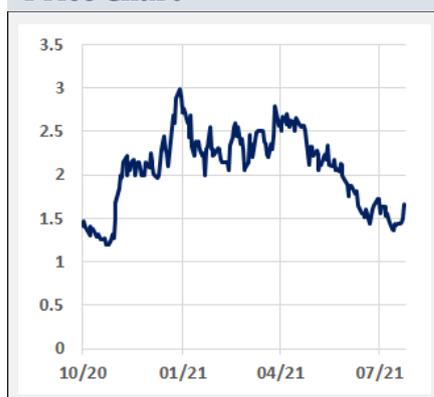
Key Data

Listing:	CSE
Ticker:	KUYA
Shares Outstanding:	44.5M
Share Price:	C\$1.63
Market Cap:	C\$72.55M

Company Summary

Kuya is a Canadian company that owns the Bethania high-grade silver mine in Peru. Kuya intends to bring the mine back into production in late 2022. Kuya also owns the Silver Kings property in Ontario, Canada

Price Chart



Main Shareholders HOLDING

David Stein	21%
Erika Soria	8.8%
Eric Sprott	4.5%
Crescat Mgmt	3.6%

Analyst

Peter Rose
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Introduction

Fox-Davies Capital is initiating coverage of Kuya Silver Corporation (“Kuya”). Kuya are planning to re-open the high-grade Bethania silver mine in the northwestern part of the Huancavelica Department of Peru, approximately 316 km by road from Lima. Historically, the mine was in production until 2016 when it closed due to low silver prices and a lack of working capital.

Low Capex, High Grade

It is estimated that it will only cost US\$13M to build the new plant and bring the mine into production. With a forecast head grade of 15oz/t, it will be one of the richest silver mines in production.

Resulting in low-cost silver production

The low capex and high grades are expected to result in a low cash cost of production of US\$9.30/oz and an excellent IRR of in excess of 100%. With bi-product credits accounting for around 30% of revenues, which when included, are anticipated to result in a low negative cash cost of producing silver

Catalysts for 2021

The main catalyst for 2021 is expected to be calculation of a new 43-101 compliant ore resource. This follows the release of success drilling results from the phase 1 exploration programme. This programme has tested the western third of the project and identified additional veins in the main Bethania area. Twenty veins have now been identified.

Valuation

FDC has modelled Kuya as an eight-year mine life mine, processing silver rich polymetallic ore at the rate of 350tpd and with an average silver grade of 459g/t. This is equivalent to 14.8oz per tonne silver, making just the silver value of the ore worth over US\$374/t. On this basis we value the Bethania silver mine at C\$144.8M using a 10% discount rate. Using a 5% discount rate raises this figure to C\$185.1M. The extended mine life/expanded mill scenario raises these valuations to C\$214.8M and C\$309.8M respectively.

Disclaimer

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Investment Case

Restarting Mining

FDC has assumed that Kuya will restart mining at the Bethania Silver mine in Q3 2022, at the rate of 350tpd. This is forecast to produce just under 3.5M oz of silver per year. The restart will cost a very modest US\$13M to build the processing plant and mine and due to the anticipated high silver grades of 15oz/t will have low operating costs.

Valuation

FDC has modelled Kuya as an eight-year mine life mine, processing silver rich polymetallic ore at the rate of 350tpd and with an average silver grade of 459g/t. This is equivalent to 14.8oz per tonne silver, making just the silver value of the ore worth over US\$374/t. On this basis we value the Bethania silver mine at C\$144.8M using a 10% discount rate. Using a 5% discount rate raises this figure to C\$185.1M. These figures are for the mine only. When adjusted to the company level, which includes head office expenses, the debt and a token estimate of C\$3M for the Silver Kings project, the corresponding valuations per share are C\$3.50 and C\$4.45/share respectively. These figures include a placing of 6M shares to part fund the cost of developing the mine.

Low Cost of Production

We have calculated that the cash cost of producing silver will average US\$9.3/oz over the 8-year life of the mine. This will fluctuate depending upon the amount of development being done. We have modelled development as reducing in year 5 and ending in year 7. With the extended 15-year mine life model being run at 450tpd, the cash cost of production drops to an average of US\$8.4/oz over the mine life. These figures do not include the byproduct credits which account for around 30% of total revenues. When included, in both the base and expanded cases, the net cash cost of producing silver is slightly negative. The ASIC for the base case is calculated to be US\$11.1/oz, and for the expanded mill, US\$11.5/oz over the relevant mine lives. These all-in costs, ignore the by-product revenues and are well below half the current spot silver price.

Upside Potential

FDC believes that the upside potential at Bethania and with the other leases that have been acquired and that are in the process of being acquired will have the potential to add significantly to ore resources. Therefore, we believe that the mill will be expanded to 450tpd, and the mine life extended to 15 years. Under this scenario the value of the mine increases to C\$214.8M using a 10% discount rate and C\$309.8M using a 5% discount rate. These represent valuations per share of C\$5.20 and C\$7.48 respectively.

What has changed 1

Kuya has received approval from regional government of Huancavelica for the semi-detailed environment impact study (EIA) for the Bethania processing plant project. The EIA approval covers a plant design with a capacity of 350 tonne per day, as well as a tailings storage facility and ancillary infrastructure. This should result in lower costs due to economies of scale and better metallurgical results with the plant being custom designed to process Bethania ore. It will also remove the transport costs of mine to mill and add economies of scale.

What has changed 2

The drilling results from the Phase 1 programme, released on the 26th July 2021 confirmed the depth extension below the Bethania mine, and discovered several new veins taking the total number of known veins to 20.

High Priority Targets

The modus operandi of Kuya has been to identify and buy a high-grade silver mine in Peru and then acquire small scale mines and surrounding exploration leases from local owners. With access to institutional investors this will enable Kuya to expand reserves/resources and increase the size of the operation, lowering operational costs.

Company History

Kuya was a privately held Canadian-based silver-focused mining company, earning into an 80% interest in the Bethania Silver Mine, located in Central Peru. Bethania was in production until 2016, toll-milling its ore at various other processing plants in the region, and Kuya's plan is to implement an expansion and construct a processing plant at site before restarting operations. Bethania produced silver-lead and zinc concentrates from the run of mine material until being placed on care and maintenance due to market conditions and lack of working capital.

Miramont was a Canadian based exploration company with a focus on acquiring and developing mineral projects within a world class belt of Latin America. The Company's shares were listed on the CSE under the symbol MONT and on the OTCQB under the symbol MRRMF. Miramont held options to acquire tow projects in southern Peru.

In June 2020, Miramont announced that it was consolidating its shares on a 1 for 10 basis and acquired all the outstanding shares in Kuya Silver Corp. Each share in Kuya received 1.835 shares in Miramont. Following the successful acquisition, the name of the company was changed to Kuya Silver Corp. This arrangement was completed on the 1st of October 2020.

This was followed by an announcement on the 26th of October that Kuya had entered into an agreement with S & L Andes Export SAC ("S&L") the former owner of the Bethania Silver mine property, to acquire an additional 20% interest such that it will now own a 100% interest in the issued and outstanding securities of S&L. Accordingly, Kuya would acquire full ownership of the flagship Bethania Property.

The original purchase of the 80% of the interest in S&L, required Kuya to pay US\$7.12M plus issuing S&L 3.67M shares in Kuya. The additional 20% interest in the Bethania Silver mine property was acquired by making a cash payment of US\$1.325M and issuing US\$425k worth of shares in Kuya.

Key Historical Events

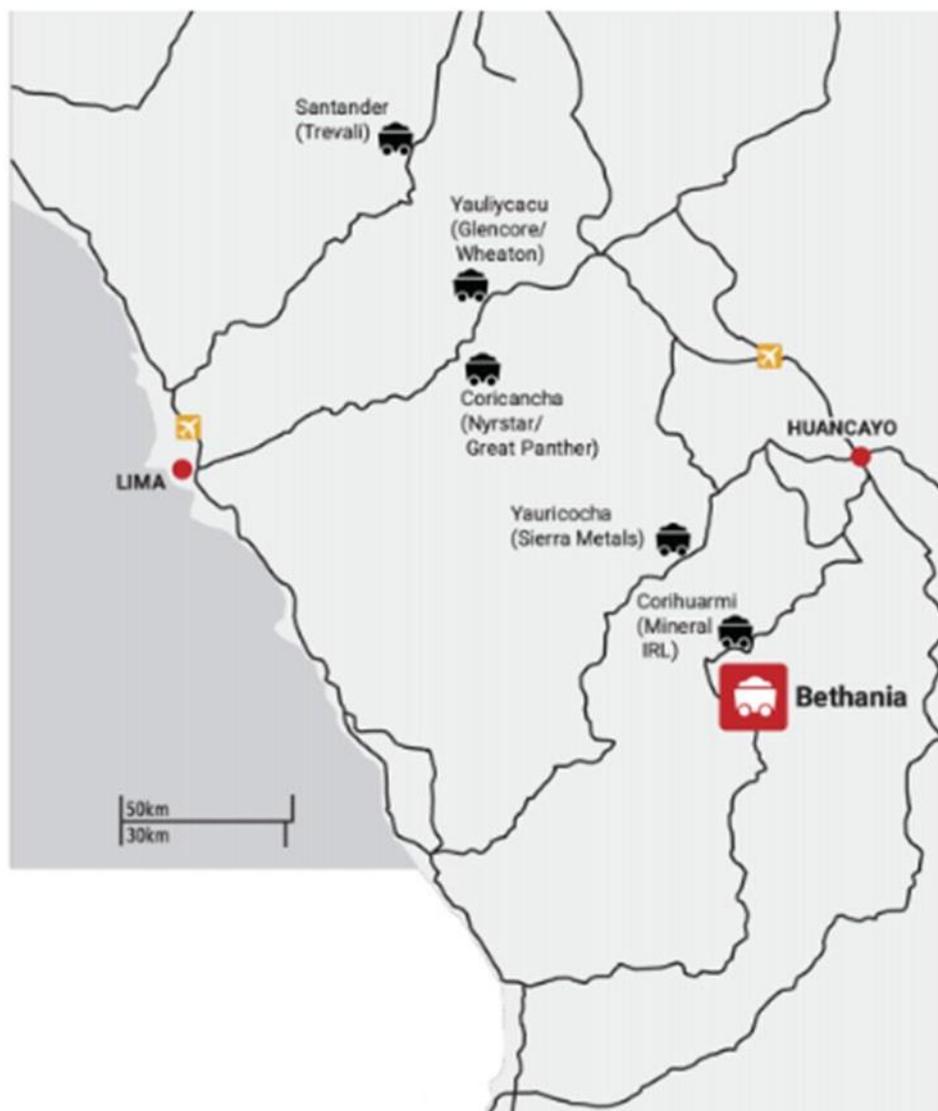
Date	Event
11 Jun 2020	Miramont Resources Corp. announces definite agreement for amalgamation with Kuya Silver Corp.
23 Jul 2020	Miramont announces it has executed a definitive agreement with Kuya whereby the company will acquire all of Kuya
24 Aug 2020	EIS for new processing plant approved for the Bethania project
23 Sep 2020	Miramont. announces name change to Kuya Silver Corporation and proposed listing on Canadian Securities Exchange
01 Oct 2020	Kuya Silver Corporation announces completion of amalgamation and final approval from the Canadian Securities Exchange
26 Oct 2020	Kuya enters into agreement to purchase 100% interest in Bethania silver property
19 Nov 2020	Kuya announces engagement of Mining Plus for PEA at Bethania
16 Dec 2020	Kuya closes acquisition of 100% of Bethania
21 Dec 2020	Update of silver exploration & development programme at Bethania
10 Mar 2021	Kuya closes acquisition of properties in Northern Ontario and launches Silver Kings project
18 Mar 2021	Kuya launches initial drill programme
08 Apr 2021	Kuya extends strike length of Bethania vein system with surface sampling
29 Apr 2021	Kuya launches drill programme at the Kerr Silver project, Ontario
14 May 2021	Kuya acquires 800-hectare concession including artisanal mine near Bethania
26 May 2021	Kuya Silver announces C\$8M Private Placement Equity Financing
16 Jun 2021	Kuya Silver announces closing of C\$9.2M Private Placement including Full Exercise of Underwriters Option

Source: Kuya Silver

Location

The Bethania Silver project is located in Central Peru, in the northwestern part of Huancavelica Department, approximately 316 km by road from Lima. The project encompasses four concessions totaling 1750 Ha that are accessible year-round via a 4-hour drive from the city of Huancayo. The focus of the project is the Santa Elena concession, a mining concession where the Bethania Silver Mine is located. The project was in production until 2016, toll milling its ore at various concentrate plants in the region.

EXHIBIT 1: LOCATION OF THE BETHANIA MINE



Source: Kuya Silver

Geology

Regional

The Bethania Silver Project is located over the Cordillera Central, a region of Peru containing prolific and prospective base and precious metals belts. The area is host to numerous styles of mineralisation, including epithermal Au–Ag, porphyry Cu-Au-Mo, and replacement/skarn Zn-Cu.

Property and Local Geology

The Bethania Mine is located along an interpreted major north-northeast fault line within Southern Peru's Au – Ag Epithermal Belt. The Santa Elena Concession (Bethania Mine) covers Tertiary volcanic rocks that include andesite, dacite and tuff. All of the mineralized veins discovered to date are hosted by altered andesite and/or dacite with some anomalous mineralization hosted by silicious bodies of stockwork quartz-breccia.

The focus of past on-vein exploitation has been on east-northeast trending systems but numerous north – northwest trending veins have seen little if any exploration and testing. The total lengths of the vein system are not clear for all the veins and there is evidence that the northeast-trending veins could extend several hundred meters along strike. In addition, many of the veins continue at depth as evidenced from underground mine developments.

The Mining Concessions

The main Property, registered as Santa Elena (Bethania Mine), is licensed as a mining concession and was originally registered in 1970 to cover artisanal and colonial-era pits and workings known at the time. This concession, covering 45 hectares (1.5km x 300m), is owned 100% by Peruvian company S&L Andes Export S.A.C. (Note: this company has since been renamed "Minera Toro de Plata S.A.C.").

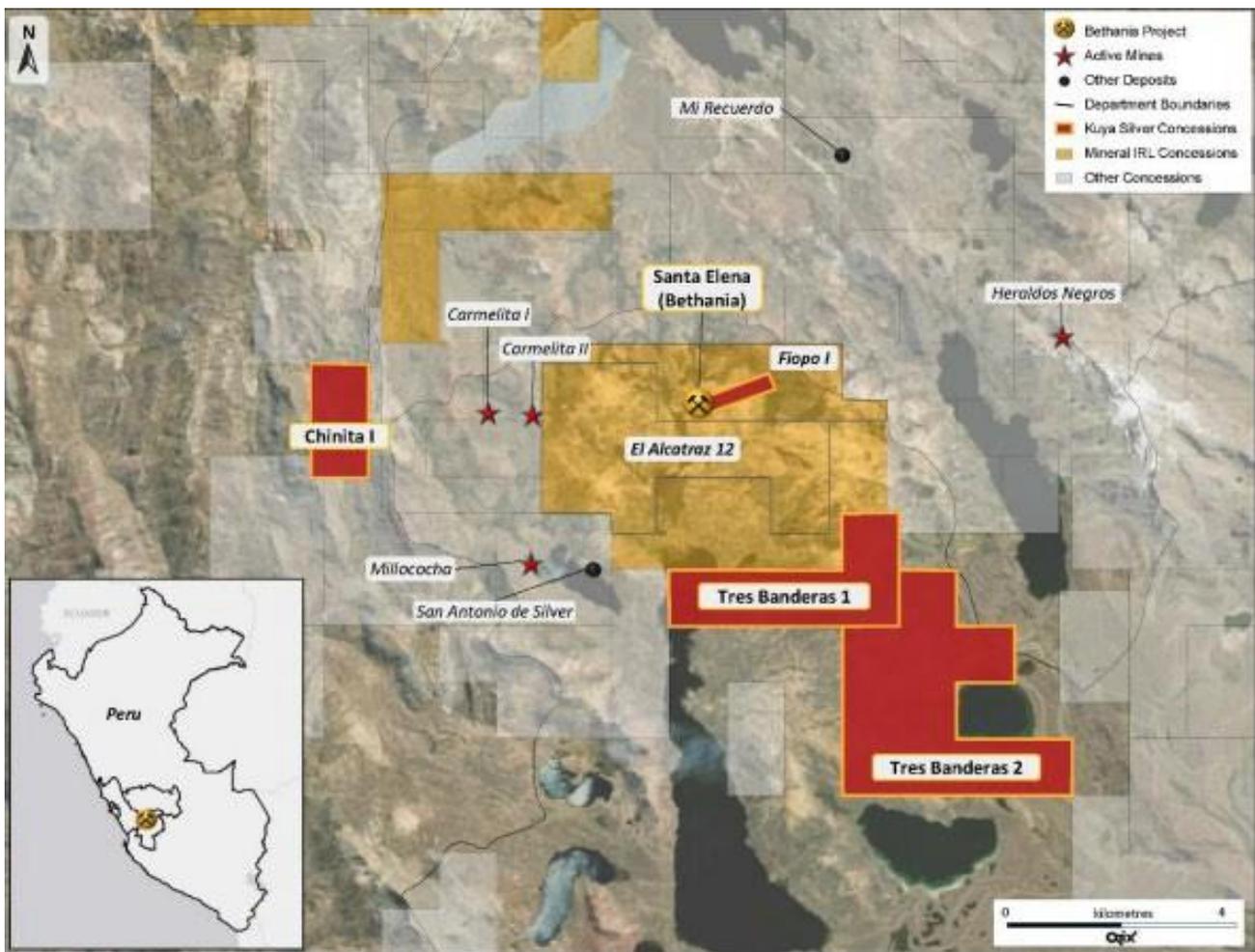
S&L also has registered 100% in their name, the Chinita I concession, located about 5.5km to the west of the Santa Elena concession (Bethania Mine). The Chinita I concession covers 200 hectares. Aerecura Materiales S.A.C. ("Aerecura"), a wholly owned subsidiary of Kuya, (Note Aerecura has been renamed Kuya Silver Peru S.A.C.), has filed and was granted two additional concessions in the area, Tres Banderas 01 and 02, which are contiguous and together cover some 1,500 hectares. Five more concessions have been applied for, Tres Banderas 03-07. These 5 concessions cover an additional 2800 ha, but overlap with some of their other concessions, so it is really less area.

On May 14th, 2021, Kuya announced that they had entered into three separate agreements to acquire the Carmelita 2005, Carmelita 2005 I, and Carmelita 2005 II concessions ("Carmelita").

The three properties total 800 hectares and are strategically located less than three kilometers west of Kuya's Bethania Mine. The Project provides the Company with additional high-priority exploration targets, including a potential strike extension of the high-grade silver-polymetallic vein system that has been identified at Bethania. Located on the land package is the Carmelita Mine, an artisanal mine approximately 3.6 kilometers west of the Bethania Mine. The Project also borders Kuya's Chinita I concession to the west (Exhibit 2). With this acquisition, Kuya now holds 2,545 hectares of mineral concessions in the Bethania district.

The terms of the agreement, subject to Canadian Securities Exchange approval, USD\$200,000 on signing of the Agreement; USD\$250,000 on or before the 12-month anniversary of signing the Agreement; and on the 18-month anniversary of signing the Agreement, the value of US\$400,000 in common shares in the capital of the Company. The Common Shares will be issued at a deemed price per Common Share equal to the 10-day average closing price of the Common Shares on the Exchange, ending on the day prior to issuance. The Common Shares will be subject to a hold period expiring four months and one day from the date of issuance.

EXHIBIT 2: LOCATIONS OF CHINITA 1 AND TRES BANDERAS 1 & 2 RELATIVE TO BETHANIA



Source: Kuya Silver

Exhibit 2 was taken from the NI 43-101 Technical Report published on the 1st October 2020. Since that time, Minera IRL has relinquished its concessions and several other companies have applied for them. As all the companies applied for these concessions at the same time, the outcome will probably have to go to arbitration and the decision has been delayed by inertia caused by Covid 19 and the Presidential election in Peru.

Historical Mining

According to locals, silver veins in the region and on the Property (e.g., Española Vein) were first exploited by the Spaniards as early as the 1600's, through small-scale mining of the rich silver veins. Modern exploitation of the vein systems (Española and 12 de Mayo veins) started in 1977, was suspended in the 1980s due to political issues in Peru (i.e., terrorism), and subsequently re-started production in 2008 which continued until 2016.

Historical Mining Reserves and Resources

S&L had calculated its own internal mine resources and reserves for internal planning purposes and at times to promote investment in the mine. These calculations, summarized in Exhibits 3 & 4, have not been verified by a third party nor independently by a QP and are therefore not considered by Company management as being NI 43-101 or JORC Code compliant.

EXHIBIT 3: ORE RESERVES AT BETHANIA

RESERVES Category	Tonnes (t)	Ag (oz/t)	Pb (%)	Zn (%)	Cu (%)	Ag (contained oz)
Proven	67,710	15.94	4.39	2.54	0.25	1,190,033
Probable	41,444	15.28	4.73	2.96	0.27	698,243

Source: Kuya Silver

EXHIBIT 4: MINERAL RESOURCES AT BETHANIA

RESOURCES Category	Tonnes (t)	Ag (oz/t)	Pb (%)	Zn (%)	Cu (%)	Ag (contained oz)
Measured	67,710	15.94	4.39	2.50	0.25	1,190,033
Indicated	260,528	15.96	4.46	2.50	0.25	4,583,063
Inferred	132,964	14.98	4.94	2.94	0.30	2,195,573
Total (Mea+Ind):						5,773,096
Total (Inf):						2,195,573

Source: Kuya Silver

Exploration

Historically there was no systematic surface or underground exploration at Bethania, other than drifting along the known veins to build confidence for mining. In April 2019, ACOMISA completed a photogrammetric report using data collected from a high-resolution drone survey over the Santa Elena concession (Bethania Mine). Elevation models produced from the data include contour intervals of 0.5 and 1.0 metres. This was followed by a 2D compilation, a 3D compilation and then a full-blown geological model.

At the Bethania Mine, much can be gained by drilling along the well-known northeast-trending and lesser explored northwest-trending mineralized structures to determine continuity, from surface and/or from underground. In most cases, this should be a relatively low risk method to increase the resource size, resource confidence and understanding of the mineralization on the Property

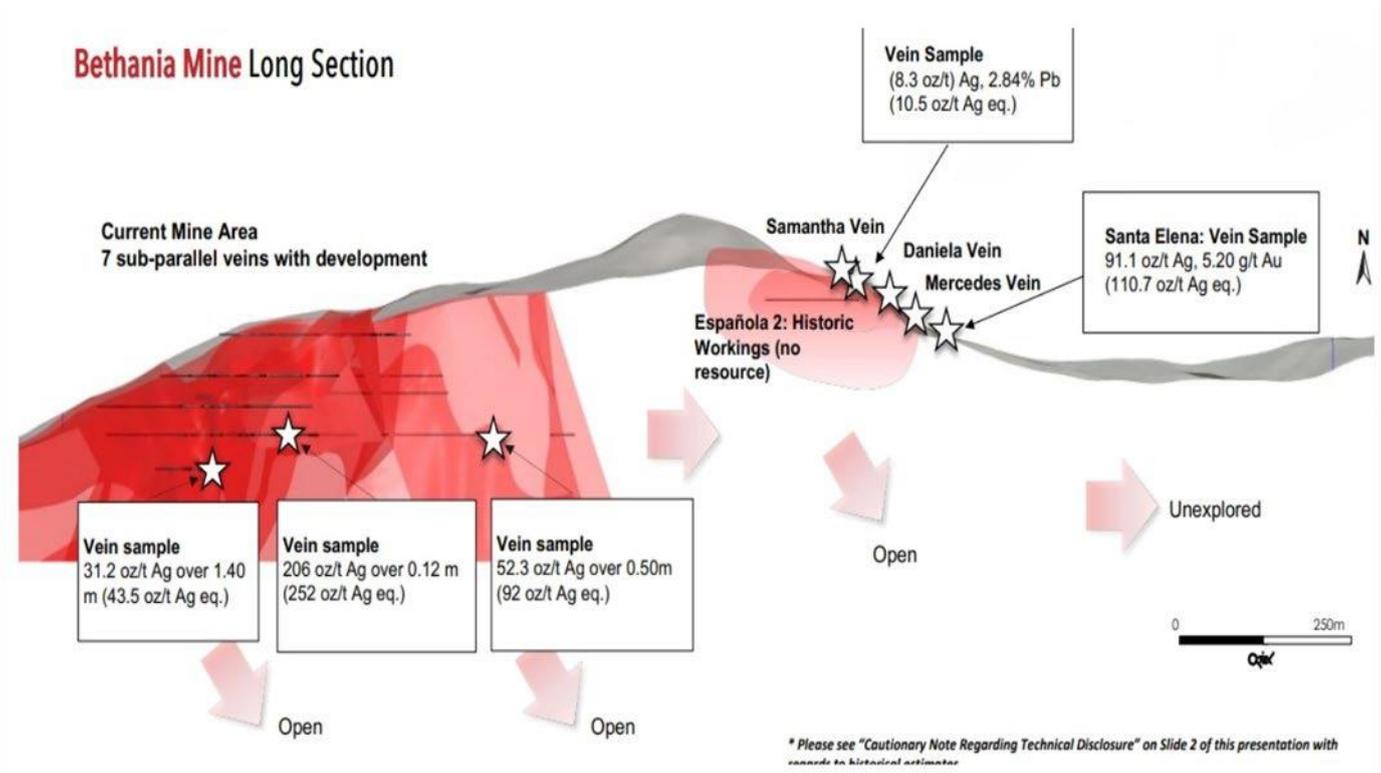
Historically, production has focused on the vein systems at Bethania and to date, no systematic studies have been conducted to identify and characterize the disseminated sulphide mineralization observed in the host rocks (i.e., altered andesite-dacite and stockwork siliceous breccias) located between the vein sets.

Strike length extension

Mining has occurred (and internal reserves calculated) on six veins, including the major Española and 12 de Mayo structures and the minor or cross-cutting Victoria, Carolina, Maria, Ramal 12 de Mayo and Española 2 veins. The major structures have been explored from West to East, starting near the main

adit at the western edge of the property. Both structures have been developed for approximately 500m and remain open in both strike length directions. Both Española and 12 de Mayo have the potential to be delineated over the entire 1.5km length of the property which would increase their resource potential by as much as three times (potentially more given that the upper levels of major veins have been largely mined out but could be preserved along strike). The minor structures with the exception of Española 2, were discovered subparallel to the major structures through regular mining development of the two major veins. In these cases, there is still significant strike length (200 to +300m) between the two major veins available for future exploration.

EXHIBIT 5: BETHANIA MINE LONG SECTION



Source: Kuya Silver

Depth extension

Through mining at various levels over the past 40 years, the vertical continuity of both the major and minor veins appears to be very strong – all seven of the developed veins remain completely open at depth. While some pinching and swelling of veins is to be expected, ore has been mined (or reserve development) in the largest vein, 12 de Mayo, from the 4790m level down to the 4,640 level, or 150m. The vein at the 4,640m level still appears to be consistent with typical Bethania mine ore grades and thicknesses, suggesting further depth potential. There is a similar vertical extension in the Española, Maria, Carolina, Ramal 12 de Mayo, and Victoria veins. At the Española 2 vein, located further east than the other six veins, mineralization has been identified at surface around 4940m with mining development at the 4,830m level, and like the western veins, mineralization remains open at depth. Generally, for the resource calculations, indicated resources have been projected 120m down-dip and inferred resources another 60m down-dip for a total depth of 180m below current outlined reserves.

New Vein Discoveries

At Bethania, five minor veins are structurally related to the two main subparallel 12 de Mayo and Española veins, and with the exception of Española 2 which was discovered at surface, the other minor veins were discovered through normal mine development. Several other veins have been discovered through the same means; however, they currently lack the exploration and development to classify them as a resource.

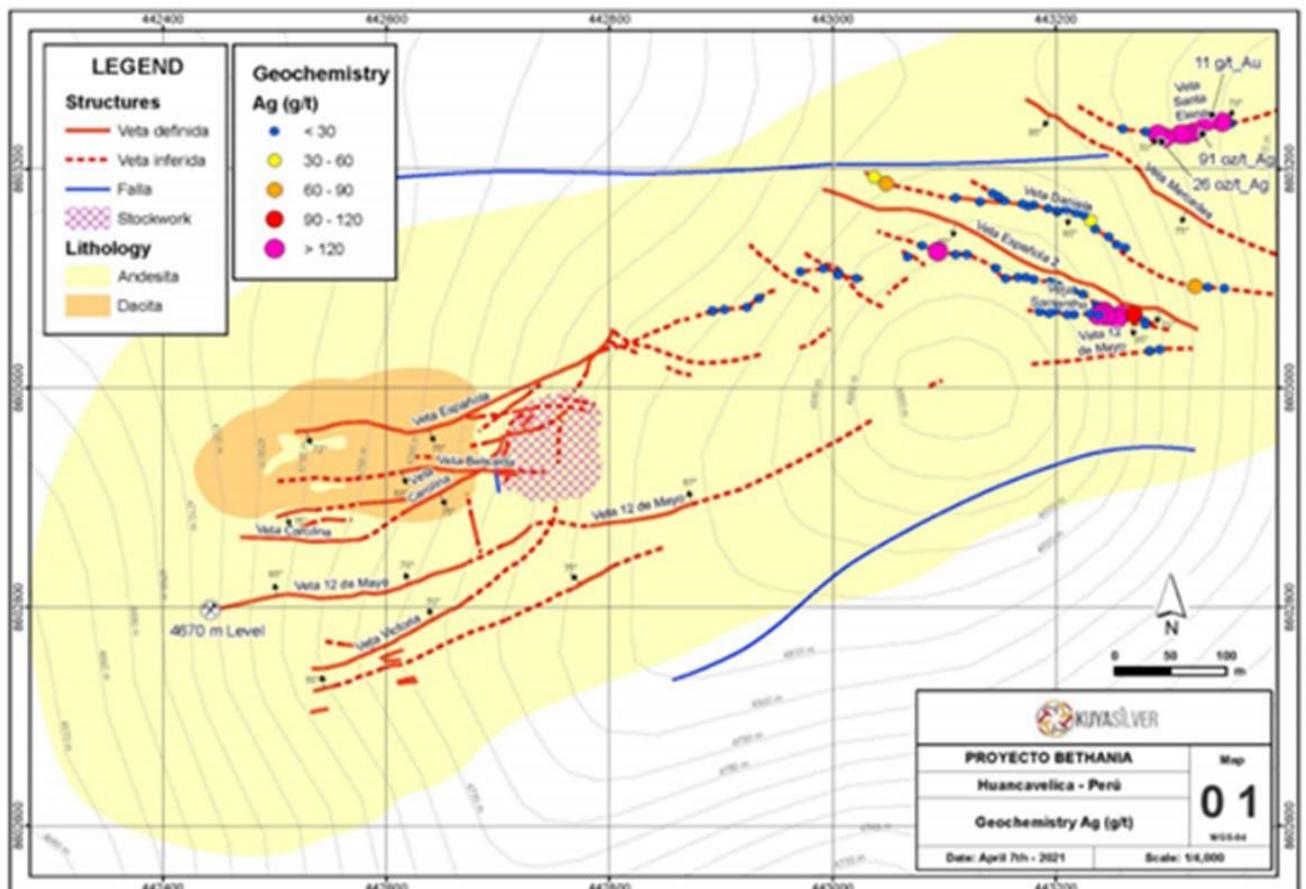
These veins include:

- Veta Desconocida – sampled up to 21 oz/t Ag +Pb/Zn at 4670m level.
- Veta Alina – sampled up to 38 oz/t Ag + Pb/Zn; intersects Victoria near the western edge of mine; may be an offset of 12 de Mayo or a splay.
- Veta Rocio – intersects Española and trends NW; no samples.
- Veta Yolanda – intersected at 4720m level crosscut between Española and 12 de Mayo; thin but may thicken along strike; no samples.
- Veta Betsaida – intersected in crosscut near and subparallel to Carolina; thin but may thicken along strike; no samples.

One additional vein is known from surface outcropping near Española 2:

- Veta Mercedes – sub-parallel to Española 2; 100m to the east; no samples

EXHIBIT 6: GEOCHEMISTRY MAP SHOWING LOCATIONS AND RESULTS OF ROCK CHIP SAMPLES AT THE BETHANIA PROJECT



Source: Kuya Silver

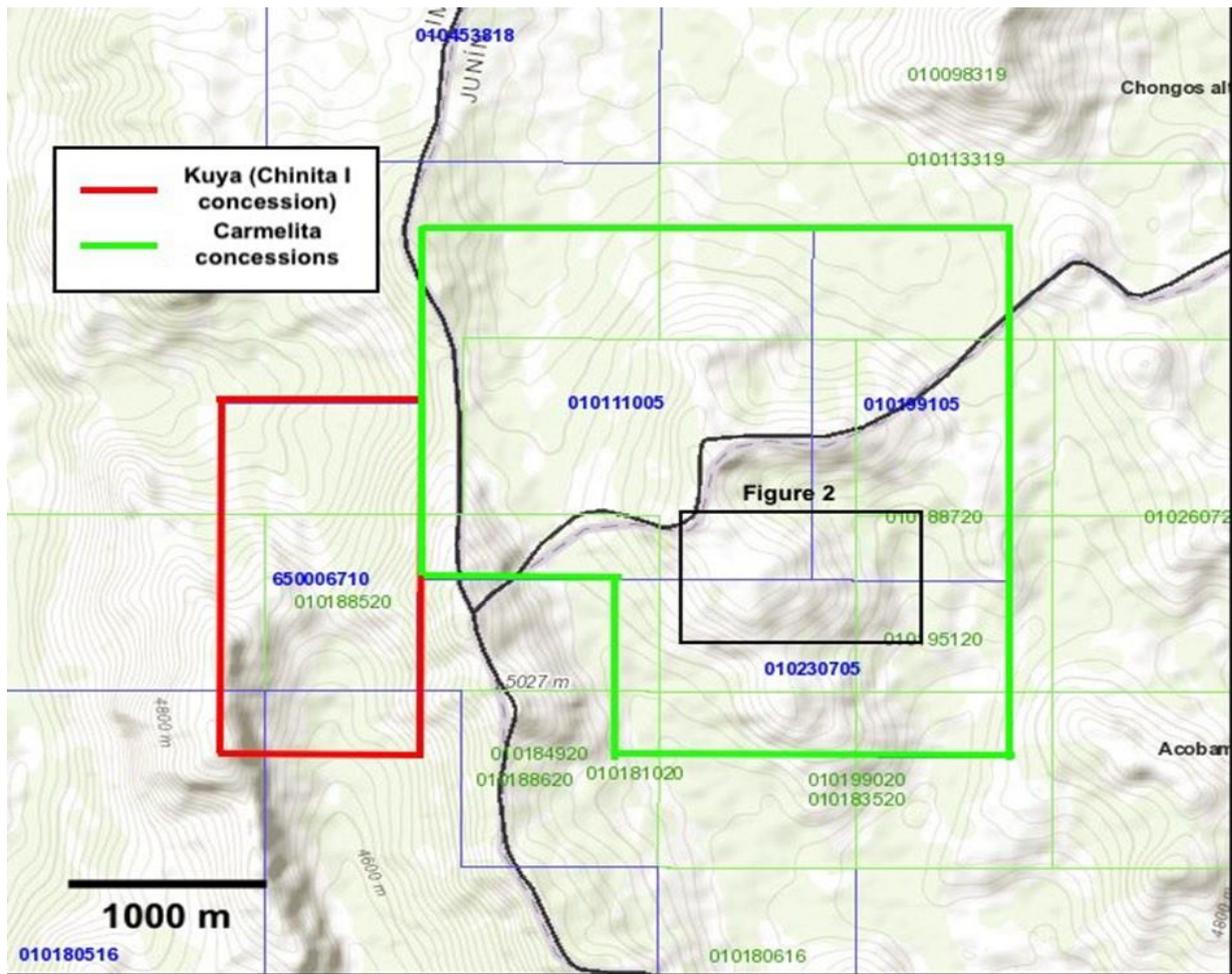
Exploration potential – Other concessions

The Chinita I concession, located about 5.5km east of the Santa Elena concession (Bethania Mine), covers a regional north-south oriented unconformity (fault) between older Cretaceous sedimentary (limestone) rocks in the east and Tertiary volcanic (andesite) and sedimentary (sandstone) rocks to the west. S&L has identified several large (multi-kilometer) structures and alteration, however the Chinita property is at a very early stage and remains a lower priority target as Kuya looks to acquire properties closer to the Bethania Mine.

The Tres Banderas 01 and Tres Banderas 02 concessions, located between about 3km and 7km southeast of the Santa Elena concession (Bethania Mine) respectively, are underlain by Tertiary andesite, tuff, and tuff breccia cut by localized north-northeast-trending structures. Tres Banderas is the name given to any concessions that are under application. Very few details are given regarding these applications as Kuya does not want to attract attention from other mining companies. However, it is known that some of these applications cover the concessions dropped by Minera IRL.

Kuya recently conducted due diligence focusing on the Carmelita Mine area, which has experienced recent small-scale production, targeting silver-polymetallic veins. This is an 800-hectare property strategically located 3km from the Bethania Mine which offers potential strike extensions to the high-grade polymetallic vein system at Bethania. During the Company's visit, Kuya geologists observed five veins outcropping on surface and took several samples of the near surface vein system, that can be traced in outcrop over one kilometer in strike length. Access to the Carmelita mine includes three separate audits corresponding to three different veins.

EXHIBIT 7: CARMELITA CONCESSION MAP



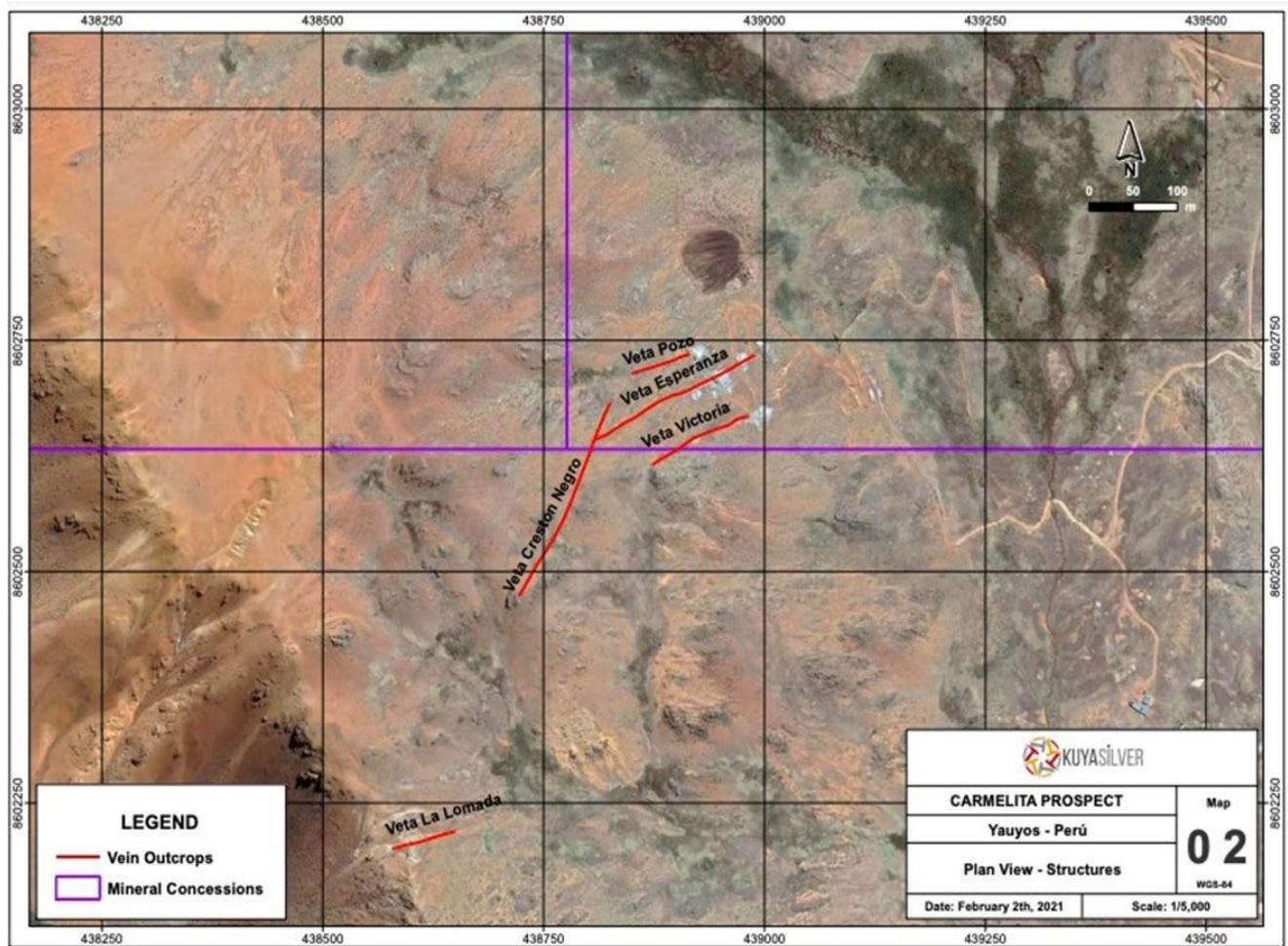
Source: Kuya Silver

The highlights of Kuya's sampling included:

- 490g/t silver, 8.2% lead and 0.9% zinc
- 196g/t silver, 2.6% lead and 1.7% zinc
- 81g/t silver, 2.4% lead and 6.2% zinc

The system can be traced over 1km of strike length and offers the potential of a satellite deposit.

EXHIBIT 8: CARMELITA STRUCTURAL MAP SHOWING VEINS AS OBSERVED BY KUYA GEOLOGISTS



Source: Kuya Silver

Current Exploration

On the 18th of March 2021 announced that it has commenced the Phase 1 drill program at the Bethania Project, located in Central Peru. Kuya to drilled approximately 5,000m in 36 holes in this Phase 1 program.

This initial program was split into two parts, approximately 4,000m planned for the western third of the property testing all seven veins that make up the historical resource. The assays and geotechnical measurements taken from this portion of the drill program will be used to complete the underground mine production plan, including an expansion from 100 tonnes per day to 350 tonnes per day. In addition, Kuya

expects to complete a National Instrument 43-101 technical report, including a resource estimate on completion of the drill program.

The initial results of this exploration were announced on the 8th April 2021 where a surface sampling programme to prospect the Bethania extension zone and the vicinity of the historical Española 2 adit. This batch of the program consisted of 97 rock chip samples, employing a combination of trenching to expose bedrock and outcrop along visible or inferred vein zones. Of the 97 samples reported, 76 were taken from veins (observed or inferred) and 21 samples taken from altered or unmineralized host rock (hanging wall or foot wall). These sampled vein zones are located approximately 600 metres to 1000 metres from the main Bethania adit and 100 metres to 500 metres east of the easternmost underground development. When mineralized, the vein zones sampled reported anomalously high silver and lead, and in some cases anomalous gold. Anomalous zinc and copper grades, which can be associated with silver mineralization in the fresh veins underground, were rarely observed on surface.

The easternmost zone sampled a newly identified vein at surface called the Santa Elena vein, roughly 500 metres along strike of the eastern limit of the Española underground workings. Samples were taken at 10 metres intervals along surface exposure of the vein system. Seven consecutive samples distributed over 60 metres in length averaged 698 g/t (22.4 oz/t) silver, 2.79 g/t gold and 3.07% lead (30.9 oz/t silver equivalent*). Results from the Santa Elena vein included:

- 2833g/t silver, 5.2g/t gold and 10.6% lead
- 300g/t silver, 11.03g/t gold and 2.17% lead
- 812g/t silver, 0.32g/t gold and 4.82% lead

A second zone of interest is located at the intersection between a parallel vein structure to the Española 2 vein and the newly identified Samantha Vein. At the vein intersection, four consecutive samples distributed over 30 metres in length (NW-SE) averaged 258 g/t (8.3 oz/t) silver and 2.84% lead. Along the Samantha vein three consecutive samples distributed over 20 metres in length (WNW-ESE) averaged 171 g/t silver (5.5 oz/t) silver and 2.33% lead (7.3 oz/t silver equivalent).

A third zone of interest is the newly discovered Daniella vein, which runs between the Española vein and the Mercedes vein, although the geochemistry suggested that this vein might be of lower grade.

This initial sampling programme clearly showed that the Bethania vein system continues along strike even further east than previously known. High grade mineralisation on surface was discovered sitting on the surface 500m from the nearest underground development. The Santa Elena vein is thought to be particularly exceptional due to its high gold grades which have not been seen to the same extent in any other vein at Bethania.

The assay results of the phase 1 drilling campaign were released on the 26th July 2021. The key observations of this drilling are:

Mineralisation was intersected below the lowest mine workings, confirming that the Bethania vein system remains open at depth. The best results included:

- BHD-17 intercepted 2.60m of 751.88 g/t Ag, 0.31g/t gold, 5.24% lead and 1.91% zinc, in total 995g/t Ag eq, (including 0.40 m of 3,994 g/t Ag, 0.86g/t Au, 20.0% Pb and 8.52% Zn) from 45.5m
- BHD-24 intercepted 1.20m of 765.5 g/t Ag, 0.64g/t gold, 8.88% lead and 1.72% zinc, in total 1127.2g/t Ag eq, (including 0.45m of 1,818 g/t Ag, 0.86g/t Au, 20.0% Pb and 3.32% Zn) from 106.35m

These holes were in an unexplored area beneath the ramp on the western side of the mine beneath the 670 level on the 12 de Mayo Vein and beneath mine workings on the Española Vein respectively.

Thicker local zones of mineralisation were found in BDH-33 on the Española Vein and in BDH-27 where the Victoria Vein and the newly discovered Yolanda Vein are interpreted to be in close proximity to one another:

- BHD-33 intercepted 6.72m of 121.22 g/t Ag, 0.38g/t gold, 1.98% lead and 0.47% zinc, in total 995g/t Ag eq, (including 0.45m of 696 g/t Ag, 0.86g/t Au, 20.0% Pb and 0.74% Zn) from 122.55m
- BHD-27 intercepted 3.65m of 179.63 g/t Ag, 0.18g/t gold, 1.11% lead and 0.36% zinc, in total 248g/t Ag eq, (including 0.95m of 640.6 g/t Ag, 0.31g/t Au, 2.37% Pb and 1.02% Zn) from 126.5m

Numerous new veins were identified in drilling and secondary veins were extended both along strike and at depth. While historical mining focused on only six veins, Kuya's phase 1 drill program identified 20 distinct mineralized veins in the immediate Bethania mine area. These new veins include, previously identified veins with no data, such as Yolanda and Betsaida; branches off other veins (e.g. Española Footwall Branch) and a brand new mineralized vein structure, Carolina II.

Mineralization was also intersected in limited exploration drilling in the Hilltop Zone. Kuya drilled three holes (582 m) in the Hilltop Zone, which is a new target area to the east of the Bethania mine where Kuya has previous identified mineralized vein samples at surface, and Kuya's geological team believe they have intersected the Mercedes Vein in BDH-36, and the Española 2 Vein and Daniela Vein at depth in BDH-01. Further exploration work will include more detailed surface sampling to better define orientation and thickness of these veins at surface.

Mining

Recent production from the Bethania mine commenced in 1977, although the initial period from 1977 to 1988 on the Santa Elena Mine only produced minimal tonnages but the finance to establish a floatation plant on site could not be raised and the mine was put on care and maintenance from 1989 until 2008 due to low metal prices.

In June 2008, under a mining contract with S&L, the company San Antonio de Silver re-started production at the Santa Elena Mine. By 2010 they were producing 60 tonnes per month of selective high-grade ore with grades up to 30 oz/t Ag. Between 2012 and 2014 production reached 3,000 tonnes per month

Good records were kept from the mining of Santa Elena/Bethania Mine between 2010 and 2016. (Exhibit 9)

Historically, at the Santa Elena Mine, an overhand (upward) cut and fill selective mining method (high-grade, narrow vein) was used. This mining method is a favoured choice for steeply dipping, narrow width and irregular bodies such as those mineralized narrow (<0.50m) and high-grade veins at Bethania. This method was utilized from exploration and development through to production, creating raises on vein, that served as ventilation and manway shafts, and drifting on vein for sublevels and crosscuts.

According to a geomechanics study, the behavior of the rock is of two main types: regular to good rock type as found in the 12 de Mayo vein, which do not require much support, and poor rock type as found in the Española 1 vein, which requires continuous support.

EXHIBIT 9: SUMMARY OF PRODUCTION DATA FROM SANTA ELEANA MINE (2010-2016)

PERIOD	2010	2011	2012	2013	2014	2015	2016
PRODUCTION							
TONNES	4,100.00	6,890.00	9,136.70	21,500.00	28,789.00	17,885.00	2,717.00
ORE GRADES							
Ag (Oz/Tm)	20.17	25.61	21.32	14.39	13.10	16.33	9.63
Pb%	10.20	8.51	7.69	3.31	2.07	4.05	3.51
Zn%	1.40	2.90	3.26	2.30	1.99	2.89	1.29
LEAD CONCENTRATE							
METRIC TONNES	NO PRODUCE	NO PRODUCE	NO PRODUCE	1,316.52	1044.49	949.00	288.30
Pb%				44.08	46.30	55.13	46.07
Ag (Oz/Tm)				155.81	244.8	187.96	145.23
Au (Gr/Tm)				3.23	6.03	3.94	3.20
ZINC CONCENTRATE							
METRIC TONNES	NO PRODUCE	NO PRODUCE	NO PRODUCE	347.73	524.96	695.52	81.26
Zn%				34.97	48.77	49.90	45.49
Ag (Oz/Tm)				18.35	29.54	26.02	23.28

Source: Kuya Silver

Metallurgy

The metallurgy of the Bethania ore is well known, having been toll processed through several different plants historically. Additionally, over the years there has been at least 6 sets of flotation test work conducted. This work, plus the results of the toll-milling showed that satisfactory recoveries and concentrate grades could be achieved. Some of these results are shown in the table below. (Exhibit 10)

EXHIBIT 10: SUMMARY OF TOLL MILLING RECOVERIES (Pb/Zn CONCS) 2013-2016 BETHANIA MINE

Process Information					Recovery (Lead Concentrate)							
Year	Deliveries	Plant	Delivered (t)	Lead Concentrate (t)	Ag (oz)	%R	Pb (t)	%R	Zn (t)	%R	Cu (t)	%R
2013	11	Minera Peru Sol - Huari Minera San Valentin - Yauyos	20,235.10	1,331.69	207,405.85	87.84	587.48	92.91	135.01	42.55	-	-
2014	50	Minera San Valentin - San Pedro	24,753.65	1,023.83	253,052.08	85.55	485.93	89.20	58.56	28.58	2.85	74.15
2015	43	Minera San Valentin - San Pedro	16,620.50	843.22	187,528.92	83.01	539.94	93.83	65.56	14.97	28.68	73.18
2016		Mina Azulcocha Zinc										
Totals:			61,609.25	3,198.74	647,986.85		1,613.35		259.13		31.53	

Process Information					Recovery (Zinc Concentrate)							
Year	Deliveries	Plant	Delivered (t)	Zinc Concentrate (t)	Ag (oz)	%R	Pb (t)	%R	Zn (t)	%R	Cu (t)	%R
2013	11	Minera Peru Sol - Huari Minera San Valentin - Yauyos	20,235.10	351.88	6,513.13	2.76	12.11	1.92	123.82	39.02	-	-
2014	50	Minera San Valentin - San Pedro	24,753.65	661.11	19,230.60	6.68	16.45	3.27	325.58	63.79	4.57	8.76
2015	43	Minera San Valentin - San Pedro	16,620.50	626.76	21,165.26	9.17	8.49	1.56	322.40	75.54	4.65	11.65
2016		Mina Azulcocha Zinc										
Totals:			61,609.25	1,639.75	46,908.99		37.05		771.80		9.22	

Source: Kuya Silver

The decision to build their own mill, besides removing the cost of trucking the ore to the toll mill, will enable Kuya to optimize the mill for their own ore. This will probably be as simple as optimising the grind size and retention times in the flotation cells along with the ph of the various floats. These small changes should result in an improved metallurgy with improved recoveries and concentrate grades. However, by being able to select their own flotation reagents, it may be possible to reduce the penalty elements in the concentrates.

One significant change will be the production of a copper concentrate. The toll milled ore did not produce a copper concentrate. In a change from standard metallurgical processing, the lead concentrate will be produced first. Normally the copper is extracted first. The reason for this is that it will collect the bulk of the silver and gold, both of which are payable in a lead concentrate.

By taking a copper concentrate, not only will an addition copper revenue stream be produced, but additional gold and silver will be recovered to the copper concentrate. The importance of this is that the terms of payment for silver in a zinc concentrate are nowhere near as good as in a copper or lead concentrate and any gold recovered in the zinc concentrate is probably unpayable.

Although not planned to be included in the design for the mill, there will be a facility for ore sorters to be included in the processing at a later stage. This would enable Kuya to potentially mine and process lower grade ore economically.

The mill will also be designed so that it can be economically expanded from 350 to 450 tpd once exploration has proven sufficient ore resources to justify an expansion.

Royalties & Taxation

As of 2018, mine production in Peru is subject to a Royalty, payable to the Peruvian government. This Royalty is based on a percentage of the sale value of the minerals being exploited, ranging between 1% and 3%.

If the total mineral sales are less than US\$60M then the royalty payable is 1%. This rises to 2% for revenues between US\$60M and US\$120M and sales revenues above US\$120M attract a royalty of 3%.

The company tax rate currently applicable in Peru is 30%.

Following the elections in June 2021, which saw Pedro Castillo elected to office, it is anticipated that there will be some changes to the taxation of mining ventures.

Environmental Studies, Permitting and Social/Community Impact

S&L had secured all the necessary operational permits (mine, explosives, water), with an approved Declaracion de Impacto Ambiental (“DIA”) which addresses the environmental and social impact of the mine and allows the Company to carry out mining operations in the mine area. The Company has submitted the Evaluacion de Impacto Ambiental (“EIA”) for the processing plant which includes an outline for community workshops that evaluated the social impact. The Company has developed and maintains good positive relationships with the project's stakeholders, including an agreement with the local community of Bethania as it relates to the mine and processing plant.

Since purchasing the property, Kuya has been actively engaged in building on a strong legacy of working cooperatively with the local Poroche community to develop a mutually beneficial, safe, and sustainable mining business in the district.

The Silver Kings Project.

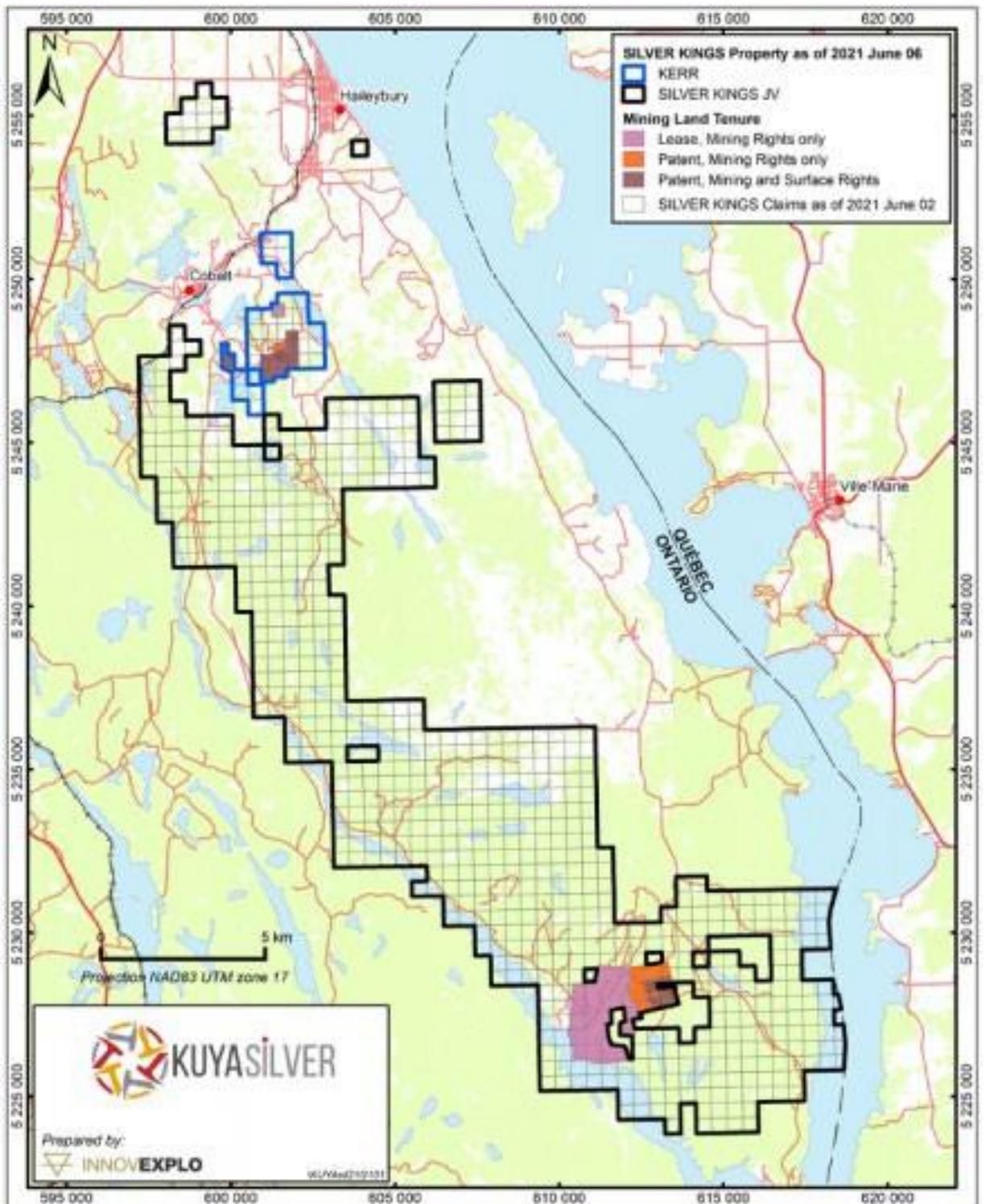
On the first of March 2021, Kuya announced that they had entered into a share purchase and option agreement dated 26 February 2021 to acquire 100% of the Kerr Project and an option to earn up to a 70% interest in its remaining Cobalt area claims. The combined property area is now known as the Silver Kings Project.

Property Location

The Silver Kings Project is located in Northern Ontario's most prolific silver mining camp, situated near the historic mining town of Cobalt, Ontario. The Project encompasses 10,000-hectare and consists of both Kuya's 100%-owned Kerr Project along with the Silver Kings Joint Venture that Kuya has entered into with First Cobalt Corp.

The Kerr Project at Silver Kings is located within a 900-hectare land package that includes several historic silver mines: Crown Reserve, Kerr Lake, Lawson, Drummond, Conisil, Hargrave, Silver Leaf and Bailey. Between 1905-1970, these mines produced over 50 million ounces of silver and 900,000 pounds of cobalt. Although incredibly prolific, the deepest mine shaft of the package was less than 200 metres, providing an exceptional opportunity for deeper exploration. Also included in the Kerr Assets is the nearby Silverfields property, which was previously mined by Teck until 1983 to a depth of 300 metres and produced over 17 million ounces of silver, further demonstrating the depth potential to some mineralized systems.

EXHIBIT 11: LOCATION OF SILVER KING PROPERTIES IN CANADA



Source: Kuya Silver

Historic Exploration

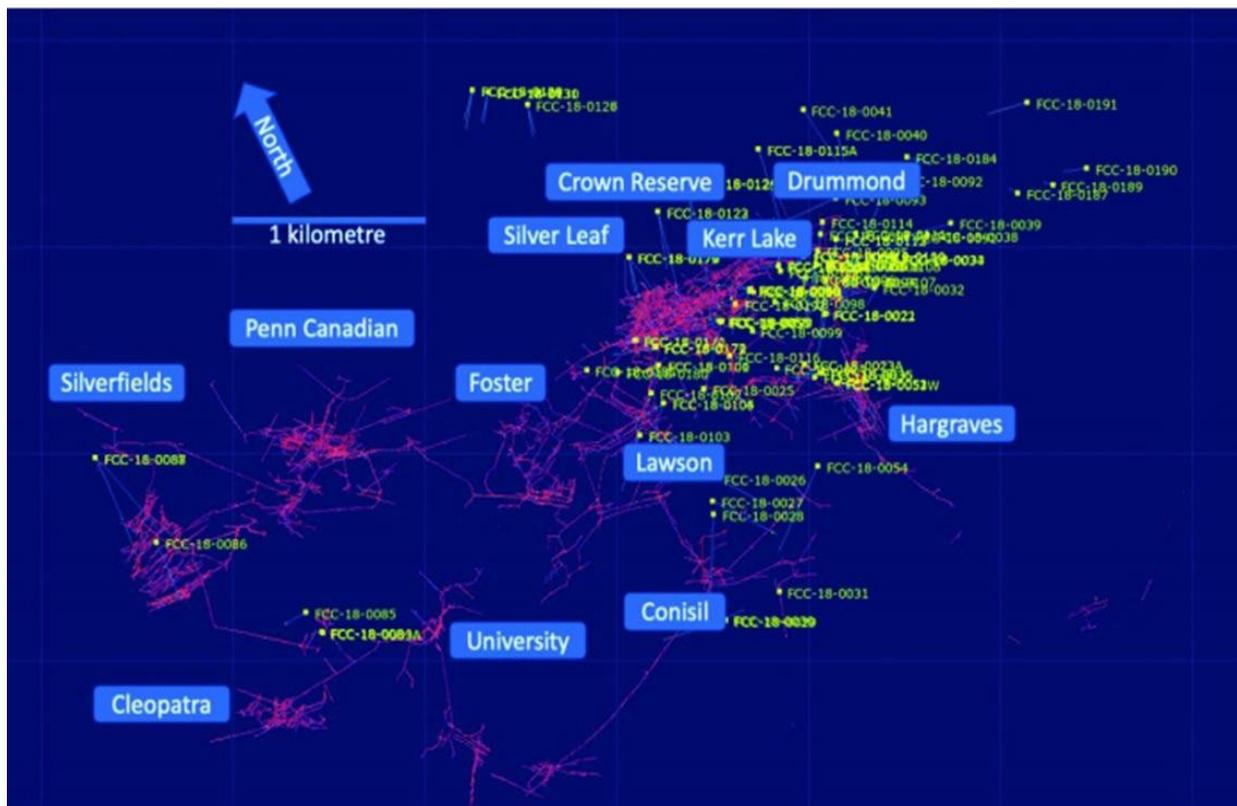
Initially Kuya's focus will be on the Kerr Project, where the vast majority of recent exploration activity has taken place. In 2017 -2018 the previous operator completed a shallow drill program where several bonanza-style silver intercepts were identified. Intersections from this program include:

- FC-18-0058 intersected 3.57m grading 821g/t silver and 0.45% cobalt (including 1.57m of 1,756g/t silver and 0.71% cobalt) from 29.43m
- FC-18-0174 intersected 2.5m grading 1,441g/t silver and 0.28% cobalt from 66m
- FC-18-0094 intersected 2m grading 450g/t silver and 0.1% cobalt from 20m
- FC-18-0093 intersected 2.2m grading 515g/t silver and 0.6% cobalt (including 0.7m of 1,460g/t silver and 1.81% cobalt) from 1.72m

Future Exploration

In 2021, Kuya will follow up on these intersections with new drilling in order to determine the extent of the high-grade silver mineralization. Additionally, Kuya has identified the potential for both extensions to previously mined silver veins and new discoveries in the recent drilling. The Phase 1 exploration program at the Kerr Project is planned immediately and will include a 2,500m drilling program that is being budgeted to match a \$500,000 flow-through expenditure commitment by First Cobalt and is planned to follow up and extend high-grade zones.

EXHIBIT 12: THE KERR PROPERTY AT SILVER KINGS



Source: Kuya Silver

Company Valuation

FDC has modelled a scenario whereby production commences early in the September quarter of 2022 and quickly ramps up to 32kt per quarter. Production is then flat until the June quarter of 2030 when the current ore resources are exhausted.

Key Points

- Full-scale production commences at start up
- Copper, lead and zinc concentrates are produced
- Development costs were reduced by 20% in year 6 and ceased at the end of year 7
- Silver recoveries are forecast to average 92.5% through the currently planned mine life with payable silver reporting to the copper and lead concentrates
- Underground development is expensed annually
- The net present values quoted in the following tables are for the Bethania mine and are exclusive of funding, any value for the Silver King property or the negative impact of head office costs.

The cashflows from the mine are the discounted, using a 10% discount rate, half-yearly over the life of the mine. The NPV is measured 12 months out from the latest set of financials reported by Kuya.

FDC have assumed that an additional US\$10M will need to be raised to fund the building and commissioned of the mine and that this money is raised with C\$6M of equity, raised at a share price of C\$1.65/share. The balance is debt, with debt interest rates being 10%. This 10% interest rate is inclusive of establishment charges and all other costs that bankers charge.

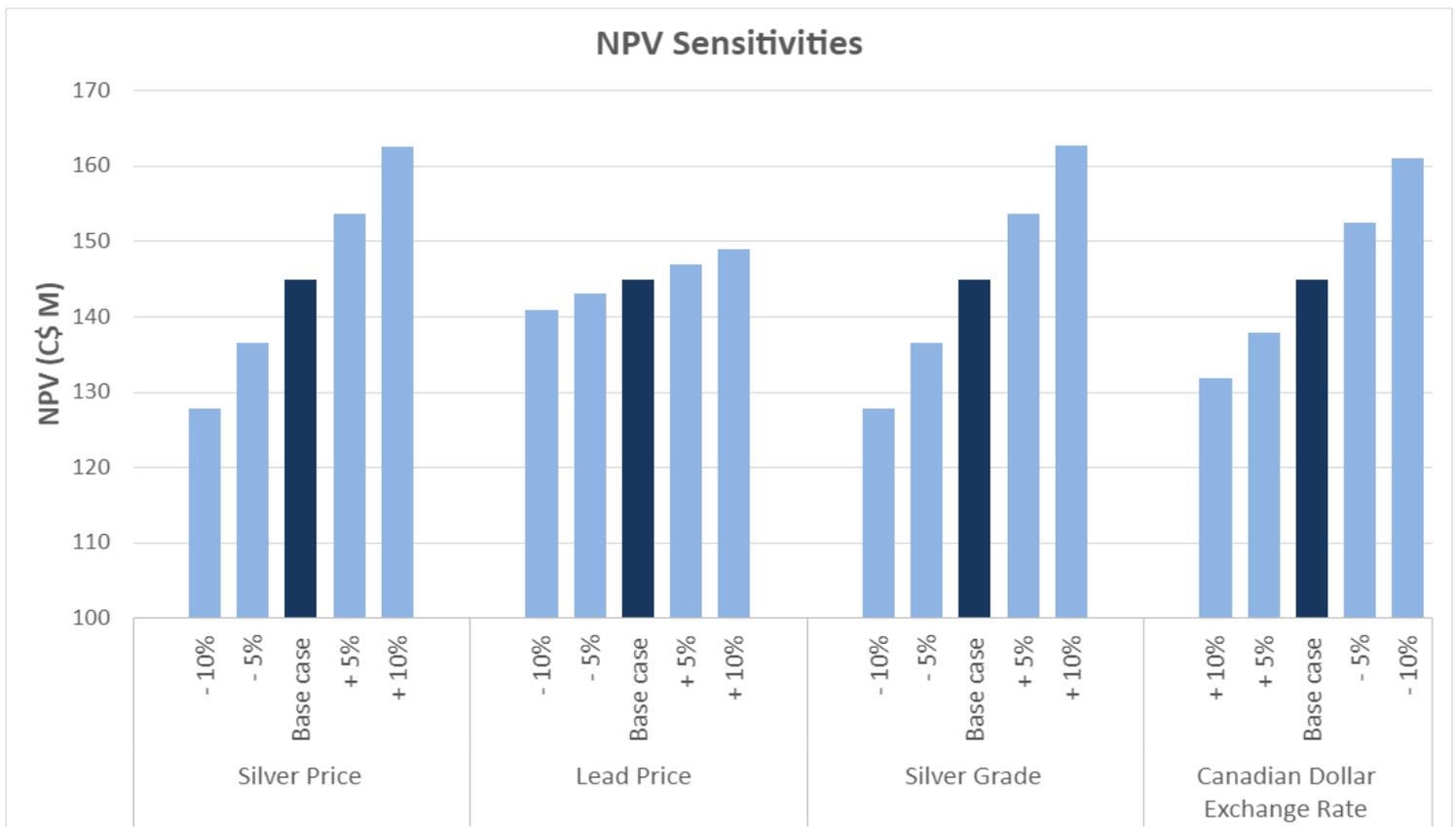
The assumptions used in our base case, Scenario 1, modelling are:

Silver price	US\$24.9/oz
Gold price	US\$1,807/oz
Copper price	US\$3.86/lb
Lead price	US\$0.96/lb
Zinc price	US\$1.13/lb
C\$ exchange rate	0.79
Lead recovery	95%
Zinc recovery	84%
Silver recovery	92.5%
Average LOM silver production	1.72M oz pa
Processing Rate	350tpd
Mine life	8.5 years
Discount rate	10%
Mining cost ore	\$46/t
Processing cost	\$18.5/t
G&A costs	\$18/t
Opex/oz silver	\$9.3/oz
Mineral Royalty	~3%
Tax	30%
Initial capex	US\$13M
Sustaining capex	\$2M pa
Net present value (10%)	C\$144.8M
Internal rate of return (%)	122%
Net present value (5%)	C\$185.1M
AISC	US\$11.1/oz

The NPV is quoted in C\$ dollars and is quoted after tax. The model uses historic Peruvian royalties and tax rates, although it should be noted that the new President, Castillo, in his election manifesto, called for a significantly higher rate of taxation on mining companies.

Under this scenario, the npv of the Bethania mine is C\$144.8M.

Sensitivities for the Base Case



One other scenario was run.

Scenario 2 - An expanded mine life with a 450tpd mill

Under this scenario, the mill throughput is expanded from 350tpd to 450tpd in year 3.5 and the mine life extended to 15 years. We have estimated the cost of this expansion as US\$3m, which is spent in the year previous to this in four equal quarterly increments. As the tonnage has been expanded, the development costs have not been reduced until halfway through year 10 and end 18 months before the end of the mine life.

The slightly lower commodity prices are due to the FDC assumption that the current bull market in commodity prices will not last and prices will trend lower over time.

With the higher mining and processing rates, the mining costs have been reduced by US\$2/t and similarly the milling costs as the fixed costs are spread over a higher denominator. The biggest impact is with the G&A costs which we have assumed remain constant and as a result on a per tonne basis have dropped to US\$14/t.

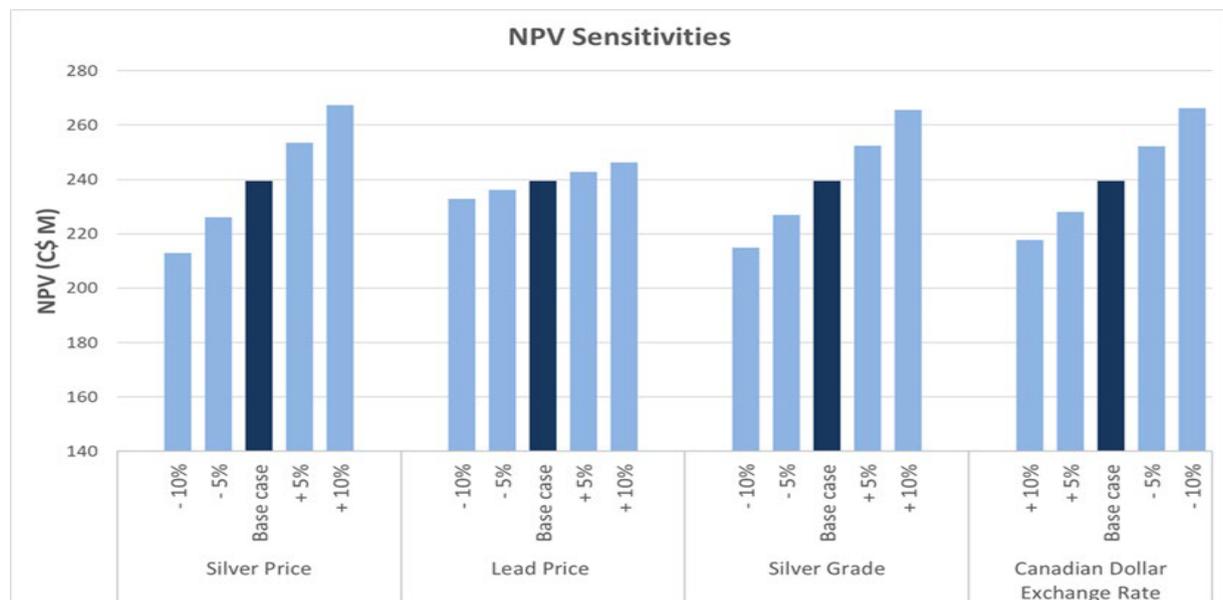
The assumptions for the 450tpd and extended mine life scenario are:

Silver price	US\$22.8/oz
Gold price	US\$1,498/oz
Copper price	US\$3.72/lb
Lead price	US\$0.93/lb
Zinc price	US\$1.08/lb
C\$ exchange rate	0.78
Lead recovery	95%
Zinc recovery	84%
Silver recovery	92.5%
Average LOM silver production	1.72M oz pa
Processing Rate	450tpd
Mine life	15 years
Discount rate	10%
Mining cost ore	\$44/t
Processing cost	\$16.5/t
G&A costs	\$14/t
Opex/oz silver	\$9.3
Mineral Royalty	~3%
Tax	30%
Initial capex	US\$13M
Sustaining capex	\$2M pa
Net present value (10%)	C\$214.8M
Internal rate of return (%)	124%
Net present value (5%)	C\$309.8M
ASIC	US\$11.5/oz

Again, the NPV is quoted in C\$ dollars and is quoted after tax. The model uses historic Peruvian royalties and tax rates, which are likely to increase.

Under this scenario, the npv of the expanded Bethania mine is C\$214.8M, using a 10% discount rate.

Sensitivities for the Expanded Case



Comparative Companies

In the FDC list of comparative companies we have selected companies that are primarily in the pre-production and advanced exploration phases of development, and all own their asset 100%. These companies are predominantly in the Americas which is hardly surprising given that Peru, Mexico and Nevada have a long history of being major silver producing regions. However, there is one Australian based company in our list. Further, we have only picked the major project for each company.

Silvercrest Metals is developing the Las Chispas mine in Mexico. In some ways it is very comparable with Kuya Silver in that the proposed mine lives are similar at around 8 years; both have very high silver grades and both anticipate starting production in 2022. However, Silvercrest produces by-product gold whereas Kuya produces mainly lead, zinc and copper by-products. Silvercrest is also planning a much bigger mine, at around ten times the cost it will produce around four times as much silver per year.

Silver One is exploring the Candelaria mine in Nevada, USA. Like Kuya, this project involves the reopening of an old mine. The project lies within the Candelaria Mining District, historically the richest silver mining district in Nevada. Estimated production from the late 1880's to 1954 was 22M ounces of silver. The mine was also open pitted between 1980 and 1999 resulting in the production of 47M ounces of silver, with Kinross Gold producing approximately 13M ounces of that between 1994 and 1999. The current drill programme of 15,000m is designed to add near surface extensions to mineralisation marginal to the open pits, down-dip mineralisation north of the open pits and porphyry related targets associated with magnetometer and IP anomalies. There will also be some metallurgical test work conducted on the pit extension material.

Silver Mines Limited is an Australian company looking to develop the Bowdens silver project in NSW Australia. It is the largest known undeveloped silver deposit in Australia with substantial resources. A considerable body of high-quality technical work has been completed. The Project boasts outstanding logistics for future mine development. The project has had a feasibility study conducted on it in 2018 and the company is currently in the approval and optimisation process. Given that it is a 2 Mt pa operation, we cannot see it being in production before 2023 and it comes with a large capital cost of US\$186M and its post-tax internal rate of return is only quoted as 24% for the upside case. Whilst this should have improved due to strengthening metal prices and a weaker Australian dollar it is no match for the 100% plus we expect Kuya to achieve.

Discovery Silver is advancing the potential Cordero silver mine in Mexico. The deposit benefits from being in the mining friendly state of Chihuahua and has excellent local infrastructure with a topography that is ideal for open pit mining. The initial PES was conducted in March 2018, but following a 75,000m drilling programme, this takes the total amount of drilling to in excess of 180,000m, a new resource model will be delivered in Q3 2021 followed by a revamped PEA in the fourth quarter. It is planned to start production at 15,000tpd with a mill feed grade of greater than 100g/t silver equivalent. This would be achieved by high grading in the early years of the mine life, and production would be maintained by expanding the mill to 30,000tpd once the initial capex has been paid off. With a capex in the vicinity of US\$570M this is an expensive project and whilst it will probably have a good rate of return, it will struggle to be the anticipated returns from Kuya.

	Kuya Silver	Silvercrest	Silver One	Silver Mines Ltd	Discovery Silver
Project	Bethania	Las Chispas	Candelaria	Bowdens	Cordero
Country	Peru	Mexico	USA	Australia	Mexico
Ticker	KUYA:CSE	SIL: TSX	SVE: TSX-V	SUL: ASX	DSV-TSX-V
Market Cap	C\$72.55M	C\$1.6B	C\$108.166M	A\$282.822M	C\$613.624M
Project ownership	100%	100%	100.0%	100%	100%
Stage	Pre-Production	Pre-Production	Exploration	FS Complete	Exploration
Resources					
Measured (t)	67.71 kt @ 15.94oz/t	2.21MT @ 681g/t		76Mt @ 45g/t	
Indicated (t)	260kt @ 15.96oz/t		22.2Mt @ 15.6g/t	29Mt @ 31g/t	710Mt @ 15g/t
Inferred (t)	133kt @ 14.98oz/t	1.24MT @ 367g/t	11.5Mt @ 23.3G/t	23Mt @ 31g/t	224Mt @ 24g/t
Total-tonnes grade	461kt @ 537g/t	3.45Mt @ 568g/t	33.7Mt @ 18.2g/t	128Mt @ 40g/t	934Mt @ 17.2g/t
Reserves					
Proved Tonnes (t)	67.7kt @ 496g/t	336.5Kt @ 552g/t		28.6Mt @ 69.75g/t	
Probable Tonnes (t)	41.44kt @ 475g/t	3014kt @ 451g/t		1.3Mt @ 53.2g/t	
Total -tonnes (t)	0.11Mt @ 535g/t	3.35Mt @ 461g/t		29.9Mt @ 69g/t	
Grade	17.2oz/t	14.8oz/t		2.2oz/t	
	UG	UG	OP	OP	OP
Strip Ratio	NA	NA	NA	1.6:1	0.98: 1
Mine Life	8 yrs	8.5 yrs		16.5 yrs	29 yrs
Capex	US\$13M	US\$138M		A\$248M	US\$570M
Recovery	92.5%	94.30%		80%	88.6%
Production Start date	2022	2022			
Average Silver production	1.72M oz	~6M oz		3.4M oz	8M oz
C1 Cash Cost (US\$)	9.3/oz	4.13/AgEqu		11.64/oz	
ASIC	11.1/oz	US\$6.68/oz AgEqu		13.15/oz	
Bi-products	Cu, Pb, Zn, Au	Gold	Gold	Pb & Zn	Pb & Zn

Investment Risks

Exploration

Given that the resources have been mined historically and that non-43-101 reserves and resources exist, plus the fact that new outcropping veins have been observed, we regard the exploration risk as minimal.

Country

Historically Peru has been perceived as a mining friendly country. However, the recent political turmoil, resulting the election of Pedro Castillo as the new President with some policies that can best be described as very socialistic has seen the country slip down the ratings. The Fraser Institute's 2020 rankings, the country now rates 34/77 for investment Attractiveness, 42/77 on the Policy Perception Index and 30th out of 77 overall. This is a pity as recently as 2019 it had ranked in the top 25% and occasionally higher still. With a conservation Congress, some of the more left-wing policies may be difficult to impose and hopefully the investment attractiveness will improve in the 2021 survey as the country has much to offer,

Financial

The financial risk is often the biggest obstacle for small companies wanting to bring a mine into production. The fact that the recent C\$8M private equity financing was oversubscribed is a major positive and with the good drilling results from the current campaign, we anticipate a sizable increase in ore resources, then raising the money to build the mill and commence operating should not be too difficult.

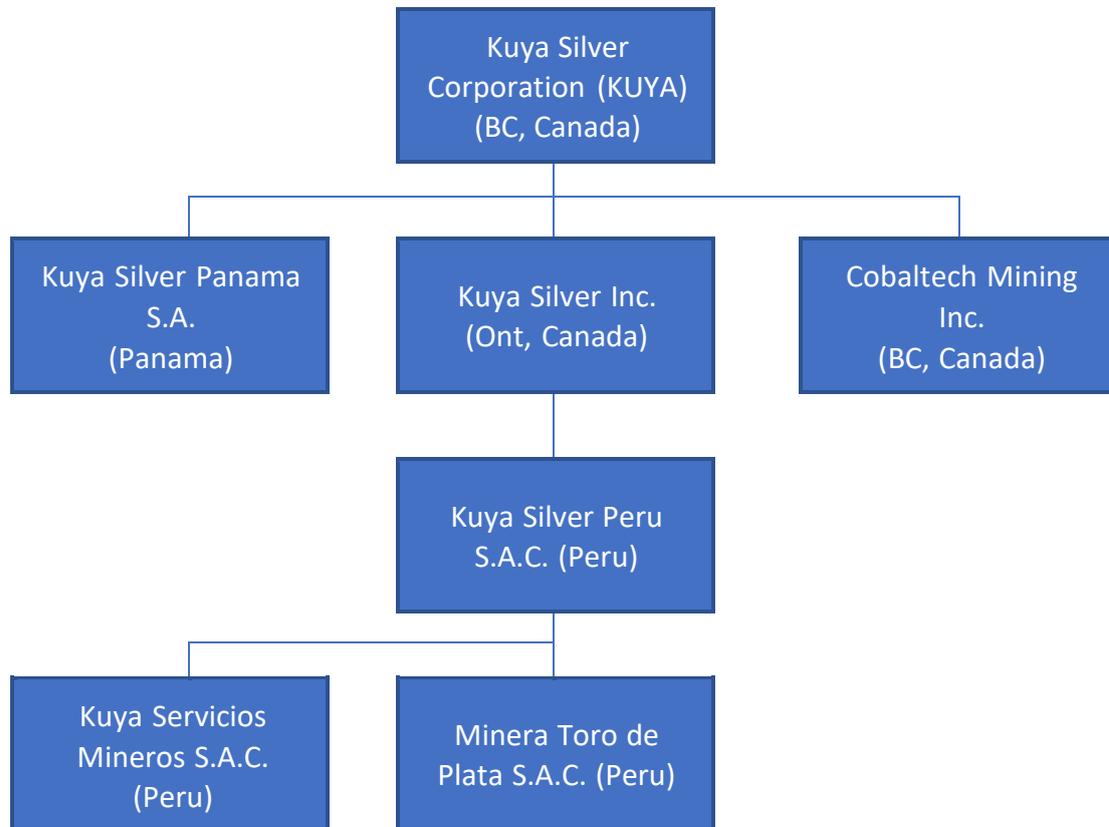
Commodity

The Bethania mine is essentially a polymetallic mine and although silver is forecast to provide the bulk of the revenues, income will be derived from gold, copper, lead and zinc. With the recent weakness in the Sole, this diversity of products is seen as providing an insurance policy against a drop in the silver price. In addition, the Canadian dollar is a commodity currency and any weakening of commodity prices normally results in a lower Canadian dollar which acts as a natural stabilizer.

Mining & Metallurgy

The ore from the Bethania mine has been toll processed in several different mills and has given acceptable metallurgical recoveries and concentrate grades. More metallurgical test work is currently in progress and given the history we have no reason to believe that the mining and metallurgical aspects of the operation will pose any significant risks.

Appendix A-Corporate Structure



Appendix B- Directors & Senior Management

David Stein– President, CEO & Director

Mr. Stein is the Founder of Kuya and President since 2017. Educated with a technical background in Geology and Engineering, Mr. Stein jumped into the capital markets very early in his career, in 2001, as a mining equities analyst for a prominent Canadian broker-dealer. More recently Mr. Stein was President and CEO of Aberdeen International, where he led various private equity and public company investment mandates.

Christian Aramayo – VP Operations & Co-Founder

Mr. Aramayo has more than seventeen years of experience in the mining industry in North and South America, the Caribbean, Europe and Africa. Throughout his career, he has been closely associated with the practices that make for world-class mining operations and projects including challenging operations as Pueblo Viejo, Paracatu, Fruta del Norte and Tasiast. Mr. Aramayo is a Chartered Engineer who holds a Master's Degree in Science from the University of Manchester (UK) in Decision Sciences and a Master's Degree in Metallurgy.

Tyson King –VP Corporate Development

Mr. King has over 10 years' experience in the management of publicly listed and privately held companies in the resource sector. He has been actively engaged in overseeing the day-to-day operations of several companies where he's held various senior officer positions throughout his career. Mr. King holds a BA in Economics from the University of Calgary.

Lesia Burianyk – Finance Director

Ms. Burianyk has over 15 years of industry experience serving as CFO for various TSX-V and CSE listed companies. Ms. Burianyk is a CPA, CA and holds a Bachelor of Business Administration degree (2000) from Simon Fraser University. Ms. Burianyk was previously employed as an audit manager at a Canadian accounting firm where she specialized in the mining industry.

Annie Sismanian – CFO

Ms. Sismanian is a Chartered Professional Accountant (CPA, CA) with over 18 years of broad progressive experience in finance, strategy, and corporate development. Prior to joining Kuya, she was Vice President, Corporate Finance and Investor Relations at Guyana Gold and has held senior financial roles at Hydro One, Kinross, Barrick, Fairmont and PWC.

Quinton Hennigh – Director

Dr. Hennigh is an economic geologist with 25 years of exploration experience, mainly gold related. Early in his career, he explored for major mining firms including Homestake Mining Company, Newcrest Mining Ltd and Newmont Mining Corporation. Dr. Hennigh joined the junior mining sector in 2007 and has been involved with a number of Canadian listed resources including Novo Resources where he serves as President and Chairman.

Dale Peniuk – Director

Mr. Peniuk is a Chartered Professional Accountant (CPA, CA) and corporate director. Mr. Peniuk has a B.Comm from the University of British Columbia (1982) and received his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia. He spent more than 20 years with KPMG LLP and predecessor firms, the last ten years as an Assurance Partner with a focus on mining companies. Mr. Peniuk also serves as a director and Audit Committee Chair of Lundin Mining Corporation, Capstone Mining Corp. and Argonaut Gold Inc.

Andres Recalde – Director

Mr. Recalde is the Director of Mining for Common Good. His expertise is with social performance and building stakeholder confidence for the extractive industries. Mr. Recalde is Peruvian/Canadian and has worked extensively in Latin America as a consultant, advisor and corporate director to mining companies such as Barrick Gold, Pan American Silver and Torex Gold. Mr. Recalde is also actively involved as Past President of the Peruvian Canadian Chamber of Commerce.

Maura Lendon – Director

Ms. Lendon is a seasoned, internationally experienced general counsel with over 20 years' experience in the mining and telecom industries gained after initially practicing with top Bay Street law firms. Ms. Lendon is the founder and Chief General Counsel of Scalable General Counsel, providing general counsel services to growing companies since 2019, and is currently a director of Eastmain Resources Inc. Ms. Lendon was Senior Vice President, Corporate Services, Chief Legal Officer and Corporate Secretary of Hudbay Minerals from 2008 to 2011.

Leah Hodges – Corporate Secretary

Mrs. Hodges is the principal of Benchmark Governance, providing corporate compliance, administration, and governance support to private and public companies in the resource and technology sectors. Mrs. Hodges has over fifteen years of experience serving on, and for, numerous boards of directors of public listed companies.

Advisory Board

Hector Aramayo – Strategic Advisor

Mr. Aramayo, based in Lima, Peru, is an experienced civil engineer, consultant and project manager with experience in retail and industrial construction in Latin America. He is the Founder of SICG SAC, a construction contractor and management company that over the past 20+ years has built blue chip client base in Latin America.

*Services are provided to Kuya Silver Corp. by way of an external consulting agreement with SICG SAC of Lima, Peru, and subject to change without notice.

Appendix C – Country Overview

Population	32.9M (2020E)
Capital	Lima
Currency	Sole
Languages	Spanish, Quechua
Major religion	Christianity,
Main exports	Copper, gold, zinc, textiles and fish.
GDP (2020)	US\$202B
GDP per capita	US\$5,685
GDP growth rate	-1.7% (2020)
Unemployment rate	12.00%
Major natural resources	Copper, lead/zinc/silver, gold, fish, fruit & nuts, mineral fuels

Peru is located on the Pacific coast of South America. It is bordered by Chile to the south, Bolivia and Brazil to the east and Colombia and Ecuador to the north. Peru is a megadiverse country with habitats ranging from the arid plains of the Pacific coastal region in the west to the peaks of the Andes mountains extending from the north to the southeast of the country to the tropical Amazon Basin rainforest in the east with the Amazon River. It gained independence from Spain in 1820

In the early years of independence Peru was marked by instability due to endemic struggles between military leaders. From the 1840s to the 1860s, Peru enjoyed a period of stability under the presidency of Ramón Castilla, through increased state revenues from guano exports. However, by the 1870's, these resources had been depleted, the country was heavily indebted, and political in-fighting was again on the rise. Peru embarked on a railroad-building program that helped but also bankrupted the country. Peru then became involved in the War of the Pacific, which lasted from 1879 until 1894 in which Peru lost the southern province of Arica, plus the department of Tarapacá to Chile. The war was followed by a period of stability until the early 1920's when a period of rebuilding took place, and many social and economic reforms were undertaken.

The period from 1941 until 1995 was marked by turmoil. There were several wars with Ecuador regarding boundaries, coups by the military, corruption and finally rampant inflation and an insurgency by the Shining Path. Alberto Fujimori assumed the presidency in 1990 and implemented drastic measures which significantly reduced inflation. Fujimori cracked down on the insurgents and was successful in largely quelling them by the late 1990's, but the fight was marred by atrocities committed by both the Peruvian security forces and the insurgents:

The most recent period has seen strong growth due to high metal prices and a boom in mining following the privatisation of the mines in the late 1990's. However, the period has been marked by political instability. Between 2011 and 2021, Peru had five different presidents. On 5 June 2011, Ollanta Humala was elected president. During his presidency, Prime Minister Ana Jara and her cabinet were successfully censured, which was the first time in 50 years that a cabinet had been forced to resign from the Peruvian legislature. In 2016, Pedro Pablo Kuczynski was elected, though his government was short lived as he resigned in 2018 amid various controversies surrounding his administration. Vice president Martín Vizcarra then assumed office in March 2018 with generally favourable approval ratings. Alan García, President from 2006 until 2011, was involved in the Operation Car Wash scandal and as police tried to arrest him, he committed suicide on 17 April 2019. Later that year, in July, police arrested Alejandro Toledo in California. Amid the crisis, on 30 September 2019, President Vizcarra dissolved the congress, and elections were held on 26 January 2020. The first case of COVID-19 was confirmed on 6 March 2020. During the COVID-19 pandemic in Peru, most Peruvians were under a stay-at-home order by the president. However, an economic crisis triggered by the Pandemic led to his removal from the presidency, seen by many as a coup by congress, and

the far-right government of Manuel Merino, the new president, received a lot of backlash. Protests sprang across the country, and after 5 days, Merino resigned. He was replaced by Francisco Sagasti. Sagasti led a provisional, centrist government, and enforced many of Vizcarra's former policies. Elections were held on 11 April 2021, and Pedro Castillo of the Free Peru party won the first round, followed closely by Keiko Fujimori. In the run-off between the two, Castillo narrowly won the presidency based on a policy of radical socialism, including raising taxation on mines to 70%. However, he appears to have fallen out with his Marxist advisor, Vladimir Cerron, and with the Peruvian Congress dominated by centralists, it is extremely doubtful whether his most radical policies will see the light of day.

The combination of tropical latitude, mountain ranges, topography variations, and two ocean currents (Humboldt and El Niño) gives Peru a large diversity of climates. The coastal region has moderate temperatures, low precipitation, and high humidity, except for its warmer, wetter northern reaches. In the mountain region, rain is frequent in summer, and temperature and humidity diminish with altitude up to the frozen peaks of the Andes. The Peruvian Amazon is characterized by heavy rainfall and high temperatures, except for its southernmost part, which has cold winters and seasonal rainfall.

Historically, the country's economic performance has been tied to exports, which provide hard currency to finance imports and external debt payments. Although they have provided substantial revenue, self-sustained growth and a more egalitarian distribution of income have proven elusive. Inflation in 2020 was 2.5% but has increased in 2021 to 3.25% due to increases in food prices and a rise in the cost of housing.

In theory, Peru should be a major beneficiary of rising metal prices and food prices although this appears to be responsible for some of the current increase in inflation.

Peru maintains an integrated relationship with other South American nations and is a member of various South American intergovernmental agreements, more recently the Organization of American States, Mercosur, the Andean Community of Nations, the Pacific Alliance, and the APEC.

The latest Economic Update available is for 2020, when the country had a population of 32.9M and a GDP of US\$202B, giving GDP per head of population of US\$5,685. Currently, mid-2021, the Public Debt as a percentage of GDP is 35.4% and the annual inflation rate is 3.25%.

Peter Rose

Peter has 35 years' experience in equities as a resource's analyst; he has been at Brandon Hill Capital, formerly Fox-Davies Capital for 13 years before rejoining Fox-Davies Capital. Prior to that he spent 11 years with Deutsche Bank in Australia, 2 years with Prudential Bache and 6 years with James Capel. Peter's industry experience includes 16 years as a metallurgist, 3 years with De Beers in South Africa and 9 years in the uranium industry, 7 of which were spent at the Ranger Uranium mine. Peter holds a BSc degree in Applied Mineral Science from Leeds University UK and a Bachelor of Commerce from the University of South Africa. Peter is also a member of the Institute of Materials, Mining & Metallurgy, and a chartered engineer.

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