



KUYA SILVER CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2025

(Expressed in US Dollars)

Report Date – April 23, 2026

TABLE OF CONTENTS

TABLE OF CONTENTS	2
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	3
COMPANY OVERVIEW	3
HIGHLIGHTS.....	4
OUTLOOK	8
OVERALL PERFORMANCE AND RESULTS OF OPERATIONS	11
SUMMARY OF QUARTERLY FINANCIAL RESULTS	14
LIQUIDITY AND CAPITAL RESOURCES	15
TRANSACTIONS WITH RELATED PARTIES.....	17
COMMITMENTS AND CONTINGENCIES	17
SHARE CAPITAL INFORMATION	18
CAPITAL AND FINANCIAL RISK MANAGEMENT	19
ACCOUNTING DISCLOSURES	23
SUBSEQUENT EVENTS	23
RISK FACTORS	24
CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS	39

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 year ended December 31, 2025. This MD&A should be read in conjunction with the Company's audited annual consolidated financial statements and related notes thereto for the year ended December 31, 2025. 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 for the year ended December 31, 2025, 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 interim financial statements have been prepared in accordance with International Financial Reporting 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 Canadian 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 April 23, 2026 (the "Report Date") unless otherwise indicated.

COMPANY OVERVIEW

Kuya Silver is a silver mining company with a focus on acquiring, exploring, developing and operating precious metals properties in mining-friendly jurisdictions (such as 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 2054 Dowad Drive, Squamish, BC, V8B 0Y8. The Company's shares are listed on the Canadian Securities Exchange ("CSE") under the symbol KUYA and on the OTC Markets OTCQB Exchange under the symbol KUYAF.

Bethania Silver Project (Huancavelica, Peru)

The Company owns the Bethania Silver Project in Peru, located in a major silver-lead- zinc mining district in Central Peru, which is comprised of the Bethania mine (Santa Elena mining concession) that operated, prior to Kuya Silver's acquisition, from 2010 to 2016, the Carmelitas concessions, and the Tres Banderas concessions, together which collectively covers approximately 5,600 hectares. The Company's most recent Preliminary Economic Assessment (the "PEA") was filed on SEDAR+ in October 2023 and contemplates a 350 tonnes per day 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. Mineralized material is planned to be mined from three primary vein systems (Española, 12 de Mayo, Victoria).

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

During 2024 the Company commenced reconditioning and underground activities required to restart mining operations at the Bethania Silver Project, and commenced limited production of mineralized material, which the initial extraction focused on areas with existing underground infrastructure. This activity continued during 2025, accelerating underground rehabilitation to increase operations.

As the mining activities at the Bethania Project advance toward the initial Phase 1 target of 350 tonnes per day, the Company expects to benefit from more consistent processing and potential optimization opportunities aimed at improving silver recoveries from Bethania's polymetallic mineralized material.

Silver Kings Project (Ontario, Canada)

The Silver Kings Project is located in Northern Ontario's most prolific silver mining camp, situated near the historic mining town of Cobalt, Ontario, and encompasses approximately 13,000 hectares of patents, leases and claims. 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.

The Company's exploration programs led to a new silver vein discovery on the Campbell-Crawford claim, is now known as the Angus Vein. Since that discovery, additional veins and vein structures have been identified both thought drilling and on the surface in close proximity to the Angus Vein which have been shown to host silver-cobalt mineralization.

Umm Hadid Project (Saudi Arabia)

The Company also holds 5% interest in Umm Hadid Project in Saudi Arabia, with the option to acquire an additional 40% until April 2027 for further information see Evaluation and Exploration Assets section.

HIGHLIGHTS

		Three months				Year ended	
		December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2025	December 31, 2024 ⁽¹⁾
Operational Highlights							
Mineralized material, mined	tonnes	1,999	417	1,224	655	4,295	528
Mineralized material, processed	tonnes	1,570	1,841	-	872	4,283	767
Meters advanced	m	172	58	263	161	654	111
Development	tonnes	2,318	405	1,774	1,930	6,426	558
<u>Average head grades</u>						-	
Silver	oz/t	6.00	10.82	10.73	9.05	9.15	6.93
Lead	%	1.40	3.32	3.64	2.60	1.64	2.45
Zinc	%	1.10	2.61	2.52	2.23	1.63	1.70
Silver Equivalent ⁽²⁾	oz/t	8.50	13.87	14.89	12.39	12.41	10.31
Silver Equivalent ⁽²⁾	g/t	264	431	463	385	386	321
<u>Average recoveries</u> ⁽³⁾						-	
Silver	%	73.30	91.63	-	90.94	85.29	84.76
Lead	%	79.10	90.50	-	87.40	85.67	80.61
Zinc	%	57.10	66.00	-	55.40	59.50	25.63

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

		Three months				Year ended	
		December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2025	December 31, 2024 ⁽¹⁾
Operational Highlights							
<u>Metal processed</u>						-	
Silver	oz	7,724	18,985	-	7,445	34,155	5,177
Lead	tonnes	18	58	-	22	98	18
Zinc	tonnes	15	46	-	18	79	13
<u>Concentrates sold (wet)</u>						-	
Silver Speciality	tonnes	-	-	1,800	-	1,800	-
Silver - Lead	tonnes	37	98	-	39	174	38
Zinc	tonnes	22	66	-	29	117	13
Silver	oz	5,441	16,983	58,078	6,760	87,262	4,248
Gold	oz	-	4	-	2	6	2
Lead	tonnes	15	53	-	18	86	15
Zinc	tonnes	8	30	-	10	48	4
Silver Equivalent ⁽²⁾	oz	6,194	21,436	58,078	8,888	94,596	5,904
Silver Sales	%	88	79	100	76	92	72
						-	
<u>Average realized price ⁽⁴⁾</u>						-	
Silver	\$/oz	57	40	37	33	42	31
Gold	\$/oz	-	3,366	-	3,017	3,192	2,681
Lead	\$/tonne	1,953	1,953	-	1,984	1,963	1,915
Zinc	\$/tonne	3,047	2,818	-	2,773	2,879	2,718
Total Revenue ⁽⁴⁾	\$ Thousands	321	767	1,150	229	2,467	150

⁽¹⁾ production from May 21, 2024 to December 31, 2024

⁽²⁾ Silver Equivalency (AgEq) was calculated using silver price prices as follows: Dec 31, 2025: silver \$70.13/oz, gold \$4,326/oz, lead \$2,005/tonne, zinc \$3,122/tonne Sept. 30, 2025 period: silver \$46.56/oz, gold \$3,846/oz, lead \$1,964/tonne, zinc \$2,938/tonne Jun. 30, 2025 period; silver \$36.00/oz, gold \$3,303/oz, lead \$2,205/tonne, zinc \$2,764/tonne, Mar. 31, 2025 period; silver \$34.46/oz, gold \$3,122.80/oz, lead \$2,002/tonne, zinc \$2,829/tonne, and Dec. 31, 2024 period; silver \$28.90/oz, gold \$2,606.72/oz, lead \$1,921.50/tonne, zinc \$2,974/tonne.

⁽³⁾ includes only payable recovery i.e. lead in the silver- lead concentrate and zinc in the zinc concentrate and silver in both concentrates.

⁽⁴⁾ may include provisional settlements at the end of the period, net of treatment and refining costs.

Bethania Silver Project

- Total of 4,295 tonnes mined during 2025 generating a total revenue of \$1.3 million, the fourth quarter of 2025 contributed approximately 47% of the tonnes mined during the year, a quarterly record as Bethania continues to ramp up production. Approximately 1,300 tonnes of material mined during the fourth quarter of 2025 was shipped for processing in January 2026, generating higher revenue due to the increase in silver prices.
- Total of 654 meters advanced and 6,426 metric tonnes of development material moved allowing sufficient working areas to produce more than 100 tonnes per day.
- Improvement in operational efficiency, successfully focusing on the targeted extraction of higher-grade mineralization, resulting in higher average grades from 6.93 oz/t to 9.15 oz/t, building on the prior year when mineralized material was first obtained.
- During the fourth quarter of 2025, the Company advanced site activities by preparing additional low-grade stockpiled material for potential shipment to a toll milling facility. As part of these efforts, approximately 5,095 metric tonnes of material were processed into a “ready-to-ship” stockpile, with an estimated grade of 3.07 oz/t silver, along with minor by-product credits. While the Company continues to evaluate the timing to process this material, it provides flexibility to take advantage of available or excess toll milling capacity, when such opportunities arise.

- Consistent improvement in average silver grades ranging from 9.05 oz/t in the first quarter of 2025 to 10.82 oz/t in the third quarter of 2025. Similarly, lead grades increased from 2.60% to 3.64%, while silver equivalent grades improved from 12.39 oz/t to 13.87 oz/t over the same period. Processing lower silver grades from the historic lower-grade stockpile material resulted in temporarily lower grades from processed material as fresh mineralized material grading 9.2 oz/t silver was blended with historic low-grade stockpile material grading 4.1 oz/t. This also decreased the metallurgical recoveries during the fourth quarter as the historic low-grade material is partially oxidized from exposure to the weathering over the past 10-plus years.
- During the third and fourth quarter of 2025 the Company achieved record processing performance, with 1,841 tonnes and 1,570 tonnes processed, respectively. These results highlight the continued progress at the operation.
- Revenue generated from Bethania operation was approximately \$1.3 million from 29,184 ounces of silver sold.
- In the second quarter of 2025, the Company initiated a review of historical artisanal mining areas near the Bethania Silver Project to develop potential targets for exploration. The program focused on sampling newly identified vein targets, as well as extensions of previously sampled veins. These targets were identified by evidence of historical mining activity or through mapping of veins. As a result, in addition to collecting 12 samples with over 1000 g/t silver equivalent*, with grades up to 2,630 g/t silver (2,668 g/t silver equivalent*), the Company delineated a fourth prospective area with silver veins identified at surface, Millococha Oeste and Millococha Norte, which exhibit a similar mineralized footprint size to the Bethania mine.

Other results include extensions to silver vein mineralization near the Bethania mine including the Hilltop zone, a new zone in the Carmelitas area, named as Carmelitas Este, and extensions to previously identified mineralization at the Tito PH prospect.

These results expand the mineralized footprint of the Bethania silver district. Outside of the Bethania mine, the combined strike length of prospective mineralized silver veins (identified, mapped and sampled) is estimated to have increased by 41% to over 7 kilometers. Further details were provided in the press release of July 17, 2025.

Silver Kings Project (Ontario, Canada)

- A total of 1,800 wet tonnes of silver concentrate were shipped generating provisional revenue of \$1.2 million. This concentrate was identified at site and the Company undertook a process to market this product, successfully shipping the concentrate for sale in the second quarter of 2026.
- Final results from Company's 2024-2025 drilling program intersected several mineralized ladder veins, as well as a new vein cluster located within a geophysical anomalous zone (that is directly comparable to the high-grade Angus-McNamara mineralized zone) resulting in the expansion of the size of the mineralized zone at depth. The Silver-cobalt mineralized footprint at the Campbell-Crawford/Airgiod Prospect, has been expanded to a 375 x 250 m zone which remains open. Further details were provided in the press release of April 24, 2025.

CORPORATE

Liquidity

- The Company entered a new phase of financial stability, reflecting a cash balance of \$9,339,023 following August 2025 private placement (described below) and warrants exercised during the last quarter of the year as share price increased. Net working capital surplus of \$9,862,354 with the early settlement of the convertible debentures. This liquidity allows flexibility in the execution of immediate operational priorities, including the continued ramp up of production in Bethania. Mine.
- Subsequent to December 31, 2025, the Company received CAD \$23,741,625 net proceeds from a private placement and CAD\$2,921,154 the exercise of warrants. These proceeds further strengthened the Company's liquidity position and provided financial flexibility as the Company commences and executes its projects.

Financings

During the year ended December 31, 2025, the following financings were closed:

- On March 14, 2025, the Company announced the closing of the first tranche of a non-brokered private placement by issuing 3,815,000 common shares in the capital of the Company at CAD \$0.25 per common share for gross proceeds of CAD \$953,750 (\$662,879). Finders' fees of \$35,500 (\$24,673) were paid. The Company intends to use the net proceeds for general working capital.
- On March 27, 2025, the Company announced the closing of the second tranche of a non-brokered private placement by issuing 5,442,000 common shares in the capital of the Company at CAD \$0.25 per common share for gross proceeds of CAD \$1,360,500 (\$950,800). Finders' fees of \$73,140 (\$52,802) were paid. The Company intends to use the net proceeds for general working capital.
- On April 7, 2025, the Company announced the closing of the third and final tranche of a non-brokered private placement by issuing 2,343,000 common shares in the capital of the Company at CAD \$0.25 per common share for gross proceeds of CAD \$585,750 (\$412,035). The Company intends to use the net proceeds for general working capital.
- In August 2025, the Company closed a private placement issuing 18,140,000 units for gross proceeds of \$6,566,000 (CAD \$9,070,000). The proceeds will be deployed to the Company's projects to support the Company's near-term operational and strategic priorities. Refer to subsequent events section for further information.
- With the continued share price appreciation during the year 19,770,341 warrants were exercised for proceeds of \$5.5 million.

Board and Management

- On June 26, 2025 Mr. Eugene (Gene) McBurney, Ms. Lisa Wilkinson, and Mr. Sandro Ferrarone were elected by shareholders at the Annual General and Special Meeting to join the Board as independent members, along with the re-election of four incumbent directors. Mr. McBurney was also appointed Chair of the Company's Audit Committee. These additions strengthen the Company's corporate governance through their expertise and oversight capabilities.

- On July 2, 2025 the Company enhanced its management team by appointing Sheila Magallon as Chief Financial Officer. Ms. Magallon addition supports the Company's financial leadership as it transitions into a producing entity.
- During Q3, 2025, the Company strengthened its management and operational capabilities through the addition of Osbaldo Zamora as Vice President of Exploration and Gerardo Acuña as Mine Superintendent at Bethania mine. These new team members bring extensive international experience in mining operations, supporting the Company's ongoing growth.

Other

- On September 22, 2025 the Company entered into a research sponsorship agreement with Noble Capital Markets, a FINRA and SEC registered broker-dealer headquartered in Florida, USA. Under the terms of the agreement Noble will provide independent, in-depth analysis of the Company's historic and present market position, financial position, corporate governance practices, among other services. The agreement has a one year term with a total value of \$75,000 and automatically renews for successive one year term unless less either party gives written notice to the other at least ninety (90) days prior the expiration of any term.

OUTLOOK

The Company's key objective for the Bethania Silver Project is to develop a 350 tonnes per day ("tpd") mining operation, including the construction or acquisition of a 350 tpd processing plant as outlined in the most recent PEA. To support the project advancement and de-risk this phase, the Company has developed sufficient working faces underground to achieve its initial short term goal of 100 tpd and continues processing any extracted mineralized material at a third party mill via toll milling to produce a saleable concentrate, generating near term cash flow

The Company is also working to complete the infrastructure and staffing required to support consistent daily production. A modernization program is underway in during the second quarter of 2026 intended to accelerate production ramp-up through the upgrade of internal underground haulage infrastructure, improve material handling efficiency, and support higher throughput rates.

To support longer-term operations at the Bethania Project longer-term operations a 20,000 metre geological drilling program has been announced, which combined underground and surface diamond drilling, representing the largest drill program ever at Bethania Project. The underground Santa Elena concession is being designed to test extensions of known mineralized structures that remain open along strike and at depth. This approach allows the Company to potentially expand resources adjacent to current mine infrastructure while testing high-priority targets at relatively low cost and improving the geological continuity of the known vein system.

The surface drill program will focus on priority targets associated with silver vein systems identified at surface and in proximity to historical artisanal mining areas. These targets have been identified during the Company's recent regional exploration work, located outside the immediate Bethania mining area.

The Company continues to review the exploration results from Silver Kings Project in the context of market conditions, to develop a plan forward to advance development of the project.

EXPLORATION AND EVALUATION ASSETS

Bethania Silver Project

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) located in the district of Acobambilla, department of Huancavelica, Peru. MTP operated the Bethania mine from 2010 to 2016, by mining mineralized from underground and trucking it to nearby plants for processing into saleable 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. The finalization of the acquisition of the Carmelitas concession was completed in fiscal 2021.

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. In 2024 and 2025, Kuya added Tres Banderas 09, 10 and 11 located immediately north of Carmelita 2005 and southwest of the Corihuarmi gold mine owned by Minera IRL Ltd. 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, and the Millococha Oeste prospect located on the Tres Banderas 08 concession.

On December 5th, 2024, the Company announced 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 Bethania. As of this date, the permitting of this type of mining is being pursued with the Peruvian authorities. For further details on this project, please refer to the press release of December 5, 2024 on the Kuya Silver website (www.kuyasilver.com).

In June 2025, the Company signed a non-binding Letter of Intent ("LOI") with Silver Crown Royalties Inc. to raise \$5,000,000 through the proposed sale of a silver royalty on the Bethania Silver Project. Silver Crown would receive a 4.5% royalty on payable silver production in exchange for \$3,000,000 in cash and \$2,000,000 in Silver Crown units (priced at CAD \$6.50 each, with half-warrants exercisable at CAD \$13.00 for three years). During Q3, 2025 the LOI was terminated, and no definitive agreement was reached.

Silver Kings Project

The Silver Kings Project encompasses approximately 13,000 hectares in the Coleman, Gilles Limit, Lorrain, South Lorrain, Kittson, Barr, Klock, and Dane townships in north-eastern Ontario.

On March 1, 2021, the Company completed an agreement to acquire, from Electra Battery Materials Corporation ("Electra"), certain silver-cobalt mineral exploration assets (at the time referred to as the "Kerr Assets"), as well as an option to acquire up to 70% of the balance of Electra's silver-cobalt mineral exploration assets (at the time referred to as the "Remaining Assets") located in the historic Cobalt, Ontario silver-cobalt mining district. 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.

Certain of the properties including those that were part of the Remaining Assets as well as those acquired from Canadian Silver Hunter Inc. ("CSH") in 2023 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.

On September 30, 2021, the Company obtained control of CobalTech Mining Inc. ("CobalTech") which holds twelve patents located in the Coleman and Gilles Limit townships, as well as a lease, and several mineral claims. As part of the acquisition, a reclamation provision in the amount of \$1,740,932 as at December 31, 2025 has been recognized for future reclamation and rehabilitation obligations.

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. Under the original option and amended purchase agreement, the Company issued a total of 3,373,844 common shares to Electra, valued at \$1,399,510 (CAD \$1,810,992) and acquired 100% of the Remaining Assets subject a 2% royalty on net smelter returns from commercial production on the Remaining Assets.

On March 24, 2023, the Company entered into a settlement agreement with 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 and purchase the remaining interest, 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 proper.

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

Umm Hadid Project, Saudi Arabia

In April 2025, the Company signed a joint venture agreement with Sumou Holding Company, the majority shareholder of Silver Mining LLC ("Silver LLC"), which holds an exploration license in the Kingdom of Saudi Arabia. The joint venture agreement gives the Company a 5% non-dilutable (or carried) interest over the initial five-year work program and a strategic back-in right to acquire an additional 40% participating interest in Silver LLC, up until April 2027, by reimbursing 40% of the expenditures incurred up to that point in time, to hold a total 45% interest in Silver LLC. As at December 31, 2025, Silver LLC has incurred approximately \$1.8 million in exploration and evaluation expenditures, which were not incurred by the Company but by Silver LLC.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Details of certain financial metrics for the three months and year ended December 31, 2025 and 2024 are described below:

Selected Financial Information	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Total assets	\$ 36,142,340	\$ 23,724,597	\$ 36,142,340	\$ 23,724,597
Total non-current financial liabilities	1,760,570	1,695,352	1,760,570	1,695,352
Revenue	\$ 307,231	\$ 150,129	\$ 2,467,985	\$ 150,129
Production costs, including transportation, refining and other	(680,669)	-	(2,531,060)	-
Exploration & evaluation expenditures	(910,126)	1,537,660	588,674	4,110,038
Administrative expenses	824,893	518,364	2,510,686	2,016,649
Share-based compensation	91,850	63,128	444,099	299,373
Other (income) expense	48,875	(90,745)	(22,161)	(228,725)
(Loss) for the period	\$ (428,930)	\$ (1,878,278)	\$ (3,584,373)	\$ (6,047,206)
(Loss) per share (Basic and diluted)¹	\$ (0.00)	\$ (0.03)	\$ (0.03)	\$ (0.06)
Cash dividends declared	\$ -	\$ -	\$ -	\$ -

(1) In periods when the Company has a loss, diluted loss per share is the same as basic loss per share.

The change in net loss for the period is primarily driven by the revenue earned at Bethania and Silver Kings offset by associated production costs at Bethania. The Company recognized revenue of \$307,231 and \$2,467,985 during the fourth quarter and year ended December 31, 2025 (2024 – \$150,129 and \$150,129), from the Bethania and Silver Kings projects, with production costs of \$680,669 and \$2,531,060, respectively (2024 – \$Nil and \$Nil). For Bethania the increase in revenue compared to 2024 is attributable to the Company's transition from primarily rehabilitation activities, during which only incidental revenue was generated, to increased mining and processing activities in 2025. For the Silver Kings Project, revenue recognized during the period resulted from the identification of several stockpiles of historical silver concentrate and the successful shipment and sale of such concentrate in the second quarter of 2025.

During the fourth quarter and year ended December 31, 2025, exploration activities decreased by \$2,477,786 and \$3,521,364, respectively, compared to the same periods in 2024. This decrease was primarily attributable to the completion of the exploration campaign at the Silver Kings Project, reduced exploration activities as the Company shifted its focus toward mining of mineralized ore at the Bethania operation, and the reversal of value-added tax ("VAT") expenses recognized in prior years, as the Company now expects such amounts to be recoverable based on improved operating expectations. Administrative expenses for the fourth quarter and year ended December 31, 2025 increased by \$306,529 and \$494,037, respectively, relative to the same periods in 2024, primarily due to an increase of \$204,723 and \$157,309 in travel expenses related to investor conferences, meetings, trade shows, and consulting fees associated with business development initiatives, as well as an increase of \$24,460 and \$150,502 in salaries and benefits resulting from higher headcount, including additional management positions.

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

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), accretion expense on reclamation provisions and on the convertible debentures, and interest income from short term cashable instruments. Foreign exchange losses and gains are due to fluctuations in the Peruvian Sol ("PEN") and the USD to the CAD.

Net other income for the three months ended December 31, 2025, included a foreign exchange loss of \$69,390 (2024 – gain of \$56,634), income due to the recognition of flow-through premium of \$142,696 (2024 –\$203,817) and interest income of \$33,528 (2024 – \$12,392), offset by accretion expense of \$13,014 (2024 - \$68,830).

Net other income for the year ended December 31, 2025 included the recognition of flow-through share premium and a positive foreign exchange swing due to a favorable change in foreign exchange rates explained the majority of the increase in other income somewhat offset with an increased accretion expense due to the convertible debentures and the exploration assets.

Exploration and evaluation expenditures for the three months and year ended December 31, 2025 and 2024 are as follows:

Exploration and evaluation expenditures	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Bethania Silver Project				
Civil works and engineering	\$ -	\$ 21,469	\$ 1,857	\$ 76,900
Geology and drilling	-	1,808	20,520	1,808
Mine rehabilitation	-	367,839	-	1,497,546
Operations and supplies	84,898	184,896	319,073	285,180
Property maintenance, licences and rights	-	(5)	-	14,019
Safety and environment	16,329	(3,076)	54,031	713
Value Added Tax ("VAT")	(1,361,530)	46,803	(1,361,530)	213,652
Salaries and benefits	203,068	75,873	622,066	330,066
	<u>(1,057,235)</u>	<u>695,607</u>	<u>(343,983)</u>	<u>2,419,884</u>
Silver Kings Project				
Civil works, engineering and metallurgy	42,554	45,258	107,721	138,790
Geology and drilling	9,419	610,675	360,493	989,031
Operations and supplies	18,425	25,806	103,419	122,197
Property maintenance, licenses and rights	24,552	30,696	41,730	42,950
Safety and environment	17,348	24,313	27,443	42,690
Salaries and benefits	34,811	105,305	291,851	354,496
	<u>147,109</u>	<u>842,053</u>	<u>932,657</u>	<u>1,690,154</u>
Total	\$ (910,126)	\$ 1,537,660	\$ 588,674	\$ 4,110,038

Bethania Silver Project

Starting in 2024, following the Company's decision to restart mine operations, mine rehabilitation activities commenced. These activities included inspections and where required removal and replacement of underground support. In addition, the removal of piles of rock that have accumulated over the prior eight years to allow for safe and free access to areas of the mine where development of mining activity is taking place was performed. During this time mineralized material encountered during the restart process was mined and toll-milled, generating a minor amount of saleable concentrate. Management considers that the revenue generated is supplemental to the mine rehabilitation activities and not yet moving the project into the development phase.

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

Silver Kings Project

Exploration expenditures were primarily focused on completing the final phase of the most recent drilling campaign which concluded in early 2025.

Umm Hadid Project

No explorations expenditures by the Company have been incurred.

Cumulative exploration and evaluation costs

The following table presents the cumulative exploration and evaluation costs incurred by the Company on its properties as at December 31, 2025:

Project	Bethania Silver Project	Silver Kings Project	Total
Civil works and engineering	\$ 2,305,600	\$ 457,085	\$ 2,762,685
Geology and drilling	1,304,295	2,653,194	3,957,489
Mine rehabilitation	1,497,546	-	1,497,546
Operations and supplies	1,736,996	483,300	2,220,296
Property maintenance, licences and rights	124,363	161,243	285,606
Safety and environment	519,146	110,498	629,644
Salaries and benefits	2,004,980	1,410,202	3,415,182
Expense recovery from Electra	-	(119,175)	(119,175)
Total	\$ 9,492,926	\$ 5,156,347	\$ 14,649,273

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.

Administrative Expenses

Administrative expenses for the three months and year ended December 31, 2025 and 2024 are as follows:

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

Administrative Expenses	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Corporate and administrative costs	\$ 26,200	\$ 26,563	\$ 102,723	\$ 107,372
Consulting fees	94,589	-	124,790	4,135
Directors' fees	28,672	24,120	105,534	98,493
Filing fees	7,545	6,816	32,768	30,398
Management fees	15,055	15,013	60,094	61,323
Marketing and investor relations	75,744	61,142	239,230	296,313
Office and miscellaneous	98,595	105,289	362,926	269,914
Professional fees	193,897	117,134	402,506	318,867
Share-based compensation	91,850	63,128	444,099	299,373
Shareholder communication	1,327	2,630	6,781	9,831
Transfer agent	6,483	2,863	20,457	11,366
Travel	104,571	9,039	287,980	194,243
Salaries and benefits	172,215	147,755	764,896	614,394
	916,743	581,492	2,954,784	2,316,022
less: Share based compensation	(91,850)	(63,128)	(444,099)	(299,373)
Cash - Admin costs	\$ 824,893	\$ 518,364	\$ 2,510,685	\$ 2,016,649

Administrative expenses (excluding share-based compensation) of \$824,893 were incurred in the three months ended December 31, 2025, as compared to \$518,364 in the same period in 2024. For the year ended December 31, 2025, administrative expenses (excluding share-based compensation) totaled \$2,510,685, as compared to \$2,016,649 in 2024. The increase is due to consulting fees, travel, salaries and benefits and higher expenses related with office and equipment rentals and other services as the operations in Peru expanded.

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.

		2025				2024			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Selected Financial Information									
Revenue from sale of concentrates	\$	307,231	771,084	1,163,673	225,997	150,129	-	-	-
Production costs, including transportation, refining and other	\$	(680,669)	(1,165,790)	(467,989)	(216,612)	-	-	-	-
Exploration & evaluation expenditures	\$	(910,126)	207,034	410,033	881,733	1,537,660	1,140,777	906,759	524,842
Administrative expenses	\$	824,893	728,658	539,292	417,843	518,364	464,434	483,339	550,512
Share-based compensation	\$	91,850	153,021	72,118	127,110	63,128	84,568	64,202	87,475
Foreign exchange loss/(gain) and other ¹	\$	48,875	40,479	(43,200)	(68,315)	(90,745)	(139,512)	(5,129)	6,661
Loss for the period	\$	428,930	1,523,898	282,559	1,348,986	1,878,278	1,550,267	1,449,171	1,169,490
(Loss) per share - Basic and diluted ²	\$/share	(0.00)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)	(0.01)	(0.01)

1. Other includes items such as interest income, accretion expense, and the recognition of the flow-through share premium on qualified exploration and evaluation expenditures.
2. In periods when the Company has a loss, diluted loss per share is the same as basic loss per share.

Up to September 30, 2024, the Company had not generated any revenue and in the fourth quarter of 2024 and the first quarter of 2025, there was a small amount of revenue recorded. The second quarter of 2025 saw the recognition of the sale of silver concentrate from the Silver Kings property. The concentrate sold was part of the purchase of the Silver Kings property and at the time of purchase was deemed to have minimal value. Loss for the period can significantly vary quarter-over-quarter based on the amount of revenue recorded, inventory produced, 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; the decrease in the fourth quarter is attributable to the recovery of VAT for \$1,361,530 recognized net of exploration and evaluation expenditures as such amounts had previously been expensed up to December 31, 2024 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, the recognition of the flow-through share premium on qualified exploration and evaluation expenditures, and other expense/(income).

During 2024, the quarters reflect the increase spending in the areas of mine rehabilitation at the Bethania site in order to prepare for mining while continued exploration, also reflects the drilling programs at the Silver Kings project. During 2025, the exploration and evaluation expenses decrease as ramping up on the mining activities is noted particularly in the second and third quarter of 2025. Despite some variability in the quarterly spend due to business and finance activities, administrative expenses over the quarters were tracked on a comparable level over the period. Spending levels within the administrative expenses categories change due to business and finance needs as investor relations and business development including travel will vary over the quarters.

The foreign exchange gain/loss and other category was impacted by quarterly fluctuating gains and losses in foreign exchange as the USD exhibited volatility over the past number of quarters ending up with a loss reflected in the fourth quarter of 2025 of \$48,875. The recognition of the premium on flow-through shares was highest in first and second quarter of 2025, reported on the table, which increased the other net income for those periods. Lastly, interest in income from the cashable investments contributed positively to the last fourth quarters. Accretion expense was also impacted starting in the fourth quarter of 2024, due to the accretion on the convertible debentures in addition to the accretion on reclamation provisions.

LIQUIDITY AND CAPITAL RESOURCES

The Company significantly strengthened its financial position during the quarter. The robust liquidity at the end of the quarter provides a solid runway to execute near-term operational priorities, including the continued ramp-up of production at the Bethania Silver Project.

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

	Year ended December 31, 2025	Year ended December 31, 2024
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the year	\$ (3,584,373)	\$ (6,047,206)
Items not involving cash	643,428	(97,499)
Change in non-cash working capital	(2,200,694)	395,081
Net cash used in operating activities	(5,141,639)	(5,749,624)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
(Additions)/disposals of facilities and equipment	(423,978)	(97,170)
Net cash used in investing activities	(423,978)	(97,170)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	14,304,227	3,149,858
Share issue costs	(167,919)	(65,462)
Net proceeds from issuance of convertible debt	-	983,245
Repayment of convertible debentures	-	(115,711)
Net cash provided by financing activities	14,136,308	3,951,930
Change in cash	8,570,691	(1,894,864)
Effect of foreign exchange on cash	2,767	10,242
Cash, beginning of the year	765,565	2,650,187
Cash, end of the year	\$ 9,339,023	\$ 765,565

The Company's cash position increased from \$765,565 at December 31, 2024, to \$9,339,023 as at December 31, 2025, primarily due to the private placement completed in August 2025 and the revenue generated at both projects. Cash flows used in operations was \$5,141,639. In Peru exploration work included ongoing rehabilitation and maintenance, and in Canada mainly drilling programs and geological work. This compares to \$5,749,624 of cashflow used in operating activities during the same period last year. Cash flows from financing activities included the closing of a private placement totaling \$8,591,749 with share issue costs of \$167,919 and proceeds from the exercise of warrants of \$5,483,344 and options of \$229,134. Two private placements were closed in the second quarter of 2024 totaling \$2,785,306 with share issue costs of \$25,392 and proceeds from the exercise of warrants of \$364,552. Cash flows used in investing activities included the purchase of equipment at Bethania in 2025 totaling \$423,978 while \$97,170 was expended in 2024 related to the construction of an explosive magazine at site.

Working Capital	December 31, 2025	December 31, 2024
Current assets	\$ 11,622,924	\$ 1,285,319
Current liabilities	1,760,570	1,962,464
Net working capital (deficiency)	\$ 9,862,354	\$ (677,145)

The Company had a net working capital of \$9,862,354 as at December 31, 2025, compared to a working capital deficit of \$677,145 as at December 31, 2024. The improvement in working capital was primarily driven by the private placements completed in March and August of 2025 as well as sales of concentrate from the Silver Kings Project and Bethania mine. The early conversion of convertible debentures also contributed to the improvement with the reduction of the Company's short-term obligations. Included in current assets is cash of \$9,339,023, inventory of

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

\$673,287 and taxes and other receivables of \$1,331,625, of which had been processed and revenue received as of the date of this document.

Use of Proceeds

The funds raised in 2025 to the Report Date were and are being used for operations at the Bethania mine site, Silver Kings project and working capital purposes throughout 2025 and 2026.

TRANSACTIONS WITH RELATED PARTIES

The Company identifies 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 immediate family during the three and year ended December 31, 2025 and 2024:

Related Party Transactions	Three months ended December 31,		Year ended December 31,	
	2025	2024	2025	2024
Directors' fees	\$ 23,308	23,234	103,734	94,904
Professional fees	43	20,050	60,970	72,301
Salaries and benefits	316,395	271,184	692,865	589,742
Share-based compensation	43,340	50,757	317,730	233,148
	\$ 383,086	\$ 365,225	1,175,299	990,095

As at December 31, 2025, included in accounts payable and accrued liabilities was \$50,454 (December 31, 2024 - \$133,858) owing to officers and directors and \$37,904 (2024 - \$nil) owed to a director for the settlement of RSUs.

In August 2025 the Company entered into a three-year engagement agreement with ECM Capital Advisors Inc. ("ECM") of which Mr. Eugene C. McBurney, a director of the Company, is the Managing Partner. Under the agreement ECM will support the Company with financing and market advisory services. Pursuant the contract a total of \$251,496 (CAD \$350,000) has been paid in full and will be amortized over the term of the agreement.

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 and year ended December 31, 2025, administrative and exploration and evaluation expenditures of \$1,225 and \$4,899, respectively (2024 - \$1,225 and \$4,899, respectively) were paid to this entity. As at December 31, 2025, included in accounts payable and accrued liabilities were \$nil (December 31, 2024 - \$7,562) owing to this entity.

COMMITMENTS AND CONTINGENCIES

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 December 31, 2025, the Company has the following contingencies:

MTP withheld an accrued payment of \$140,000 due to Compañía Minera San Valentín S.A.C. ("San Valentín") and an arbitration was initiated by San Valentín 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. San Valentín has not yet agreed to the settlement and has not collected the funds from the courts. There is currently \$46,403 included in accounts payable and accrued liabilities as at September 30, 2025 with respect to San Valentín for penalties, interest and legal fees. In November 2024, San Valentín filed a submission with the courts, claiming approximately \$280,000 plus interest and legal costs from the Company, in connection with the original arbitration order. Additionally, in September 2025, San Valentín sought a lien against the Santa Elena concession in an amount equal to the claim. The court granted this relief on November 8, 2025.

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.

Commitments

MTP is a party to an offtake agreement for the sale of its lead and zinc concentrate production. Under the terms of the agreement, the Company is committed to deliver 100% of its lead and zinc concentrate production, the agreement includes a minimum delivery commitment of 15,000 tonnes of lead and 10,000 tonnes of zinc to be delivered by July 2028.

If the Company does not meet the minimum delivery requirement by July 2028, the buyer has the option to extend the agreement until the remaining committed tonnage is delivered. Such extension may result in additional charges to the Company in accordance with the contractual terms.

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 December 31, 2025, 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 December 31, 2025, to the Report Date are summarized below.

KUYA SILVER CORPORATION
MANAGEMENT'S DISCUSSION & ANALYSIS
(Expressed in US Dollars)
DECEMBER 31, 2025

Common shares	
Balance as at December 31, 2025	161,327,628
Issued on January private placement	25,500,000
Issued ¹	5,674,353
Balance as at Report Date	192,501,981

Stock options	
Balance as at December 31, 2025	3,354,168
Granted	1,525,000
Forfeited	(261,666)
Balance as at December 31 and Report Date	4,617,502

Share purchase warrants	
Balance as at December 31, 2025	30,871,244
Issued	14,280,000
Expired	-
Exercised ¹	(5,674,353)
Balance as at Report Date	39,476,891

Restricted share units	
Balance as at December 31, 2025	637,500
Granted	350,000
Issued	(25,000)
Cancelled	(57,500)
Balance as at December 31 and Report Date	905,000

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 December 31, 2025.

Off-Balance Sheet Arrangements

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

Critical Accounting Estimates

The preparation of these consolidated financial statements requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and are. The critical estimates applied in the preparation of the Company's Financial Statements are consistent with those applied and disclosed in Note 2 to the Financial Statements.:

Valuation of share-based compensation

The Company uses the Black-Scholes option pricing model for valuation of compensatory options and warrants. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

Estimated reclamation and closure costs

The Company's provision for reclamation and closure cost obligations represents management's best estimate of the present value of the future cash outflows required to settle the liability. The provision reflects estimates of future costs directly attributable to remediating the liability, inflation, movements in foreign exchange rates, and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting future cash outflows. Changes in the factors above can result in a change to the provision recognized by the Company. To the extent the carrying value of the related exploration and evaluation asset is not increased above its recoverable amount, changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related exploration and evaluation assets.

Fair value of convertible debentures

The Company has convertible debentures which are compound instruments consisting of a debt component and an equity component, which is an area of significant estimation uncertainty. The Company uses a valuation model, which requires significant assumptions and estimates, to estimate the fair value of the various components of the convertible debentures on initial recognition. The fair value of the conversion feature in the convertible debentures is measured using level 3 inputs of the fair value hierarchy. As at December 31, 2025, the convertible debentures were fully settled.

Value-added tax ("VAT")

The timing of utilization of VAT credits is uncertain. The Company assesses the recoverability of VAT credits at each reporting date, which depends, among other factors, on whether the related site is profitable or expected to generate sufficient revenues in excess of expenses incurred to enable their utilization.

Ability to continue as a going concern

The Company has made the determination that the Company will continue as a going concern for at least the next year from the reporting date. This assessment required judgement in forecasted cash flows, including revenues from subsidiaries to meet the Company's obligations as they become due.

Carrying value and the recoverability of exploration and evaluation assets

Management has determined that expenditures incurred on exploration and evaluation assets which were capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including geologic and other technical information, scoping and feasibility studies, accessibility of facilities, and existing permits.

Determination of functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which each entity operates. Determination of the functional currency may involve certain judgments to determine the primary economic environment. The functional currency may change if there is a change in events and conditions which determines the primary economic environment. The Company has determined the functional currency of each entity to be the Canadian dollar. Canadian dollars are represented by CAD \$.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are recognized in the statement of financial position. Deferred tax assets, including those arising from unutilized tax losses, require management to assess the likelihood that the Company will generate taxable earnings in future periods, in order to utilize recognized deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the date of the statement of financial position could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Company operates could limit the ability of the Company to obtain tax deductions in future periods. The Company has not recorded any deferred tax assets.

Project Stage

The Company has exercised judgment in determining if the Bethania Silver Project has transitioned from the exploration and evaluation phase to the development phase, as well as in assessing the timing of the commencement of commercial production. Factors in determining this assessment include assessment of the economic viability, environmental impact, and results of feasibility, geoscience, and engineering studies.

Additional considerations include the achievement of sustained operating levels, including tonnes mined, operational stability and status of the ramp-up activities.

The determination of the project stage and the commencement of commercial production require significant judgement and impacts the classification of expenditures and the timing of depreciation of mining assets. Changes in the underlying assumptions and factors may result in a different conclusion in future periods.

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, 2025, 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. Other receivables are primarily due from a government agency.

Credit risk associated with trade accounts receivable arises from the Company's delivery of its production to an international customer from whom it receives 95% of the sales proceeds shortly upon delivery of its production to an agreed upon transfer point in Peru and the balance within a short settlement period thereafter. While in Canada

the Company will receive 90% of the sales proceeds shortly after delivering the concentrate to an agreed upon transfer point in Canada, with the remaining balance to be received once final assay results are available.

The Company's revenue is concentrated among limited number of customers. During the year ended December 31, 2025, revenue earned in Canada was from a single international customer and related to a single transaction. Revenue earned in Peru is from a different single international customer as per offtake agreement.

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. 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:

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 \$103,000 recorded in profit or loss for the year ended December 31, 2025. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD \$ and Peruvian soles accounts would be approximately \$677,000 recorded in other comprehensive income or loss for the year ended December 31, 2025.

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 be approximately \$59,000 impact on interest income (expense) for the the year ended December 31, 2025.

Price risk – This risk relates to fluctuations in commodity and equity prices. The Company is exposed to price risk related to the provisional pricing on its revenue earned from sales of concentrate. 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, trade receivables, taxes and other receivables, and accounts payable and accrued liabilities. The fair value of cash, trade receivables, taxes and other receivables, and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these financial instruments. The fair value of convertible debentures approximated its carrying value due to being discounted with a rate of interest that approximates market rate. The fair value of the Company's investment in Silver LLC is measured using level 3 of the fair value hierarchy.

ACCOUNTING DISCLOSURES

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 unaudited condensed interim 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

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 - Presentation of Financial Statements; 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 standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the impact of this new accounting standard on its financial statements.

SUBSEQUENT EVENTS

- a) issued 5,674,353 common shares, for proceeds of \$2,132,136 (CAD \$2,921,154), on the exercise of warrants;
- b) issued 25,500,000 common shares at a price of CAD \$1.00 per unit by way of a brokered private placement for gross proceeds of CAD \$25,500,000 (\$18,346,644). Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share at a price of CAD \$1.30 per common share for a period of three years from the date of issue. The Company paid a total of \$1,100,682 for finder's fees and issued 1,530,000 broker warrants in connection with this private placement. Each broker warrant entitles the holder to acquire one unit at a price of CAD \$1.00 per unit for a period of three years from the date of issue. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to acquire one common share

at a price of CAD \$1.30 per common share for a period of three years from the date of issue of the broker warrant;

- c) granted 1,525,000 stock options at a price of CAD \$1.00 per common share, vesting 1/3 on April 15, 2026, 1/3 on February 10, 2027, and 1/3 on February 10, 2028, expiring on February 10, 2031;
- d) granted 350,000 RSUs, vesting 1/2 on December 31, 2026 and 1/2 on December 31, 2027; and
- e) 261,666 options were forfeited;
- f) signed a Letter of Intent to acquire 100% of Sociedad Minera de Responsabilidad Limitada Camila 2008, the owner of the permitted Planta de Procesos Camila the conventional floatation plant that is currently processing Kuya Silver's mineralized material to produce silver and other metal concentrates on a toll-milling basis.

RISK FACTORS

Kuya Silver is subject to the usual risks associated with a junior mining and mineral exploration company conducting business internationally and competes for access to financing, specialized third party service providers and human capital against other similar 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 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 global conflicts, the potential impact of tariffs, 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.

An investor should carefully consider the following risk factors in addition to the other information contained in this MD&A. The risks and uncertainties below 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 following 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.

Ability to Obtain Financing

Future exploration and development of, and production from, the Company's mineral properties, including the Bethania Silver Project, the Silver Kings Project, and any new properties in which the Company may acquire an interest, may require additional capital through equity financing and/or debt financing, or to obtain other means of financing. There is no assurance that the Company will be successful in obtaining required financing as and when needed, or on terms and at rates reasonably acceptable to the Company. Volatile precious metals markets may make it difficult or impossible for the Company to obtain financing on favourable terms, or at all. Even if the Company is successful in starting production at the Bethania Silver Project in accordance with its plans, there can be no assurance that the Company will produce concentrate in sufficient quantities to make capital investments (or scheduled debt repayments, if any), and the Company may need to raise capital from other sources. Further, there is no assurance

that the Company's future cash flow will be sufficient to fund the Company's operations without requiring any additional capital to meet planned initiatives, and to fund investment, exploration, evaluation, and development activities for the foreseeable future. Any material change in the Company's capital plans could significantly change the cash and working capital required by the Company.

Permits

The Company's activities and plans are subject to obtaining and renewing permits from governmental authorities. Obtaining or renewing the necessary permits is a complex and time-consuming process, with unique features in each jurisdiction, and it can require the Company to consult with various stakeholders and make costly commitments. The success of the Company's efforts to obtain and renew permits, and the length of these processes, depend on many variables beyond the Company's control, including the interpretation of applicable laws and regulations made by the relevant governmental authority. There can be no assurance, in relation to any of the Company's mineral projects, that necessary permits will be obtained by the Company in a timely manner, or at all, or that necessary permits already held by the Company will be maintained in good standing or renewed in a timely manner, or at all. Further, new legislation may contain requirements for permits in addition to those that the Company already holds or is already pursuing. It is also possible that permits previously issued to the Company may be suspended for a variety of reasons, or that the relevant governmental authority may disagree with the Company on the scope, limitations, or meaning of an existing permit or group of related permits. Permits have been granted to the various owners of the Bethania Property since the implementation of the first Peruvian environmental regulations. These permits have been transferred from owner to owner and are now held by MTP, the Peruvian subsidiary of the Company that owns the Bethania Property. The mine area was originally approved in 2009 through a Declaración de Impacto Ambiental (environmental impact statement) (the "DIA"), which addressed the environmental and social impact of the mine and allowed mining operations on the Santa Elena concession. The DIA has been modified several times, most recently in 2017. In December 2020, an application was submitted for further modification of the DIA, in support of the proposed expansion project, and that process is ongoing. In August 2020, the process plant area, tailings storage facility, and associated infrastructure for the proposed expansion project were approved through an Estudio de Impacto Ambiental semidetallado (semi-detailed environmental impact assessment) (the "EIA-sd"), following significant consultation with local stakeholders. The EIA-sd has been registered with the federal Ministry of Energy and Mines ("MEM"), as required. Until May 2021, MTP qualified as a Pequeño Productor Minero (small mining producer) ("PPM"), and accordingly, the Bethania Property was under the jurisdiction of the Dirección Regional de Energía y Minas for the Huancavelica Region ("DREM"), which is an agency of the Huancavelica regional government. As a PPM under the jurisdiction of DREM, MTP enjoyed several advantages over mining companies that are subject to the General Regime administered by federal agencies, including a streamlined permitting process. Following the acquisition of MTP by the Company, MTP lost its PPM status and became subject to the more onerous

General Regime, but because MTP initiated certain permitting processes with DREM before losing its PPM status, it was entitled to and managed to complete ongoing processes with DREM. In January 2022, DREM authorized the construction of a process plant with an installed capacity of 350 tonnes per day, and related infrastructure, including a tailings management facility. In addition, DREM granted MTP a processing concession for the intended location of the plant. Similarly, the application to amend the DIA was submitted while MTP still had PPM status, and DREM continues to review that application. Going forward, all new permitting processes for either the mine area or the plant at the Bethania Property will take place at the national level, under the General Regime. In December 2024, DREM issued a resolution to invalidate the construction license, however Kuya Silver has appealed and believes the rationale to be without merit and intends to vigorously defend the Company's position.

The Company believes that it has all the material permits required in the ordinary for underground mining, and start of commercial production at the Bethania mine (Santa Elena mining concession), provided that the Company abides by the approved specifications and does not produce or process more than 350 tonnes of mineralized material per day from the relevant concessions and operations are executed within approved time frames.

Any delay or failure to obtain a new permit or renew an existing permit for the Bethania Silver Project on reasonable terms, or the expiry, suspension, or revocation of any such permit, or any challenge to or rejection of the Company's understanding or interpretation of its existing permits by any governmental authority, or any challenge to the status (including change to the interpretation of permitting regime status, e.g. small miner vs. general regime), validity, or terms of any of the Company's existing permits launched by a third party, could have a material adverse effect on the Company's ability to implement its plans for the Bethania Silver Project, which in turn could have a material adverse effect on the Company's business, operations, and financial condition.

Limited Operating History

The Company is a relatively new company with a limited operating history and no history of mining operations, production, or revenue generation. The Company has yet to generate a profit from its activities in Peru or elsewhere and anticipates that it may take a significant period to achieve positive cash flow from operations. The Company is subject to all the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its growth objective.

Exploration, Development, and Operating Risks

The exploration for, and development of, mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. Notwithstanding that the Company owns the Bethania Property, which can be considered a small-scale operating mine, the Company is in the process of exploring other properties in Peru, Canada, and other jurisdictions and few properties that are explored are ultimately developed into producing mines. Major expenses may be required to locate and determine Mineral Resources and Mineral Reserves, to develop metallurgical processes, and to construct mining and processing facilities at any site. It is impossible to ensure that the Company's exploration and development programs will result in profitable commercial mining operations.

The operations of the Company are subject to all the hazards and risks normally encountered in the exploration, development, and production of precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding, and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines, processing facilities, and related infrastructure, damage to life or property, environmental damage, and possible legal liability. Although the Company plans to take adequate precautions to manage and minimize risk, processing operations are subject to hazards, such as equipment failure and failure of retaining dams around tailings disposal areas, which may result in environmental pollution and consequent liability.

The use of third party mills in the processing of the mineralized ore involve risks that can impact the operations of the Company. Although the Company takes steps to ensure that mills being used to process material are operating at an acceptable standard of quality, poor process control, lack of adherence to specifications, transportation issues, and the prioritization of other clients can have an impact on the results of the Company.

Transportation disruptions in the movement of processed concentrate to the customer can impact the Company's ability to earn income.

Political and Social Risk in Peru

The Bethania Silver Project is in Peru, and the Company's activities in Peru are conducted through Peruvian subsidiaries. Mining is a longstanding and important part of Peru's economy, but it is also controversial. There is an increasing level of public attention and advocacy relating to the real and perceived effect of mining activities. The mining industry in Peru is often criticized for causing environmental damage, harming rural communities, and failing to share, in an equitable manner, the wealth generated by mining with the people who are most affected by mining

operations. For these reasons, mining operations in Peru are sometimes the target of protests and blockades by local communities, farmers, and Indigenous groups.

For the reasons noted above and other reasons, the Company's activities in Peru are subject to various political, economic, and other risks and uncertainties. Risks and uncertainties include, but are not limited to, changing political conditions arising from changes of government and otherwise, renegotiation or nullification of existing concessions, permits, and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation of funds, currency controls, protectionism, expropriation of the Company's assets, labour disruptions, including strikes and work stoppages, conflicts with members of local communities, including protests and blockades of the Company's assets, terrorism, corruption of government officials, high rates of inflation, and civil unrest or war.

The Company is not aware of any significant local opposition to exploration and development of the Bethania Silver Project, but there can be no assurance that it will not arise. Local opposition could arise at any time, and such opposition could be violent. If the Company were to experience resistance or unrest in connection with its Peruvian operations, it could have a material adverse effect on the Company's business, operations, and financial condition. The Bethania Property is close to a small community, and accordingly, the Company's activities in that area must be carried out by experienced local personnel in accordance with a thoughtful stakeholder engagement plan. Social acceptance is an integral part of mineral project development in Peru, and lack of social acceptance poses a serious risk at all stages in the life cycle of a mine.

There can be no assurance that the Company will be successful in fostering and maintaining social acceptance of the Bethania Silver Project, or avoiding the disruptions experienced by other mining companies in Peru. Further, while the Company takes security measures to protect both personnel and property, there is no guarantee that such measures will prove to be adequate or effective. The occurrence of illegal activity against the Company, its personnel, or its assets cannot be accurately predicted and could have a material adverse effect on the Company's operations. The Company's activities in Peru are also subject to extensive laws and regulations governing, among other matters, exploration and development of mines, environmental protection (including biodiversity and water, soil and air quality and use), management and use of toxic substances and explosives, waste management, closure and reclamation, health and safety, labour, human rights, cultural heritage, taxes, restrictions on production, price controls, import and export, taxation, maintenance of claims, tenure, government royalties, and expropriation of property. Official interpretations of existing laws and regulations are subject to change, and the Company's interpretation of any law, rule, or regulation, or the terms of any permit, may differ from the interpretation held by government authorities. To comply with existing laws and future laws, the Company may be required to make significant capital or operating expenditures, or face restrictions on, suspensions of, or delays in development of its properties. There is no guarantee that new constraints on the Company's operations, or additional taxes, will not be imposed, including those that might have significant economic impacts on the Company's operations and financial condition. Further, the legal and regulatory framework in Peru can at times be unclear and inconsistent, and any failure to comply with applicable laws and regulations could lead to, among other things, the imposition of substantial fines, penalties, and sanctions, the revocation of permits, expropriation of assets, forced reduction or suspension of operations, and other civil, regulatory, or criminal proceedings, the extent of which cannot be reasonably predicted. The Company does not carry political risk insurance.

Fluctuating Metal Prices and Marketability of Metals and Concentrates

The market price of silver and other metals is volatile and affected by many factors beyond the Company's control, including but not limited to international supply and demand, consumer product demand levels, technological innovation, international economic trends, commodity prices, operations costs, variations in mineral grade, currency exchange rate fluctuations, interest rates, the rate of inflation, and regional and global political events. Depending on the price of silver and other metals, the Company may determine that it is impractical to continue its exploration and development, rehabilitation, and mining activities. Sustained downward movements in mineral market prices could render less economic, or uneconomic, some or all of the exploration and development, rehabilitation and

mining activities planned or intended by the Company. Further, the marketability of concentrates may be affected by government regulation of royalties, production amounts and quality, storage and transportation of concentrate, and the import and export of minerals or other materials, the effect of which cannot be accurately predicted.

Environmental Factors

The Company's activities are subject to environmental regulation in each jurisdiction in which it operates. Environmental legislation worldwide is evolving in a manner that will result in stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. Although the Company works diligently to comply with all environmental laws and regulations that apply to the Company's activities, there can be no assurance that the Company has been or will be in full compliance.

Further, there can be no assurance that any changes in environmental laws and regulations, or the interpretation or enforcement of environmental laws and regulations by any governmental authority, will not adversely affect the Company's operations or financial condition, and a breach of any such laws or regulations could result in fines and penalties. The costs of compliance with existing and future laws and regulations has the potential to reduce the profitability of future operations. Environmental hazards, whether caused by previous owners or operators of the Company's mineral properties, or by the Company itself, may exist on the Company's mineral properties but be unknown to the Company at present.

Exploration and development, rehabilitation, and mining activities at, and the pursuit of commercial production from, the Company's mineral properties may be subject to environmental review processes under environmental assessment legislation. Compliance with any environmental review process may be costly and delay commercial production. Further, there is a risk that the Company would not be able to proceed with commercial production upon completion of the environmental review process, if government authorities do not approve the proposed mine, or if the costs of compliance with applicable laws and regulations adversely affect the commercial viability of the proposed mine.

Factors beyond the control of the Company, such as delays in environmental review processes, may interfere with the Company's ability to remedy compliance issues inherited from previous owners or operators of the Company's mineral properties in a timely manner, or at all. For example, as noted above under "Permits," in connection with the Company's acquisition of the Bethania Property in December 2020, an application was submitted to DREM for modification of the DIA. The DIA modification set out a detailed proposal for the construction of a water treatment plant at the Santa Elena mining concession, among other infrastructure improvements. Approval of the DIA modification will allow the Company to move forward with the water treatment plant, which is required for lawful discharge of underground mine water, but the application is still under review by DREM. Although the Company has taken all reasonable steps to expedite approval of the DIA modification, in the interest of full compliance with environmental laws and regulations in Peru, the granting of an approval and the timing of such approval cannot be predicted with confidence.

Insurance against certain environmental risks, including potential liability for pollution and other hazards resulting from the disposal of waste products from production, is not generally available to companies within the mining industry. The Company may be materially adversely affected if it incurs losses related to any significant events that are not covered by its insurance policies.

Mineral Resource Estimates are Inherently Uncertain

The Company has a Mineral Resource estimate for the Bethania Silver Project but none of its other mineral properties. Mineral Resource estimates are expressions of judgment based on knowledge, experience, and industry practice. There are numerous uncertainties inherent in estimating Mineral Resources, including many factors beyond

the control of the Company, and accordingly, the Bethania Silver Project may yield less mineral production under actual conditions than is currently estimated. In determining whether to advance a development project towards production, the Company must rely upon estimates of the Mineral Resource and grades of mineralization in relation to that project.

Estimates that were valid when made may change significantly upon new information becoming available. Until mineralized zones are mined and processed, Mineral Resources and grades are only estimates based upon geological interpretation and statistical inferences drawn from drilling and sampling, which may prove to be imprecise and unreliable. Further, the Company cannot guarantee that mineral recovery rates achieved in small-scale tests will be duplicated in large-scale tests under on-site conditions or during commercial production.

There can be no assurance that the Mineral Resource estimate for the Bethania Silver Project is accurate or that the actual mineralization can be mined or processed profitably. If the Company encounters mineralization different from what has been predicted by past sampling and drilling, the Mineral Resource estimate for the Bethania Silver Project may need to be adjusted, and mining plans may need to be altered in a way that negatively affects the economic viability of the Bethania Silver Project and its return on capital. The Mineral Resource estimate for the Bethania Silver Project has been determined and valued based on assumptions that may prove to be incorrect. In addition, extended declines in the market price for silver and other metals may render some or all of the mineralization at the Bethania Silver Project uneconomic and adversely affect the Company's ability to conduct commercial operations on a profitable basis.

Production Decision Without Identified Mineral Reserves

There are no Mineral Reserves at the Bethania Silver Project. The Company decided to proceed with its plan to optimize, expand, and restart commercial production at the Bethania Property based on the preliminary economic assessment published October 20, 2023, but without having completed any feasibility studies. Accordingly, the Company did not base its production decision on any feasibility studies of Mineral Reserves demonstrating economic and technical viability of the Bethania Silver Project. Mineral properties that are placed into production without the benefit of a feasibility study have historically had a higher risk of failure. The Company's preliminary economic assessment includes inferred Mineral Resources, which are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There can be no assurance that the conclusions of the preliminary economic assessment will ever be realized. Further, the absence of Mineral Reserves increases the uncertainty that the mineralization at the Bethania Silver Project can be economically produced, and if so, for what period of time, or that the Bethania Silver Project will be profitable.

Competition

The Company's competition is intense in all aspects of its business. The Company competes with many companies in the mining industry, including large, well-established mining companies with significantly greater financial and technical resources and operational experience. Attractive mineral properties in Peru and Canada with the potential for commercial mining operations are scarce and may not be available on terms that the Company considers acceptable, or at all. As a result, the Company may be unable to compete effectively with other mining companies to acquire desirable mineral properties. Further, the Company's competitors may be able to respond more quickly to new laws and regulations or emerging technologies or devote greater resources to the expansion or efficiency of their operations, than the Company can. In addition, the Company's competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Companies with projects or mines in close proximity to the Bethania Silver Project may have interests that come into operational or legal conflict with ours, including conflicts over shared infrastructure or resources. The Company's inability to successfully compete with other companies would have a material adverse effect on its results of operation and business.

Dependence on Key Personnel

The Company's success depends, in large part, on its ability to attract and retain qualified key management personnel. The number of people skilled in acquisition, exploration, development, and operation of mineral properties is limited, and competition for such people is intense. The Company's growth and viability has depended, and will continue to depend, on the efforts of key personnel and the Company's ability to both retain existing key personnel and attract additional key personnel to financial, administrative, legal, and technical roles within the Company, as well as additional staff for operations in Peru and Canada. The loss of any key personnel, or the inability to recruit new skilled and experienced executives, could increase the Company's recruiting and training costs and decrease the Company's operating efficiency, productivity, and cash flow, which may have a material adverse effect on the Company's development projects, future operations, cash flows, and financial condition. Although the Company has employment agreements or management agreements with its key personnel, it does not have key-man life insurance. The Company provides its key personnel with long-term incentive compensation which generally vests over several years and is designed to retain these individuals and align their interests with those of the Company's shareholders. While the Company believes that it will continue to be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Volatility of Share Price

The Company's share price is highly volatile and subject to significant price and volume fluctuations as a result of many factors, some of which are beyond the Company's control, including fluctuations in the market price of silver and other metals, government regulations, performance of the Company's competitors, and general market conditions. Further, capital markets in general, and the market for precious metals producers in particular, have experienced extreme price and volume fluctuations in recent years that have often been unrelated or disproportionate to the operating performance of the companies concerned. These broad market and industry factors, including public perception of the prospects of mining companies in general, may adversely affect the market price of the Company's common shares, regardless of operating performance.

The Company's common shares are also subject to wide price and volume fluctuations arising from the public's reaction to Company announcements, including announcements relating to the Company's prospects, litigation, arrival or departure of key personnel, operating performance, recommendations by research analysts, and the risk factors described herein, all of which can individually or collectively can have a significant detrimental impact on the market price of the Company's common shares. Following periods of volatility in the market price of a company's securities, investors sometimes initiate securities class-action litigation. Any such litigation, if initiated against the Company, could result in substantial costs and a diversion of management's attention, regardless of the merits.

Lack of Dividends

The Company has never declared or paid any dividends on its common shares. The Company intends to retain its future earnings, if any, for the foreseeable future, to finance its exploration and development activities and the further expansion of its business.

Risk of Dilution

Depending on the Company's exploration, development, and capital investment plans, acquisition activities, and operating and working capital requirements, the Company may issue additional shares as a means of raising capital or satisfying its obligations under option agreements or joint venture agreements, or under exploration agreements or impact benefit agreements with Indigenous communities. If the Company is required to issue additional shares or decides to enter into joint venture arrangements in order to raise financing through the sale of shares at prices per share different than the price paid by investors, investors' interests in the Company will be diluted, and investors may suffer dilution in their net book value per share, depending on the price at which the shares are sold.

The Company has also granted, and in the future may grant, directors, officers, employees, and consultants, stock options to purchase shares, restricted share units and performance share units, as non-cash incentives, in accordance with the Company's share incentive plan and the policies of the CSE. The issuance of additional shares upon the exercise or vesting of these will cause existing shareholders to experience dilution of their ownership interests.

As of the date of this MD&A, the issued and outstanding common shares and stock options, share purchase warrants, and restricted share units are disclosed in the Share Capital Information section above, with the result that if all stock options, and future convertible debenture interest, share purchase warrants, and restricted share units were exercised and common shares were issued, they would represent approximately 23% of the Company's issued and outstanding common shares.

Insurance and Uninsured Risks

The business of the Company is subject to various risks and hazards, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, rock bursts, cave-ins, changes in the regulatory environment, and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to mineral properties, production facilities, or equipment, personal injury or death, environmental damage, delayed or interrupted operations, and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers reasonable, the Company's insurance will not cover all the potential risks associated with its operations, and insurance coverage may not be available, or may not be adequate, to cover any resulting liability. It is not always possible to obtain insurance against all the risks described above, and further, the Company may decide not to insure against certain risks because of high premiums, or for other reasons. Moreover, insurance against risks such as environmental pollution, or other hazards as a result of exploration and development, is not generally available to the Company or other companies in the mining industry on acceptable terms. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Foreign Exchange

The Company may be adversely affected by future fluctuations in foreign exchange rates. For example, to the extent the actual Canadian dollar to US dollar exchange rate is less than the exchange rate used in this MD&A, the costs of the Company's future exploration and development, rehabilitation and mining activities at the Bethania Silver Project will increase, and thereby decrease funds available for general and administrative expenses and the Company's available unallocated capital. By way of further example, although the Company's equity financings are generally received in Canadian dollars, expenditures on the Bethania Silver Project are generally expected to be incurred in US dollars and Peruvian soles, and accordingly, fluctuations in the Canadian dollar to US dollar exchange rate, or in the Canadian dollar to Peruvian sol exchange rate, could have a material adverse effect on the Company.

Financial Reporting Standards and Internal Controls

The Company prepares its financial reports and statements in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports and statements, management may need to rely upon assumptions, make estimates, or use its best judgment in determining the financial condition or results of operations of the Company. Significant accounting details are described in more detail in the notes to the Company's annual consolidated financial statements for the year ended December 31, 2025. Although the Company believes its financial reporting and financial statements are reliable, the Company cannot provide absolute assurance in that regard.

The Company's failure to maintain effective internal controls over financial reporting could result in the loss of investor confidence in the reliability of its financial statements, result in harm to the Company's business, and negatively impact the trading price of the Company's common shares. In addition, any failure to implement new or improved controls as required, or difficulties encountered in their implementation, could harm the Company's operating results, or cause it to fail to meet its reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel, especially considering the increased demand for such personnel among publicly traded companies.

Growth Strategy

As part of its growth strategy, the Company continues to seek new acquisition opportunities in Peru, Canada, and elsewhere, including both past-producing mines and exploration and development opportunities, with a focus on silver. As such, the Company may from time to time acquire additional mineral properties or the securities of companies that hold mineral properties. The Company's success at completing acquisitions will depend on numerous factors, including but not limited to identifying acquisitions that fit the Company's strategy, negotiating acceptable terms with the vendor of the business or property to be acquired, and obtaining approval from applicable regulatory authorities. Business or property acquisitions could place increased pressure on the Company's cash flow, if such acquisitions involve cash consideration or the assumption of obligations requiring cash payments. Acquisitions involving large share issuances by the Company would also result in dilution to existing shareholders. (See "Risk of Dilution" above.)

Failure to select appropriate acquisition projects (including failure to properly assess value, strengths, weaknesses, liabilities, risks, and potential profitability), negotiate acceptable arrangements (including financing arrangements), or integrate the acquired businesses and their personnel into the Company may result in unanticipated costs, diversion of management attention from existing businesses and day-to-day operations, loss of key employees, and financial losses.

There can be no assurance that any acquisitions or business arrangements that the Company may pursue will be on favourable terms or ultimately benefit the Company. Acquisitions may involve special risks, circumstances, or legal liabilities, including environmental liabilities. These and other risks related to acquiring and operating acquired companies and properties could have a material adverse effect on the Company's results of operations and financial condition, and the price of the Company's common shares. Further, to acquire companies and properties, the Company may be required to use available cash, incur debt, issue additional securities, enter into off-take, royalty agreements or metal streaming agreements, or a combination of any one or more of these. Such uses could affect the Company's future flexibility and ability to raise capital, operate, explore, and develop its properties, and could dilute existing shareholders and decrease the price of the Company's common shares. Shareholders may have no right to evaluate the merits or risks of any future acquisition undertaken by the Company, save as required by applicable laws.

Title to Mineral Properties

The acquisition and maintenance of title to mineral properties is a very detailed and time-consuming process. While the Company has carried out reviews of title to its mineral properties in Peru and Canada, this should not be construed as a guarantee that title to such interests will not be challenged or impugned. Title insurance is generally not available for mineral properties, and the Company's ability to ensure that it has obtained secure title may be severely constrained. It may be determined that third parties have valid claims underlying portions of the Company's interests, including overlapping claims, prior unregistered liens, agreements, royalty claims, claims by Indigenous or other local communities, and other encumbrances, and title may be affected by, among other things, undetected defects. If any such challenge is successful, this could have a material adverse effect on the development of the

Company's properties as well as its results of operations, cash flows and financial position. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Surface Rights and Access

Although the Company acquires the rights to minerals in the ground subject to the mineral titles that it acquires, in most cases the Company does not automatically acquire any rights to, or ownership of, the surface of the areas covered by those mineral titles. In some jurisdictions, applicable law provides for rights of access to the surface for the purpose of carrying on mining activities, but the enforcement of such rights is costly and time-consuming. It is therefore often necessary to negotiate surface access or purchase the surface rights. There can be no assurance that, despite having the right at law to access the surface and conduct mining activities, the Company will be able to negotiate satisfactory agreements with the owners and occupiers of land, and accordingly, the Company may be unable to carry out planned mining activities. The inability of the Company to access land or obtain required surface rights could have a material adverse effect on the Company's ability to explore and develop mineral properties.

Peruvian law does not vest surface rights with mineral rights, and any proposed development of a mineral property in Peru requires the purchase of surface rights or negotiation of an appropriate access agreement with the owners of the surface rights. The Company has multiple agreements in place with the local community of Bethania for the use of land in relation to the Bethania Silver Project. Although the Company expects to comply with, maintaining, or renew these agreements in the normal course, as applicable, there can be no assurance that the Company will be successful in obtaining and maintaining the land access or surface rights that it requires for the advancement of the Bethania Silver Project.

Force Majeure Events including Pandemics, Natural Disasters and Other Disruptions

The Company's operations may be adversely impacted by factors that are beyond the Company's control including pandemics, natural disasters, labour and social or political disruptions including the outbreak of war. Such factors may not be foreseeable and may significantly adversely affect global economic conditions, the supply and costs of essential materials and services, and currency volatility.

Climate change has increased the incidence of natural disasters caused by weather and climate extremes including heatwaves, droughts, forest fires, atmospheric rivers, torrential downpours and flooding. Future incidents could significantly adversely affect the Company's operations or properties. See also Climate Change below.

Other events and factors that are beyond the Company's control but that may have a significant adverse effect on the Company's operations include but are not limited to strikes and labour disruptions and political instabilities including political protests or coups. While the Company works to mitigate the effects of these uncontrollable events, there is no assurance that they will be effective in doing so in future, particularly when multiple events coincide, and they may negatively impact the Company's operations and prospects.

Global Economic Conditions

The Company's operations could be adversely affected by general conditions in the global economy and global financial markets, including such conditions that contribute to inflation, and cause currency fluctuations and market volatility. Recent global financial conditions have been characterized by increased volatility. A severe or prolonged economic downturn could result in a variety of risks to the Company's business, including adversely affecting the Company's ability to raise capital when needed on acceptable terms, or at all, causing the Company to incur costs in excess of the Company's expectations or resulting in the financial instability of companies who supply products or services to the Company. The Company cannot anticipate all the ways in which the current or future economic climate and financial market conditions could adversely impact the Company's business. These conditions are

beyond the Company's control and there can be no assurances that any mitigating actions by the Company will be effective. See also Inflation below.

Pandemics and Communicable Disease

Infectious disease outbreaks or pandemics may occur at any time, either globally or in specific countries or regions, including the resurgence of variants of previously identified diseases. In addition, there could be entirely new diseases introduced to the environment which could have similar or greater disruptive effects. Any such resurgence or new disease could adversely affect global or local economies, or lead to the renewal of restrictions, either of which could have a material adverse effect on the Company's business. The duration, severity, and geographic spread of any such resurgence or new disease, and its impact on the Company's operations and prospects, cannot be estimated with any degree of certainty.

Climate Change

Many governments have introduced or are moving to introduce climate change legislation and initiatives, whether in fulfillment of international treaty commitments or otherwise. Regulation in respect of emissions (such as carbon taxes) and energy efficiency is becoming more stringent. If the regulatory trend to reduce greenhouse gas emissions continues, compliance may impose additional costs on some of the Company's operations, since diesel fuel or other fossil fuels may be used to power generators and other equipment at the Company's mineral properties.

In addition, the Company's operations could be exposed to various physical risks from climate change, including changes in rainfall rates, reduced water availability, higher temperatures, increased snowfall, and other extreme weather events. Events or conditions such as flooding or drought could disrupt exploration, development, mining, processing, transportation, and rehabilitation activities, create shortages of various resources or commodities, damage the Company's mineral properties or equipment, and increase health and safety risks on site. Such events or conditions could also have adverse effects on the communities around the Company's mineral properties, such as food insecurity, water scarcity, loss or destruction of infrastructure and private property, displacement, and the spread of disease. There can be no assurance that the Company's efforts to mitigate the risks of climate change will be effective or that climate change will not have a material adverse effect on the Company's operations and financial condition.

Inflation

The general rate of inflation impacts the economies and business environments in which the Company operates. Inflation increased significantly in 2022, and price levels remained elevated through 2025 as compared to historical norms. Accordingly, the Company expects that costs of all inputs to the Company's operations, including drilling and supplier costs and general employee and overhead costs, will increase. Increased inflation and any economic conditions resulting from governmental attempts to manage or reduce inflation, such as the imposition of higher interest rates or wage and price controls, may negatively impact the Company's costs, and have an adverse effect on the Company's operations and prospects.

Health and Safety

Mining, like other extractive industries, is subject to potential risks and liabilities due to accidents. Any accident could result in serious injury or death, environmental damage, or damage to Company assets. Further, any accident that occurs on any of the Company's mineral properties, or involves any employee, contractor, consultant, or supplier of the Company, or involves any equipment or other assets owned or operated by the Company, could have a material adverse effect on the Company's financial position, interrupt the Company's exploration and development, rehabilitation, and mining activities, lead to a loss or suspension of existing permits and reduced ability to obtain or

renew permits, harm the reputation of the Company, damage the Company's relations with local communities, or reduce the perceived appeal of the Company as an employer or business partner.

The Company's employees, contractors, consultants, and suppliers who work at or visit mineral properties in the performance of their duties are subject to many inherent risks, including but not limited to rock bursts, cave-ins, flooding, electrocution, falls, air quality problems, fire, explosions, hazardous substances, and accidents involving mobile equipment and other machinery. If any such risk were to materialize, it could cause occupational illness, temporary or permanent health issues, personal injuries, or death for an individual or multiple people. The Company strives to mitigate all such risks in compliance with local and international standards, and has implemented various health and safety measures designed for that purpose, including improved risk identification and reporting systems, effective management systems to identify and minimize health and safety risks, health and safety training, and the promotion of enhanced employee commitment and accountability.

Such precautions, however, may not be sufficient to eliminate all health and safety risks, and the Company's employees, contractors, consultants, and suppliers may fail to consistently follow the rules and procedures that are in place or take advantage of related resources that are made available by the Company. There can be no assurance that no occupational health and safety incidents will occur, and any incidents that do occur may adversely affect the business of the Company and its future operations. For example, the Company's financial position may be affected by monetary damages, settlements, judgements, fines, penalties, and deductibles or risk retention arising from or relating to any incident.

Information Systems and Cybersecurity

Cybersecurity refers to the combination of technologies, processes, and procedures established to protect an organization's information technology systems and data from unauthorized access, attack, or damage. The Company is subject to cybersecurity risks. Cybersecurity risks have increased significantly in recent years, and while the Company has not experienced any material losses relating to cyberattacks or other information security breaches, it could suffer such losses in the future.

The Company's operations depend, in part, on information technology systems that securely process, maintain, and transmit information critical to the business. In addition, the Company and its third-party service providers collect and store sensitive data in the ordinary course of business, including personal information of the Company's employees, as well as proprietary and confidential business information relating to the Company, and in some cases, the Company's suppliers, investors, joint venture partners, and other stakeholders.

Many organizations, including the Company, make significant and increasing use of, and depend on, electronic data communication and storage, including the use of cloud-based services and personal devices, and accordingly, the Company is exposed to evolving technological risks relating to information. Disruption or damage to, or failure of, the Company's information technology systems may arise from various sources, including but not limited to hacking, computer viruses, malware, ransomware, security breaches, natural disasters, power loss, vandalism, theft, and defects in design. The Company cannot guarantee that it will be successful in securing its electronic information, and there may be instances where the Company is exposed to malware, ransomware, cyberattacks, or other unauthorized access or use of the Company's information.

Any data breach or other improper or unauthorized access or use of the Company's information could have a material adverse effect on the Company's business, and could severely damage the Company's reputation, compromise the Company's network or systems, and result in the loss of sensitive information, the destruction or corruption of data, the misappropriation of assets, incidents of fraud, disruption of the Company's normal operations, and the incurring of additional time and expense to remediate and improve the Company's network and systems. Further, the Company could be subject to legal and regulatory liability in connection with any cyberattack or breach, including potential breaches of laws relating to the protection of personal information. As cyber threats

continue to evolve, the Company will be required to expend resources to adopt or enhance protective measures or to investigate and remediate any security vulnerabilities.

Legal Proceedings

Legal proceedings may be brought against the Company for various reasons. For example, the Company could be sued in relation to its business activities, volatility in its stock price, or failure to comply with its disclosure obligations. Regulatory and other government agencies in Peru, Canada, and other jurisdictions may bring legal proceedings against the Company for the purpose of enforcing applicable laws and regulations, including in relation to securities, tax, and environmental matters. Investigation, defense, and settlement costs can be substantial, even in relation to claims that have no merit, and accordingly, any legal proceedings could have a material adverse effect on the Company's business, financial condition, results of operations, cash flows, or prospects. In addition, legal proceedings may result in significant distraction of the Company's management and other employees.

The Company may become party to disputes governed by the rules of local or international arbitration. The Company may also be the subject of legal claims in Canada in respect of its activities in Peru or another foreign jurisdiction. In the event of a dispute relating to the Company's assets or operations in Peru or another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of foreign courts, or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company's inability to enforce its rights could have a material adverse effect on its business, financial condition, results of operations, cash flows, or prospects.

Management is committed to conducting business in an ethical and responsible manner, which it believes will reduce the risk of legal disputes, but there can be no assurance that this strategy will be effective.

Reliance on Local Advisors

The Company's most important development project is in Peru. Peruvian legal and regulatory requirements with respect to mineral exploration and mining activities, as well as local business customs and practices, are different from those in Canada. Although certain officers and directors of the Company have significant experience in Peru, and the Company benefits greatly from their expertise, the Company must rely, to some extent, on external legal counsel in Peru, and on external consultants based in Peru, to keep abreast of material legal, regulatory, and governmental developments as they pertain to the Company's business operations, and to assist the Company with its governmental relations efforts. In addition, the Company relies on local experts for advice on banking, financing, labour, and tax matters. There can be no assurance that the Company's reliance on local advisors will result in the Company's full compliance with Peruvian legal and regulatory requirements or success in navigating the Peruvian business environment. Any failure to identify, understand or meet the requirements of doing business in Peru could have a material adverse effect on the Company's business, financial condition, and results of operations.

Anti-Corruption and Anti-Bribery Laws

The Company's activities in Peru require interactions with a wide range of public officials at various levels of government. These interactions are subject to the Corruption of Foreign Public Officials Act (Canada) ("CFPOA"), as well as anti-corruption and anti-bribery laws in Peru, any breach or violation of which could lead to adverse impacts on the Company's business and financial condition. The CFPOA and similar laws in other jurisdictions generally prohibit companies and their intermediaries, including employees, consultants, contractors, suppliers, and agents, from making improper payments to public officials for the purpose of obtaining or retaining any business advantage. Under the CFPOA, a company may be found liable for violations not only by its employees, but also by its consultants, contractors, suppliers, and other third parties that are acting on its behalf or perceived to be doing so. In recent years, there has been a general increase worldwide in the amount of enforcement and the severity of penalties under anti-corruption and anti-bribery laws, resulting in heightened risk for Canadian companies, like the Company, that are developing mineral projects in Peru.

The Company's Code of Business Conduct and Ethics ("Code"), mandates compliance by the Company and its directors, officers, and employees with the CFPOA and other anti-corruption and anti-bribery laws. There can be no assurance, however, that the Code and any procedures for its enforcement will be effective in ensuring that the Company, its employees, contractors, suppliers, and third-party agents strictly comply with such laws. If the Company, any employee of the Company, or anyone acting on its behalf or perceived to be doing so, is alleged to have violated anti-corruption and anti-bribery laws, in Peru or elsewhere, the Company may be subject to reputational harm, decline in the market price of the Company's common shares, securities class action litigation, investigations and prosecutions by governmental authorities in Canada, legal defense and settlement costs, and distraction of the Company's management and other employees. Any conviction of the Company for violating such laws, or any other official determination that the Company has violated such laws, whether in Canada, Peru, or elsewhere, may have further adverse effects on the Company's business and financial condition, including but not limited to civil and criminal fines and penalties, revocation of mineral rights, loss of permits, and seizure of the Company's assets.

The Canadian Extractive Sector Transparency Measures Act ("ESTMA") requires public disclosure of payments to governments by companies engaged in the commercial development of oil, gas, or minerals that are listed on a Canadian securities exchange or meet certain other criteria. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments at all levels, including Indigenous communities and entities established by multiple governments. ESTMA requires reporting on the payment of any taxes, royalties, fees, production entitlements, bonuses, dividends, and infrastructure improvement payments, and any other prescribed payment over CAD \$100,000. Failure to report, false reporting, or structuring payments to avoid reporting, may result in fines of up to CAD \$250,000. If the Company becomes subject to an enforcement action under CFPOA or is found to have violated ESTMA, this may result in the imposition of significant penalties, fines, or other sanctions on the Company, reputational harm, and other adverse effects on the Company's business and financial condition.

Fluctuation in the Price of Commodities

The prices and availability of commodities or inputs used or consumed in connection with the Company's operations, including but not limited to fuel, electricity, water, and reagents, fluctuate and affect the costs of those operations. These fluctuations can be unpredictable, are beyond the control of the Company, can occur with little or no warning, and may have a material adverse impact on the Company's financial condition and cause delays in the exploration and development of the Company's mineral properties.

Enforcement of Legal Rights Outside Canada

Several of the Company's subsidiaries are organized under the laws of Peru, and some of the Company's directors, officers, managers, and advisors are based in Peru. Given that the Bethania Silver Project is located outside of Canada, and several key individuals associated with the Company are not residents of Canada, investors may have difficulty in effecting service of process within Canada on foreign persons and collecting from or enforcing against foreign persons any judgements obtained by the Canadian courts or Canadian securities regulatory authorities. Similarly, if a dispute arises from the Company's operations in Peru or another foreign jurisdiction, the Company may be subject to the exclusive jurisdiction of the courts of Peru or the applicable foreign jurisdiction or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada.

Mine Closure Risks

In the future, the Company may be required to close any mine that the Company operates or in the case of Silver Kings, may be required to close old mines that existed on the property prior to acquisition. The key risks for mine closure include, without limitation, long-term management of permanent engineered structures and acid rock drainage, achievement of environmental closure standards, orderly transition or demobilization of employees,

contractors, and suppliers, and transfer of the site, with its associated permanent structures and other infrastructure, to new owners or custodians. Successful completion of these tasks will depend on the Company's ability to accurately estimate costs in advance and make provisions for them, negotiate and implement agreements with governmental authorities, local communities, employees, and contractors. The consequences of a difficult closure include but are not limited to costs in excess of the Company's expectations, delays in handing over the site, environmental damage, fines and penalties imposed by governmental authorities, conflicts with local communities, and harm to the Company's reputation, any of which could adversely affect the Company's business and financial position.

Conflicts of Interest

Certain directors and officers of the Company serve as directors or officers of other companies. Accordingly, a conflict of interest may arise between their duties as directors or officers of the Company and their duties in respect of such other companies. If any such company is evaluating or pursuing a business opportunity that the Company is also evaluating or pursuing, or if any such company has or proposes to enter into an agreement, venture, or business relationship with the Company, or if any such company is in a dispute with the Company, a conflict of interest would arise between their duties as a director or officer of the Company and their duties in respect of such other company.

The Company's directors and officers are required by the British Columbia Business Corporations Act ("BCBCA") and the Code to act honestly, in good faith, and in the best interests of the Company and its shareholders. They are aware that the BCBCA contains provisions governing accountability of directors and officers for corporate opportunity and requiring disclosure of conflicts of interest. Where applicable, conflicts of interest involving the Company's directors and officers will be managed and resolved in the manner set out in the BCBCA, which requires directors and officers to disclose conflicts of interest, and in the case of directors, to refrain from voting on any related matter, unless otherwise permitted under the BCBCA.

There can be no assurance, however, that all conflicts of interest will be identified in a timely manner or at all, or that the interests of the Company will receive priority in every conflict of interest. Further, under certain circumstances, a conflict of interest may expose the Company to liability and impair its ability to achieve its business objectives.

To the best of the Company's knowledge, there are no conflicts of interest between the Company and any director or officer of the Company, except as disclosed below.

The Company has an agreement with SICG S.A.C. ("SICG"), a Peruvian consulting firm, under which SICG provides strategic advice in relation to the Company's interests in Peru and performs project management, engineering, and related services for the Bethania Silver Project (the "SICG Agreement"). Christian Aramayo, the COO and a director of the Company, is also a director and minority shareholder of SICG, and Mr. Aramayo's father, Hector Aramayo, is the founder and principal of SICG. Mr. Aramayo has disclosed his interest in the SICG Agreement to the Board, as required by the BCBCA and the Code. Although the Company is confident that Mr. Aramayo has acted and will continue to act in the best interests of the Company, and the Company does not believe that Mr. Aramayo's interest in the SICG Agreement poses any risk to, or will have any negative impact on, the Bethania Silver Project or any other aspect of the Company's business, there can be no assurance that the Company has managed or will in the future manage this issue effectively.

Risk of Loss of Concentrate in Storage or Transit

The Company currently produces concentrates from the Bethania Silver Project by toll-milling and further has responsibility to transport the concentrates to the customer's site. These concentrates have significant value. Storage and transportation of concentrate give rise to several risks, including but not limited to theft, sabotage, accidents, losses caused by adverse weather conditions, delays in delivery of shipments, and environmental

liabilities. Although the Company mitigates the risks to its concentrate, whether in storage or during transportation, through the use of security services and the purchase of insurance there can be no assurance that these measures will be effective, and any theft or loss of concentrate may have a material adverse impact on the Company's financial position and its relationships with purchasers of concentrate, local communities, and governmental authorities.

The Company currently extracts and stores ore at the Bethania Silver Project site for future transport to toll-milling sites for processing. Storage and transportation of ore gives rise to several risks, including but not limited to theft, sabotage, accidents, losses caused by adverse weather conditions, delays in delivery of shipments, and environmental liabilities. Although the Company mitigates the risks to its ore, whether in storage or during transportation, through the use of security services, there can be no assurance that these measures will be effective, and any theft or loss of ore may have a short term impact on the Company's financial position.

Unauthorized Mining

Illegal mining activities may occur near or on the Company's mineral properties in Peru. Illegal mining is associated with several negative impacts, including environmental degradation, human rights abuses, and child labour. In addition, substantial illegal mining activities at the Bethania Silver Project or the Company's other mineral properties in Peru may result in the loss of mineralized material, disrupt or delay the Company's operations, and have a material adverse effect on the value or potential value of those properties. It may be difficult for the Company to prevent or control any illegal mining activities on and around its mineral properties. The Company has engaged security personnel and taken other security measures at the Bethania Silver Project to address the issue of illegal mining, but there can be no assurance that these measures will be effective.

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, damage to equipment or disruptions resulting from litigation; (2) permitting for the Company's development projects being consistent with the Company's current expectations including potential claims against the legitimacy of granted permits and the possibility they may be rescinded; (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, volume, production, and timing assumptions related to the generation of revenue from the processing of 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. 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 development including, but not limited to, the risks of obtaining necessary licenses and permits; and contests over title or permits to properties, particularly title or permits for 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.