

FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Kuya Silver Corporation (the "Issuer").

Trading Symbol: KUYA

This Quarterly Listing Statement must be posted on or before the day on which the Issuer's unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer's first, second and third fiscal quarters. This statement is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

General Instructions

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

See Financial Statements for the quarter ended March 31, 2026 attached as Schedule A.

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. Related party transactions

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

All Related Party transactions have been disclosed in the Issuer's Management Discussion and Analysis for the quarter ended March 31, 2026 attached as Schedule C, and also summarized below.

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel and their immediate family members:

		Three months ended March 31, 2026		Three months ended March 31, 2025
Directors' fees	\$	34,629	\$	22,645
Professional fees		-		19,478
Salaries and benefits		222,932		149,797
Share-based compensation		196,247		76,605
	\$	453,808	\$	268,525

During the three months ended March 31, 2026, administrative expenditures of \$1,225 (2025 - \$1,225) were paid or accrued to a related entity, which provides engineering and subcontractor services for the Bethania Silver Project. As at March 31, 2026, included in accounts payable and accrued liabilities was \$nil (December 31, 2025 - \$nil) owing to this entity.

In fiscal 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 to 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. As at March 31, 2026, \$197,139 (December 31, 2025 - \$221,326) is recorded in prepaids and advances, of which \$113,397 (December 31, 2025 - \$136,213) is classified as long-term.

As at March 31, 2026, included in accounts payable and accrued liabilities was \$4,366 (December 31, 2025 - \$50,454) owing to officers and directors and \$nil (December 31, 2025 - \$37,904) owed to a director for the settlement of RSUs.

2. Summary of securities issued and options granted during the period.

All securities issued and options granted, if any, have been disclosed in the Issuer's Financial Statements for the quarter ended March 31, 2026 – see Schedule A, and also summarized below.

(a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
January 2, 2026	Common Shares	Private Placement with Trafigura Warrant Exercise - Tranche 2	1,975,662	\$ 0.37	\$730,994.94			
January 7, 2026	Common Shares	Private Placement August 9, 2022, Warrant Indenture Computershare	10,000	\$ 0.70	\$7,000.00			
January 7, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Warrant Exercise	700,000	\$ 0.65	\$455,000.00			
January 9, 2026	Common Shares	Private Placement August 9, 2022, Warrant Indenture Computershare	33,000	\$ 0.70	\$23,100.00			
January 15, 2026	Common Shares	Brokered LIFE Offering Private Placement	25,500,000	\$ 1.00	\$25,500,000.00			

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
January 19, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Warrant Exercise	85,000	\$ 0.65	\$55,250.00			
January 19, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Finders Warrant Exercise	28,800	\$ 0.50	\$14,400.00			
January 26, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Finders Warrant Exercise	9,600	\$ 0.50	\$4,800.00			
January 26, 2026	Common Shares	Convertible Debenture Warrants (October 9, 2024) Exercise	959,609	\$ 0.435	\$417,429.92			
January 27, 2026	Common Shares	Private Placement August 9, 2022, Warrant Indenture Computershare	10,000	\$ 0.70	\$7,000.00			

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Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
February 3, 2026	Common Shares	Private Placement August 9, 2022, Warrant Indenture Computershare	25,856	\$ 0.70	\$18,099.20			
February 6, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Finders Warrant Exercise	1,993	\$ 0.50	\$996.50			
February 11, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Finders Warrant Exercise	43,200	\$ 0.50	\$21,600.00			
February 12, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Warrant Exercise	1,420,000	\$ 0.65	\$923,000.00			
February 13, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Warrant Exercise	145,000	\$ 0.65	\$94,250.00			

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Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
February 23, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Warrant Exercise	30,000	\$ 0.65	\$19,500.00			
March 3, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Finders Warrant Exercise	10,800	\$ 0.50	\$5,400.00			
March 11, 2026	Common Shares	Private Placement August 9, 2022, Warrant Indenture Computershare	55,000	\$ 0.70	\$38,500.00			
March 12, 2026	Common Shares	Private Placement (Flow Through Units at \$0.48) - Warrant Exercise	20,833	\$ 0.64	\$13,333.12			
March 12, 2026	Common Shares	Private Placement LIFE Offering Tranche 1 (August 2025) Warrant Exercise	110,000	\$ 0.65	\$71,500.00			

(b) summary of options granted during the period,

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Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
February 10, 2026	250,000	Christian Aramayo	RSUs	N/A	December 31, 2028	\$0.97
February 10, 2026	50,000	Osbaldo Zamora	RSUs	N/A	December 31, 2028	\$0.97
February 10, 2026	17,500	Angela Vargas	RSUs	N/A	December 31, 2028	\$0.97
February 10, 2026	32,500	Juan Espinosa	RSUs	N/A	December 31, 2028	\$0.97
February 10, 2026	700,000	David Stein	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	250,000	Tyson King	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	50,000	Lesia Burianyk	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	125,000	Leah Hodges	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	100,000	Osbaldo Zamora	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	250,000	Sheila Magallon	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	25,000	Connor Caglioti	Stock Options	\$1.00	February 10, 2031	\$0.97
February 10, 2026	25,000	Ben Mark	Stock Options	\$1.00	February 10, 2031	\$0.97

3. Summary of securities as at the end of the reporting period.

A summary of securities as at the end of the reporting period have been disclosed in the Issuer's Financial Statements for the quarter ended March 31, 2026 – see Schedule A, a summary of securities as at the date of this report are summarized below.

Authorized Share Capital	Issued and Outstanding	Options	Warrants	RSUs
Common Shares	193,810,614	4,394,169	39,391,591	987,500
Preferred Shares	0	0	0	0

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name	Position
David Stein	Director, President and Chief Executive Officer
Eugene McBurney	Director
Andres Recalde	Director
Maura Lendon	Director and Chair of the Board
Lisa Wilkinson	Director
Sandro Ferrarone	Director
Christian Aramayo	Director and Chief Operating Officer
Sheila Magallon	Chief Financial Officer
Tyson King	VP, Corporate Development
Leah Hodges	Corporate Secretary

FORM 5 – QUARTERLY LISTING STATEMENT

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Provide Interim MD&A if required by applicable securities legislation.

See Management Discussion and Analysis for the quarter ended March 31, 2026 attached as Schedule C.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated May 21, 2026.

Leah Hodges
Name of Director or Senior Officer

/s/ "Leah Hodges"
Signature

Corporate Secretary
Official Capacity

Issuer Details Name of Issuer Kuya Silver Corporation	For Quarter Ended March 31, 2026	Date of Report 05/26/2026
Issuer Address 200 – 150 King Street West		
City/Province/Postal Code Toronto, Ontario, M5H 1J9	Issuer Fax No. N/A	Issuer Telephone No. (604) 377-0403
Contact Name Leah Hodges	Contact Position Corporate Secretary	Contact Telephone No. (604) 377-0403
Contact Email Address lhodges@kuyasilver.com	Web Site Address www.kuyasilver.com	

FORM 5 – QUARTERLY LISTING STATEMENT

SCHEDULE A

FINANCIAL STATEMENTS

FOR THE QUARTER ENDED MARCH 31, 2026



KUYA SILVER CORPORATION

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2026

(Expressed in US Dollars)

(Unaudited)

**NOTICE OF NO AUDITOR REVIEW OF
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in US Dollars)

(Unaudited)

As at

	March	December
	31, 2026	31, 2025
ASSETS		
Current		
Cash	\$ 27,177,885	\$ 9,339,023
Trade receivables	97,071	29,549
Prepays and advances (Note 11)	281,859	249,440
Inventories (Note 4)	901,945	673,287
Taxes and other receivables (Note 6)	1,336,233	1,331,625
	<u>29,794,993</u>	<u>11,622,924</u>
Taxes and other receivables (Note 6)	495,976	504,060
Prepays and advances (Note 11)	113,397	136,213
Facilities and equipment (Note 5)	551,948	492,591
Exploration and evaluation assets (Note 6)	23,011,510	23,386,552
	<u>24,172,831</u>	<u>24,519,416</u>
	\$ 53,967,824	\$ 36,142,340
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Notes 7 and 11)	\$ 2,061,936	\$ 1,760,570
Reclamation provision (Note 6)	1,779,834	1,796,338
	<u>3,841,770</u>	<u>3,556,908</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 9)	78,593,180	62,190,100
Reserves (Notes 9 and 10)	3,004,391	684,257
Deficit	(31,471,517)	(30,288,925)
	<u>50,126,054</u>	<u>32,585,432</u>
	\$ 53,967,824	\$ 36,142,340

Nature of operations (Note 1)**Commitments and contingencies** (Note 17)**Subsequent events** (Note 18)

Approved on behalf of the board by:

/s/ "David Stein"
David Stein, Director

/s/ "Lisa Wilkinson"
Lisa Wilkinson, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in US Dollars)

(Unaudited)

	Three months ended March 31, 2026	Three months ended March 31, 2025
Revenue		
Revenue from sale of concentrates	\$ 1,464,997	\$ 225,997
Production costs, including transportation, refining, and other	(1,470,995)	(216,612)
	(5,998)	9,385
Property expenses		
Exploration and evaluation expenditures (Notes 6 and 11)	402,463	881,733
	(402,463)	(881,733)
Administrative expenses		
Corporate and administrative costs	25,802	26,179
Consulting fees (Note 11)	21,031	-
Directors' fees (Note 11)	34,629	23,508
Filing fees	9,558	6,892
Management fees	15,309	14,632
Marketing and investor relations	148,502	30,007
Office and miscellaneous	35,594	69,880
Professional fees (Note 11)	38,322	57,805
Salaries and benefits (Note 11)	265,448	167,807
Share-based compensation (Notes 10 and 11)	291,454	127,110
Shareholder communication	3,018	1,289
Transfer agent	8,489	1,971
Travel	93,549	17,874
	(990,705)	(544,954)
Operating loss	(1,399,166)	(1,417,302)
Accretion expense (Notes 6 and 8)	(13,526)	(30,307)
Foreign exchange loss	619	(20,901)
Interest income	174,907	516
Recognition of flow-through share premium (Note 9)	-	119,008
	162,000	68,316
Loss for the period	(1,237,166)	(1,348,986)
Other comprehensive income (loss)		
Item that may be reclassified subsequently to profit and loss		
Foreign currency translation adjustment	(582,413)	22,002
Comprehensive loss for the period	\$ (1,819,579)	\$ (1,326,984)
Loss per common share – basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding – basic and diluted	186,891,424	109,403,362

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Expressed in US Dollars)

(Unaudited)

	Share Capital		Share-based reserves	Foreign currency translation reserves	Deficit	Total
	Number of shares	Amount				
December 31, 2025	161,327,628	\$ 62,190,100	\$ 1,856,387	\$ (1,172,130)	\$ (30,288,925)	\$ 32,585,432
Issuance of units for cash (Note 9)	25,500,000	15,961,580	2,385,064	-	-	18,346,644
Share issue costs (Note 9)	-	(1,912,125)	501,361	-	-	(1,410,764)
Issuance of common shares on exercise of warrants (Note 9)	5,674,353	2,353,625	(220,758)	-	-	2,132,867
Options forfeited or expired (Note 10)	-	-	(54,574)	-	54,574	-
Share-based compensation (Note 10)	-	-	291,454	-	-	291,454
Foreign currency translation	-	-	-	(582,413)	-	(582,413)
Loss for the period	-	-	-	-	(1,237,166)	(1,237,166)
March 31, 2026	192,501,981	\$ 78,593,180	\$ 4,758,934	\$ (1,754,543)	\$ (31,471,517)	\$ 50,126,054

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KUYA SILVER CORPORATION
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (cont'd...)

(Expressed in US Dollars)

(Unaudited)

	Share Capital		Share-based reserves	Foreign currency translation reserves	Deficit	Total
	Number of shares	Amount				
December 31, 2024	107,869,395	\$ 47,698,391	\$ 1,879,382	\$ (2,277,223)	\$ (27,233,769)	\$ 20,066,781
Issuance of units for cash (Note 9)	9,257,000	1,613,679	-	-	-	1,613,679
Share issue costs (Note 9)	-	(75,788)	-	-	-	(75,788)
Issuance of common shares on conversion of convertible debentures (Notes 8 and 9)	536,842	85,559	-	-	-	85,559
Issuance of common shares on exercise of options (Note 9)	672,499	387,667	(174,300)	-	-	213,367
Warrants expired (Note 9)	-	19,134	(19,134)	-	-	-
Share-based compensation (Note 10)	-	-	127,110	-	-	127,110
Foreign currency translation	-	-	-	22,002	-	22,002
Loss for the period	-	-	-	-	(1,348,986)	(1,348,986)
March 31, 2025	118,335,736	49,728,642	1,813,058	(2,255,221)	(28,582,755)	20,703,724
Issuance of units for cash (Note 9)	20,483,000	6,075,156	902,914	-	-	6,978,070
Share issue costs (Note 9)	-	(125,606)	33,475	-	-	(92,131)
Issuance of common shares on settlement of restricted share units (Notes 9 and 10)	462,500	93,116	(123,668)	-	-	(30,552)
Issuance of common shares on conversion of convertible debentures (Notes 8 and 9)	2,044,124	430,033	-	-	-	430,033
Issuance of common shares on exercise of options (Note 9)	231,927	57,371	(41,604)	-	-	15,767
Issuance of common shares on exercise of warrants (Note 9)	19,770,341	5,708,290	(224,946)	-	-	5,483,344
Options forfeited or expired (Note 10)	-	-	(529,217)	-	529,217	-
Warrants expired (Note 9)	-	223,098	(223,098)	-	-	-
Share-based compensation (Note 10)	-	-	249,473	-	-	249,473
Foreign currency translation	-	-	-	1,083,091	-	1,083,091
Loss for the period	-	-	-	-	(2,235,387)	(2,235,387)
December 31, 2025	161,327,628	\$ 62,190,100	\$ 1,856,387	\$ (1,172,130)	\$ (30,288,925)	\$ 32,585,432

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KUYA SILVER CORPORATION**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in US Dollars)

(Unaudited)

	Three months ended March 31, 2026	Three months ended March 31, 2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the period	\$ (1,237,166)	\$ (1,348,986)
Adjust for items not involving cash:		
Depreciation	16,514	3,677
Accretion expense	13,526	30,307
Share-based compensation	291,454	127,110
Recognition of flow-through share premium	-	(119,008)
Interest expense	-	11,574
Unrealized foreign exchange gain	(204,136)	(14,792)
Change in non-cash working capital items:		
Trade receivables	(69,055)	-
Taxes and other receivables	(26,842)	(57,463)
Prepays and advances	(16,033)	(47,314)
Inventories	(243,184)	18,830
Accounts payable and accrued liabilities	334,731	3,613
Net cash used in operating activities	(1,140,191)	(1,392,452)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Additions to facilities and equipment	(84,817)	-
Net cash used in investing activity	(84,817)	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	20,479,511	1,827,046
Share issue costs	(1,410,764)	(75,788)
Net cash provided by financing activities	19,068,747	1,751,258
Change in cash	17,843,739	358,806
Effect of foreign exchange on cash	(4,877)	16,693
Cash, beginning of period	9,339,023	765,565
Cash, end of period	\$ 27,177,885	\$ 1,141,064

Supplemental cash flow information (Note 12)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

KUYA SILVER CORPORATION

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in US Dollars)

(Unaudited)

MARCH 31, 2026

1. NATURE OF OPERATIONS

Kuya Silver Corporation (the “Company”) is a mineral exploration and development company with a focus on acquiring, exploring and advancing precious metal assets in Peru and Canada. The Company also holds a 5% interest in the Umm Hadid Project in Saudi Arabia, with the option to acquire an additional 40% until April 2027 (Note 6).

In fiscal 2024, the Company executed on its strategic plans to rehabilitate the Bethania Silver Project in Peru with the objective of moving the mine towards development. However, as at March 31, 2026 the Company does not yet consider the project to be in the development phase, as contemplated under IFRS Accounting Standards (“IFRS”).

The Company was incorporated on July 15, 2015 under the Business Corporations Act (British Columbia). The Company’s head office and principal address is located at 150 King Street West, Suite 200, Toronto, ON, M5J 1J9. 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 also trades on the OTCQX Market in the United States under the symbol “KUYAF”.

2. BASIS OF PRESENTATION

Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) applicable to interim financial reports, including International Accounting Standard 34, Interim Financial Reporting. They do not include all the information and note disclosures required by IFRS for annual financial statements and, therefore, should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2025, prepared in accordance with IFRS.

Approval of the consolidated financial statements

These condensed interim consolidated financial statements were authorized for issuance by the Board of Directors (“Board”) of the Company on May 26, 2026.

Significant estimates and judgments

The preparation of these condensed interim consolidated financial statements requires the Company to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. There have been no material changes to the significant estimates and judgments as disclosed in Note 2 of the Company’s consolidated financial statements for the year ended December 31, 2025.

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

MARCH 31, 2026

3. MATERIAL ACCOUNTING POLICY INFORMATION

These condensed interim consolidated financial statements were prepared using the same accounting policies and methods of computation as in the Company's consolidated financial statements for the year ended December 31, 2025.

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, 2027 which have not been applied in preparing these 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.

4. INVENTORIES

	March 31, 2026	December 31, 2025
Supplies	\$ 338,936	\$ 256,346
Stockpile inventory in process	511,761	416,941
Concentrate inventory in process	51,248	-
	\$ 901,945	\$ 673,287

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

MARCH 31, 2026

5. FACILITIES AND EQUIPMENT

	Facilities and leasehold improvements	Machinery and equipment	Total
COST			
December 31, 2024	\$ 314,298	\$ 10,452	\$ 324,750
Additions	-	423,978	423,978
Adjustment on currency translation	15,227	8,883	24,110
December 31, 2025	329,525	443,313	772,838
Additions	-	84,817	84,817
Adjustment on currency translation	(5,284)	(8,410)	(8,410)
March 31, 2026	\$ 324,241	\$ 519,720	\$ 843,961
December 31, 2024	\$ 221,681	\$ 5,474	\$ 227,155
Depreciation	30,607	10,665	41,272
Adjustment on currency translation	11,344	476	11,820
December 31, 2025	263,632	16,615	280,247
Depreciation	1,213	15,301	16,514
Adjustment on currency translation	(4,246)	(502)	(4,748)
March 31, 2026	\$ 260,599	\$ 31,414	\$ 292,013
NET BOOK VALUE			
December 31, 2025	\$ 65,893	\$ 426,698	\$ 492,591
March 31, 2026	\$ 63,642	\$ 488,306	\$ 551,948

During the three months ended March 31, 2026, the Company 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 the Company's mineralized material to produce silver and other metal concentrates on a toll-milling basis. During the three months ended March 31, 2026, the Company incurred due diligence costs of \$19,879 (2025 - \$nil), recorded in prepaids and advances, for this potential acquisition.

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6. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation assets include assets in Peru and in Canada.

Project	Bethania Silver Project	Silver Kings Project	Total
December 31, 2024	\$ 16,127,735	\$ 6,213,948	\$ 22,341,683
Reclamation provision adjustment	-	(37,562)	(37,562)
Adjustment on currency translation	781,372	301,059	1,082,431
December 31, 2025	16,909,107	6,477,445	23,386,552
Adjustment on currency translation	(271,166)	(103,876)	(375,042)
March 31, 2026	\$ 16,637,941	\$ 6,373,569	\$ 23,011,510

Bethania Silver Project, Peru

The Company's Bethania Silver Project, located in Central Peru, in the northwestern part of the Huancavelica Department, consists of several contiguous mining concessions including the Bethania mine (Santa Elena concession), Carmelitas, and Tres Banderas concessions, as well as the Bethania Plant surface concession.

As at March 31, 2026, the Company has recorded a reclamation provision in the amount of \$53,502 (December 31, 2025 - \$55,406) as an estimate for potential future reclamation and rehabilitation obligations at Bethania, based on activities to date. The estimated costs to be incurred have been adjusted for inflation of 2% (December 31, 2025 - 2%) and then discounted using current market-based pre-tax discount rate of 5% (December 31, 2025 - 5%).

Silver Kings Project, Canada

The Company's Silver Kings Project consists of three properties. Silver King properties, Kerr Assets and Sunrise claims, which are located in the Cobalt district of northeastern Ontario, Canada. Certain claims associated with Silver Kings project are subject to a 2% royalty on net smelter returns.

As at March 31, 2026, the Company has recorded a reclamation provision in the amount of \$1,726,332 (December 31, 2025 - \$1,740,932) as an estimate for potential future reclamation and rehabilitation obligations on the Kerr Assets, based on the historical activities on the project to date. The estimated costs to be incurred have been adjusted for inflation of 2% (December 31, 2025 - 2%) and then discounted using current market-based pre-tax discount rate of 3.11% (December 31, 2025 - 3.11%). During the three months ended March 31, 2026, the Company recorded a change in estimate related to the reclamation provision of \$nil (year ended December 31, 2025 - \$37,562), which was recorded as a decrease to exploration and evaluation assets. During the three months ended March 31, 2026, the Company recorded accretion related to the reclamation provision of \$13,526 (2025 - \$12,649), which was recorded as an increase to the reclamation provision on the statement of financial position, with an offsetting amount to accretion expense in profit and loss.

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In fiscal 2025, the Company recorded sales of concentrate from its Silver Kings project, based on the expected quantity of metal at certain tonnes and grade, assays available and considering provisional sales prices, at the time of delivery to the customer as that is when performance obligations are satisfied and control of the product is transferred to the customer. Adjustments to the provisional sales prices were made to take into account the mark-to-market changes based on the forward prices of metals for the estimated month of settlement.

Transportation, treatment, refining and other charges are recognized upon delivery of concentrate based on contractual terms.

Umm Hadid Project, Saudi Arabia

In fiscal 2025, the Company signed a joint venture agreement with Sumou Holding Company, the majority shareholder of Silver for 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 March 31, 2026, the Company had not yet incurred any exploration and evaluation expenditures and the 5% interest was considered to have a nominal fair value.

Exploration and evaluation expenditures

Exploration and evaluation expenditures for the three months ended March 31, 2026 are as follows:

Project	Bethania Silver Project	Silver Kings Project	Total
Civil works, engineering and metallurgy	\$ 30,731	\$ 38,282	\$ 60,013
Geology and drilling	37,308	7,019	44,327
Operations and supplies	35,501	12,427	47,928
Property maintenance, licences and rights	36,667	2,858	39,525
Safety and environment	6,307	1,734	8,041
Salaries and benefits	188,701	4,928	193,629
Total	\$ 335,215	\$ 67,248	\$ 402,463

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

Project	Bethania Silver Project	Silver Kings Project	Total
Civil works and engineering	\$ 20,989	\$ 54,409	\$ 75,398
Geology and drilling	-	316,421	316,421
Operations and supplies	56,637	22,221	78,858
Safety and environment	11,506	5,176	16,682
Value-added tax	9,617	-	9,617
Wages and benefits	306,957	77,800	384,757
Total	\$ 405,706	\$ 476,027	\$ 881,733

In fiscal 2025, the Company revised its provision with respect to VAT credits, as it now expects that such amounts will be utilized based on increased revenues in Peru. This change in provision resulted in the recovery of VAT of \$1,361,530 recognized net of exploration and evaluation expenditures. Based on the estimated timing of VAT applicable revenue and expenses, the Company has recorded a VAT credit asset of \$1,495,824 as at March 31, 2026 (December 31, 2025 - \$1,633,230), presented as \$999,848 (December 31, 2025 - \$1,129,170) current and \$495,976 (December 31, 2025 - \$504,060) long term.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	March 31, 2026	December 31, 2025
Accounts payable	\$ 1,965,870	\$ 1,645,304
Accrued liabilities	96,066	115,266
	\$ 2,061,936	\$ 1,760,570

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8. CONVERTIBLE DEBENTURES

	Liability component		Equity warrants		Total
December 31, 2024	457,827	\$	128,304	\$	586,131
Accretion	19,155		-		19,155
Interest	21,776		-		21,776
Conversion of principal and interest	(515,592)		-		(515,592)
Warrants exercised	-		(42,261)		(42,261)
Adjustment on currency translation	16,834		-		16,834
December 31, 2025	-		86,043		86,043
Warrants exercised	-		(86,043)		(86,043)
March 31, 2026	\$ -	\$	-	\$	-

In fiscal 2024, the Company completed a two-tranche convertible debenture facility:

- a) First Tranche (October 9, 2024) - The Company issued a unit, which is comprised of a secured convertible debenture of the Company with a face value of CAD \$1,111,111 and 959,609 common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of CAD \$0.435 per common share until April 9, 2027. The Company paid fees and closing costs of CAD \$181,268 (\$132,409). The convertible debenture had a maturity date of January 9, 2026, and bore interest rate of 8%. This convertible debenture was fully settled on June 17, 2025, prior to its maturity.
- b) Second Tranche (December 5, 2024) - The Company exercised its option to issue an additional unit which is comprised of a secured convertible debenture of the Company with a face value of CAD \$485,000 and 560,595 common share purchase warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of CAD \$0.37 per common share until June 5, 2027. The convertible debenture had a maturity date of March 5, 2026, and bore interest at a rate of 8%. This convertible debenture was fully settled on September 22, 2025, prior to its maturity.

The convertible debentures were secured against the shares of Kuya Silver Inc., the subsidiary that holds the Company's interests in Peru.

The convertible debentures issued in both tranches were valued initially by measuring the fair value of the liability component using a 15% discount rate. The warrants value was calculated using the Black-Scholes option pricing model assuming a life expectancy of 2.5 years, and nil dividend and forfeiture rates. For the first tranche, a risk-free interest rate of 3.22% and 89% volatility were used and for the second tranche, a risk-free interest rate of 3.02% and 88% volatility were applied.

During the three months ended March 31, 2026, the Company issued nil common shares (2025 - 536,842), valued at \$nil (2025 - \$85,559), for the conversion of CAD \$nil of convertible debenture principal (2025 - CAD \$150,000) and CAD \$nil (2025 - CAD \$3,000) of interest. Total interest expense, included in office and miscellaneous expense, on the convertible debentures for the three months ended March 31, 2026 was \$nil (2025 - \$11,574).

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9. SHARE CAPITAL**Authorized share capital**

The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at March 31, 2026, the Company had not issued any preferred shares.

Issued share capital

During the three months ended March 31, 2026, the Company issued:

- a) 25,500,000 units at a price of CAD \$1.00 per unit by way of a brokered private placement, for total proceeds of \$18,346,644 (CAD \$25,500,000). Each unit consisted of one common share and one-half of one common share purchase warrant, where a full warrant is exercisable to acquire one common share at CAD\$1.30 per common share for a period of 36 months from the date of issuance. The 12,750,000 warrants were valued at \$2,385,064, using the residual value method. The Company paid a total of \$1,410,764 for finders' and other fees and issued 1,530,000 finders' warrants in connection with this private placement. Each finder's warrant entitles the holder to acquire one common share at a price of CAD \$1.00 per common share for a period of 36 months from the date of issue. The finders' warrants were valued at \$501,361, calculated using the Black-Scholes option pricing model assuming a life expectancy of three years, a risk-free interest rate of 2.50%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 85%; and
- b) 5,674,353 common shares, for proceeds of \$2,132,867 (CAD \$2,921,154), on the exercise of warrants.

During the year ended December 31, 2025, the Company issued:

- a) 11,600,000 common shares at a price of CAD \$0.25 per common share by way of a non-brokered private placement, for total proceeds of \$2,025,714 (CAD \$2,900,000). The Company paid a total of \$77,476 for finders' fees in connection with this private placement;
- b) 18,140,000 units at a price of CAD \$0.50 per unit by way of a non-brokered private placement, for total proceeds of \$6,566,035 (CAD \$9,070,000). Each unit consisted of one common share and one common share purchase warrant, where a full warrant is exercisable to acquire one common share at CAD\$0.65 per common share for a period of 36 months from the date of issuance. The 18,140,000 warrants were valued at \$902,914, using the residual value method. The Company paid a total of \$90,443 for finders' fees and issued 218,000 finders' warrants in connection with this private placement. Each finder's warrant entitles the holder to acquire one common share at a price of CAD \$0.50 per common share for a period of 36 months from the date of issue. The finders' warrants were valued at \$33,475, calculated using the Black-Scholes option pricing model assuming a life expectancy of three years, a risk-free interest rate of 2.69%, a dividend rate of nil%, a forfeiture rate of nil% and volatility of 82%;
- c) 2,580,966 common shares, valued at \$515,592 (CAD \$715,211), for settlement of converted convertible debentures and interest (Note 8);
- d) 752,499 common shares, for proceeds of \$229,134 (CAD \$328,158), on the exercise of options;
- e) 151,927 common shares, on a cashless basis, on the exercise of options;
- f) 19,770,341 common shares, for proceeds of \$5,483,344 (CAD \$7,610,597), on the exercise of warrants; and
- g) 462,500 common shares, valued at \$93,116 (CAD \$127,625), for settlement of vested restricted share units ("RSUs") (Note 10).

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Flow-through share premium

The flow-through share premium consists of the excess of the subscription price of the flow-through shares over the fair value of the shares without the flow-through feature at the time of issuance, which is recognized in profit or loss, on a pro-rata basis, as the flow-through share funds are spent on qualifying exploration expenditures.

	Total
Balance as at December 31, 2024	\$ 139,943
Recognition of flow-through share premium	(142,696)
Adjustment on currency translation	2,753
Balance as at December 31, 2025 and March 31, 2026	\$ -

Share purchase warrants

During the three months ended March 31, 2026, 5,674,353 (2025 - nil) share purchase warrants were exercised; accordingly, the \$220,758 (2025 - \$nil) fair value associated with the warrants exercised was reclassified from reserves to share capital.

During the three months ended March 31, 2026, nil (2025 - 1,617,322) share purchase warrants expired unexercised; accordingly, the \$nil (2025 - \$19,134) issue-date fair value associated with the warrants was reclassified reserves to share capital for warrants associated with private placements.

The continuity of share purchase warrants of the Company was as follows:

	Number of warrants	Weighted average exercise price (in CAD)
Balance as at December 31, 2024	41,260,662	\$ 0.49
Issued	18,358,000	0.65
Exercised	(19,770,341)	0.38
Expired	(8,977,077)	0.56
Balance as at December 31, 2025	30,871,244	0.63
Issued	14,280,000	1.27
Exercised	(5,674,353)	0.51
Balance as at March 31, 2026	39,476,891	\$ 0.88

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As at March 31, 2026, the Company had outstanding share purchase warrants enabling the holder to acquire common shares as follows:

Number of share purchase warrants	Exercise price (in CAD)	Weighted average remaining life (years)	Expiry date
2,583,500	\$ 0.64	0.22	June 19, 2026
6,859,144	\$ 0.70	1.36	August 9, 2027
13,480,000	\$ 0.65	2.38	August 14, 2028
31,400	\$ 0.50	2.38	August 14, 2028
2,170,000	\$ 0.65	2.39	August 20, 2028
72,847	\$ 0.50	2.39	August 20, 2028
12,750,000	\$ 1.30	2.80	January 15, 2029
1,530,000	\$ 1.00	2.80	January 15, 2029
39,476,891			

10. SHARE-BASED COMPENSATION

The Company's equity incentive plan (the "Plan") provides for the grant of awards ("Awards") that enable the acquisition of common shares of the Company. Awards include stock options, restricted share units ("RSUs"), and performance share units ("PSUs"). The maximum number of common shares that may be issued pursuant to Awards under this Plan shall be determined from time to time but shall not together with any other share compensation arrangement adopted by the Company in the aggregate exceed 10% of the outstanding common shares of the Company.

Stock options

The Company has a shareholder-approved rolling stock option plan under which the Committee appointed by the Board to administer the Plan may, from time to time in its discretion, grant options to acquire common shares of the Company to its directors, officers, employees, consultants and advisors with an expiry date of a maximum of five years from the date of grant. The exercise price of each option is determined by the Committee but shall not be less than the greater of the fair market value on the trading day prior to the date of grant and the date of grant. At the time of grant, the Committee may determine when an option will become exercisable, subject to the rules of the CSE. The vesting schedule of the options is determined at the discretion of the Committee, but generally vest equally over a two-year period, starting on the date of grant and the first and second anniversaries of date of grant, provided that the participant's termination date does not occur prior to the applicable vesting date.

During the three months ended March 31, 2026, the Company granted 1,525,000 (2025 - 1,335,000) stock options with a fair value of \$730,280 (2025 - \$199,936) using the Black-Scholes option pricing model assuming a life expectancy of 5 years (2025 - 5 years), a risk-free interest rate of 2.89% (2025 - 2.74%), a forfeiture rate of nil (2025 - nil), and volatility of 85% (2025 - 85%).

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During the three months ended March 31, 2026, the Company expensed \$262,443 (2025 - \$106,515) for the fair value of options, which was recorded in share-based compensation.

During the three months ended March 31, 2026, nil (2025 - 672,499) incentive stock options were exercised; accordingly, the \$nil (2025 - \$174,300) fair value associated with the options exercised was reclassified from reserves to share capital.

During the three months ended March 31, 2026, 261,666 (2025 - nil) incentive stock options were forfeited or expired; accordingly, the \$54,574 (2025 - \$nil) fair value associated with the options was reclassified from reserves to deficit.

The continuity of stock option transactions of the Company was as follows:

	Number of stock options		Weighted average exercise price (in CAD)
Balance as at December 31, 2024	3,699,800	\$	0.64
Granted	2,010,000		0.35
Exercised	(1,064,165)		0.44
Forfeited / expired	(1,291,467)		0.74
Balance as at December 31, 2025	3,354,168		0.49
Granted	1,525,000		1.00
Forfeited / expired	(261,666)		0.42
Balance as at March 31, 2026	4,617,502	\$	0.66
Exercisable as at March 31, 2026	2,370,835	\$	0.53

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As at March 31, 2026, the Company had outstanding stock options enabling the holder to acquire common shares as follows:

Number of Stock options	Number of exercisable stock options	Exercise price (in CAD)	Weighted average remaining life (years)	Expiry date
45,000	45,000	\$ 1.55	0.23	June 24, 2026
120,000	120,000	\$ 1.90	0.23	June 24, 2026
372,500	372,500	\$ 0.94	0.84	January 31, 2027
60,000	60,000	\$ 0.57	1.39	August 19, 2027
275,000	275,000	\$ 0.34	1.82	January 25, 2028
60,000	60,000	\$ 0.48	2.34	July 31, 2028
491,667	491,667	\$ 0.25	2.85	February 2, 2029
113,334	53,334	\$ 0.38	3.42	August 30, 2029
918,334	573,334	\$ 0.315	3.87	February 10, 2030
636,667	320,000	\$ 0.41	4.27	July 7, 2030
1,525,000	-	\$ 1.00	4.87	February 10, 2031
4,617,502	2,370,835			

RSU and PSU

During the three months ended March 31, 2026, the Company granted 350,000 (2025 - 500,000) RSUs with a fair value of \$247,503 (2025 - \$109,963), which vest in two equal tranches, over a two-year period.

During the three months ended March 31, 2026, the Company expensed \$29,011 (2025 - \$20,595) for the fair value of RSUs, which was recorded in share-based compensation.

The continuity of RSUs transactions of the Company was as follows:

	Number of RSUs
Balance as at December 31, 2024	725,000
Granted	500,000
Settled	(587,500)
Balance as at December 31, 2025	637,500
Granted	350,000
Cancelled	(57,500)
Balance as at March 31, 2026	930,000
Vested but not yet settled as at March 31, 2026	387,500

As at March 31, 2026, the Company had not granted any PSUs.

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11. RELATED PARTY TRANSACTIONS

The Company considers key management personnel to consist of its directors and officers. The following expenses were incurred in transactions with key management personnel and their immediate family members:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Directors' fees	\$ 34,629	\$ 22,645
Professional fees	-	19,478
Salaries and benefits	222,932	149,797
Share-based compensation	196,247	76,605
	\$ 453,808	\$ 268,525

During the three months ended March 31, 2026, administrative expenditures of \$1,225 (2025 - \$1,225) were paid or accrued to a related entity, which provides engineering and subcontractor services for the Bethania Silver Project. As at March 31, 2026, included in accounts payable and accrued liabilities was \$nil (December 31, 2025 - \$nil) owing to this entity.

In fiscal 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 to 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. As at March 31, 2026, \$197,139 (December 31, 2025 - \$221,326) is recorded in prepaids and advances, of which \$113,397 (December 31, 2025 - \$136,213) is classified as long-term.

As at March 31, 2026, included in accounts payable and accrued liabilities was \$4,366 (December 31, 2025 - \$50,454) owing to officers and directors and \$nil (December 31, 2025 - \$37,904) owed to a director for the settlement of RSUs.

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12. SUPPLEMENTAL CASH FLOW INFORMATION

The significant non-cash financing and investing activities are as follows:

		Three months ended March 31, 2026	Three months ended March 31, 2025
Shares issued on conversion of convertible debentures	\$	-	\$ 85,559
Residual value of warrants issued in private placement	\$	2,385,064	\$ -
Finders' warrants issued for share issue costs	\$	501,361	\$ -
Reclassification of reserves to share capital on exercise of options	\$	-	\$ 174,300
Reclassification of reserves to share capital on exercise of warrants	\$	220,758	\$ -
Reclassification of reserves to deficit on expiry of options	\$	54,574	\$ -
Reclassification of reserves to share capital on expiry of warrants	\$	-	\$ 19,134

13. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment being the acquisition and exploration of exploration and evaluation assets located in Canada and Peru. The below information is presented after intercompany eliminations; the net impact of foreign exchange is presented in Canada. Geographic information is as follows:

	Canada	Peru	Total
As at March 31, 2026			
Exploration and evaluation assets	\$ 6,373,569	\$ 16,637,941	\$ 23,011,510
Other assets	27,319,113	3,637,201	30,956,314
Total assets	\$ 33,692,682	\$ 20,275,142	\$ 53,967,824
For the three months ended March 31, 2026			
Revenue from sale of concentrate	\$ -	\$ 1,464,997	\$ 1,464,997
Loss for the period	\$ (822,979)	\$ (414,187)	\$ (1,237,166)

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	Canada		Peru		Total
As at December 31, 2025					
Exploration and evaluation assets	\$	6,477,445	\$	16,909,107	\$ 23,386,552
Other assets		9,254,872		3,500,916	12,755,788
<hr/>					
Total assets	\$	15,732,317	\$	20,410,023	\$ 36,142,340
<hr/>					
For the three months ended March 31, 2025					
Revenue	\$	-	\$	225,997	\$ 225,997
Loss for the period	\$	(810,140)	\$	(538,846)	\$ (1,348,986)

The Company's revenue is concentrated among limited number of customers. During the three months ended March 31, 2026 revenue earned in Peru is from a different single international customer as per offtake agreement (Note 17).

14. FINANCIAL INSTRUMENT RISKS

The Company's Board has overall responsibility for the establishment and oversight of the Company's risk management framework. As at March 31, 2026, 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 a major Canadian bank and funds are transferred to a subsidiary's foreign bank accounts as required to cover current expenditures, minimizing the risk to the Company. Taxes and other receivables are primarily due from governments in Canada and Peru.

Credit risk associated with trade receivables in Peru 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. Management monitors this risk and seeks to mitigate it through the development of additional customer relationships and markets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is through regular monitoring of cash requirements. When necessary, the Company obtains financing from various investors to ensure all future obligations are fulfilled. The Company believes it has sufficient cash as at March 31, 2026 to settle its current liabilities as they come due and to continue current operations for the upcoming twelve months.

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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 \$42,000 recorded in profit or loss for the three months ended March 31, 2026. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD \$ and Peruvian soles accounts would be approximately \$2,381,000 recorded in other comprehensive income or loss for the three months ended March 31, 2026.

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 \$214,000 recorded in interest income for the three months ended March 31, 2026.

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.

15. 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.

KUYA SILVER CORPORATION**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in US Dollars)

(Unaudited)

MARCH 31, 2026

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 approximates 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.

16. 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. 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 three months ended March 31, 2026.

17. 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.

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As at March 31, 2026, the Company has the following contingencies:

Minera Plata del Toro S.A.C. ("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 December 31, 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 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.

18. SUBSEQUENT EVENTS

Subsequent to March 31, 2026, the Company:

- a) issued 1,085,300 common shares, for proceeds of \$510,000 (CAD \$699,710), on the exercise of warrants;
and
- b) issued 223,333 common shares, for proceeds of \$47,946 (CAD \$65,600), on the exercise of warrants.

SCHEDULE B

SUPPLEMENTARY INFORMATION

(please refer to Schedule A”)

SCHEDULE C

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE QUARTER ENDED MARCH 31, 2026**



KUYA SILVER CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2026

(Expressed in US Dollars)

Report Date – May 26, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion & Analysis ("MD&A") provides a review of activities, results of operations and the financial condition of Kuya Silver Corporation ("Kuya Silver", the "Company", "we", or "our") as at and for the three months ended March 31, 2026. This MD&A should be read in conjunction with the Company's interim consolidated financial statements and related notes thereto for the three months ended March 31, 2026. 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 May 26, 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).

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During 2024 the Company engaged in reconditioning and underground activities required to restart commercial mining operations at the Bethania Silver Project, and the limited production of mineralized material in 2025 and 2026 was initially focused on areas with existing underground infrastructure.

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

Operational

		Three months	
		Q1, 2026	Q1, 2025
Mineralized material, mined	tonnes	3,076	655
Mineralized material, processed	tonnes	3,868	872
Meters advanced	m	398	161
Development	tonnes	1,967	1,930
<u>Average processed grades</u>			
Silver ⁽¹⁾	oz/t	6.29	9.05
Lead	%	2.02	2.60
Zinc	%	1.63	2.23
Silver Equivalent ⁽¹⁾⁽²⁾	oz/t	9.94	12.39
Silver Equivalent ⁽¹⁾⁽²⁾	g/t	309	385
<u>Average recoveries ⁽¹⁾⁽³⁾</u>			
Silver	%	86.46	90.94
Lead	%	86.73	87.40
Zinc	%	44.46	55.40

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		Three months	
		Q1, 2026	Q1, 2025
<u>Metal processed⁽¹⁾</u>			
Silver	oz	21,580	7,445
Lead	tonnes	63	22
Zinc	tonnes	45	18
<u>Concentrates sold (wet)</u>			
Silver - Lead	tonnes	120	39
Zinc	tonnes	72	29
<u>Metal sold</u>			
Silver	oz	17,481	6,760
Gold	oz	-	2
Lead	tonnes	54	18
Zinc	tonnes	9	10
Silver Equivalent ⁽²⁾	oz	19,266	8,888
Silver Sales	%	91	76
<u>Average realized price⁽⁴⁾</u>			
Silver	\$/oz	82	33
Gold	\$/oz	-	3,017
Lead	\$/tonne	1,859	1,984
Zinc	\$/tonne	3,300	2,773
Total Revenue ⁽⁴⁾	\$ 000's	1,465	229

⁽¹⁾ Information has been revised from amounts previously disclosed in the Company's press release dated April 22, 2026. The revisions relate primarily to the correction of previously reported production metrics.

⁽²⁾ Silver Equivalency (AgEq) was calculated using silver price prices as follows: March 31, 2026 silver \$74/oz, lead \$1,909/tonne, zinc \$3,230/tonne, Mar. 31, 2025 period; silver \$34.46/oz, gold \$3122.80/oz, lead \$2002/tonne, zinc \$2829/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 3,076 tonnes mined during the first quarter of 2026. By the end of March and April Bethania operations had reached a level of 100 tonnes per day ("tpd") throughput.
- \$1.5 million revenue recorded during the first quarter of 2026 mainly from Silver with an average selling price of \$82/oz.
- Total of 398 meters advanced and 1,967 metric tonnes of development material moved. Developing activities were focused on driving drifts and a crosscut to access more mineralization material.
- Average grades were 6.29 oz/t during the quarter even as development material. Grades are expected to increase as the mine reaches a steady-state of production later this year and into 2027 and in the meantime grades will reflect a blend of ongoing development and run-of-mine stoping.
- The Company has previously achieved 90+% silver recoveries on specific mineralized batches, reflecting not only higher head grades but also favorable metallurgical composition and tighter moisture controls in the

processing circuit. Although Silver recoveries during the quarter are slightly lower, the Company implemented targeted adjustments to the Camila Plant's operating parameters, including semi real-time monitoring of feed characteristics and moisture levels. Results in months following the quarter end have been encouraging, and management expects recoveries to continue improving as silver grades increase and operational refinements take full effect.

Corporate

Liquidity

- Following the closing of the private placement in January 2026 for gross proceeds of \$18,346,644 the company had a strong cash position of \$27,177,885 as at March 31, 2026. The Company intends to use these funds to continue the expansion of the operational ramp up at Bethania project in Peru as described in the Outlook section.

Financings

- On January 15, 2025, the Company 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.

Other

- On January 2026, the Company 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 the Company's mineralized material to produce silver and other metal concentrates on a toll-milling basis the Company continues to progress with due diligence and definitive documentation with regards to this acquisition.

OUTLOOK

The Company's key objective for the Bethania Silver Project is to develop a 350 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 and 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.

Bethania's production in 2026 is targeted to reach 150,000-200,000 silver equivalent ounces with production weighted towards the fourth quarter of the year as underground development activities continue to advance. During the remainder of 2026, underground activities will focus on developing the underground infrastructure required to expand production which may, in the short term, result in variability in grades being mined and processed as development material is extracted. As Bethania has not yet achieved commercial production, operating results and production levels may continue to fluctuate during the ramp-up phase.

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 drilling on the Bethania mine (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.

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 \$1,660,299 as at March 31, 2026 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 to 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

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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.

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.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Selected Financial Information	Three months ended March 31, 2026	Year ended December 31, 2025
Total assets	\$ 53,967,824	\$ 36,142,340
Total non-current financial liabilities	\$ 3,840,770	\$ 1,760,570

Details of certain financial metrics for the three months ended March 31, 2026 and 2025 are described below:

	Three months ended March 31, 2026	2025
Revenue	\$ 1,464,997	\$ 225,997
Production costs, including transportation, refining and other	(1,470,995)	(216,612)
Exploration & evaluation expenditures	402,463	881,733
Administrative expenses	699,251	417,843
Share-based compensation	291,454	127,110
Other (income) expense	(162,000)	(68,315)
(Loss) for the period	\$ (1,237,166)	\$ (1,348,986)
(Loss) per share (Basic and diluted)¹	\$ (0.01)	\$ (0.01)

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

The Company recognized revenue from its Bethania's operations of \$1,464,997 during the quarter ended March 31, 2026 (2025 – \$225,997) with production costs of \$1,470,995 (2025 – \$216,612). The increase in revenue compared to 2025 is attributable to the incidental revenue generated and the decrease in rehabilitation work which is scheduled to commence in June, 2026.

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During the first quarter ended March 31, 2026, exploration activities decreased by \$470,270 compared to the same period in 2025. 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 mineralized ore at the Bethania operation as part of the ramp up. Exploration activities for 2026 are expected to commence during the second quarter. Administrative expenses for the first quarter ended March 31, 2026 increased by \$281,408 relative to the same period in 2025, primarily due to an increase of \$215,201 in travel expenses related to investor conferences, meetings, trade shows, and consulting fees associated with business development initiatives, as well as an increase of \$108,762 in salaries, benefits and directors fees resulting from higher headcount, additional management positions and salary increases.

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 March 31, 2026, included a foreign exchange loss of \$619 (2025 – loss of \$20,901), income due to the recognition of flow-through premium of \$Nil (2025 –\$119,008) and interest income of \$174,907 (2025 – \$516), offset by accretion expense of \$13,526 (2025 - \$30,307).

Exploration and evaluation expenditures for the three months ended March 31, 2026 and 2025 are as follows:

Exploration and evaluation expenditures	Three months ended	
	March 31,	
	2026	2025
Bethania Silver Project		
Civil works and engineering	\$ 30,731	\$ 1,857
Geology and drilling	37,308	20,520
Operations and supplies	35,501	64,896
Property maintenance, licences and rights	36,667	-
Safety and environment	6,307	11,506
Salaries and benefits	188,701	306,927
	335,215	405,706
Silver Kings Project		
Civil works, engineering and metallurgy	38,282	54,409
Geology and drilling	7,019	316,421
Operations and supplies	12,427	22,221
Property maintenance, licenses and rights	2,858	-
Safety and environment	1,734	5,176
Salaries and benefits	4,928	77,800
	67,248	476,027
Total	\$ 402,463	\$ 881,733

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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.

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 March 31, 2026:

Project	Bethania Silver Project	Silver Kings Project	Total
Civil works and engineering	\$ 2,336,331	\$ 387,646	\$ 2,723,977
Geology and drilling	1,341,603	2,299,720	3,641,323
Mine rehabilitation	1,497,546	-	1,497,546
Operations and supplies	1,772,497	392,308	2,164,805
Property maintenance, licences and rights	161,030	122,371	283,401
Safety and environment	525,453	84,789	610,242
Salaries and benefits	2,193,681	1,415,131	3,608,812
Expense recovery from Electra	-	(119,175)	(119,175)
Total	\$ 9,828,141	\$ 4,582,790	\$ 14,410,931

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.

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Administrative Expenses

Administrative expenses for the three months March 31, 2026 and 2025 are as follows:

Administrative Expenses	Three months ended March 31,	
	2026	2025
Corporate and administrative costs	\$ 25,802	\$ 26,179
Consulting fees	21,031	-
Directors' fees	34,629	23,508
Filing fees	9,558	6,892
Management fees	15,309	14,632
Marketing and investor relations	148,502	30,007
Office and miscellaneous	35,594	69,879
Professional fees	38,322	57,805
Share-based compensation	291,454	127,110
Shareholder communication	3,018	1,289
Transfer agent	8,489	1,971
Travel	93,549	17,874
Salaries and benefits	265,448	167,807
	990,705	544,953
less: Share based compensation	(291,454)	(127,110)
Cash - Admin costs	\$ 699,251	\$ 417,843

Administrative expenses (excluding share-based compensation) of \$990,705 were incurred in the three months ended March 31, 2026, as compared to \$544,953 in the same period in 2025. The increase is due to marketing and investor relations initiatives, travel, salaries and benefits, directors fees 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.

Selected Financial Information	2026		2025				2024	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue from sale of concentrates	\$ 1,464,997	307,231	771,084	1,163,673	225,997	150,129	-	-
Production costs, including transportation, refining and other	\$ (1,470,995)	(680,669)	(1,165,790)	(467,989)	(216,612)	-	-	-
Exploration & evaluation expenditures	\$ 402,463	(910,126)	207,034	410,033	881,733	1,537,660	1,140,777	906,759
Administrative expenses	\$ 699,251	824,893	728,658	539,292	417,843	518,364	464,434	483,339
Share-based compensation	\$ 291,454	91,850	153,021	72,118	127,110	63,128	84,568	64,202
Foreign exchange loss/(gain) and other ¹	\$ (162,000)	48,875	40,479	(43,200)	(68,315)	(90,745)	(139,512)	(5,129)
Loss for the period	\$ 1,237,166	428,930	1,523,898	282,559	1,348,986	1,878,278	1,550,267	1,449,171
(Loss) per share - Basic and diluted ²	\$/share (0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.03)	(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.

Except for the second quarter of 2025, the revenue generated represents incidental revenue attributable to Bethania as the Project ramps up operations toward commercial production, prior to that the focused was in mine rehabilitation. 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 value-added tax ("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, third quarter of 2025 and first quarter of 2026. 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 decreased 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.

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	Three months ended	Year ended
	March 31, 2026	March 31, 2025
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Loss for the period	\$ (1,237,166)	\$ (1,348,986)
Items not involving cash	117,358	38,868
Change in non-cash working capital	(20,383)	(82,334)
Net cash used in operating activities	(1,140,191)	(1,392,452)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
(Additions)/disposals of facilities and equipment	(84,817)	-
Net cash used in investing activities	(84,817)	-
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Proceeds from issuance of share capital	20,479,511	1,827,046
Share issue costs	(1,410,764)	(75,788)
Net cash provided by financing activities	19,068,747	1,751,258
Change in cash	17,843,739	358,806
Effect of foreign exchange on cash	(4,877)	16,693
Cash, beginning of the period	9,339,023	765,565
Cash, end of the period	\$ 27,177,885	\$ 1,141,064

The Company's cash position increased from \$9,339,023 on December 31, 2025, to \$27,177,885 as at March 31, 2026, primarily due to the private placement, proceeds from exercised warrants, and the revenue generated at Bethania. Cash flows used in operations were \$1,140,191. With some exploration work in Peru included ongoing rehabilitation and maintenance. This compares to \$1,392,452 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 \$18,346,644 with share issue costs of \$1,410,764 and proceeds from the exercise of warrants of \$2,132,867. During the first quarter of 2025, the Company closed a private placement totaling \$1,613,679 with share issued costs of \$75,788, recorded proceeds from options exercised of \$213,367. In 2026 cash flows used in investing activities included the purchase of mining equipment at Bethania for \$84,817 (2025-\$nil).

	March 31,	December 31,
	2026	2025
Working Capital		
Current assets	\$ 29,794,993	\$ 11,622,924
Current liabilities	2,061,936	1,760,570
Net working capital	\$ 27,733,057	\$ 9,862,354

The Company had a net working capital of \$27,733,057 as at March 31, 2026, compared to a working capital of \$9,862,354 as at December 31, 2025. The improvement in working capital was primarily driven by the private placement completed in early 2026 as well as sales of concentrate from Bethania mine. Included in current assets is cash of \$27,177,885, inventory of \$563,009 which had been processed and for which revenue had been received as of the date of this document, and taxes and other receivables of \$1,336,233, of which approximately \$1,000,000 relates to VAT receivable at Bethania.

Use of Proceeds

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

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 March 31, 2026 and 2025:

Related Party Transactions	Three months ended	
	March 31,	
	2026	2025
Directors' fees	\$ 34,629	22,645
Professional fees	-	19,478
Salaries and benefits	222,932	149,797
Share-based compensation	196,247	76,605
	\$ 453,808	\$ 268,525

As at March 31, 2026, included in accounts payable and accrued liabilities was \$4,366 (December 31, 2025 - \$50,454) owing to officers and directors and \$nil (December 31, 2025 - \$37,904) 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. As at March 31, 2026, \$197,139 (December 31, 2025 - \$221,326) is recorded in prepaids and advances, of which \$113,397 (December 31, 2025 - \$136,213) is classified as long-term.

During the three months ended March 31, 2026, administrative expenditures of \$1,225 (2025 - \$1,225) were paid or accrued to SICG S.A.C. a related entity, which provides engineering and subcontractor services for the Bethania Silver Project. As at March 31, 2026, included in accounts payable and accrued liabilities was \$nil (December 31, 2025 - \$nil) 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 March 31, 2026, 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 March 31, 2026, there were no preferred shares issued and outstanding. Balances of the number of common shares, stock options, share purchase warrants and restricted share units outstanding from March 31, 2026, to the Report Date are summarized below.

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Common shares	
Balance as at March 31, 2026	192,501,981
Issued ¹	1,308,633
Balance as at Report Date	193,810,614

Stock options	
Balance as at March 31, 2026	4,617,502
Granted	-
Exercised ¹	(223,333)
Forefeited	-
Balance as at December 31 and Report Date	4,394,169

Share purchase warrants	
Balance as at March 31, 2026	39,476,891
Issued	-
Expired	-
Exercised ¹	(1,085,300)
Balance as at Report Date	38,391,591

Restricted share units	
Balance as at March 31, 2026	930,000
Granted	-
Issued	-
Balance as at Report Date	930,000

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, is 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 period ended March 31, 2026.

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 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 receivables in Peru 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. Management monitors this risk and seeks to mitigate it through the development of additional customer relationships and markets.

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 \$42,000 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 \$2,381,000 recorded in other comprehensive income or loss for the three months ended March 31, 2026.

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 \$214,000 impact on interest income (expense) for the three months ended March 31, 2026.

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 1,085,300 common shares, for proceeds of \$510,000 (CAD \$699,710), on the exercise of warrants; and
- b) issued 223,333 common shares, for proceeds of \$47,946 (CAD \$65,600), on the exercise of warrants.

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.

In addition to the foregoing, Kuya Silver is subject to a number of other risks and uncertainties which are disclosed in full detail under the heading "Risk Factors" in the MD&A for the year ended December 31, 2025. The risks and uncertainties are not the only ones related to the Company. Additional risks and uncertainties of which the Company is not currently aware, or that the Company currently considers to be immaterial, may also impair the Company's business. If any of the risks materialize, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly. An investment in the Company's common shares is speculative and involves a high degree of risk due to the nature of the Company's business and the present stage of the Company's operations. Investors should not invest in the Company's common shares unless they can afford to lose their entire investment.

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.