KUYA SILVER CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2021

(Expressed in US Dollars)

Report Date – Aug 27, 2021

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MANAGEMENT'S DISCUSSION & 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 and its subsidiaries (the "Company", "we", or "our") for the three and six months ended June 30, 2021. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes thereto for the six months ended June 30, 2021 and the audited annual consolidated financial statements and related notes as well as the related annual MD&A for the year ended December 31, 2020. 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 Information included with this MD&A and to consult the Company's annual MD&A and audited annual consolidated financial statements for 2020 and corresponding notes to the financial statements, which are available on www.sedar.com.

The Company's management is responsible for the preparation and presentation of the financial statements and this MD&A. The financial statements have been prepared in accordance with International Financial Accounting 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. This MD&A has been prepared in accordance with the requirements of securities regulators, including National Instrument 51-102 of the Canadian Securities Administrators.

All amounts disclosed in this MD&A are expressed in US dollars, unless otherwise noted. Canadian dollars are represented by CAD $. Information contained herein is presented as at August 27, 2021 (the "Report Date") unless otherwise indicated.

COMPANY OVERVIEW

Kuya Silver Corporation (the "Company") is a mineral exploration and development company with a focus on acquiring, exploring, and advancing precious metals assets in Peru and Canada. Effective October 1, 2020, Kuya Silver Corp. ("Kuya"), a privately held Canadian-based, silver-focused junior mining company, incorporated on August 9, 2017, completed a reverse takeover ("RTO") transaction with Miramont Resources Corp. ("Miramont"). Miramont was incorporated on July 15, 2015, under the Business Corporations Act (British Columbia). On completion of the RTO transaction, Miramont changed its name to Kuya Silver Corporation.

Reverse Takeover Transaction

As part of the RTO, Miramont consolidated its share capital on a 10:1 basis effective October 1, 2020 and then issued 26,763,410 post-consolidation common shares for the acquisition of all the issued and outstanding shares of Kuya. All share and per share amounts of Miramont and the Company in this MD&A reflect the 10:1 consolidation.

As the former shareholders of Kuya obtained control of Miramont, the transaction was considered a purchase of Miramont by Kuya and was accounted for as an RTO in accordance with the guidance provided under IFRS 2, Share-based Payment and IFRS 3, Business Combinations. Kuya was deemed to be the acquiring company and its assets, liabilities, equity, and historical operating results are included at their historical carrying values. The net assets of Miramont were recorded at fair value on the date the RTO transaction was completed. As Miramont does not qualify as a business according to the definition in IFRS 3 and the transaction has been accounted for as an RTO, the sum of the fair value of the consideration paid by Kuya under RTO accounting, less Miramont's net assets acquired, was recognized as a listing expense. All of Miramont's share capital, reserves, and deficit balances immediately prior to closing of the transaction were eliminated on closing of the transaction. Pursuant to the RTO, the annual consolidated financial statements are for the year ended December 31, being the year-end of Kuya. The consolidated assets, liabilities, and results of operations of Miramont and Kuya are included subsequent to closing of the RTO. The consolidated financial statements are issued under the legal parent (Kuya Silver Corporation) but are deemed to be a continuation of the legal subsidiary (Kuya).

OVERVIEW OF EXPLORATION AND EVALUATION ASSETS

Bethania Project (Huancavelica, Peru)

In October 2017, Kuya entered into the original share purchase agreement (the "Share Purchase Agreement") to acquire 80% of the shares of S&L Andes Export S.A.C. ("S&L Andes"), a privately held Peruvian company based in Lima that owns 100% of the Bethania Silver Property (Santa Elena concession) and Chinita I concession (collectively referred to as the "Bethania Project"). S&L Andes operated the Bethania Project from 2010 to 2016, by mining ore and trucking the ore to nearby plants for processing into concentrates. S&L Andes ceased mining at the Bethania Project in 2016 and put the mine into care and maintenance at that time. To earn the 80% interest, Kuya was required to make payments totaling $8,000,000 (including $2,500,000 towards repayment of existing liabilities of S&L Andes, $2,000,000 to fund ongoing operations of S&L Andes and the Bethania Project, and $3,500,000 cash on closing) and issue 2,000,000 common shares of Kuya on closing.

In October 2020, the Company agreed to acquire the remaining 20% interest in S&L Andes for a total of $1,750,000 of cash and shares, and on on December 15, 2020, completed the purchase of 100% of S&L Andes. As consideration on closing, the Company paid $4,191,822, applied the agreed $715,000 of previous funding as an advance against the final payments and issued a total of 3,929,288 common shares, at a value of $6,084,497 or CAD $1.97 ($1.55) per share. The Company subsequently changed the name of S&L Andes to Minera Toro de Plata.

Carmelita (Huancavelica, Peru)

On May 14, 2021, the Company announced the acquisition of three mineral concessions, Carmelita 2005, Carmelita 2005 I and Carmelita 2005 II concessions (collectively "Carmelita"), totaling 800 hectares, which are strategically located less than three kilometers west of Bethania. The Carmelita concessions were host to small-scale mining activities until early 2020, producing silver-polymetallic material very similar to Bethania. Kuya Silver plans to incorporate Carmelita into its operations at Bethania going forward.

The total purchase price of $892,500, consists of $492,500 in cash and $400,000 in common shares. Upon signing of the agreements, $293,500 was paid, and the remaining $199,000 will be paid on or before the 12-month anniversary of the signing of the agreements. The $400,000 in common shares in the capital of the Company will be issued on the eighteen-month anniversary of signing the agreements at a deemed price per common share equal to the 10-day average closing price of the common shares on the CSE, ending on the day prior to issuance.

(Expressed in US Dollars)

Silver Kings Project (Ontario, Canada)

On March 1, 2021, the Company completed an agreement to acquire, from First Cobalt Corp. ("FCC"), certain silver mineral exploration assets (the "Kerr Assets"), as well as an option to acquire up to 70% of the balance of FCC's silver mineral exploration assets (the "Remaining Assets") located in the historic Cobalt, Ontario silver mining district and to form a joint venture with Cobalt Industries of Canada Inc. ("CIC"), a wholly owned subsidiary of FCC that owns the Remaining Assets (the "Option").

The entire 10,000-hectare land package consisting of the 100%-owned Kerr Assets (which going forward, will be referred to as the Kerr Project) together with the joint venture with FCC will be known as the Silver Kings Project and the joint venture will be referred to as the Silver Kings JV.

<u>Kerr Project</u>

The Company paid CAD $1,000,000 ($789,827) and issued a total of 1,437,470 common shares, at a value of $2,668,079 or CAD $2.35 ($1.86) per share, for a total cost of $3,457,906 for 100% of the issued and outstanding common shares and preferred shares of CobalTech Mining Inc. ("CobalTech"). As part of the purchase agreement, FCC agreed to provide CobalTech with CAD $500,000 at the time of closing, for the Company to utilize on flow-through eligible expenditures prior to December 31, 2021. In order to facilitate these flow-through expenditure arrangements, FCC subscribed for 1,000 Class A shares of CobalTech.

<u>Silver Kings JV</u>

To fully exercise the Option, the Company must make cash payments totaling CAD $2,000,000 and complete work commitments of CAD $4,000,000, as follows:

Work Commitments for Silver Kings JV	Acquisition in cash (CAD$)	Work commitments (CAD$)
Requirements on or before:		
September 1, 2021 ("Initial Earn-In")	$ 1,000,000	$ -
September 1, 2022 (49% interest)	300,000	2,000,000
September 1, 2023 (additional 11% interest)	350,000	1,000,000
September 1, 2024 (additional 10% interest)	350,000	1,000,000
	$ 2,000,000	**$ 4,000,000**

The purchase agreement provides that the Company may issue an equivalent value in common shares of the Company at the 20-day VWAP in lieu of making the cash payments. Following the payment of the Initial Earn-In, the Company and CIC will enter into a joint venture agreement on terms to be negotiated for the joint exploration and development of the Remaining Assets.

Other

The Company has two other mining concessions (total of 1,500 ha) located in the in the district of Acobambilla, department of Huancavelica, Peru, south of Bethania, known as the Tres Banderas

Concessions. These properties were acquired through an open application process in 2019-2020, however to date Kuya Silver has prioritized other opportunities in the Bethania district.

CORPORATE UPDATE & OUTLOOK

Kuya Silver is undergoing a period of growth as it continues exploration and development of the Bethania Project in Peru and commences exploration activities at the Silver Kings Project in Ontario.

The drill program at Bethania was launched in March of this year and the results of the Phase 1 diamond drill program were announced on July 26, 2021. This initial drill program successfully achieved the Company's objectives, demonstrating and confirming mineralization in unmined extensions of the Bethania vein system, both along strike and at depth, as well as identifying new vein targets within the northeast-trending Bethania vein system. Future exploration work in the main Bethania mine area will focus on extending the mineralization at depth, by way of longer drill holes from surface or drilling from underground. In addition, Kuya Silver will continue to test shallower targets within the Bethania vein system at surface and within the uppermost 100 metres, in order to delineate secondary veins that have seen little-to-no historical mining as well as newly discovered veins intersected with this program. In addition, Kuya Silver plans to return to the Hilltop Zone, located 500 metres east of the mine area, to follow up on surface sampling results reported earlier this year. Additional surface sampling and drilling is planned, in order to delineate and prioritize the veins identified in this area. As part of its development program for Bethania, Kuya Silver has engaged third party consultants to complete a mineral resource estimate and, separately, a preliminary economic assessment (PEA) on the Bethania expansion project.

On May 14, 2021, we announced the acquisition of Carmelita, three mineral concessions totaling 800 hectares, which are strategically located less than three kilometers west of Bethania. Carmelita provides the Company with additional high-priority exploration targets, including a potential strike extension of the high-grade silver-polymetallic vein system that has been identified at Bethania. Located on the land package is the Carmelita Mine, an artisanal mine approximately 3.6 kilometers west of the Bethania Mine. With this acquisition, Kuya Silver now holds 2,545 hectares of mineral concessions in the Bethania district. If economic mineralization is discovered at Carmelita, management believes it could be run as a satellite mining operation feeding the mill at Bethania currently being contemplated by management. Prior to drilling, Kuya Silver intends to commence detailed surface sampling, as many of the mineralized veins at Carmelita are exposed at surface.

On the Silver Kings Project, Kuya Silver is awaiting results on an exploratory 3,500-metre drill program focused in the Kerr Project area. In the second half of the year, Kuya Silver expects to perform additional exploration work to evaluate and prioritize opportunities in the larger (9,000-hectare) joint venture area.

On June 16, 2021, Kuya Silver completed a CAD $9.2 million bought deal private placement. Each unit ("Unit") consisted of one common share of the Company and one-half of one Common Share purchase warrant (each warrant entitles the holder to purchase one Common Share at an exercise price of CAD $2.60 for a period of 24 months following the closing of the offering). The Units of the Company were priced at CAD $1.90 per unit, and an aggregate of 4,842,650 Units were issued, which includes the full exercise of the underwriters' option to purchase up to an additional 15% of the units of the offering. The net proceeds of this offering will be used for development activities at the Bethania Project and for general working capital purposes.

(Expressed in US Dollars)

Change to the Board and Management Team

We expanded our management team, announcing on June 24, 2021, the appointment of Annie Sismanian as Chief Financial Officer of the Company as well as the appointment of Aaron Hunter as General Counsel. In addition, subsequent to the quarter end, we announced the promotion of Christian Aramayo to Chief Operating Officer and David Lewis to Exploration Director of the Company.

Quinton Hennigh's retirement from the board of directors and as Chairman of the board of Kuya Silver was also announced on August 9, 2021, along with the signing of a Strategic Shareholder Agreement with Crescat Capital LLC ("Crescat") under which Dr. Hennigh will continue to provide geologic expertise on exploration and development activities on Kuya Silver's portfolio of projects. Dr. Hennigh resigned to become Crescat's full-time geologic and technical advisor.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

During the second quarter of 2021, we had a loss of $2,260,450 as compared to a loss of $52,032 in the same quarter of 2020. As discussed above in "Corporate Update & Outlook", the second quarter of 2021 was a period of growth, with the commencement of the drill program at Bethania, the additions to the management team and the commencement of activities at our Silver Kings Project, resulting in the higher costs in the quarter.

Selected Quarterly Financial Information	**Three months ended June 30**		**Six months ended June 30**	
	2021	2020	**2021**	2020
Selected Financial Information				
Revenue	$ -	$ -	$ -	$ -
Exporation & evaluation expenditures	**1,440,156**	-	**1,652,784**	3,561
Administrative expenses[1]	**649,662**	43,441	**1,160,957**	69,997
Share-based payments	**281,422**	8,644	**339,907**	17,289
Equity loss in Cobaltech	**110,845**	-	**110,845**	-
Foreign exchange (gain) & other[2]	**(221,635)**	(53)	**(101,136)**	(363)
(Loss) for the period	**$ (2,260,450)**	(52,032)	**(3,163,357)**	$ (90,484)
(Loss) per share (Basic and diluted)[3]:	**$ (0.06)**	(0.00)	**(0.08)**	$ (0.01)

1. Administrative expense excludes share-based payments
2. Other includes interest income for the periods in this table
3. Diluted loss per share is not presented as the effect is anti-dilutive.

The loss of $2,260,450 (2020 - $52,032) for the current quarter was comprised of $1,440,156 (2020 - $nil) in exploration and evaluation expenditures, $931,084 (2020 - $52,085) in administrative expenses, including share-based payments of $281,422 (2020 - $8,644), $110,845 (2020 - $nil) of Equity loss from our significant investment in Cobaltech and $221,635 gain from foreign exchange and interest income (2020 - $53).

(Expressed in US Dollars)

The loss for the six months ended June 30, 2021 of $3,163,357 (2020 - $90,484) was comprised of substantially the same costs as for the three months ended June 30, 2021, with $1,652,784 (2020 – $3,561) in exploration and evaluation expenditures, $1,500,864 (2020 - $87,286) in administrative expenses, including share-based payments of $339,907 (2020 - $17,289), $110,845 (2020 - $nil) of Equity loss from our significant investment in Cobaltech and $101,136 gain from foreign exchange and interest income (2020 - $363).

Details of the significant expenditures for the three months and six months ended June 30, 2021, are described below:

Exploration and Evaluation Expenditures

During the six months ended June 30, 2021, the Company began exploration activities on Bethania, with the majority of the activity taking place in the 3 months ended June 30, 2021, as Phase 1 of the drilling campaign at Bethania ramped up. The exploration and evaluation expenditures incurred during the three and six months ended June 30, 2021, were as follows:

Exploration and evaluation expenditures	**Three months ended June 30**		**Six months ended June 30**	
	2021	2020	2021	2020
Bethania				
Civil works	$ 179,047	$ -	$ 249,291	$ -
Community programs	26,462	-	30,732	-
Drilling	439,774	-	457,923	-
Engineering and permitting	169,270	-	169,270	-
Field supplies	176,140	-	179,439	-
Geological	3,363	-	17,244	-
Property maintenance, licenses and rights	90,887	-	101,503	-
VAT	227,760	-	266,058	-
Wages and benefits	94,099	-	147,970	-
	1,406,802	-	1,619,430	-
Tres Banderas				
Property maintenance, licenses and rights	33,354	-	33,354	3,561
	33,354	-	33,354	3,561
Total	$ 1,440,156	$ -	$ 1,652,784	$ 3,561

Exploration activities on the Bethania Project started in the first quarter, ramping up over the second quarter with the execution of Phase 1 of the drill program, engineering design work for the Bethania expansion project and other costs in conjunction with permitting.

There were minimal expenses in the prior period as the acquisition of S&L Andes had not yet been completed.

(Expressed in US Dollars)

Equity Loss in CobalTech

An equity loss of $110, 845 was recorded in the three months ended June 30, 2021 from our significant interest in Cobaltech, representing the Company's 100% share of the exploration and evaluation expenditures incurred in CobalTech of CAD $638,197, less the CAD $500,000 of flow-through eligible expenditures on the mineral properties comprising the Kerr Assets that the Company intends to renounce to FCC by September 30, 2021.

Administrative Expenses

Administrative expenses of $931,084 were incurred in the three months ended June 30, 2021 as compared to $52,085 in the same period in 2021. For the six-month period, the costs were $1,500,864 in 2021 (2020 -$87,286). Kuya Silver became a publicly traded company in October of 2020 and as such, had costs in 2021 as an active mineral exploration and development company that were not previously incurred or were minimal.

- Costs associated with being a public company that were non-existent in the prior periods include share-based payments (non-cash), directors fees, management fees, filing fees, transfer agent and shareholder communications.
- Consulting fees have increased as additional persons were brought in, primarily to set-up operations in Peru.
- Marketing and investor relations were incurred by the Company to promote the completion of the acquisition of S&L Andes and the commencement of exploration work on Bethania, as well as the investment in CobalTech.
- Office and miscellaneous have increased due primarily to expenditures in Peru for running operations.
- Travel costs have increased as a result of increased travel within Peru and internationally.
- Wages and benefits are a new expenditure to account for workers in Peru.

Administrative Expenses	**Three months ended June 30**		**Six months ended June 30**	
	2021	2020	**2021**	2020
Administrative costs	$ 10,988	$ -	$ 21,652	$ -
Consulting fees	20,992	-	90,400	-
Directors' fees	25,263	-	49,778	-
Filing fees	12,394	-	19,162	-
Management fees	105,135	-	205,177	-
Marketing and investor relations	78,114	-	134,925	-
Office and miscellaneous	74,198	43,441	156,333	69,997
Professional fees	105,938	-	161,920	-
Share-based payments	281,422	8,644	339,907	17,289
Shareholder communication	9,248	-	10,038	-
Transfer agent	3,688	-	6,554	-
Travel	58,195	-	82,325	-
Wages and benefits	145,509	-	222,693	-
	$ 931,084	$ 52,085	$ 1,500,864	$ 87,286

(Expressed in US Dollars)

LIQUIDITY AND CAPITAL RESOURCES

		Six months ended 30-Jun-21		Six months ended 30-Jun-20
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES				
Loss for the period	$	(3,163,357)	$	(90,484)
Items not involving cash		487,100		17,289
Change in non-cash working capital		(635,891)		7,883
Net cash used in operating activities		(3,312,148)		(65,312)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES				
Investment in and advances to CobalTech		(821,904)		-
Advances to suppliers for capital expenditures		(325,897)		-
Acquisition of buildings and equipment		(281,985)		-
Acquisition of exploration & evaluation assets		(293,500)		-
Deferred acquisition costs		-		(500,126)
Net cash used in investing activities		(1,723,286)		(500,126)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Proceeds from issuance of share capital		7,577,450		557,500
Share issue costs		(509,082)		-
Proceeds from related party loans		-		85,000
Repayment of related party loans		(158,012)		(85,000)
Net cash provided by financing activities		6,910,356		557,500
Change in cash, net of the effect of foreign exchange on cash		1,825,453		(7,938)
Cash, beginning of period		4,904,562		80,078
Cash, end of period	$	6,730,015	$	72,140

The Company's cash position was $6,730,015 as at June 30, 2021 compared to $4,904,562 as at December 31, 2020, an increase of $1,825,453. The Company's current cash position consists of funds raised in June of $7,577,450 (CAD $9.2 million) from the bought deal private placement of Units, and option and performance warrants exercises, less the various cash outflows to June 30, 2021.

The net increase in cash was comprised of net cash from financing activities (2021 - $6,910,356; 2020 - $557,500), offset by expenditures on operating activities (2021 - $3,312,148; 2020 - $65,312) and investing activities ($1,723,286; 2020 - $500,126).

Working capital was $5,114,577 as at June 30, 2021, compared to working capital of $2,801,457 as at December 31, 2020.

Working Capital		**As at June 30, 2021**		**As at March 31, 2021**		**As at Dec 31, 2020**
Current assets	**$**	**7,017,542**	$	2,868,837	$	5,013,737
Current liabilities	**$**	**1,902,965**	$	1,937,943	$	2,212,280
Net working capital	**$**	**5,114,577**	$	930,894	$	2,801,457

(Expressed in US Dollars)

Management believes the Company's current cash resources are sufficient to meet its short-term needs. The Company is continuing to explore various potential sources of financing, but there is no certainty that any additional financings will be completed. As noted above, the Company raised capital in June of 2021 and the current working capital balance is an amount that management believes is sufficient to maintain operations for the upcoming twelve months.

The Company disclosed in its Management Information Circular dated August 10, 2020, the planned use of proceeds of the available funds expected at the time of the RTO. As at June 30, 2021, the Company had used substantially all of the proceeds, the details of which are in the table below.

Principal Purposes of Funds		**Planned use of proceeds** [1]		**Expenditures from October 1,2020 to June 30,2021**
Exploration Program for the Bethania Silver Property (Phase 1)[1]	$	429,000	$	1,619,430
Complete acquisition of the 80% interest in S&L Andes[1]		3,713,000		3,549,181
Acquisition of the remaining 20% interest in S&L Andes[3]		-		1,146,250
Construction of buildings and equipment at Bethania [4]		-		281,985
Investment in and advances to CobalTech[5]		-		821,904
Acquisition of Carmelita concessions [6]				293,500
Advances to suppliers for capital expenditures [7]		-		325,897
General and administrative expenses (excluding share-based payments) [8]		895,000		1,454,013
Expenditures before working capital changes and other items		5,037,000		9,492,160
Unallocated general working capital[1]		4,737,000		281,840
Total available/used funds	**$**	**9,774,000**	**$**	**9,774,000**

[(1] Amounts reported in this column were translated from the CAD $ amounts included in Miramont's August 10, 2020 management information circular at an exchange rate of 1.3404.

[2] There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives.

[3] This unplanned expenditure relates to the costs incurred to acquire the remaining 20% of S&L Andes, as announced on October 26, 2020

[4] This unplanned expenditure relates to the costs incurred to construct buildings for an exploration camp that is expected to form the base for the permanent camp at Bethania

[5] This unplanned expenditure relates to the cash portion of the investment in CobalTech, as announced on December 21, 2020 and completed on March 1, 2021

[6] This unplanned expenditure relates to the cost incurred to acquire the Carmelita concessions

[7] This unplanned expenditure relates to cash advances made to suppliers for various construction projects at Bethania

[8] Additional general and administrative expenses were incurred to set-up and run the office in Peru

(Expressed in US Dollars)

TRANSACTIONS WITH RELATED PARTIES

We have identified the members of our Board of Directors and certain senior officers as our key management personnel. The following summarizes the Company's related party transactions with those parties during the three and six months ended June 30, 2021 and 2020:

Related Party Transactions	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Compensation, Management	$ 65,612	$ 45,000	122,994	82,500
Compensation, Directors	24,288	-	48,115	-
Share-based compensation, Management[1]	59,074	-	71,496	-
Share-based compensation, Directors[1]	100,736	-	127,308	-
	$ 249,711	**$ 45,000**	**369,913**	**82,500**

1) Share-based compensation for management and directors represent the fair value using the Black-Scholes option pricing model of vested options

As at June 30, 2021, included in accounts payable and accrued liabilities was $19,808 (December 31, 2020 - $170,878) owing to officers and directors.

The balance for shareholder loans representing advances made by David Stein, President and CEO, as at June 30, 2021, was $nil as advances were repaid in full ($158,012) in the 3-month period ending June 30, 2021. These unsecured shareholder loans were due on demand and bore no interest.

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 August 27, 2021, there were no preferred shares issued and outstanding. Changes in common shares, options and warrants outstanding from June 30, 2021 to the Report Date are summarized below.

Common Shares	**Number of common shares**
Balance as at June 30, 2021 and Report Date	44,508,840
Stock options	**Number of options**
Balance as at June 30, 2021 and Report Date	1,797,500
Share Purchase Warrants	**Number of warrants**
Balance as at June 30, 2021 and Report Date	2,421,325

(Expressed in US Dollars)

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.

		2021		2020				2019	
		Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Selected Financial Information									
Revenue	$	-	-	-	-	-	-	-	
Exporation & evaluation expenditures	$	1,440,156	212,628	5,447	-	-	3,561	-	
Administrative expenses[1]	$	649,662	511,295	293,056	363,422	43,441	26,556	16,428	3,679
Share-based payments	$	281,422	58,485	300,858	8,645	8,644	8,645	79,961	79,961
Equity loss in CobalTech	$	110,845	-	-	-	-	-	-	-
Foreign exchange (gain) loss & other[2]	$	(221,635)	120,499	2,615,471	(56)	(53)	(310)	(13,097)	(348)
Loss for the period	$	2,260,450	902,907	3,214,832	372,011	52,032	38,452	83,292	83,292
(Loss) per share - Basic and diluted [3]:	$/share	(0.06)	(0.02)	(0.11)	(0.02)	(0.00)	(0.00)	(0.01)	(0.01)

1. Administrative expense excludes share-based payments
2. Other includes items such as interest income, listing fees (Q4 2020) and other expenses
3. Diluted loss per share is not presented as the effect is anti-dilutive.

As Kuya Silver was a private company (Kuya) prior to October 1, 2020, the Company had minimal administrative costs and share-based payments until the time of the RTO. Expenses and fees related to the RTO were recorded in the third and fourth quarters of 2020 as well as some costs associated with the acquisition of S&L Andes. The first quarter of 2021 was when the Company started incurring exploration and evaluation expenditures at Bethania, hiring personnel and incurring higher administrative costs associated with being a publicly traded company. These costs increased substantially in the second quarter of 2021 as Phase 1 of the drill program at Bethania was advanced. Additional administrative costs were also incurred in the 2nd quarter due to the hiring of additional personnel, share based payments and other administrative costs.

(Expressed in US Dollars)

CUMULATIVE EXPLORATION AND EVALUATION COSTS

Exploration and Evaluation Costs - June 30, 2021	**Bethania**	**Tres Banderas**	**Total**
Civil works	$ 249,291	$ -	$ 249,291
Community programs	30,732	-	30,732
Drilling	457,923	-	457,923
Engineering and permitting	174,372	-	174,372
Field supplies	179,784	-	179,784
Geological	17,244	-	17,244
Property maintenance, licenses and rights	101,503	38,417	139,920
VAT	266,058	-	266,058
Wages and benefits	147,970	-	147,970
Total	$ 1,624,877	$ 38,417	$ 1,663,294

1) Cumulative costs are as follows: Bethania, since acquisition of 100% on December 15,2020; Tres Banderas, since incorporation of Kuya on August 9, 2017

CAPITAL & 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.

Kuya Silver manages its capital in a manner consistent with the risk characteristics of the assets it holds. All financing, including equity and debt, are analyzed by management and approved by the Board of Directors. The Company does not have any externally imposed capital requirements. There has been no significant change in the Company's objectives, policies, and processes for managing its capital during the six months ended June 30, 2021.

Off-Balance Sheet Arrangements

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

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 June 30, 2021, 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; this minimizes the risk to the Company. Receivables are primarily due from a government agency.

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 has sufficient cash as at June 30, 2021 to settle its current liabilities as they come due and management estimates funds are sufficient to further 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 USD dollar and soles accounts would be approximately $148,000 recorded in profit or loss for the three months ended June 30, 2021. The effect of a 10% change in the foreign exchange rate on monetary balances held in CAD dollar and soles accounts would be approximately $505,000 recorded in other comprehensive income or loss for the six months ended June 30, 2021.

Interest rate risk – This risk relates to the change in the borrowing rates of 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 have a nominal impact for the six months ended June 30, 2021.

Price risk – This risk relates to fluctuations in commodity and equity prices. 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 has classified its cash, receivables, accounts payable and accrued liabilities and related party loans as amortized cost. The fair value of cash, receivables, and accounts payable and accrued liabilities approximates their carrying values because of the short-term nature of these instruments.

RISK FACTORS

The following list is a summary of existing and future material risks to the business of the Company. For full details on the risks and uncertainties affecting the Company, please refer to the Company's audited annual consolidated financial statements and related notes thereto and the annual MD&A for the year ended December 31, 2020 and to the Company's Annual Information Form ("AIF") for the year ended December 31, 2020. These documents are available for viewing at the Company's website at www.kuyasilver.com or on the Company's profile at www.sedar.com.

The risks below are not listed in any particular order and are not exhaustive. Additional risks and uncertainties not currently known to the Company, or those that it currently deems to be immaterial, may become material and adversely affect the Company's business. The realization of any of these risks may materially and adversely affect the Company's business, financial condition, results of operations and/or the market price of the Company's securities.

- Limited Operating History
- Exploration, Development & Operating Risks
- Substantial Capital Requirements & liquidity
- Political & Social Risk in Peru
- Competition
- Reliance on Management and Dependence on Key Personnel
- Fluctuating Mineral Prices & Marketability of Minerals
- Environmental Risks
- Governmental Regulations and Processing Licenses and Permits
- Markets for Securities
- Uninsurable Risks
- Foreign Exchange
- Internal Controls
- Stage of Development
- Legal Risks
- Conflicts of Interest
- Absence of Cash Dividends

- Unfavourable global economic conditions
- Pandemic Disease Outbreak
- Cybersecurity Risks
- Changes in Climate Condition
- Foreign Corrupt Practices and Anti-Bribery Legislation
- Titles to Company's Mining Claims & Leases
- Uncertainty relating to Mineral Resources
- Health & Safety Regulations
- Emerging Market Issuer Risks
- Shareholders may have difficulty in enforcing their legal rights as against the Company, the subsidiaries of the Company and some directors and officers, as they are located outside of Canada
- Mine Closure Risks
- Significant Shareholder Risk
- Joint Venture Risk

ACCOUNTING DISCLOSURES

New Accounting Policies Adopted

Construction in progress

Expenditures for construction of buildings for an exploration camp are capitalized and classified as construction in progress. Once completed, the costs associated with all applicable assets related to the development and construction are reclassified to the appropriate category within building and equipment.

Buildings and Equipment

Buildings and equipment are stated at cost less accumulated depreciation. Depreciation is provided for using the straight-line method as follows:

Facilities	10 years
Field equipment	10 years
Vehicle	5 years

There were no other changes in accounting policies, including initial adoption, during the year.

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, 2022. These have not been applied in preparing these consolidated financial statements.

There are no IFRS standards nor amendments to standards and interpretations that are not yet effective that would be expected to have a material impact on the consolidated financial statements of the Company, except for the following:

IAS 16, Property, Plant and Equipment - Proceeds before Intended Use

The amendment prohibits deducting from the cost of property, plant and equipment amounts received from selling items produced while preparing the asset for its intended use. Instead, a company will recognize such sale proceeds and related cost in the statement of earnings (loss). This amendment is effective for financial statements beginning on or after January 1, 2022, with early adoption permitted.

While management does not currently anticipate this amendment having a material effect on the Company's consolidated financial statements for 2021, it may have an effect in periods beyond 2021.

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 "Overview," "Corporate Update & Outlook" and "Liquidity and Capital Resources," and include, without limitation, statements with respect to: capital requirements and capital expenditures; the schedules and budgets for the Company's development projects; success of exploration and development activities; project studies; and permitting matters. The words "may," "could," "expect," "believe," "plan," "intend," "explore," "estimate," "future," "target," "anticipate," "potential," 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 or damage to equipment; (2) permitting for the Company's development projects being consistent with the Company's current expectations; (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 assumptions for silver; (7) access to capital markets consistent with the Company's expectations; (8) potential direct or indirect operational impacts resulting from infectious diseases or pandemics such as the ongoing COVID-19 pandemic; (9) the effectiveness of preventative actions and contingency plans put in place by the Company to respond to the COVID-19 pandemic, including, but not limited to, social distancing and travel restrictions; and (10) changes in national and local government legislation or other government actions, particularly in response to the COVID-19 pandemic. 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 to properties, particularly title to 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.