



## Building A Responsible High-Margin Silver Mining Company

**CSE: KUYA | OCTQB: KUYAF | FRA: 6MR1**



HIGH GRADE | GROWING | SILVER PRODUCTION | AMERICAS

**FEBRUARY 2021**

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Such risks, uncertainties and other factors include, but are not limited in any manner to: risks inherent in exploration activities; volatility and sensitivity to market prices for silver; volatility and sensitivity to capital market fluctuations; the impact of exploration competition; the ability to raise funds through financings; imprecision in resource and reserve estimates; environmental and safety risks including increased regulatory burdens; unexpected geological conditions; changes in government regulations and policies, including trade laws and policies; demand for silver; failure to obtain necessary permits and approvals from government authorities; weather and other natural phenomena; and other exploration, development, operating, financial market and regulatory risks. The foregoing list of factors is not exhaustive.

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Scientific and technical information contained in this presentation was not reviewed by a "qualified person" as defined by National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101"). Additionally, where the Company discusses historical resources, any potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the target being delineated as a mineral resource.

# KUYA IS A SIMPLIFIED FORM OF THE QUECHUAN WORD “QHUYA” WHICH MEANS A MINE

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# WELL-RUN SILVER MINES COMMAND A MARKET PREMIUM

## Bethania is a great first asset

### Recent Past

- Producing silver mine until 2016 – now on care and maintenance.
- Historic Resource (Not 43-101 compliant). Extensive database of information with clear geologic model in place.
- Earn-in acquisition signed with Kuya late 2017
- Mine debt retirement completed in 2019
- Technical program for mine expansion initiated
- Completed initial 43-101 technical report

### Present (2020-2021)

- RTO Q3 2020 **(June-Sept)**
- Raised C\$12.3M **(June-July)**
- Received EIA approval **(August)**
- Closed acquisition of mine **(December)**
- Engaged Mining Plus for PEA **(December)**
- Drill/update resource estimate
- PEA – Mine Expansion
- Finance plant/expansion
- Build management team

### Future Vision (2021+)

- Commission/Production
- Produce at industry low cost
- Aggressive regional exploration
- Next growth stage: second mine (identified) plus expansion of Bethania
- Longer-term growth from Ontario, Canada
- Re-rating potential based on comparable public companies

# SHARE STRUCTURE

Shares Outstanding	34,271,908
Shares Issued in Bethania Acquisition	3,929,288
<b>Total Shares (16-Feb-2021)</b>	<b>38,201,196</b>

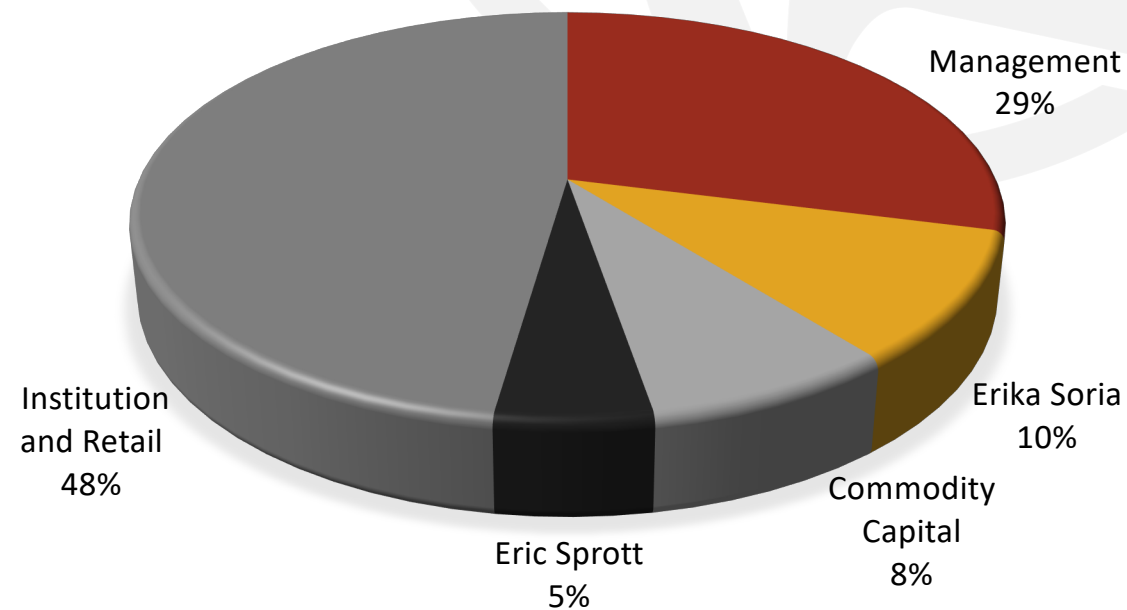
Warrants	27,524
Options	1,172,500
<b>Fully Diluted</b>	<b>39,401,220</b>

## Significant Shareholders

Management	<b>29%</b>
Erika Soria (S&L Andes)	10%
Commodity Capital	8%
Eric Sprott	5%

## Other Institutional Shareholders

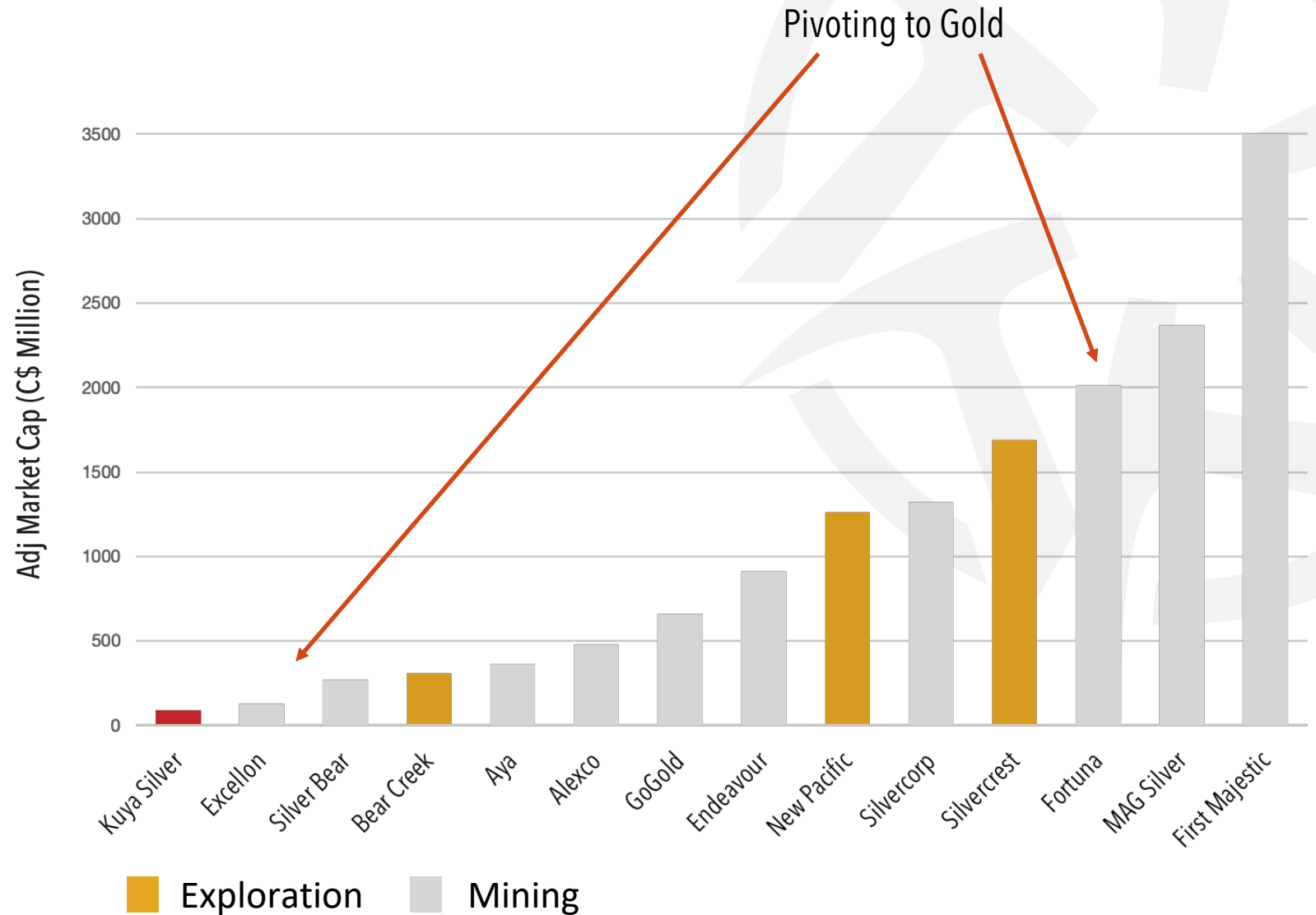
Sprott Asset Management	<5%
Crescat Capital	<5%



# SILVER COMPANIES - VERY SMALL SECTOR

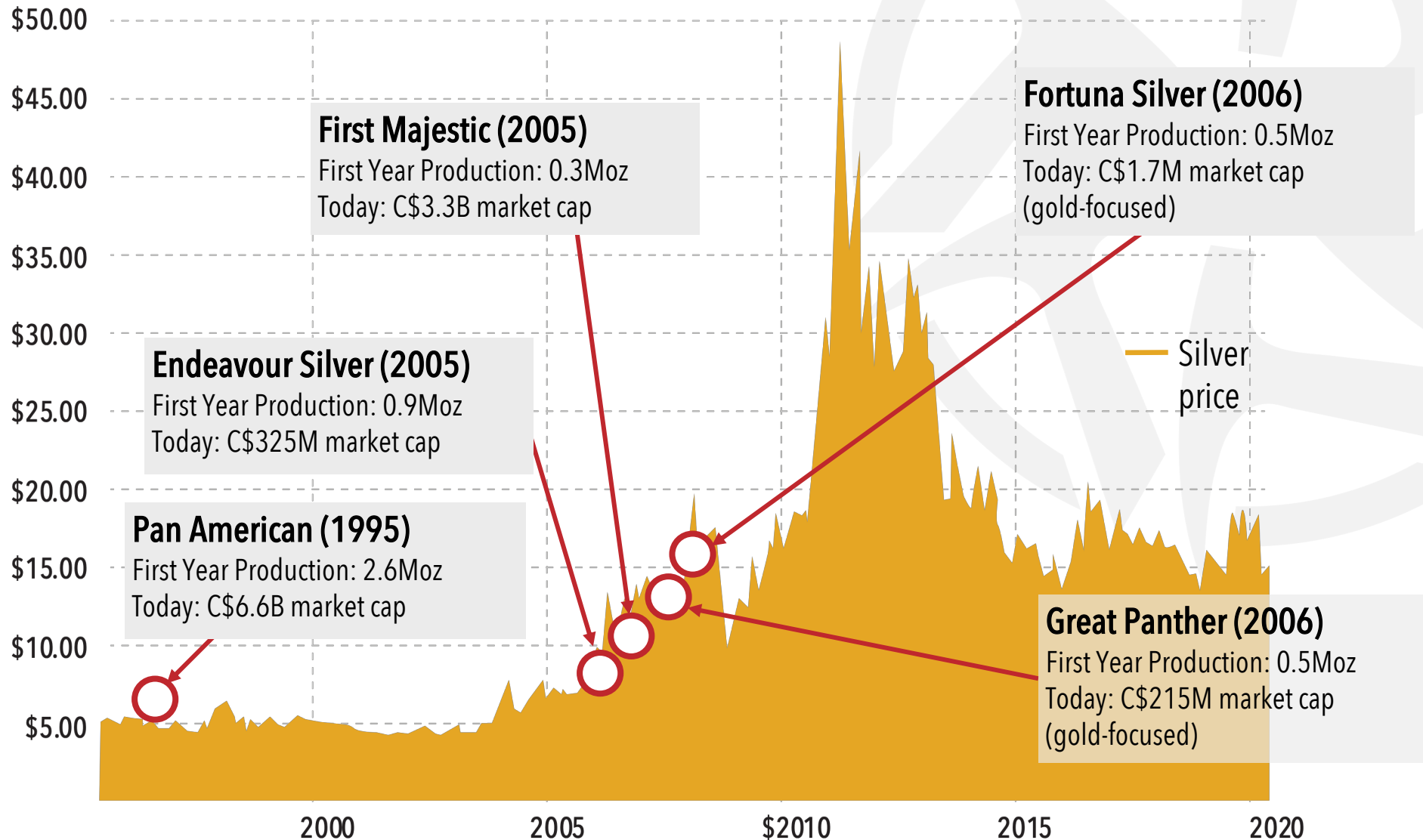
## Silver Equities Universe

- Lack of good investment choices drives valuations higher
- The investable silver universe is very small
- Significant value increase for production
- Production and/or significant exploration projects valued at C\$100M+



# WHAT DO THESE SUCCESSFUL SILVER COMPANIES HAVE IN COMMON?

Start **small**  
and grow  
through  
**production**  
and  
**acquisition**



# FOLLOWING A SUCCESSFUL PROVEN STRATEGY

The **Bethania Mine** will Launch the Market's Next Silver Mining Company

1

Identify a high-grade silver mine in either Peru or Mexico – the two most prolific silver mining countries in the world – benefitting from strong mining culture, and infrastructure

**START with a great silver mining asset!**

2

Acquire small-scale mines from local owners – with institutional market access to capital we are able to drill (increase resources/reserves) and expand (increase production/reduce costs)

3

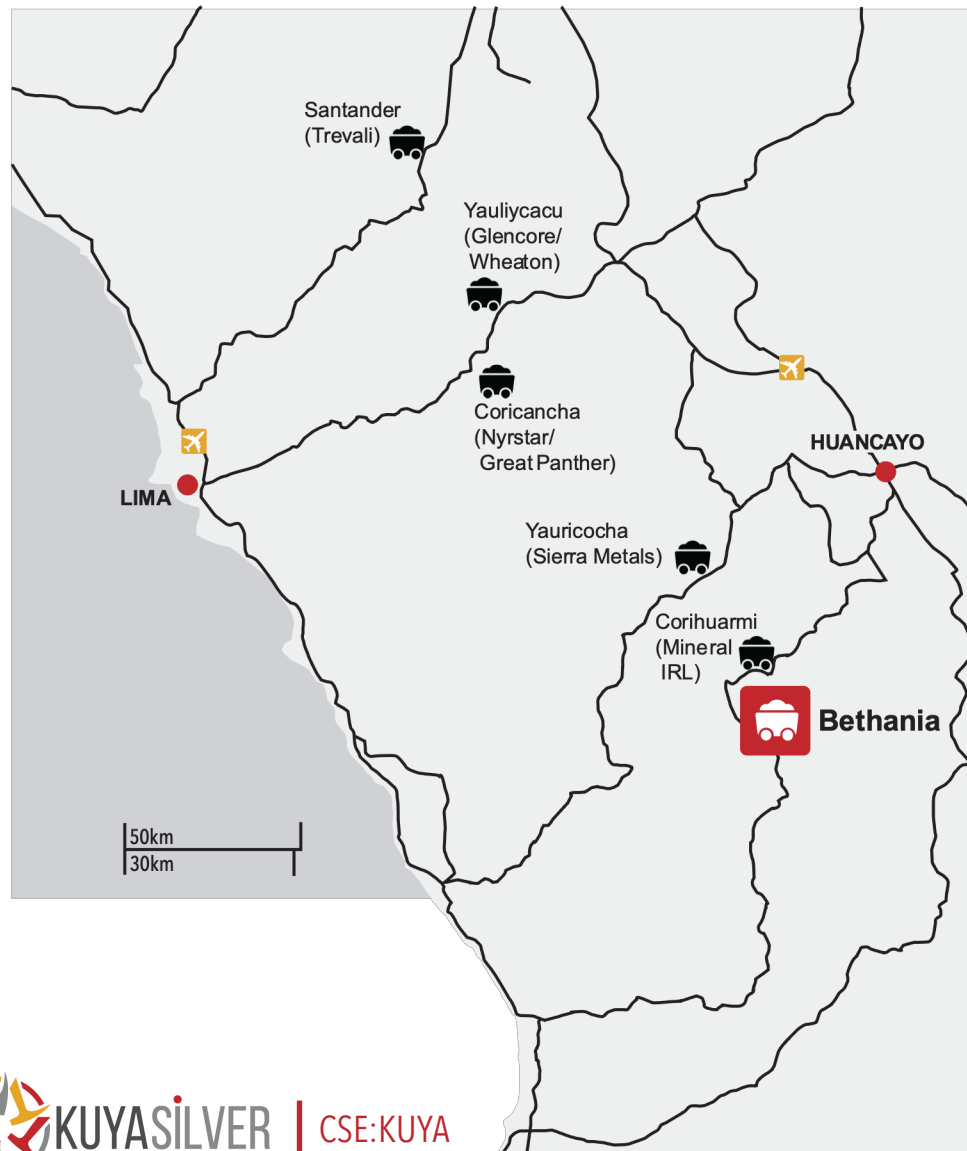
Benefit from by-product sales: base metals and gold (~40% of revenue in our case)

4

Lower risk: predictable geology, low capital intensity, well-established mining methods, off-the-shelf processing methods, established workforce, and permits in place

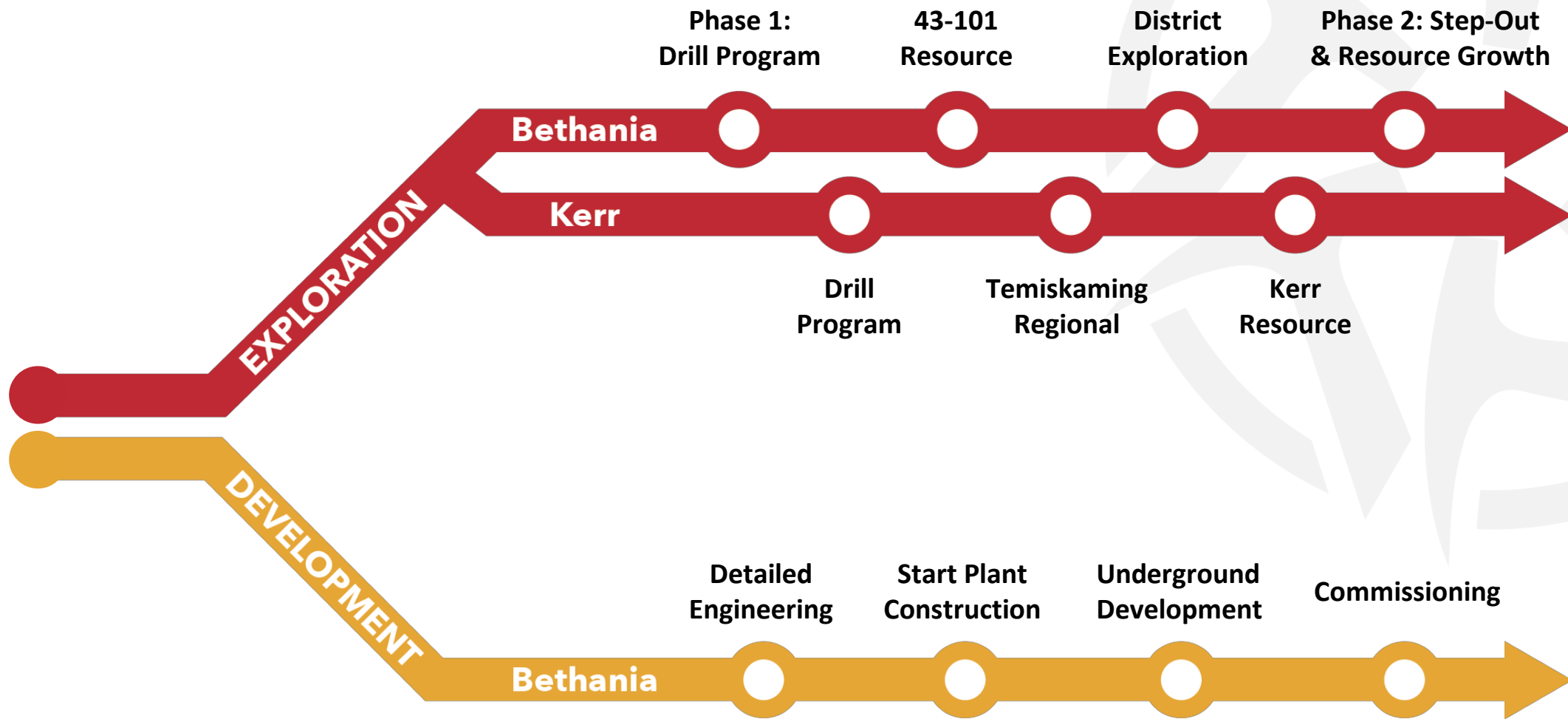


# GREAT ACCESS AND HISTORY



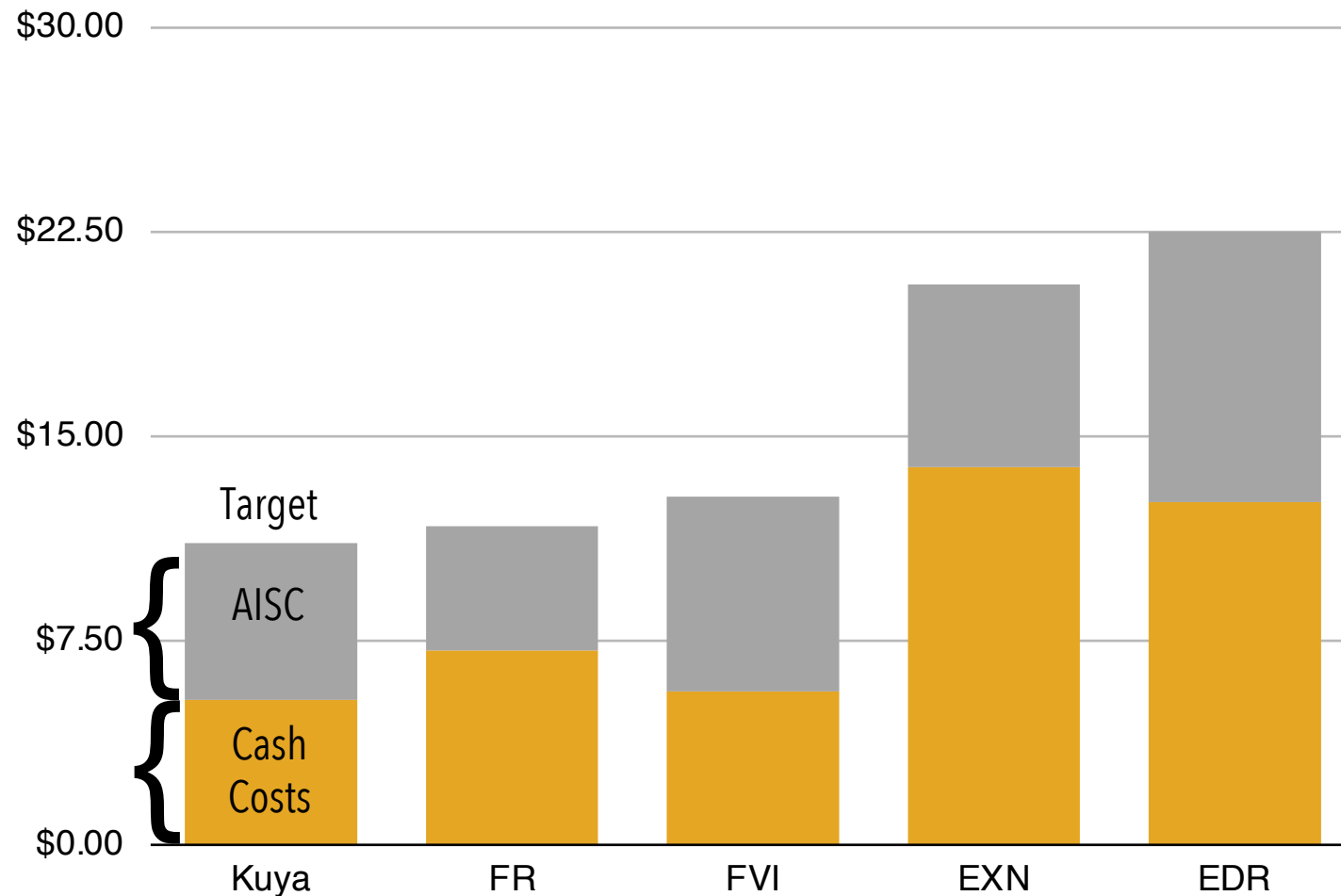
- Located in major silver-lead-zinc mining district in Central Peru
- Access mine by road from Huancayo (major city)
- Daily flights from Lima to Jauja (near Huancayo)
- Mine located near mining village of Bethania
- The Bethania Mine opened in 1977 after discovery of two veins (Española and 12 de Mayo) and has been operating at a small scale on and off for 40 years
- Peruvian family acquired Bethania mine, restarted ore production in 2009 and began toll processing in 2013
- Achieved production of 28,788 tonnes in 2014, producing 425,000 oz silver equivalent (only lead and zinc by-products)

# DUAL - TRACK VALUE CREATION



# LEADING LOW-COST PRODUCTION

Silver Industry Comparable in Latin America (2019)



## Low Cost Profile

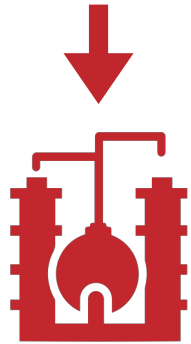
- High grades, higher recoveries
- No royalties or streams
- Mining near surface (lower haulage, mining costs vs. deep mines)
- Low non-discretionary sustaining capital, can increase with higher profits
- Low G&A (no legacy costs)

# PROPOSED EXPANSION TO REDUCE COSTS

**AISC**



2015 FY  
(most recent full year  
of production)



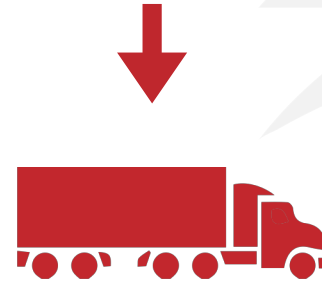
**TREATMENT/  
REFINING**

- improved market conditions
- improved market position with greater production
- addition of copper/gold circuit



**PROCESSING**

- no toll milling costs
- greater recoveries



**TRANSPORT**

- eliminate long haul trucking



**OTHER**

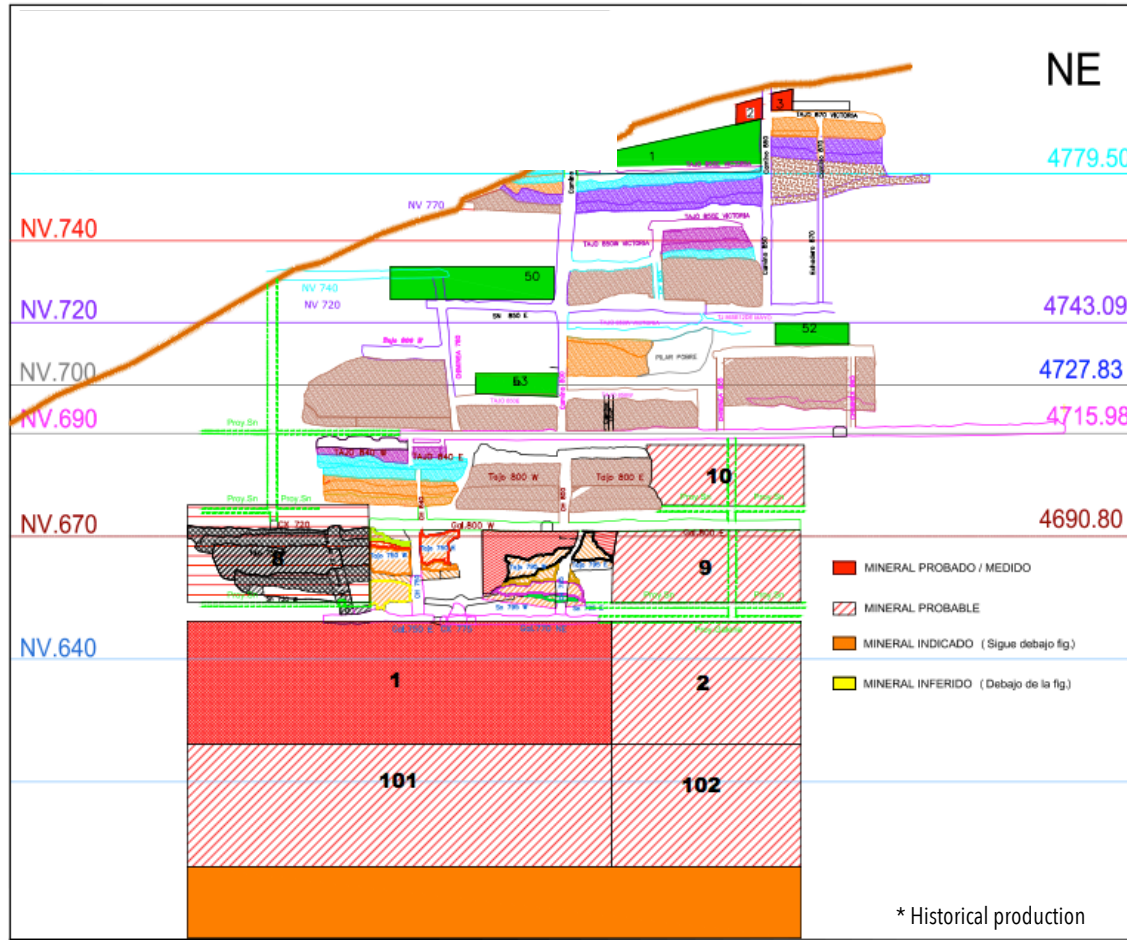
**NEW  
AISC**



POST EXPANSION  
(2021)

# SIMPLE MINING – WELL UNDERSTOOD OREBODY

## Excellent **Exploration Potential**

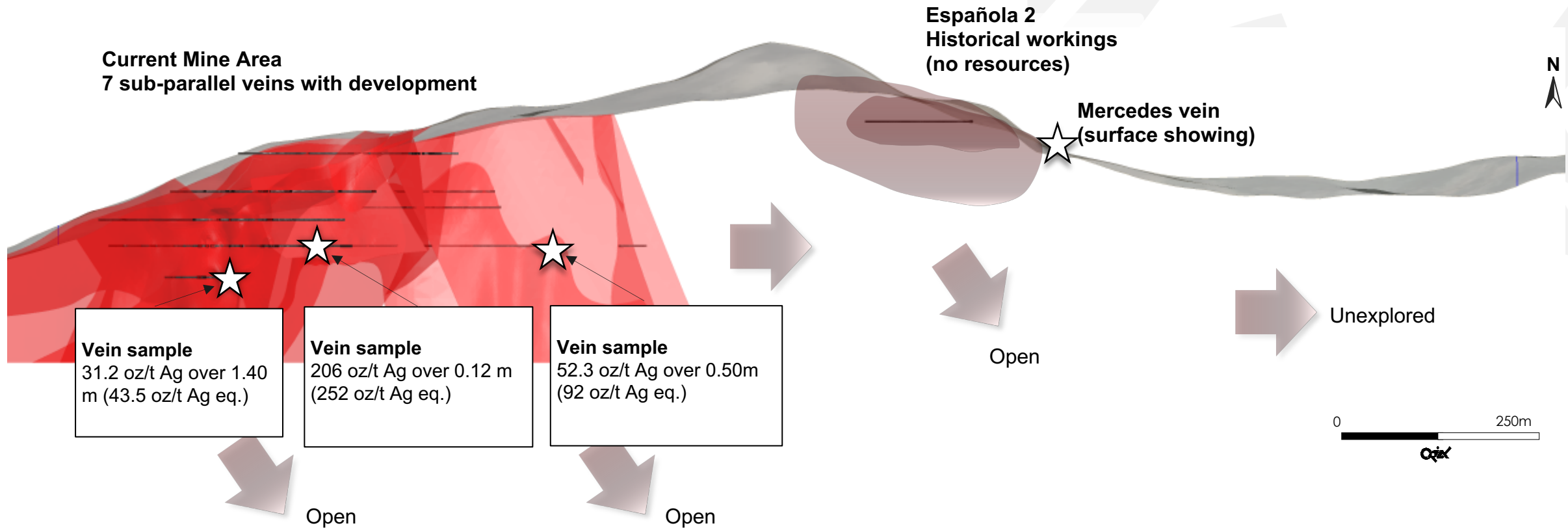


- Drifting exploration/production adits from several adits on east and west side
- Swarm of high-grade veins trending NE-SW
- Mined by underhand cut and fill
- 6 veins – source of historical production + non 43-101 resources
- 1 vein – no production to date, non 43-101 resources
- 4 veins – mineralization intersected by recent workings (no resources)

***Bethania historically produced approx. 400,000 oz/yr silver equivalent as a toll-treatment mining operation prior to 2016\****

# LOW-RISK EXPLORATION

## Bethania Mine Long Section



# SOCIAL RESPONSIBILITY

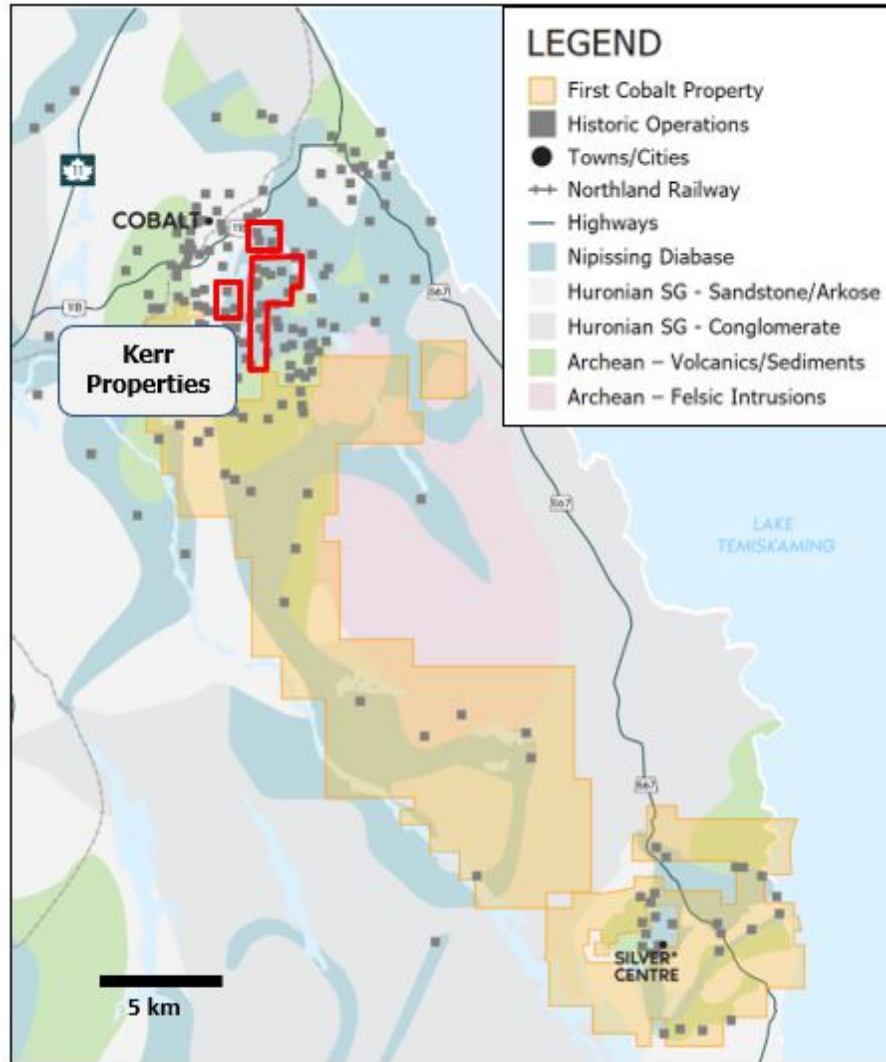
**Kuya Silver is actively engaged in building on a strong legacy of working cooperatively with the local Poroche community to develop a mutually beneficial, safe and sustainable mining business in the region**

The Company is committed to:

1. Providing a safe and sustainable work environment by implementing **new COVID-19 protocols**
2. Providing jobs to people from local communities
3. Meeting all environmental and governmental regulations
4. Operating under the highest ethical standards



# KERR ASSETS, COBALT CAMP (LOI WITH FIRST COBALT)



In December 2020, Kuya signed a Letter of Intent with First Cobalt Corp., to acquire the Kerr Project and an option to enter a joint venture to earn up to 70% of its remaining Cobalt area claims.

## ***The Kerr Assets (Northeastern Ontario)***

- Includes eight historic silver mines on a contiguous 900-hectare area
- Mines produced over 50 million ounces of silver between 1905 to 1950.
- The deepest shaft was less than 200 metres.
- System remains untested at depth

Intercepts from 2017 – 2018 First Cobalt drill campaign include:  
FCC-18-0058: From 29.4 m, **intersected 3.6 m of 820.6 g/t Ag**  
FCC-18-0093: From 172.1 m, **intersected 2.2 m of 515.1 g/t Ag**  
FCC-18-0174: From 66.0 m, **intersected 2.5 m of 1441.5 g/t Ag**

\*The parties expect to complete the transaction in early Q1 2021

\*see [news release dated December 21<sup>st</sup>, 2020](#) for full details on the Kuya's LOI with First Cobalt Corp.



# MANAGEMENT & TEAM

## **David Stein, MSc (Geo), CFA – President and CEO, Director**

Mr. Stein founded Kuya Silver in 2017 to acquire the high grade Bethania Silver Mine and develop the next silver mining company. Mr. Stein has spent most of his 20-year career in mining investments, first as a sell-side analyst and more recently as an investment manager.

## **Lesia Burianyk – Chief Financial Officer**

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

## **Tyson King – VP Corporate Development**

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

## **Christian Aramayo, MSc (Eng), CEng – VP Operations**

Mr. Aramayo is a UK-educated Peruvian engineer, previously worked on global projects for Kinross before starting his own mining consultancy. He founded SIGC Consultants in Lima, and Kuya has access to Mr. Aramayo and his team for engineering and planning as well as access to a deep network in South America.

## **Erika Soria – Logistics/Business Development**

Ms. Soria manages the commercial and administrative affairs of the Bethania mine and is the liaison with the local community. She is also well-connected in the Peruvian mining community and sources new opportunities for Kuya.

## **Dr. Quinton Hennigh – Chairman**

Dr. Hennigh is an economic geologist with more than 25 years of exploration experience with major gold mining firms, including Homestake Mining, Newcrest Mining and Newmont Mining. Currently, Dr. Hennigh is President and Chairman of Novo Resources Corp and serves as a director for Irving Resources Inc., TriStar Gold Inc., Precipitate Gold Corp and NV Gold Corp.

## **Andres Recalde – Director**

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

## **Dale Peniuk – Director**

Mr. Peniuk is a Chartered Professional Accountant (CPA, CA) and corporate director. Mr. Peniuk has a B.Comm from the University of British Columbia (1982) and received his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia. Mr. Peniuk also serves as a director and Audit Committee Chair of Lundin Mining Corporation, Capstone Mining Corp. and Argonaut Gold Inc

## **Maura Lendon – Director**

Ms. Lendon, is a seasoned, internationally-experienced general counsel with over 20 years' experience in the mining and telecom industries gained after initially practicing with top Bay Street law firms. Ms. Lendon is the founder and Chief General Counsel of Scalable General Counsel, providing general counsel services to growing companies since 2019, and is currently a director of Eastmain Resources Inc. Previously, she was Chief General Counsel and Corporate Secretary of Primero Mining from 2012 to 2018.



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