

KUYA SILVER CORPORATION
(the “Corporation”)

BOARD MANDATE AND CORPORATE GOVERNANCE POLICY
(Adopted by the Board on May 22, 2024)

1. BOARD MANDATE

1.1 The Board of Directors (the “**Board**”) is responsible for the stewardship of the Corporation and is committed to transparent good governance. The Board supervises management of the business and affairs of the Corporation with a goal of enhancing long-term shareholder value. The Corporation is best served by an experienced, informed, interactive and diverse Board which has free access to all levels of management and to all of its operations. The independence of the Corporation’s directors has been fostered in order to bring balance and perspective to its deliberations.

2. COMPOSITION AND BOARD ORGANIZATION

2.1 Nominees for directors are initially considered and recommended by the Board’s Nominating, Compensation and Governance Committee (the “**NCG Committee**”) in conjunction with the Chair of the Board, approved by the entire Board and elected annually by the shareholders.

2.2 A majority of directors comprising the Board must qualify as independent directors (as defined in National Instrument 58-201 Disclosure of Corporate Governance Practices).

2.3 Certain of the Board’s responsibilities may be delegated to Board committees. The responsibilities of those committees will be as set forth in their charters.

3. RESPONSIBILITIES

3.1 Managing the Affairs of the Board

The Board operates by delegating certain of its oversight authorities to its committees, and in respect of the business operations, to management, and by reserving certain powers to itself. The legal obligations of the Board are described in Section 4. Subject to these legal obligations and to the Articles of the Corporation, the Board retains the responsibility for managing its own affairs, including:

- (a) annually reviewing the skills and experience represented on the Board in light of the Corporation’s strategic direction and approving a Board composition plan recommended by the NCG Committee;
- (b) appointing, determining the composition of and setting the terms of reference for, Board committees;
- (c) determining and implementing an appropriate process for assessing the effectiveness of the Board, the Board Chair, committees and directors in fulfilling their responsibilities;
- (d) assessing the adequacy and form of director compensation;
- (e) assuming responsibility for the Corporation’s governance practices;

- (f) establishing new director orientation and ongoing director education processes;
- (g) ensuring that the independent directors meet regularly without executive directors and management present;
- (h) setting the terms of reference for the Board; and
- (i) appointing the secretary to the Board.

3.2 Human Resources

The Board has the responsibility to:

- (a) appoint the Chief Executive Officer and plan Chief Executive Officer succession;
- (b) provide advice and counsel to the Chief Executive Officer in the execution of his duties;
- (c) set terms of reference for the Chief Executive Officer;
- (d) periodically and from time to time approve corporate goals and objectives that the Chief Executive Officer is responsible for meeting and periodically review the Chief Executive Officer's performance against them;
- (e) satisfy itself as to the integrity of the Chief Executive Officer and other senior officers, and that they create and reinforce a culture of integrity throughout the Corporation;
- (f) set the Chief Executive Officer's compensation and make determinations as to incentive compensation awards from time to time;
- (g) approve the Chief Executive Officer's acceptance of significant public service commitments or outside directorships;
- (h) approve decisions relating to senior management, including:
 - (A) review senior management structure including such duties and responsibilities to be assigned to officers of the Corporation;
 - (B) on the recommendation of the Chief Executive Officer, appoint and discharge the officers of the Corporation who report to the Chief Executive Officer;
 - (C) review compensation plans for senior management including salary, incentive, benefit and pension plans;
 - (D) review employment terms, termination and other special arrangements with executive officers, or other employee groups; and
 - (E) approve certain matters relating to all employees, including:
 - (1) the Corporation's broad compensation strategy and philosophy; and

- (2) new benefit programs or material changes to existing programs.
- (F) ensure succession planning programs are in place for key leaders other than the Chief Executive Officer, including programs to train and develop management.

3.3 Strategy and Plans

The Board has the responsibility to:

- (a) adopt and periodically review a strategic planning process for the Corporation;
- (b) participate with management, in the development of, and approve a strategic plan for the Corporation that takes into consideration, among other things, the risks and opportunities of the business;
- (c) approve annual capital and operating budgets that support the Corporation's ability to meet its strategic objectives;
- (d) direct management to develop, implement and maintain a reporting system that accurately measures the Corporation's performance against its business plans;
- (e) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation; and
- (f) approve material divestitures and acquisitions.

3.4 Financial and Corporate Issues

The Board has the responsibility to:

- (a) take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- (b) review and approve release by management of any material reporting on the Corporation's financial performance or providing guidance on future results to its shareholders and ensure the disclosure accurately and fairly reflects the state of affairs of the Corporation, and is in accordance with generally accepted accounting principles, including annual and quarterly financial statements, any guidance provided by the Corporation on future results, Corporation information circulars, annual information forms, annual reports, offering memorandums and prospectuses;
- (c) declare dividends, if appropriate;
- (d) approve financings, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, and related prospectuses; and recommend changes in authorized share capital to shareholders for their approval;
- (e) approve the incurring of any material debt by the Corporation outside the ordinary course of business;

- (f) approve the commencement or settlement of litigation that may have a material impact on the Corporation; and
- (g) recommend the appointment of external auditors and approve auditors' fees.

3.5 Business and Risk Management

The Board has the responsibility to:

- (a) ensure management identifies the principal risks of the Corporation's business and implements appropriate systems to manage these risks; and
- (b) evaluate and assess information provided by management and others about the effectiveness of risk management systems.

3.6 Policies and Procedures

The Board has the responsibility to:

- (a) approve and monitor, through management, compliance with all significant policies and procedures that govern the Corporation's operations;
- (b) approve and act as the guardian of the Corporation's corporate values; and
- (c) direct management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards.

3.7 Compliance Reporting and Corporate Communications

The Board has the responsibility to:

- (a) ensure the Corporation has in place effective communication processes with shareholders and other stakeholders and financial, regulatory and other recipients;
- (b) approve and periodically review the Corporation's communications policy;
- (c) ensure the Board has measures in place to receive and address material feedback from shareholders;
- (d) ensure the Corporation's financial performance is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (e) ensure the financial results are reported fairly and in accordance with generally accepted accounting principles; and
- (f) ensure timely reporting of any other developments that have a significant and material effect on the Corporation.

4. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

4.1 The Board is responsible for:

- (a) directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained; and
- (b) recommending changes in the Articles, matters requiring shareholder approval, and setting agendas for shareholder meetings.

4.2 The *Business Corporation Act* (British Columbia) identifies the following as legal requirements for the Board:

- (a) act honestly and in good faith with a view to the best interests of the Corporation, including the duty:
 - (A) to disclose conflicts of interest;
 - (B) not to appropriate or divert corporate opportunities;
 - (C) to maintain confidential information of the Corporation and not use such information for personal benefit; and
 - (D) disclose information vital to the business of the Corporation in the possession of a director;

4.3 exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and

4.4 act in accordance with the *Business Corporations Act* (British Columbia) and any regulations, articles, by-laws and unanimous shareholder agreement.

5. CORPORATE GOVERNANCE

5.1 **Director Independence** - The Corporation is committed to maintaining good governance standards to ensure that the Board has the capacity and independence to fulfill its responsibilities and to make an objective assessment of management's record and its proposals and initiatives. Therefore, the Corporation is committed to the following practices:

- (a) the recruitment of capable, independent directors, who shall at all times compose not less than a majority of the Board;
- (b) in the event that the Chairman is not an independent director, the Board shall appoint a Lead Director to provide leadership to the independent directors;
- (c) any director who has previously been determined to be independent and whose circumstances change such that he or she might be considered to no longer be an independent director, shall promptly advise the Board of the change in circumstances;
- (d) all committees of the Board are to be comprised entirely of independent directors where required by law.

The independence of a director is determined in accordance with National Instrument (“NI”) 52-110 and, as applicable, NI 58-101 further to voluntary disclosure by each director. Evaluations of independence require the consideration of any “material relationship” being a relationship which could, in the view of

the Board, be reasonably expected to interfere with the exercise of a director's independent judgment and includes an indirect material relationship. In determining whether a director is independent, the Board applies standards derived from the Canadian Securities Administrators director independence rules noted above. The Board determines the independence of a director when it approves director nominees for inclusion in the Proxy Circular.

5.2 Director Recruitment and Retirement - Under the leadership of the NCG Committee, the Board pursues a policy of identifying candidates that will provide the Board with a balance of members who have diverse backgrounds, genders, complementary skill sets and relevant experience in any of the mining industry, international business, or matters relevant to the Corporation's operations, while balancing the need for renewal and fresh perspectives with the demands for experience and knowledge.

The Corporation does not impose term limits or have other mechanisms compelling retirement. The Corporation has determined that term limits may arbitrarily require some of its most valuable and experienced members to retire prematurely. The Board believes that its members should be reviewed regularly to ensure that they are making a meaningful contribution to the Board and the Corporation. The NCG Committee regularly reviews board membership and performance and is empowered to recommend changes when appropriate. The Board believes that this NCG Committee is best placed to make recommendations for renewal with a perspective focused on performance rather than arbitrary deadlines.

5.3 Election and Appointment of Directors - By law, the Board proposes nominees for election to the Board each year in the proxy statement for the Annual General Meeting of Shareholders ("AGM"). Between AGM's, the Board may appoint additional or replacement directors to serve until the next AGM, subject to the limitations of the *Business Corporations Act* (British Columbia).

5.4 Board Committees - The Board has three committees: the Audit Committee and the NCG Committee and the Technical, Safety, Environment, and Social Responsibility Committee (the "**TSESR Committee**"). The committee charters are available at the Corporation's website at www.kuyasilver.com. The Board delegates certain powers to the Audit Committee and the NCG Committee while the role of the TSESR Committee is advisory without decision-making authority. Each committee's charter defines the scope of its duties and responsibilities and is approved by the Board. Each committee annually reviews its charter and recommends appropriate charter amendments to the Board for its approval. Each charter requires the committee to evaluate its performance annually. For as long as the Corporation is a "venture issuer", as defined in National Instrument 52-110 of the Canadian Securities Administrators, the Audit Committee and the NCG Committee will be comprised of a majority of independent directors. The frequency, length, and agendas of committee meetings are determined by the committee chairman in consultation with committee members and appropriate members of senior management. The committee chairman reports to the full board on the matters undertaken at each committee meeting. Any independent director may attend any committee meeting but has no vote on committee business.

5.5 Access to Management and Independent Advisors - Directors are invited to have complete, unfettered access to senior management. Members of senior management normally attend portions of each regularly scheduled Board meeting. The Board may, when appropriate, obtain advice and assistance from outside advisors and consultants without prior approval of management.

Director Compensation - The NCG Committee annually reviews the compensation of the directors to ensure that it is competitive with comparable boards of directors and recommends changes to such compensation, as appropriate, to the Board for approval.