

Kuya Silver

Nov 05, 2025

An Emerging Growth Story with Strong Leverage to Silver

Nat Resources

KUYAF

OTCQB

Rating

Outperform

Initiation

Current Price

\$0.28

Target Price

\$1.40

Market Capitalization

39.07m

Shares Outstanding

141.25m

Float

126.94m

Institutional Holdings

0.001%

12-Month Low/High

\$0.16/\$0.42

Average 90-Day Volume

516730

Fiscal Year End

12/31/2025

Initiating coverage with a per share price target of US\$1.40 or C\$2.00. Kuya Silver Corporation (CSE: KUYA; OTCQB: KUYAF) is an emerging silver producer focused on precious metals assets in mining-friendly jurisdictions. The company's flagship Bethania Silver Project in central Peru anchors a portfolio that also includes the Silver Kings Project in Ontario and a joint venture interest in the Umm Hadid silver-gold project in Saudi Arabia.

Bethania flagship project. After successfully restarting operations in 2024 through toll milling, Kuya has demonstrated steady operational improvements, highlighted by record concentrate sales and recoveries exceeding 91% in the third quarter of 2025. Mining has advanced into multiple production stopes, while key infrastructure upgrades have reduced downtime and increased reliability. Development of a new 3.5-by-3.5-meter haulage ramp will enhance mine access and material handling, positioning the operation to achieve 100 tonnes per day (tpd) by year-end 2025 and 350 tpd by the third quarter of 2026.

100/100 Plan. Kuya's long-term growth framework, known as the "100/100 Plan," targets building Bethania into a 1,000 to 1,200 tpd operation capable of producing up to five million silver-equivalent ounces annually by 2030. The plan is anchored by two milestones: expanding total resources to 100 million silver-equivalent ounces and generating approximately US\$100 million in annual free cash flow at full scale. Phase 1A (2025–2026) focuses on reaching 350 tpd, while Phase 1B (2027–2029) emphasizes resource growth and mill expansion.

Experienced Management Team. David Stein, President and CEO, brings more than two decades of mining finance and development experience and has led Bethania's restart from care and maintenance to production. He is supported by Christian Aramayo (COO), Sheila Magallon (CFO), Dr. Osbaldo Zamora (VP Exploration), and Tyson King (VP, Corporate Development). The team's technical depth, execution track record, and insider ownership alignment provide a strong foundation for Kuya's growth toward higher throughput and cash flow.

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Revenues (\$ MIL)

Period	2024 A	2025 A	2026 A
Q1	\$0.00 A	\$0.2 A	\$5.5 E
Q2	\$0.00 A	\$1.2 A	\$11.3 E
Q3	\$0.00 A	\$1.0 A	\$13.4 E
Q4	\$0.2 A	\$3.1 E	\$19.9 E
	\$0.2 A	\$5.4 E	\$50.2 E

EPS (\$)

Period	2024 A	2025 E	2026 E
Q1	\$(0.01) A	\$(0.01) A	\$0.01
Q2	\$(0.01) A	\$(0.01) A	\$0.03
Q3	\$(0.01) A	\$(0.01) A	\$0.05
Q4	\$(0.03) A	\$(0.01) A	\$0.07
	\$(0.06) A	\$(0.03) A	\$0.17

Investment Appraisal

We are initiating coverage of Kuya Silver Corporation (CSE: KUYA; OTCQB: KUYAF) with an Outperform rating and a price target of US\$1.40 or C\$2.00 per share. Kuya Silver is an emerging precious metals producer advancing a portfolio of high-grade silver assets in mining-friendly jurisdictions. The company's portfolio includes three district-scale projects: the flagship Bethania Silver Project in Peru, the Silver Kings Project in Ontario, and a joint-venture interest in the Umm Hadid Silver-Gold Project in Saudi Arabia. Kuya's strategy is centered on building a self-funded growth platform through disciplined reinvestment, operational scalability, and near-term production from Bethania.

At the core of Kuya's long-term growth vision is its "100/100 Plan," which targets expansion of Bethania into a 1,000 to 1,200 tonne-per-day (tpd) operation producing up to 5 million silver-equivalent (AgEq) ounces annually by 2030. Phase 1A (2025–2026) focuses on establishing sustainable production through an ongoing toll-milling program, targeting 100 tpd by year-end 2025 and 350 tpd by the third quarter of 2026, supported by proven 91.6% silver recoveries and early cash generation. Phase 1B (2027–2029) will transition Kuya to full on-site processing through the construction of a 350-tpd flotation plant, while advancing underground development and expanding throughput toward 1,000+ tpd. The 100/100 Plan ultimately seeks to grow resources to 100 million oz AgEq and generate approximately US\$100 million in annual free cash flow at full scale by 2030. In our view, this phased, self-funded strategy demonstrates a disciplined growth model that builds value through sequential execution rather than large-scale upfront spending, positioning Kuya Silver to evolve into a self-sustaining mid-tier producer over the next five years.

Near-term catalysts include (1) sustaining the production ramp-up following the third quarter 2025 infrastructure upgrade and transition to higher-grade production stopes under the Bethania toll-milling program; (2) completion of a new 3.5 × 3.5 meter haulage ramp to support higher throughput; (3) advancement of the 350-tpd plant toward construction readiness; (4) results from ongoing surface and underground exploration aimed at expanding the known vein systems beyond the current 500-meter strike length and at depth; and (5) potential financing or strategic partnership to support Phase 1B plant construction and broader resource growth initiatives.

Investment Risks

Investment risks include but are not limited to: 1) uncertainties associated with the availability and costs of future financing; 2) changes in capital market and macroeconomic environments; 3) fluctuations in exchange rates; 4) changes in supply and demand fundamentals for metals, including silver, lead, zinc, gold, and copper; 5) delays in the development of projects; 6) the potential for operating costs and financing costs to vary from management expectations; 7) potential delays or underperformance during the Bethania ramp-up phase as the company transitions to steady-state operations; 8) exploration risk associated with expanding resources to achieve the 100-million-ounce silver equivalent target; 9) permitting or regulatory changes in Peru that could affect timelines or project economics; and 10) execution risk tied to management's ability to deliver on phased development milestones while maintaining capital discipline.

Corporate Overview and History

Kuya Silver Corporation was incorporated in 2017 and is headquartered in Toronto, Ontario. The company was established following the acquisition of an interest in the privately held Bethania Mine, a historic silver, lead, and zinc producer located in central Peru. Kuya completed its public listing on the Canadian Securities Exchange on August 4, 2020, under the trading symbol "KUYA", and on the OTCQB under "KUYAF."

Since its formation, Kuya has expanded its portfolio through targeted acquisitions and partnerships. In addition to the Bethania Silver Project in Peru, the company holds the Silver Kings Project in northern Ontario, Canada, and a joint-venture interest in the Umm Hadid Silver-Gold Project in Saudi Arabia. Bethania remains the company's near-term production focus, supported by the restart through toll milling and ongoing ramp-up toward 350 tonnes per day by the third quarter of 2026. The Silver Kings and Umm Hadid projects provide longer-term optionality and exploration upside, positioning Kuya as a diversified, high-grade silver growth company with a balanced mix of production, development, and discovery exposure across multiple jurisdictions.

Figure 1: KUYA Silver Project Summary

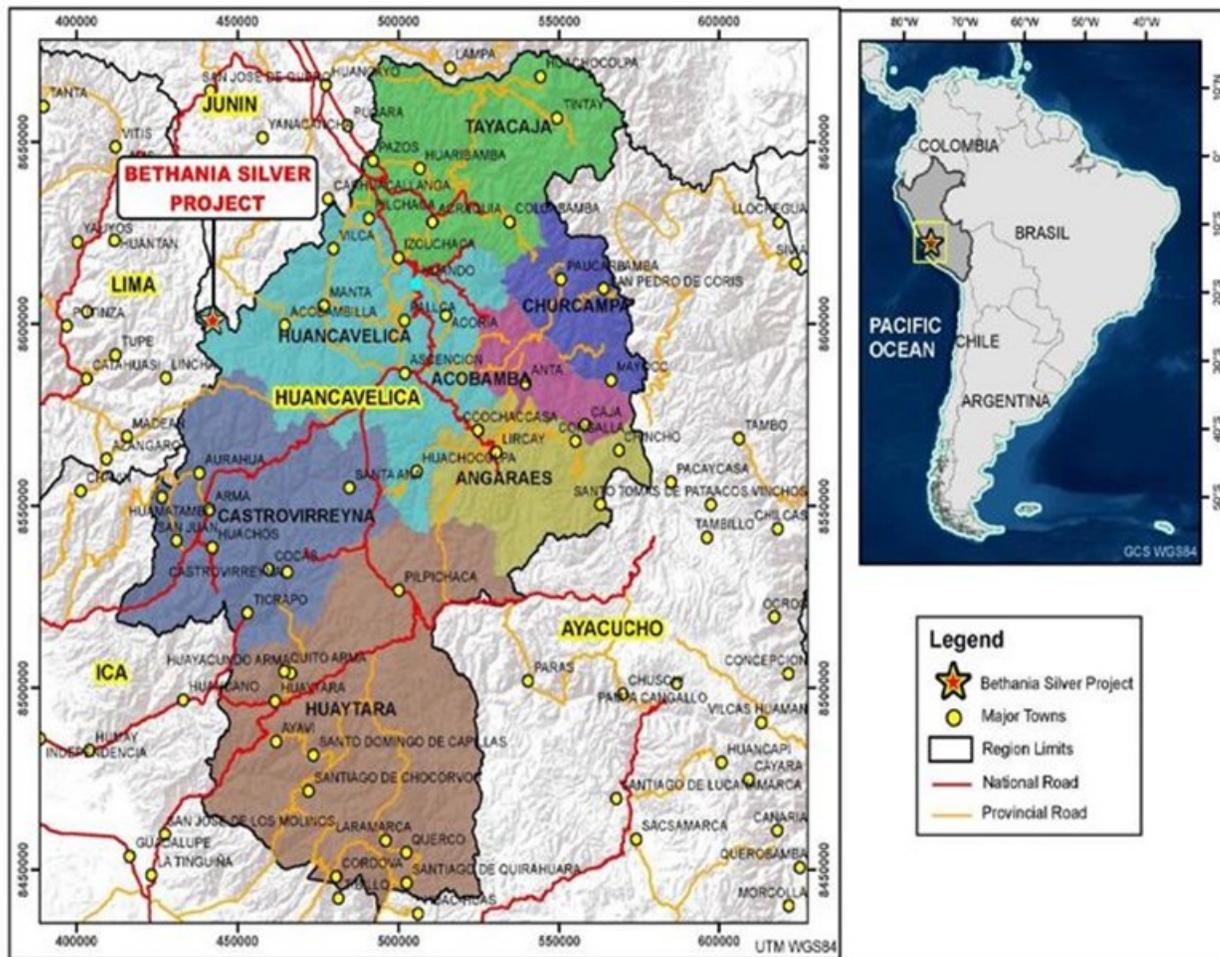


Source: Kuya Silver Corporate Presentation

Bethania: Kuya Silver's Flagship Project

The Bethania Project is in the high Andes of central Peru, approximately 70 kilometers southwest of Huancayo, and 316 kilometers southeast of Lima. The Bethania Mine, formerly known as Mina Santa Elena, was intermittently operated on a small scale between 1977 and 2016 before being placed on care and maintenance. Following its acquisition by Kuya Silver in December 2020, the company obtained regional government approval for the construction of a 350-tonne-per-day processing facility, which includes crushing, grinding, and flotation circuits, as well as a tailings storage facility and related infrastructure. The surrounding region has a long history of silver-lead-zinc mining and remains active today, hosting producing operations such as the Corihuarmi gold mine and the Heraldos Negros Pb-Zn-Ag mine, as well as several ongoing exploration programs. The project's strategic location within one of Peru's most established polymetallic belts provides access to local infrastructure, skilled labor, and established service providers, offering meaningful advantages for long-term development.

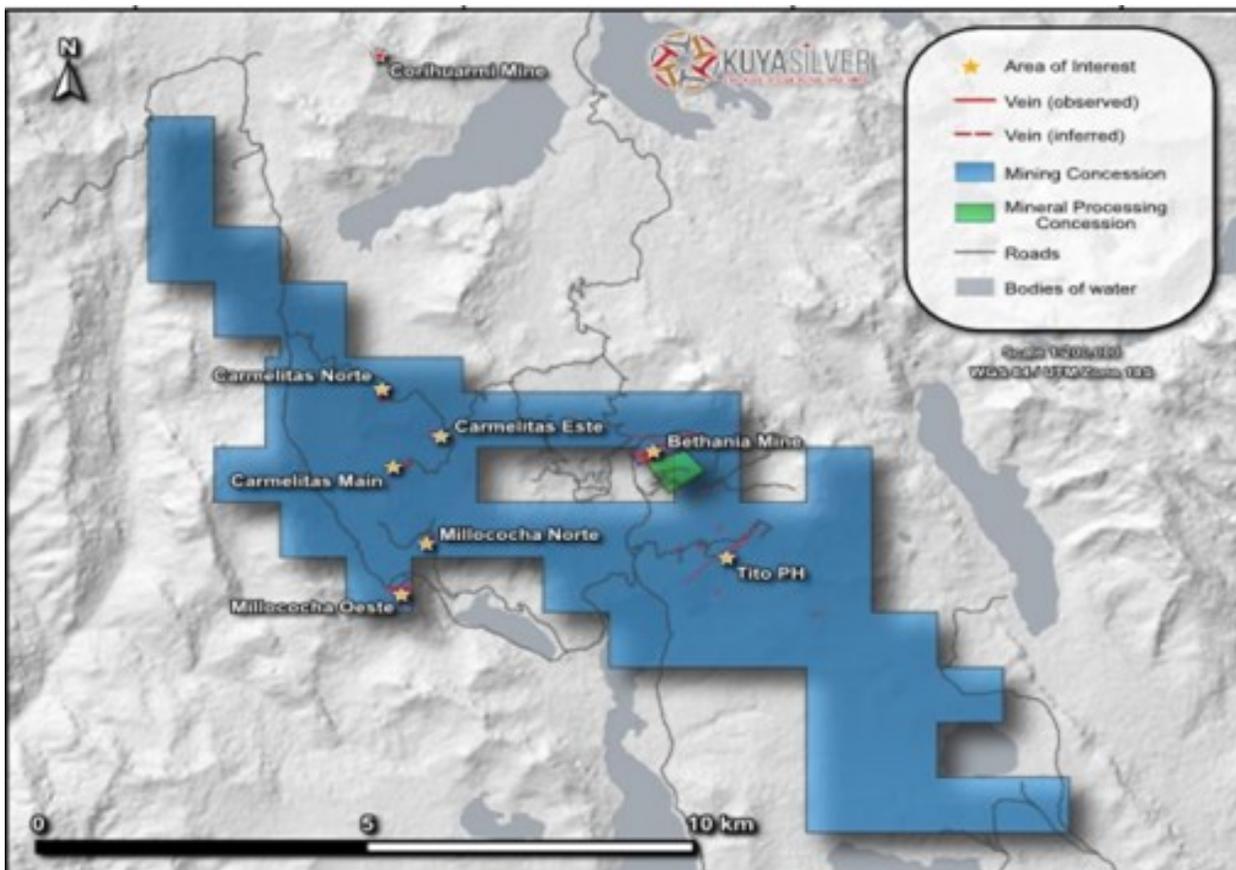
Figure 2. Regional Location of the Bethania Silver Project



Source: Kuya Silver Webinar Presentation

The Bethania Project encompasses approximately 4,500 hectares across 12 mining concessions. The Santa Elena concession, which hosts the historic Bethania Mine, forms the core of the project and encompasses about 45 hectares. Mining and exploration activities have historically centered on Santa Elena, where multiple high-grade veins containing silver, lead, zinc, copper, and gold have been developed both at surface and underground. The remaining concessions—Chinita I, Tres Banderas 01–07, and Carmelita 2005 (I and II)—cover the broader mineralized district and provide expansion potential across a continuous land package within the Department of Huancavelica, near the boundary with Junín.

Figure 3. District Scale Potential



Source: Kuya Silver Corporate Presentation

The Bethania Project is accessible year-round via paved and gravel roads from Huancavelica and benefits from local infrastructure, including water sources and access roads, with potential to connect to regional power during full-scale development. Kuya Silver published an amended and restated Bethania Preliminary Economic Assessment (PEA) on October 20, 2023, with an effective date of September 26, 2023. The project hosts a growing high-grade silver-lead-zinc resource centered on the historic Santa Elena concession, with mineralization open both along strike and at depth. The updated NI 43-101 Technical Report outlined an updated mineral resource estimate totaling 6.1 million oz AgEq Indicated (404,000 tonnes at 469 g/t AgEq) and 8.3 million oz AgEq Inferred (700,000 tonnes at 369 g/t AgEq). Silver contributes roughly 70% of total contained value, underscoring the project’s precious-metal character, while lead and zinc add important by-product credits. Over 60% of indicated ounces occur above the 4670-level adit, supporting near-term mine restart potential.

Figure 4. Mineral Resource Estimate

Category	Tonnage	Grade						Contained Metal	
		Ag (g/t)	Pb (%)	Zn (%)	Au (g/t)	Cu (%)	AgEq (g/t)	Ag (Oz)	AgEq (Oz)
Indicated	404,000	332	2.67	1.95	0.26	0.16	469	4,312,312	6,090,288
Inferred	700,000	249	2.51	1.58	0.12	0.12	369	5,603,871	8,303,361

Notes: Ag: Silver, Pb: Lead, Zn: Zinc, Au: Gold, Cu: Copper, AgEq: Silver Equivalents

Silver equivalent (AgEq) is calculated using metal prices (in US\$) of US\$1,849.78/oz gold, US\$25.44/oz silver, US\$1,981.79/t lead, US\$2,658.62/t zinc, US\$7,971/t copper, and by applying recovery factors of 0.3422, 0.9012, 0.8072, and 0.6378, respectively.

Source: Bethania Silver Project - NI 43-101 Technical Report (Amended and Restated Preliminary Economic Assessment), Mining Plus (MP), Effective Date: September 26, 2023, Report Date, October 20, 2023.

Source: Kuya Silver and Noble Capital Markets Inc.

Contributing to the project's expansion potential is the recent discovery of silver-bearing vein clusters at Millococha Oeste and Millococha Norte, where sampling returned grades of up to 2,630 g/t Ag, as well as extensions to the Hilltop, Carmelitas, and Tito prospects. These discoveries have expanded the mapped and sampled strike length of silver-mineralized veins outside the mine area by more than 40%, reinforcing the district-scale nature of Bethania and supporting Kuya's strategy to grow resources to support future plant expansion. In our view, these near-mine discoveries validate Kuya's geological model and highlight the potential for organic resource growth with minimal step-out risk.

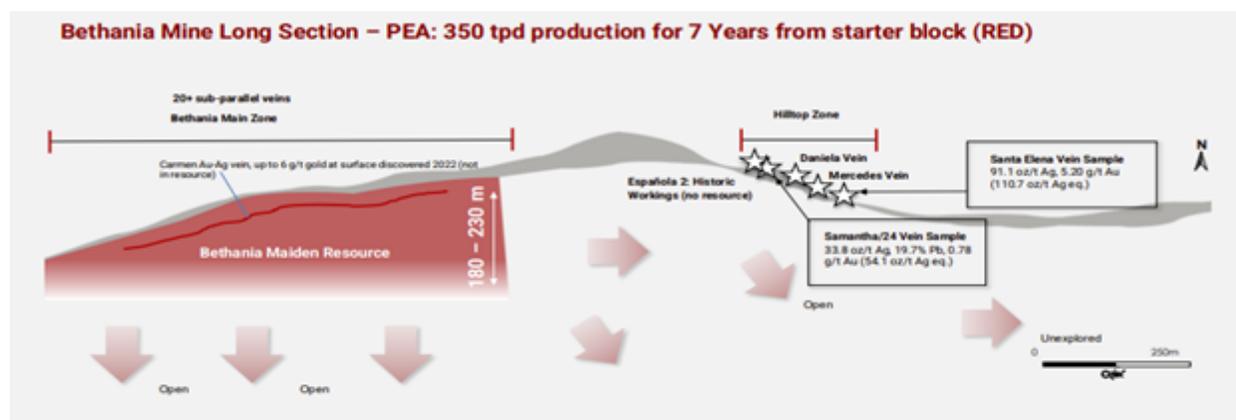
Exploration and Development

Following the acquisition of Bethania in December 2020, Kuya launched a comprehensive exploration and development program to modernize the geological understanding of the historic mine and prepare for a restart of operations. Early work included detailed mapping, structural analysis, and underground channel sampling to confirm the continuity of mineralized veins and identify additional unmined structures within the Santa Elena concession.

In 2021, Kuya completed its first modern diamond drill program that entailed 18 holes totaling 2,982 meters. It was the first systematic drilling program ever conducted on the property. The campaign confirmed high-grade silver-lead-zinc mineralization below the lowest historical workings and identified new veins at depth. These results supported the completion of an independent NI 43-101 Technical Report and Preliminary Economic Assessment (PEA) in May 2022, which was subsequently updated in October 2023 to reflect refined engineering design, updated metallurgical test work, and a revised mining plan.

The updated study proposed a restart plan based on a 350-tonne-per-day underground operation utilizing conventional cut-and-fill mining and flotation processing. Average annual production is projected to be approximately 1.37 million silver-equivalent ounces over a 6.5-year initial mine life, supported by an average head grade of 310 grams per tonnes of silver equivalents with metallurgical recoveries of roughly 80% silver, 90% lead, and 81% zinc. Notably, recent toll-milling operations in 2025 have exceeded these assumptions, with silver recoveries reaching 91.6% and quarterly sales of 16,983 ounces of silver, demonstrating meaningful upside to modeled performance. Total initial pre-production capital costs are estimated to be \$15.2 million, including underground development, processing-plant construction, and site infrastructure.

Importantly, the current defined resource represents only the first 500 meters of strike length and a vertical depth of roughly 200 meters at the western edge of the hill at Bethania. Based on vein continuity and the vertical orientation of mineralized structures, management believes this 45-hectare area originally contained approximately 20 million ounces of silver before historic mining, of which 5–6 million ounces have already been extracted. Extending the same vein system an additional 200 meters at depth could potentially double contained ounces, while extending 500 meters eastward across the unmined side of the hill could add another 40 million ounces, yielding a potential 50 to 75 million ounce target from Bethania Hill alone. This represents roughly 1% of Kuya's 4,500-hectare land package, leaving significant additional upside across the broader property. Figure 5 below illustrates the Bethania Mine long section, showing the current 350-tpd starter block and the numerous sub-parallel veins that remain open both at depth and along strike, reinforcing the potential for resource growth well beyond the defined area.

Figure 5. Bethania Mine Long Section

Source: Kuya Silver Corporate Presentation

Kuya Silver will commence an underground geological program shortly to support operations within the Santa Elena concession. The program is expected to gather critical data from deeper levels to inform mine planning. The program includes rehabilitation of existing work areas, preparation of underground operational maneuver chambers, and approximately 4,000 to 5,000 meters of underground bore holes from within the mine. The drill program will begin shortly and carry into early 2026, and focus on the western portion of the concession that hosts the three primary vein systems: Espanola, 12 de Mayo, and Victoria. Kuya will locate the drills underground and set them up in new drill bays that they are developing in seven different spots. Approximately five holes will be drilled in each spot, targeting the three primary vein systems at depth, along with testing potential extensions to the east within the same concession. Following the program, management expects to move some inferred into indicated because they will have more data in the lower block and then add inferred resources below. Management expects to continue drilling with successive programs.

Restart and Toll Milling Operations

The 2023 update incorporated a toll-milling option to generate pre-production revenue and validate metallurgical performance while construction of the Bethania processing facility progresses. It is an approach designed to enhance early cash flow and de-risk the transition to commercial operations. In our view, this pragmatic sequencing, first proving the mine's productivity through toll milling, then scaling into full ownership of processing, reflects a disciplined approach to growth that aligns short-term cash generation with long-term development.

In 2024, Kuya Silver initiated a low-capital restart of operations at the Bethania Mine through toll milling, generating early cash flow while advancing toward construction of its own 350-tonne-per-day flotation facility. Under a toll-milling agreement with the nearby San Valentín processing plant, Bethania ore is treated into silver-lead and silver-zinc concentrates. This arrangement has allowed Kuya to operate with minimal upfront capital while validating both mining and metallurgical performance under real production conditions.

Operations were temporarily paused in the third quarter of 2025 following a compressor failure, but the downtime was used to complete permanent infrastructure upgrades, including the installation of a new compressor and a high-capacity generator, which have materially improved site reliability and operational flexibility. With these systems in place, the mine resumed operations in late September and has since surpassed prior daily mining rates. In our view, the efficient restart following the equipment outage underscores management's operational discipline and strengthens confidence in the phased development plan.

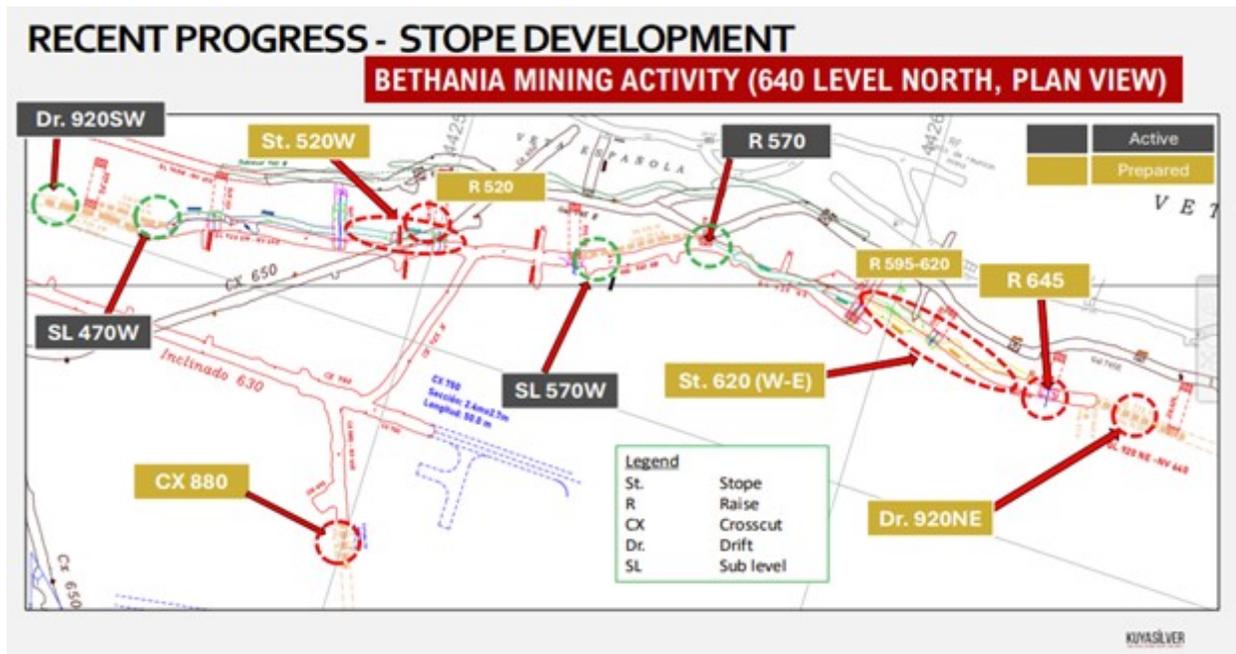
Importantly, Bethania has transitioned from development material to higher-grade production stopes, marking the onset of steady-state operations. During the third quarter of 2025, the mine achieved a record 1,841 tonnes processed and 21,435 oz

silver equivalent sold, supported by 91.6% silver recovery. These results are well above the 2023 PEA assumptions. Kuya expects to reach 100 tonnes per day by the fourth quarter of 2025 and approximately 350 tonnes per day by the third quarter of 2026. As part of the ramp-up, the company has launched a mine-modernization program that includes ventilation and haulage upgrades, new stopes, and development of a 3.5 x 3.5-meter haulage ramp to enable vehicle access to deeper levels. Completion of the ramp, expected in the first half of 2026, will significantly improve ore handling, load efficiency, and overall productivity.

The Bethania Project remains fully permitted for the construction of Kuya’s 350-tpd processing facility, which will produce separate silver-lead and silver-zinc concentrates. Once operational, the facility will give Kuya full control over recoveries, quality of the silver-lead and silver-zinc concentrate, and logistics, while eliminating third-party milling costs. Management has advanced detailed engineering and site preparation and intends to fund construction through a phased, self-financed capital program supported by continued toll-milling operations.

Alongside production growth, Kuya continues to advance exploration across its 4,500-hectare land package. Recent mapping has identified additional vein systems, including Carmelitas and Española Norte, with surface sampling results that will inform the next phase of underground drilling. The first of seven planned underground drill bays has been completed, providing access to test depth extensions of the principal vein systems. We believe this integrated approach, combining near-term production with active exploration, positions Bethania for multi-year resource growth and operational scalability. Figure 6 below highlights recent stope development and underground expansion at the 640 Level North, illustrating active and prepared mining areas that support the transition to higher-volume production.

Figure 6. Mining Developments



Source: Kuya Silver Corporate Presentation

Long-Term Strategy: The 100/100 Plan

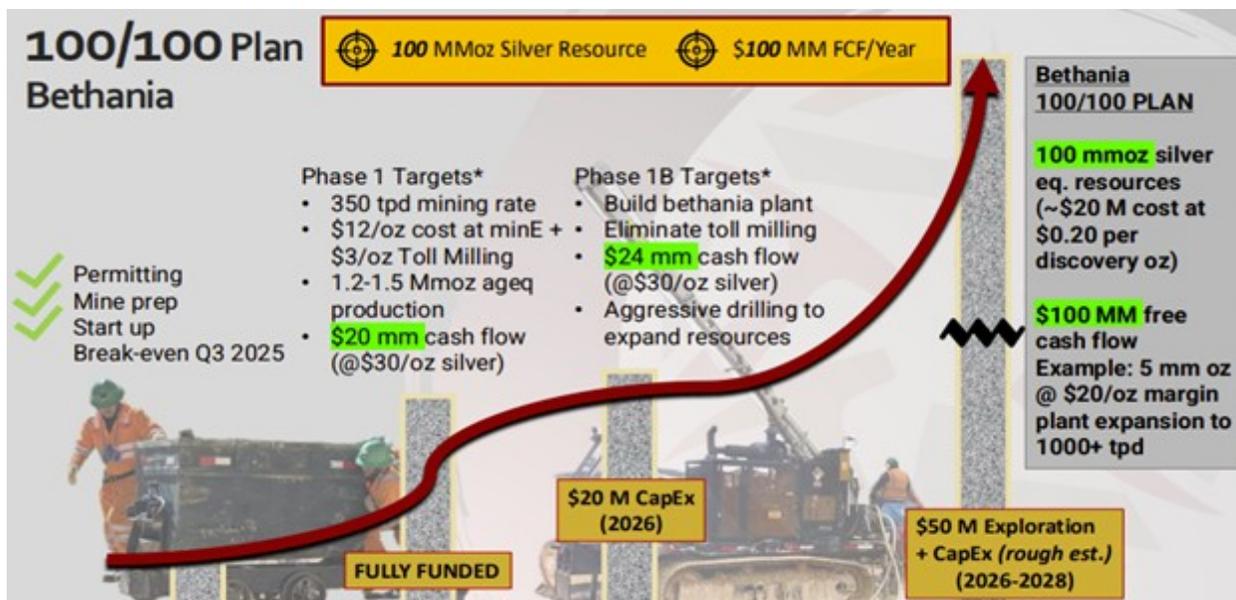
Kuya Silver’s long-term growth vision is anchored by its “100/100 Plan,” which aims to transform Bethania into a 1,000 to 1,200 tonne-per-day mining and processing operation producing up to 5 million silver-equivalent ounces per year by 2030. The strategy is underpinned by two interconnected goals: expanding resources to 100 million ounces of silver equivalent and ultimately generating approximately US\$100 million in annual free cash flow at full scale.

Phase 1A (2025–2026) focuses on establishing a sustainable 350-tpd operation through continued toll milling while constructing

Kuya's own flotation plant at the permitted Bethania site. The company expects to reach 100 tonnes per day by year-end 2025 and approximately 350 tonnes per day by the third quarter of 2026, supported by proven 91.6% silver recoveries. Exploration and development spending of roughly US\$3–4 million per year will fund underground drilling, mine development, and completion of the new 3.5 × 3.5-meter haulage ramp, which is expected to be operational by mid-2026 and will enable mechanized haulage, improved ventilation, and deeper access.

Phase 1B (2027–2029) emphasizes throughput expansion and district-scale exploration to support resource growth. The company plans approximately US\$6 million of annual exploration investment during the years 2026 to 2028, targeting up to 100 million ounces of new silver-equivalent resources at an estimated discovery cost of US\$0.20 per ounce. The Bethania plant is expected to eliminate third-party toll-milling costs, improve margins by roughly US\$3 per silver ounce, and provide full control over recoveries and concentrate quality. Through incremental mill upgrades and additional underground development, Kuya anticipates increasing processing capacity from 350 tonnes per day to a range of 1,000 to 1,200 tonnes per day by 2030.

Figure 7. 100/100 Plan



Source: Kuya Silver Corporate Presentation

At full capacity, Bethania would evolve from a single-mine operation into a district-scale silver hub supported by multiple vein systems—including Carmelitas, Tito, and Millococha—across the company's 4,500-hectare land package. Management's objective is to establish a self-funded, mid-tier silver producer capable of generating sustainable free cash flow and organic resource growth across one of central Peru's most prospective silver-lead-zinc belts.

Silver Kings Project: District-Scale Silver-Cobalt Potential in Ontario

The Silver Kings Project is near the historic mining town of Cobalt, Ontario, one of Canada's most prolific past-producing silver districts. The project encompasses approximately 16,600 hectares and was consolidated under Kuya Silver's control following a 2023 agreement with Electra Battery Materials Corp., which granted Kuya the right to acquire up to 100% ownership of the Silver Kings Joint Venture properties. This consolidation united a land package hosting seven past-producing mines, each with historical production exceeding one million ounces of silver, along with several underexplored prospects across the northern and southern Cobalt camp.

The Nipissing Diabase formation underlies the project, a geologic unit historically known for hosting high-grade native silver and cobalt veins, among the richest globally in terms of grade and metal content. The property benefits from established mining infrastructure, including road access, grid power, and local services, and is supported by over a century of regional mining

expertise.

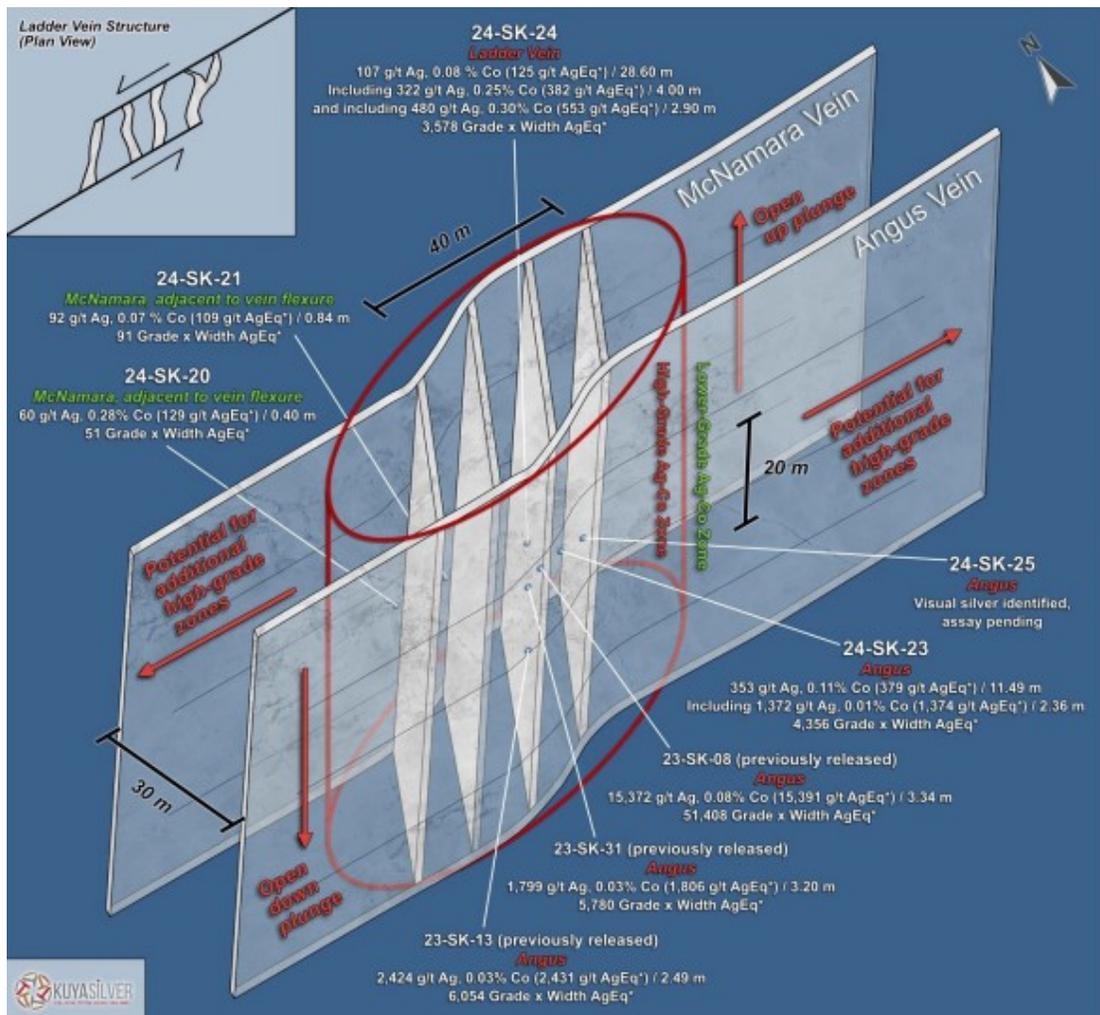
Kuya's current exploration focus integrates structural geology, geophysical modeling, and three-dimensional (3D) reinterpretation of historical mine data to delineate mineralized vein clusters and identify deeper extensions of known high-grade systems. In our view, the approach positions the company to systematically advance one of Canada's most historically productive and underexplored silver-cobalt camps toward discoveries and potential resource definition.

Exploration and Discovery History

Following the consolidation of the property, Kuya Silver launched its first extensive exploration program in 2023, leading to a grassroots discovery of bonanza-grade silver mineralization at the Campbell-Crawford area. Drill hole 23-SK-08 intersected 15,372 g/t silver over 3.34 meters within the newly identified Angus Vein, while hole 23-SK-13 returned 2,424 g/t silver over 2.49 meters, confirming the presence of silver-cobalt mineralization beneath the lower contact of the Nipissing Diabase sill. These results established Campbell-Crawford as a new high-grade discovery zone within the historic Cobalt mining camp and validated Kuya's geological model, which targets structural intersections and vein clusters near diabase contacts.

Subsequent trenching and surface mapping at Campbell-Crawford uncovered multiple mineralized veins, including Angus, McNamara, Toms, and Jones, extending over strike lengths of up to 175 meters. These veins remain open along strike and at depth, exhibiting geometries and grades comparable to historically mined systems such as Kerr Lake and Frontier. Together, the Campbell-Crawford and adjacent Airgiud target areas represent the nucleus of Kuya's exploration strategy at Silver Kings that offers strong potential for additional discoveries within a network of intersecting mineralized faults and breccia zones. Figure 8 illustrates the Campbell-Crawford expansion as well as the primary veins.

Figure 8. Cambell-Crawford Expansion



Source: Kuya Silver Corporate Presentation

In our view, the early success at Campbell-Crawford demonstrates both the fertility of the Silver Kings district and the effectiveness of Kuya’s modern structural model in rediscovering high-grade mineralization within one of Canada’s most historic silver belts.

Frontier NW Target and Hammerstrom Fault Discovery

In parallel with exploration activities at Campbell-Crawford and Airgiod, Kuya Silver initiated drilling in 2024 at the Frontier Northwest (NW) target. The Frontier Northwest target is approximately 350 meters northwest of the historic Frontier Mine, which historically produced 7.0 million ounces of silver and 1.7 million pounds of cobalt. The program identified the Hammerstrom Fault, a 400-meter-long, northwest-trending structure analogous in width and geometry to the historically productive Woods-Watson Fault.

Drilling at Frontier NW intersected the highest-grade cobalt and nickel mineralization encountered to date on the property. Hole 24-SK-07 returned 6.53% cobalt, 1.27% nickel, and 29 g/t silver (1,833 g/t of silver equivalents) over 0.40 meters, within a broader 0.86-meter interval averaging 863 g/t of silver equivalents. The mineralized vein, composed of cobaltite, skutterudite, and nickeline, was intersected at a vertical depth of 190 meters and demonstrated continuity along at least 250 meters of strike. The results confirmed that the Hammerstrom Fault hosts multiple high-grade shoots and indicate potential for structurally

controlled mineralization similar to the camp's most prolific historical deposits.

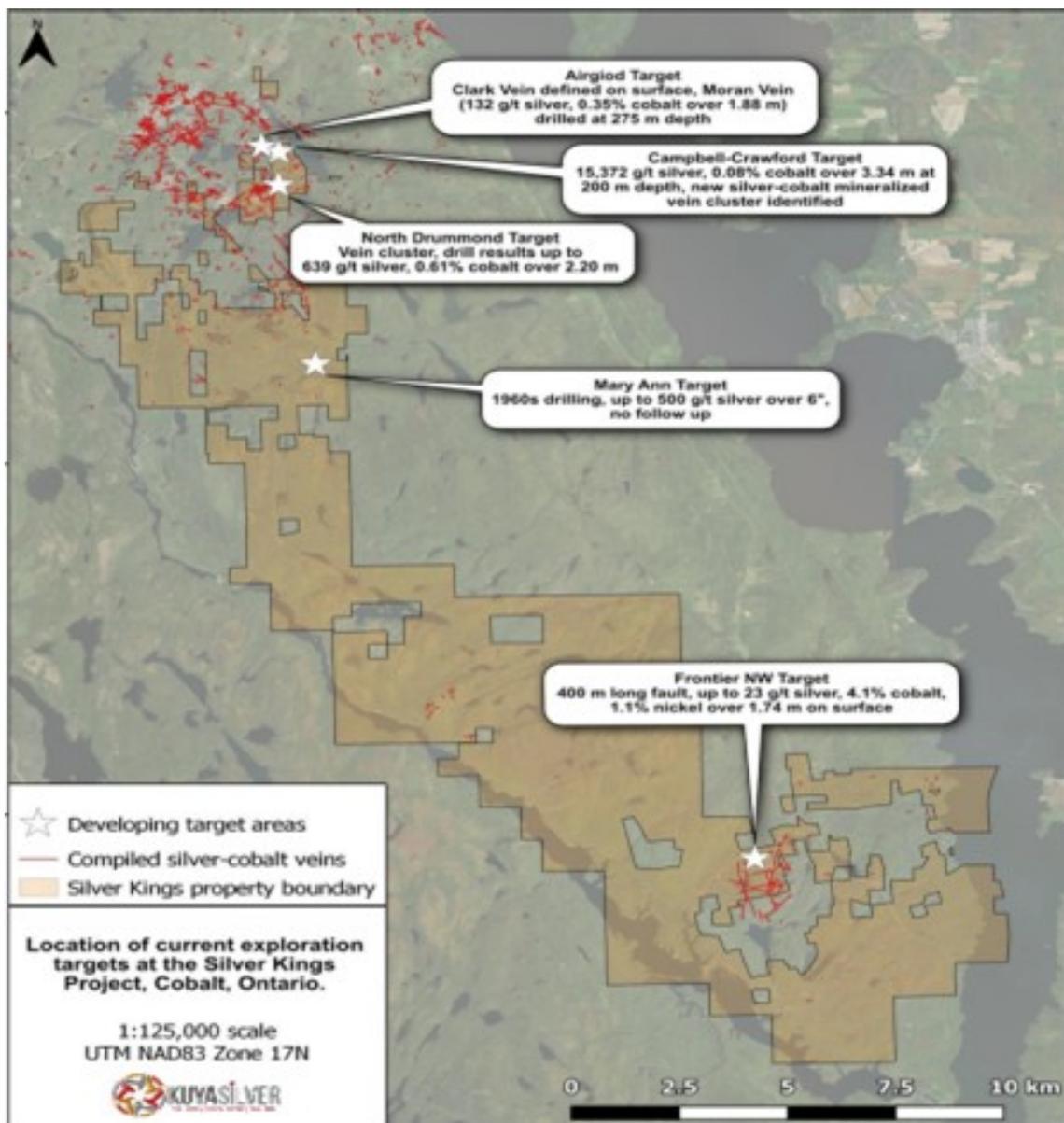
A second mineralized structure, the McIlwaine Vein, was identified approximately 180 meters northeast of the Hammerstrom Fault and is interpreted to converge with it at depth. While early drilling showed weaker mineralization near the surface, grade profiles and geochemical modeling suggest significant potential near the Nipissing Diabase contact, where silver-cobalt mineralization typically intensifies. Both structures remain open along strike and at depth, forming part of a broader mineralized corridor extending southeast toward historic mine workings.

In total, more than 10,000 meters of drilling were completed across multiple targets during the 2024–2025 campaign, defining several new structural corridors and expanding the known mineralized footprint. Field activity is currently paused as management prioritizes the Bethania mine ramp-up and internal capital allocation.

Recent Results and Current Status

Kuya Silver's 2024–2025 exploration campaigns at Silver Kings totaled more than 10,000 meters of diamond drilling across multiple zones, supported by induced polarization surveys, relogging of historical core, and extensive surface trenching. These efforts confirmed the presence of multiple parallel mineralized systems within the property's northern block and highlighted the potential for additional high-grade vein clusters comparable to those that historically supported multi-million-ounce silver production. Results from the 2025 program are currently being incorporated into updated 3D geological and structural models to guide the next phase of targeting. Figure 9 illustrates Silver Kings Project exploration targets.

Figure 9. Exploration Targets



Source: Kuya Silver Corporate Presentation

While Kuya’s near-term focus remains on ramping up production at its flagship Bethania Silver Mine in Peru, the Silver Kings Project continues to represent a core long-term growth asset within the company’s portfolio. Fieldwork has temporarily paused as management prioritizes capital allocation and near-term cash-flow generation, but technical analysis and planning remain active—integrating historical datasets and refining geophysical interpretations to define new drill-ready targets.

Notably, Kuya monetized legacy surface stockpiles from historical operations, selling approximately 1,800 wet tonnes of silver concentrates during the second quarter of 2025, generating proceeds of roughly US\$1.15 million. This initiative underscores the latent value embedded in the Silver Kings property and demonstrates Kuya’s ability to generate cash flow from non-core materials while advancing exploration planning.

In our view, Silver Kings provides optionality and long-term discovery leverage, complementing Bethania's near-term production base and positioning Kuya with exposure to a potential second high-grade silver district in North America.

Umm Hadid Project: Emerging Silver-Gold Opportunity in Saudi Arabia

The Umm Hadid Project is located within Saudi Arabia's Arabian Shield, an emerging mining district known for hosting several high-grade precious- and base-metal systems. The project area is near established infrastructure and active exploration corridors, providing favorable conditions for year-round operations and logistical support. Kuya Silver holds an initial 5% participating interest in the project through a joint-venture partnership with a local Saudi partner, marking the company's first entry into the Middle East. The Arabian Shield hosts numerous epithermal and volcanic-hosted systems, including projects currently being advanced by both international operators and Saudi state-owned mining companies.

Initial fieldwork, including geological mapping, geochemical sampling, and structural interpretation, has identified multiple mineralized trends consistent with silver- and gold-bearing vein systems. Kuya and its partners are in the early stages of a drill campaign designed to test these structures and confirm mineralization continuity at depth. Under the terms of the joint-venture agreement, Kuya may increase its ownership to up to 45%, contingent upon successful drilling results and satisfaction of staged exploration milestones.

The Umm Hadid Project represents a low-cost, high-value option for Kuya Silver to expand its exploration footprint beyond the Americas. By maintaining a modest initial ownership stake with the option to scale upon positive results, the company preserves capital while retaining exposure to a new, underexplored silver-gold jurisdiction. The project provides early-stage diversification within a politically stable, mining-supportive environment, complementing Kuya's flagship Bethania operation and Silver Kings Project in Canada. Collectively, these assets support a disciplined, multi-jurisdiction growth strategy centered on scalable, high-grade silver projects.

Corporate Governance

Kuya Silver is led by a management team and board of directors with deep technical, operational, and financial expertise across the global mining industry. The leadership group combines hands-on experience in mine development, exploration geology, project finance, and stakeholder engagement, supported by decades of work at both major and junior mining companies. Collectively, management's track record and insider alignment provide a strong foundation for executing Kuya's strategy to scale Bethania into a high-margin silver producer and advance the company's broader growth pipeline.

Mr. David Stein, CFA, President, Chief Executive Officer, and Director

Mr. Stein has led Kuya Silver since founding the company in 2017. He brings more than two decades of experience in the mining and investment industries, having started his career in 2001 as a mining equities analyst with a Canadian brokerage firm. Before Kuya, he served as President and CEO of Aberdeen International Inc., overseeing a diversified portfolio of resource investments. Mr. Stein has also held board positions with Eastmain Resources Inc., Rodinia Lithium Inc., and East Asia Minerals Corp., and currently serves on the board of Temujin Mining Corp. He holds a B.Sc. in Geological Engineering and an M.Sc. in Economic Geology from Queen's University.

Mr. Christian Aramayo, Chief Operating Officer and Director

Mr. Aramayo joined Kuya Silver in 2017 as Vice President of Operations. Mr. Aramayo has over 17 years of international mining experience across North and South America, Europe, and Africa, including working on major projects such as Pueblo Viejo, Paracatu, Fruta del Norte, and Tasiast. He also serves as an International Director for the Peruvian Business Council and Board Advisor to Blue Moon Metals Inc. Mr. Aramayo is a Chartered Engineer and earned Master's degrees in Metallurgy, Mineralogy and Metallurgical Processes, and Decision Sciences from the University of Manchester (UK).

Ms. Sheila Magallon, CPA, Chief Financial Officer

Ms. Magallon was appointed Chief Financial Officer (CFO) in 2025, bringing more than 20 years of financial leadership

experience in the mining sector. She has served in senior finance roles across Latin America and Europe, with expertise in reporting, internal controls, treasury, and corporate transactions. Before joining Kuya, she was CFO and Corporate Secretary of ATEX Resources and previously Vice President of Finance at GCM Mining, where she played a key role in its merger with Aris Mining. Her earlier experience includes roles with Detour Gold, Torex Gold Resources, Primero Mining, and Largo Resources. Ms. Magallon is a Chartered Professional Accountant and earned a bachelor's degree in public accounting from the National Autonomous University of Mexico.

Dr. Osbaldo Zamora, VP, Exploration

Dr. Zamora is a senior exploration geologist with over 25 years of international experience in mineral exploration, project management, and technical leadership across North and South America. Previously, he served in senior technical and management roles with Discovery Silver, Minera Adularia, Azucar Minerals, and Altiplano Minerals. Dr. Zamora holds a Ph.D. in Economic Geology from the University of Alberta, a M.Sc. in Petrology and Geochemistry from the National University of Mexico, and a B.Sc. in Geology from the University of San Luis Potosi (Mexico). Dr. Zamora is a registered Professional Geoscientist with the Association of Professional Engineers and Geoscientists of Alberta.

Mr. Tyson King, Vice President, Corporate Development

Mr. King has served as Vice President of Corporate Development since 2020 and brings more than 15 years of experience in the resource sector. Before joining Kuya, he was President and CEO of Miramont Resources Corp. His earlier experience includes roles as Vice President at Declan Resources Inc. and Vice President of Corporate Communications for Intrepid Financial. Mr. King holds a B.A. in Economics from the University of Calgary.

Ms. Maura Lendon, Chair of the Board and Director

Ms. Lendon has served as Independent Director and Chair of the Board since 2020. She has over two decades of executive and legal experience in the resource sector and currently serves as Chief Operating Officer of Greenlane Renewables Inc. Her prior roles include Chief Legal Officer of Hudbay Minerals and Primero Mining, as well as General Counsel for other publicly traded companies. Ms. Lendon holds a Law degree from York University and an MBA from Western University.

Mr. Eugene McBurney, Director

Mr. McBurney is a veteran investment banker with more than 25 years of experience advising resource companies across Latin America and the Caribbean. He co-founded GMP Securities, one of Canada's most successful independent investment banks, and has led numerous transactions for both resource and non-resource clients. He holds B.A., M.A., LL.B., and LL.D. degrees from leading Canadian institutions.

Mr. Andres Recalde, Director

Mr. Recalde serves as Director of Mining for Common Good, specializing in social performance and community engagement for mining projects throughout Latin America. He has advised major companies, including Barrick Gold, Pan American Silver, and Torex Gold, and previously served as President of the Peruvian Canadian Chamber of Commerce. Mr. Recalde holds an MBA from Eastern University.

Mr. Sandro Ferrarone, Director

Mr. Ferrarone is Vice President and Country Manager for Mexico at Coeur Mining, where he oversees operations and growth initiatives for the company's Mexican assets. He has 30 years of experience in operational planning, technical services, and corporate development, including 13 years at Newmont in senior operations roles. Mr. Ferrarone holds a Master of Engineering in Mining, Geological and Geophysical Engineering from the University of Arizona.

Ms. Lisa Wilkinson, Director

Ms. Wilkinson joined Kuya's Board as an Independent Director in 2025. She has over 20 years of experience in capital markets,

investor relations, and corporate strategy within the mining sector. She is currently Vice President of Investor Relations and Corporate Communications at Centerra Gold Inc. Her prior roles include Vice President of Investor Relations at Eldorado Gold and TMAC Resources. Ms. Wilkinson holds a Bachelor of Applied Science in Chemical Engineering from the University of Waterloo and an MBA from the University of Toronto.

Summary of Recent Financial Performance

Kuya Silver Corporation reported \$0.70 million of second-quarter 2025 revenue, an increase from \$0.23 million during the first quarter of 2025 and no revenue during the second quarter of 2024. Sales during the second quarter were generated from 1,800 tonnes of silver concentrate sold from the Silver Kings Project, representing legacy material acquired as part of the original property transaction that previously carried no assigned book value. The operating loss declined markedly to \$0.33 million, compared to \$1.35 million in Q1 2025 and \$1.45 million in Q2 2024, due to new revenue from sales of concentrate, combined with a reduction in exploration and evaluation expenses. The decline primarily reflects the capitalization of development costs to inventory at Bethania as the project advances from rehabilitation to production status. The net loss for the quarter narrowed to \$0.28 million, compared with \$1.35 million in the prior quarter. The improvement was supported by a foreign exchange gain of \$30,426, driven by U.S. dollar volatility, and \$23,688 recognized from the flow-through share premium, partially offset by non-cash accretion expenses.

During the first half of 2025, Kuya generated \$0.92 million in total revenue, compared to no revenue during the first half of 2024. The net loss narrowed to \$1.63 million, compared to \$2.62 million in the first half of 2024, reflecting the company's initial revenue contribution from sales of concentrate and cost discipline.

Earnings Outlook

For estimates beyond 2027, please refer to our financial report at the end of this report. Our commodity price deck for silver, lead, zinc, gold, and copper is based on CME futures settlements.

2025

We forecast 2025 revenue of approximately \$5.4 million, translating to net revenue of roughly \$4.5 million after operating expenses. Our estimate assumes concentrate sales totaling over 87,660 silver-equivalent ounces, with an average of 20.2 tonnes mined per day. We expect operations to continue ramping through the fourth quarter, averaging 55 tonnes per day, up from 4.5 tonnes per day in the third quarter. However, we do not anticipate positive earnings during the year, with a projected fourth quarter net loss of \$954,000, or \$(0.01) per share, and an EBITDA loss of \$954,000. For the year, we forecast an EBITDA loss of \$3.8 million and a net loss of \$2.7 million, or \$(0.03) per share.

The projected loss reflects early-stage operating leverage as Bethania transitions from development to production and advances toward 100 tonnes per day. Despite the modest near-term deficit, we expect operating losses to narrow sequentially through the year as higher mining rates, improved recoveries, and infrastructure efficiencies begin to take hold. By late 2025, we anticipate the mine will be producing from multiple stopes, laying the foundation for strong year-over-year earnings momentum into 2026.

2026

For 2026, we expect Kuya to sequentially ramp production from an average of 100 tonnes per day in the first quarter, to an average of 350 tonnes per day in the fourth quarter. This progression underpins substantial earnings growth, supported by recoveries exceeding 90% and a production mix in which silver accounts for more than 80% of total revenue, placing Kuya among the purest silver producers in its peer group. We forecast 2026 revenue of \$50.2 million, based on the sale of approximately one million silver-equivalent ounces. At this scale, we estimate EBITDA of \$35.9 million and net income of \$29.5 million, or \$0.17 per share. We expect operating margins to expand meaningfully as fixed costs are absorbed across higher throughput levels, resulting in strong cash flow conversion. The year marks the company's first full period of steady-state operations, supported by improved equipment redundancy, consistent mine access via the new haulage ramp, and rising silver production. We believe 2026 will represent a pivotal inflection point for Kuya as Bethania transitions into a self-funding, low-cost silver producer capable of supporting its next phase of growth under the 100–100 Plan.

Valuation

For our valuation, we have used an enterprise value (EV)/EBITDA framework. Figure 10 below summarizes our comparative peer analysis, which includes a group of silver-focused precious metals producers spanning multiple stages of development and market capitalizations. The upper panel highlights companies primarily focused on silver production, while the subsequent three groups segment the broader peer universe into junior, intermediate, and senior producers based on market capitalization. This structure provides a balanced view of valuation trends across the industry and situates Kuya relative to its most relevant peers.

Figure 10. Comparable Producers

Silver-Focused Precious Metals Producers									
Company Name	Ticker	Share Price 11/04/25	Shares Out. (M)	Market Cap. (\$M)	Enterprise Value (\$M)	Enterprise Value / EBITDA		2025E EBITDA (\$M)	2026E EBITDA (\$M)
Americas Gold and Silver Corporation	(NYSE:USAS, TSX:USA)	\$3.61	271.74	\$980.39	979.5	299.8x	10.5x	3.3	33.7
Avino Silver & Gold Mines Ltd.	(NYSE:ASM, TSX:ASM)	\$4.22	149.87	\$632.44	600.6	13.5x	10.5x	44.6	57.3
Aya Gold & Silver Inc.	(OTCQX:AYASF, TSX:AYA)	\$10.06	141.94	\$1,427.91	1,410.7	17.4x	11.5x	81.2	122.6
Endeavour Silver Corp.	(NYSE:EXK, TSX:EDR)	\$7.50	290.17	\$2,174.83	2,286.4	17.4x	5.3x	131.7	432.1
GoGold Resources Inc.	(OTCQX:GLGDF, TSX:GGD)	\$1.68	378.39	\$633.80	495.7	22.7x	15.1x	21.8	32.8
Guanojato Silver Company Ltd.	(OTCQX:GSVRF, TSXV:GSVR)	\$0.22	551.12	\$122.90	139.7	6.1x	7.2x	22.8	19.4
Silver Mountain Resources Inc.	(OTCQB:AGMRF, TSXV:AGMF)	\$1.63	44.61	\$72.71	71.2	-27.4x	3.3x	(2.6)	18.2
Kuya Silver Corporation	(OTCQB:KUYAF, CSE:KUYA)	\$0.28	143.34	\$40.15	54.9	-14.3x	1.5x	(3.8)	35.9
					Mean	49.3x	9.1x		
					Median	17.4x	10.5x		

Junior Precious Metals Producers									
Company Name	Ticker	Share Price 11/04/25	Shares Out. (M)	Market Cap. (\$M)	Enterprise Value (\$M)	Enterprise Value / EBITDA		2025E EBITDA (\$M)	2026E EBITDA (\$M)
Guanojato Silver Company Ltd.	(OTCQX:GSVRF, TSXV:GSVR)	\$0.22	551.12	\$122.90	139.7	6.1x	7.2x	22.8	19.4
Santacruz Silver Mining Ltd.	(OTCQX:SCZMF, TSXV:SCZ)	\$1.23	365.38	\$449.46	434.2	3.5x	2.8x	123.7	154.7
Sierra Madre Gold and Silver Ltd.	(OTCQB:SMDF, TSXV:SM)	\$1.15	184.27	\$211.92	211.2	26.1x	3.3x	8.1	22.7
Silver Mountain Resources Inc.	(OTCQB:AGMRF, TSXV:AGMF)	\$1.63	44.61	\$72.71	71.2	-27.4x	3.3x	(2.6)	18.2
Kuya Silver Corporation	(OTCQB:KUYAF, CSE:KUYA)	\$0.28	143.34	\$40.15	54.9	-14.3x	1.5x	(3.8)	35.9
					Mean	2.1x	5.8x		
					Median	4.8x	5.6x		

Intermediate Precious Metals Producers									
Company Name	Ticker	Share Price 11/04/25	Shares Out. (M)	Market Cap. (\$M)	Enterprise Value (\$M)	Enterprise Value / EBITDA		2025E EBITDA (\$M)	2026E EBITDA (\$M)
Americas Gold and Silver Corporation	(NYSE:USAS, TSX:USA)	\$3.61	271.74	\$980.39	979.5	299.8x	10.5x	3.3	33.7
Andean Precious Metals Corp.	(OTCQX:ANPMF, TSX:APM)	\$4.25	149.33	\$634.66	650.6	5.0x	3.3x	130.2	168.7
Avino Silver & Gold Mines Ltd.	(NYSE:ASM, TSX:ASM)	\$4.22	149.87	\$632.44	600.6	13.5x	10.5x	44.6	57.3
Aya Gold & Silver Inc.	(OTCQX:AYASF, TSX:AYA)	\$10.06	141.94	\$1,427.91	1,410.7	17.4x	11.5x	81.2	122.6
Endeavour Silver Corp.	(NYSE:EXK, TSX:EDR)	\$7.50	290.17	\$2,174.83	2,286.4	17.4x	5.3x	131.7	432.1
GoGold Resources Inc.	(OTCQX:GLGDF, TSX:GGD)	\$1.68	378.39	\$633.80	495.7	22.7x	15.1x	21.8	32.8
Kuya Silver Corporation	(OTCQB:KUYAF, CSE:KUYA)	\$0.28	143.34	\$40.15	54.9	-14.3x	1.5x	(3.8)	35.9
					Mean	62.6x	9.5x		
					Median	17.4x	10.5x		

Senior Precious Metals Producers									
Company Name	Ticker	Share Price 11/04/25	Shares Out. (M)	Market Cap. (\$M)	Enterprise Value (\$M)	Enterprise Value / EBITDA		2025E EBITDA (\$M)	2026E EBITDA (\$M)
Coeur Mining Inc.	(NYSE:CDE)	\$13.80	642.22	\$8,862.61	8,959.8	8.9x	5.7x	1,009.0	1,569.0
Discovery Silver Corp.	(OTCQX:DSVSF, TSX:DSV)	\$3.65	802.29	\$2,931.95	2,679.5	14.2x	7.5x	188.1	356.3
Fortuna Mining Corp.	(NYSE:FSTM, TSX:FVI)	\$7.84	306.96	\$2,406.57	2,180.3	3.8x	3.1x	578.1	694.8
Hecla Mining Company	(NYSE:HL)	\$11.37	669.38	\$8,016.35	8,276.7	16.9x	12.1x	489.3	686.4
Pan American Silver Corp.	(NYSE:PAAS, TSX:PAAS)	\$33.20	421.98	\$14,009.60	13,640.3	8.1x	5.9x	1,675.0	2,321.0
Kuya Silver Corporation	(OTCQB:KUYAF, CSE:KUYA)	\$0.28	143.34	\$40.15	54.9	-14.3x	1.5x	(3.8)	35.9
					Mean	10.4x	6.3x		
					Median	8.9x	5.9x		

Source: Noble Capital Markets

For our valuation purposes, we are applying a blended average multiple derived from the junior, intermediate, and senior peer groups. Based on 2026 estimates, Kuya's blended peer group trades at an average forward EV/EBITDA multiple of approximately 7.4x. Applying this multiple to our 2026 EBITDA estimate of \$35.9 million implies an enterprise value of \$264.6 million. After adjusting for June 30 cash of \$0.24 million, \$15.0 million in debt expected to be drawn during the first quarter of 2026 to fund construction of a 350-tonne-per-day processing plant, and dividing by our estimate of the company's outstanding shares as of year-end 2026, we derive a 12-month price target of roughly US\$1.40 per share or C\$2.00.

Figure 11. Valuation

Junior, Intermediate, and Senior Blended Group Valuation

2026 EBITDA	\$ 35.9
Multiple	7.4x
Ent Value	\$264.6
Cash	\$ 0.2
Debt	\$ (15.0)
Equity Value	\$249.8
Shares	175.37
USD Price Target	\$ 1.42
CAD Price Target	\$ 2.01

Source: Noble Capital Markets

Our valuation reflects Kuya's expected transition to profitability, its growing production base, and its leverage to silver prices. In our view, these factors support a multiple in line with its peers. As Bethania advances toward steady-state output and begins to generate positive free cash flow, we believe the shares provide strong upside.

Capital and Share Structure and Liquidity

As of June 30, 2025, Kuya Silver reported total current assets of \$2.03 million, including cash of \$243,418, trade receivables of \$759,259, and inventories of \$555,262. Liabilities included current liabilities of \$1.54 million and a reclamation provision of \$1.81 million. Shareholders' equity amounted to \$22.3 million, or approximately \$0.44 per share, based on 122.3 million shares outstanding. In August 2025, the company completed a non-brokered private placement, issuing 18.14 million units for gross proceeds of CAD\$9.07 million to support working capital and exploration activities. As of mid-October 2025, the fully diluted share count was approximately 199.8 million, consisting of 143.3 million shares issued and outstanding, 50.3 million stock purchase warrants, and 6.3 million stock options and restricted stock units.

Management and insiders collectively own approximately 9.0% of the shares, while institutional investors, including Crescat Capital own 8.0%. Other large shareholders include Black Maple Capital, U.S. Global, and RAB Capital. Various family offices in Asia own approximately 15% of the company's outstanding shares.

Company Profile

Kuya Silver Corporation (CSE: KUYA; OTCQB: KUYAF) is an emerging precious metals producer focused on high-grade silver projects in mining-friendly jurisdictions. The company's flagship Bethania Silver Project in central Peru anchors its growth strategy, supported by the district-scale Silver Kings Project in Ontario, Canada, and a joint-venture interest in the Umm Hadid Silver-Gold Project in Saudi Arabia.

Production at Bethania was successfully reinitiated in 2024 through toll milling, with record sales of concentrate reported in the third quarter of 2025 following the completion of key infrastructure upgrades. Kuya is advancing toward the construction of a fully permitted 350-tonne-per-day processing facility, which is expected to significantly reduce costs and enhance control over metallurgical recoveries. At full ramp-up, Bethania is projected to produce approximately 1.37 million silver-equivalent ounces per year, based on the current Preliminary Economic Assessment.

Fundamental Analysis — 3.0/5.0

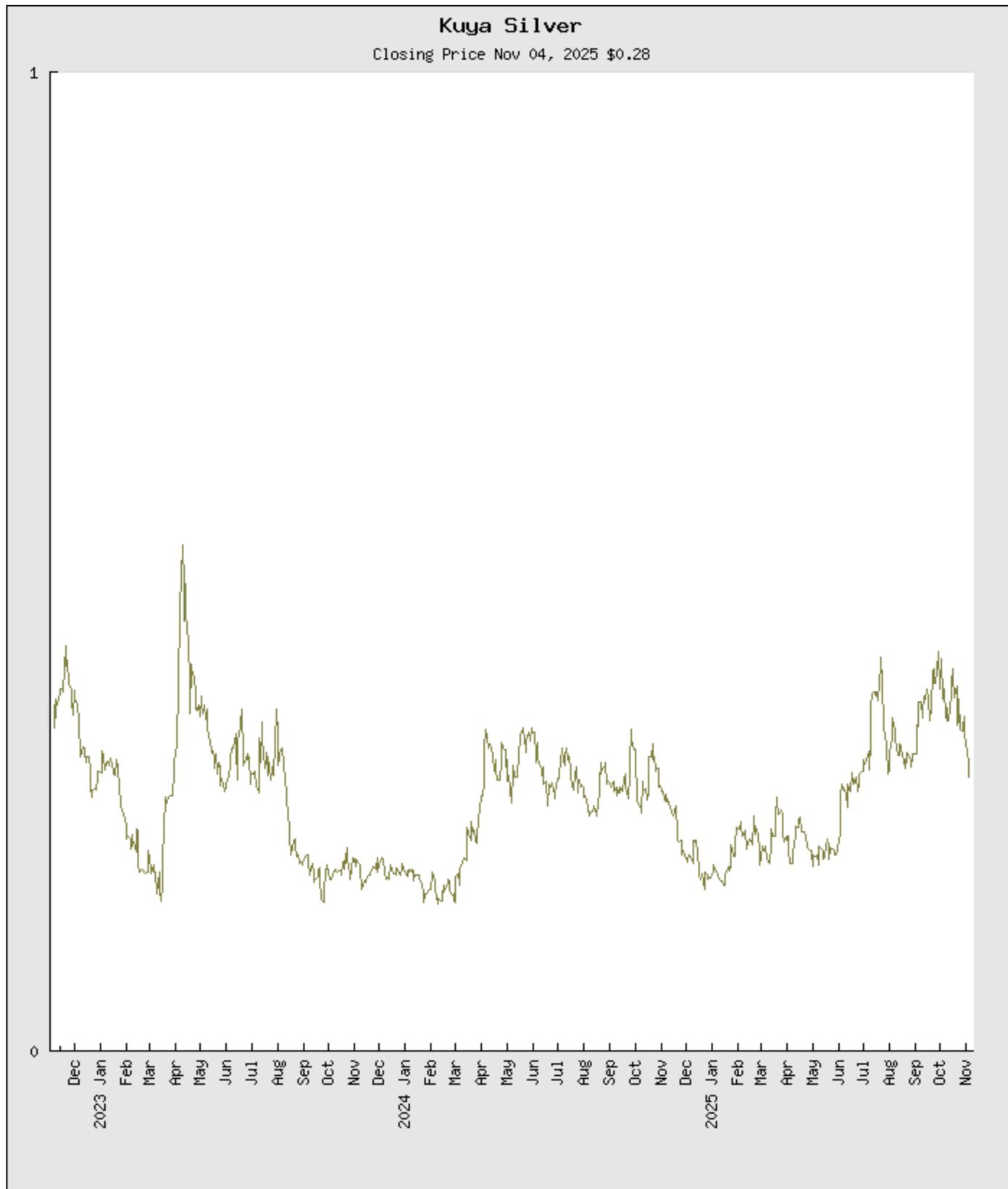
Our fundamental assessment rating, separate from our investment rating and valuation, is based on five key attributes. We assign 3.0 checks out of 5.0, which falls within our "Average" range of 2.5 to 3.0 checks. In our view, Kuya benefits from a technically strong, shareholder-aligned management team with meaningful insider ownership. The company's properties are in mining-friendly jurisdictions with significant near- and long-term production potential. The Bethania Project provides a clear path to near-term cash flow generation and operational scale, supported by a fully permitted plant site and low projected all-in sustaining costs. We believe Kuya's phased growth strategy and early cash flow generation from toll milling represent prudent steps toward self-funding future expansion. Our rating reflects that the company remains in the early stages of its production ramp-up and may require incremental external financing to complete construction of the 350-tpd plant. For further explanation of our fundamental analysis methodology, please refer to the disclosures at the end of this report.

Valuation Summary

For our valuation purposes, we are applying a blended average multiple derived from the junior, intermediate, and senior peer groups. Based on 2026 estimates, Kuya's blended peer group trades at an average forward EV/EBITDA multiple of approximately 7.4x. Applying this multiple to our 2026 EBITDA estimate of \$35.9 million implies an enterprise value of \$264.6 million. After adjusting for June 30 cash of \$0.24 million, \$15.0 million in debt expected to be drawn during the first quarter of 2026 to fund construction of a 350-tonne-per-day processing plant, and dividing by our estimate of the company's outstanding shares as of year-end 2026, we derive a 12-month price target of roughly US\$1.40 per share or C\$2.00.

Our valuation reflects Kuya's expected transition to profitability, its growing production base, and its leverage to silver prices. In our view, these factors support a multiple in line with its peers. As Bethania advances toward steady-state output and begins to generate positive free cash flow, we believe the shares provide strong upside.

Kuya Silver Corp. (OTCQB: KUYAF, CSE: KUYA)													
US\$, except where noted													
	FY 2023	FY 2024	Q1 2025	Q2 2025	Q3 2025E	Q4 2025E	FY 2025E	Q1 2026E	Q2 2026E	Q3 2026E	Q4 2026E	FY 2026E	FY 2027E
Income Statement													
Revenue:													
Revenue from sale of concentrates	0	150,129	225,997	1,163,673	957,220	3,073,095	5,419,985	5,537,294	11,302,948	13,448,997	19,892,733	50,181,973	82,394,402
Operating expenses	0	0	0	(467,989)	(85,588)	(412,238)	(965,815)	(715,230)	(1,446,353)	(1,705,954)	(2,503,302)	(6,370,839)	(10,180,089)
Net revenue	0	150,129	225,997	695,684	871,632	2,660,857	4,454,170	4,822,064	9,856,595	11,743,043	17,389,431	43,811,134	72,214,313
Property expenses:													
Depreciation and amortization	0	0	0	0	(150)	(572)	(722)	(41,774)	(166,215)	(290,039)	(559,988)	(1,058,016)	(2,127,779)
Exploration and evaluation expenditures	(2,518,775)	(4,110,038)	(1,098,345)	(410,033)	(1,500,000)	(3,000,000)	(6,008,378)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(6,000,000)	(6,000,000)
Administrative expenses:													
Administrative costs	(61,496)	(107,372)	(26,179)	(25,728)	(25,792)	(25,857)	(103,556)	(25,921)	(25,986)	(26,051)	(26,116)	(104,075)	(105,120)
Consulting fees	(7,431)	(4,135)	0	0	0	0	0	0	0	0	0	0	0
Directors' fees	(99,988)	(98,493)	(23,508)	(24,395)	(24,456)	(24,517)	(96,876)	(24,578)	(24,640)	(24,701)	(24,763)	(98,683)	(99,674)
Filing fees	(32,593)	(30,398)	(6,892)	(9,301)	(9,324)	(9,348)	(34,865)	(9,371)	(34,952)	(9,394)	(35,039)	(88,757)	(141,036)
Management fees	(62,236)	(61,323)	(14,632)	(15,168)	(15,206)	(15,244)	(60,250)	(15,282)	(60,400)	(15,320)	(60,551)	(151,554)	(243,723)
Marketing and investor relations	(178,117)	(296,313)	(30,007)	(55,197)	(55,335)	(55,473)	(196,012)	(55,612)	(196,502)	(55,751)	(196,994)	(504,859)	(792,912)
Office and miscellaneous	(332,072)	(269,914)	(69,880)	(112,448)	(112,729)	(113,011)	(408,068)	(113,293)	(409,088)	(113,577)	(410,111)	(1,046,069)	(1,650,722)
Professional fees	(296,402)	(318,867)	(57,805)	(118,642)	(118,939)	(119,236)	(414,622)	(119,534)	(415,658)	(119,833)	(416,697)	(1,071,722)	(1,677,233)
Share-based compensation	(316,925)	(299,373)	(127,110)	(72,118)	(72,298)	(72,479)	(344,005)	(72,660)	(344,865)	(72,842)	(345,728)	(836,095)	(1,391,575)
Shareholder communication	(10,786)	(9,831)	(1,289)	(2,811)	(2,818)	(2,825)	(9,743)	(2,832)	(9,767)	(2,839)	(9,792)	(25,231)	(39,413)
Transfer agent	(15,634)	(11,366)	(1,971)	(8,772)	(8,794)	(8,816)	(28,353)	(8,838)	(28,424)	(8,860)	(28,495)	(74,617)	(114,693)
Travel	(127,311)	(194,243)	(17,874)	(5,317)	(5,330)	(5,344)	(33,865)	(5,357)	(33,950)	(5,370)	(34,034)	(78,711)	(136,991)
Wages and benefits	(686,668)	(614,394)	(167,807)	(161,513)	(161,917)	(162,322)	(653,558)	(162,727)	(655,192)	(163,134)	(656,830)	(1,637,884)	(2,643,783)
Warrants issued for loans payable	0	0	0	0	0	0	0	0	0	0	0	0	0
Total administrative expenses	(2,227,659)	(2,316,022)	(544,954)	(611,410)	(612,939)	(614,471)	(2,383,773)	(616,007)	(2,239,426)	(617,674)	(2,245,151)	(5,718,257)	(9,036,874)
Operating loss	(4,746,434)	(6,275,931)	(1,417,302)	(325,759)	(1,241,457)	(954,186)	(3,938,704)	2,664,283	5,950,954	9,335,331	13,084,292	31,034,861	55,049,661
Accretion expense	(59,693)	(108,765)	(30,307)	(14,465)	0	0	(44,772)	0	0	0	0	0	0
Foreign exchange gain (loss)	13,207	(54,886)	(20,901)	30,426	0	0	9,525	0	0	0	0	0	0
Gain on settlement of accounts payable and accrued liabilities	13,440	0	0	0	0	0	0	0	0	0	0	0	0
Interest expense	0	0	0	0	0	0	0	(375,000)	(375,000)	(375,000)	(375,000)	(1,500,000)	(1,031,250)
Interest income	0	36,003	516	3,551	0	0	4,067	0	0	0	0	0	0
Recognition of flow-through share premium	242,573	356,373	119,008	23,688	0	0	142,696	0	0	0	0	0	0
Other income (loss), net	209,527	228,725	68,316	43,200	0	0	111,516	(375,000)	(375,000)	(375,000)	(375,000)	(1,500,000)	(1,031,250)
Pre-tax income (loss)	(4,536,907)	(6,047,206)	(1,348,986)	(282,559)	(1,241,457)	(954,186)	(3,827,188)	2,289,283	5,575,954	8,960,331	12,709,292	29,534,861	54,018,411
Income tax expense (benefit)	0	0	0	0	0	0	0	0	0	0	(3,812,788)	(3,812,788)	(16,205,523)
Net income (Loss) for the period	(4,536,907)	(6,047,206)	(1,348,986)	(282,559)	(1,241,457)	(954,186)	(3,827,188)	2,289,283	5,575,954	8,960,331	12,709,292	29,534,861	54,018,411
Other comprehensive income (loss):													
Foreign currency translation adjustment	504,337	(1,788,643)	22,002	1,101,465	0	0	1,123,467	0	0	0	0	0	0
Comprehensive loss for the period	(4,032,570)	(7,835,849)	(1,326,984)	818,906	(1,241,457)	(954,186)	(2,703,721)	2,289,283	5,575,954	8,960,331	12,709,292	29,534,861	54,018,411
Net Income (Loss) per common share	(0.06)	(0.06)	(0.01)	(0.01)	(0.01)	(0.01)	(0.03)	0.01	0.03	0.05	0.07	0.17	0.30
Weighted average number of common shares outstanding	71,126,641	100,860,882	109,403,362	121,362,844	132,017,821	147,452,704	127,559,183	166,833,307	172,032,474	174,928,964	175,366,286	172,290,258	179,998,184
EBITDA:													
Net income (loss)	(4,536,907)	(6,047,206)	(1,348,986)	(282,559)	(1,241,457)	(954,186)	(3,827,188)	2,289,283	5,575,954	8,960,331	12,709,292	29,534,861	54,018,411
Depreciation and amortization	85,672	1,351	3,677	4,027	150	572	722	41,774	166,215	290,039	559,988	1,058,016	2,127,779
Interest expense, net	0	15,963	0	0	0	0	0	375,000	375,000	375,000	375,000	1,500,000	1,031,250
Income tax expense	0	0	0	0	0	0	0	0	0	0	3,812,788	3,812,788	16,205,523
EBITDA	(4,451,235)	(6,029,892)	(1,345,309)	(278,532)	(1,241,307)	(953,614)	(3,826,465)	2,706,057	6,117,170	9,625,370	17,457,068	35,905,664	73,382,963



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The fundamental assessment rating system is designed to provide insights on the company's fundamentals both on a macro level, which incorporates a company's market opportunity and competitive position, and on a micro/company specific level. The micro/company specific attributes include operating & financial leverage, and corporate governance/management. The number of check marks that a company receives is designed to provide a quick reference and easy determination of the company's fundamentals based upon the following five attributes of the company (weighting reflects the importance of each attribute in the overall scoring of company's fundamental analysis):

Attribute	Weighting
Corporate Governance/Management	20%
Market Opportunity Analysis	20%
Competitive Position	20%
Operating Leverage	20%
Financial Leverage	20%

For each attribute, the analysts score the company from a low of zero to a high of ten based upon the analysis described below. The final rating and resulting check marks is a result of dividing the overall score (out of 100%) by ten.

Rating	Score	Checks
Superior	9.1 to 10	Five Checks
Superior	8.1 to 9	Four & A Half Checks
Above Average	7.1 to 8	Four Checks
Above Average	6.1 to 7	Three & A Half Checks
Average	5.1 to 6	Three Checks
Average	4 to 5	Two & A Half Checks
Below Average	3 to 3.9	Two Checks
Below Average	2 to 2.9	One & A Half Checks
Low Quality	0 to 1.9	One Check

While these are the attributes currently used for the analyst's fundamental analysis, the attributes and weighting may be reviewed, updated with additional attributes, and/or changed in the future based on discussions with the analysts and recommendations from the Director of Research.

Following is the description of each attribute in the fundamental analysis.

Corporate Governance/Management

We believe that a review of corporate governance and assessment of the senior management are important tools to determine investment merit. Good corporate governance aligns management with the interests of stakeholders. As such, analysts are to rank the company on the basis of good corporate governance principles that may include rules and procedures, board composition and staggered term limits, rights and responsibilities, corporate objectives, monitoring of actions and policies, and accountability. In addition, analysts will assess issues with controlling shareholders and whether decisions have been made in the past that were in the interests of all shareholders. In addition, management will be assessed based on industry experience, expertise, and/or track record.

High ranking example: Board and management that is aligned with the interests of shareholders with incentives based on stock price appreciation and with an experienced management team known for exceptional shareholder returns.

Low ranking example: Concentrated ownership without independent directors that do not necessarily align with all shareholders' interests.

The Market Opportunity Analysis

In this review, the analyst assesses the company's macro environment as a measure of understanding the industry. Factors considered include the size and growth potential of the industry under various economic conditions, the emerging demands in the market, technological benefits/disruptions, competition, geographical opportunities, and customer demands/needs, and an assessment of supply and distribution channels. In addition, the analyst will review legal and regulatory trends, as well as potential shifts in consumer or social behavior and natural environment changes.

High rank example: A company in an industry that is growing revenues well above GDP rates (which are on average 2% plus) and/or may have unmet or underserved needs in a rapidly growing market opportunity.

Low rank example: A mature industry that is in secular decline and likely to grow below GDP rates.

Competitive Position

The evaluation of the company's competitive position is another macro environment attribute designed to measure the relevance, market share, position and value proposition, and sustainable differentiations of the company and its products/services within its industry. Ease of entry into the industry and the ability of other well-funded players to potentially enter the market would be determined. As such, the assessment would consider the company's strengths and advantages of its products/services against weaknesses and limitations. This may include the company's current brand awareness, pricing and cost structure, current market strategies and geographic penetration that may affect demand for its products/services. In addition, the company's competitors would be evaluated.

High rank example: An analyst would consider the company's product to be superior to its competitors and that should allow the company to gain market share.

Low rank example: A company with a "me-too" product that does not have any significant technology advantages in an industry that has low barriers to entry.

Operating Leverage

Simplistically, operating leverage is determined by the operating income relative to changes in revenue. The analyst will calculate the impact on sensitivity on gross margins and variable costs to determine operating leverage. The analyst will take into account the ability of the company to cut fixed and variable costs in a challenged revenue environment and technological changes that may impact operating expenses. In addition, the analyst is to assess corporate strategies that include capital investment, which may be required for sustainable revenue growth, marketing expenses, and the company's ability to attract and retain talent and/or employees. The analyst should focus on the revenue opportunity and determine the price elasticity of demand for the company's products or services. In other words, the analyst is to rank the company based on improved operating margins going forward on an absolute and relative basis.

High rank example: A company that has improving margins for the foreseeable future, with significant price elasticity.

Low rank example: A company that is in a challenged revenue environment with a fixed cost structure and limited ability to cut costs, indicating an outlook for declining margins.

Financial Leverage

A strict definition of financial leverage is total debt divided by total shareholder's equity. Financial leverage analysis is to determine the company's ability to improve shareholder value by means of utilizing its balance sheet to grow organically or to acquire assets. Analysts may look at the company's debt to cash flow leverage ratio, interest coverage ratios, or debt to equity ratios. In addition, the interest rate environment and the outlook for interest rates are a factor in determining the company's ability to manage financial leverage. Finally, the analyst is expected to determine the ability to service the debt given the industry and/or company profile, such as cyclicalities, barriers to entry, history of bankruptcy, consistency in revenue and profit growth, or predictability in sales and profits and large cash reserves. The analyst is expected to take into account capital intensity of the company and the anticipated of capital allocation decisions.

High rank example: A company with predictable and growing revenue and cash flow with modest debt levels. This may indicate that the company could improve shareholder value through growth investments, including acquisitions, using debt financing.

Low rank example: A company in a cyclical industry in a late stage economic cycle that has above average debt leverage and is in an industry that has a history of financial challenges, including bankruptcies.

ANALYST CREDENTIALS, PROFESSIONAL DESIGNATIONS, AND EXPERIENCE

Senior Equity Analyst focusing on Basic Materials & Mining. 20 years of experience in equity research. BA in Business Administration from Westminster College. MBA with a Finance concentration from the University of Missouri. MA in International Affairs from Washington University in St. Louis.

Named WSJ 'Best on the Street' Analyst and Forbes/StarMine's "Best Brokerage Analyst."

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Outperform: potential return is >15% above the current price	87%	16%
Market Perform: potential return is -15% to 15% of the current price	13%	4%
Underperform: potential return is >15% below the current price	0%	0%

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Additional information is available upon request. Any recipient of this report that wishes further information regarding the subject company or the disclosure information mentioned herein, should contact Noble Capital Markets, Inc. by mail or phone.

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