

LUCA MINING
RESEARCH REPORT

LUCA

LUCA MINING: A DUAL-ASSET POLYMETALLIC POWERHOUSE

From Optimized Operations to
Exploration Upside—A Comprehensive
Look at a High-Potential Producer

EXECUTIVE SUMMARY

Luca Mining (TSXV: LUCA | OTCQX: LUCMF | Frankfurt: Z68) is a Canadian publicly traded mining company with two fully operational polymetallic projects in Mexico—Campo Morado in Guerrero and Tahuehueto in Durango. These assets position Luca as a cash-generating, growth-focused company producing gold, zinc, copper, silver, and lead, providing investors with exposure to both precious and base metals.

The company's strategy is centered on optimization, exploration, and expansion, leveraging its established infrastructure and resource potential to drive long-term value.

Campo Morado, a 16.6 million-tonne resource with a processing capacity of 2,400 tpd, is a producing underground mine focused on gold, silver, copper, zinc and lead.

Meanwhile, Tahuehueto, a high-grade underground gold-silver project, is ramping its commercial production towards a 1,000 tpd processing capacity. With over a dozen untested veins, the mine has the potential to become a district-scale discovery, comparable to Mexico's renowned San Dimas mining district.

With 80,000 to 100,000 gold-equivalent ounces forecasted for 2025 across both operations, Luca is positioned for steady production growth. The company has \$500 million in infrastructure already in place, significantly de-risking operations and eliminating the need for major capital expenditures. Additionally, its commitment to debt reduction aims to fully pay off outstanding liabilities by mid-2026 through cash flow and warrant exercises, ensuring a stronger balance sheet.

Beyond production stability, Luca's exploration upside is a transformative catalyst. Both projects remain significantly underexplored, with substantial potential to expand resources and extend mine life. This, combined with ongoing operational improvements, positions Luca as a high-potential, low-risk investment in the mining sector.

Luca's combination of immediate cash flow, resource expansion, and operational optimization makes it an attractive opportunity for investors seeking exposure to both defensive precious metal and cyclical base metal assets.

With a seasoned management team, de-risked operations, and a strategic growth roadmap, Luca is well-positioned to deliver sustained shareholder value while capitalizing on Mexico's rich mineral endowment.



TWO MINES – ONE VISION



CAMPO MORADO

BUILDING A CASH-FLOW POWERHOUSE IN THE HEART OF MEXICO

STRATEGIC LOCATION WITH BUILT-IN INFRASTRUCTURE

Campo Morado is Luca Mining’s flagship polymetallic operation, located in the mining-rich state of Guerrero, Mexico. The project covers 121 square kilometres and is situated just 160 kilometres southwest of Mexico City, with excellent access via national highways and municipal roads. This location enables efficient transport of materials and personnel, while the site itself hosts comprehensive infrastructure, including:

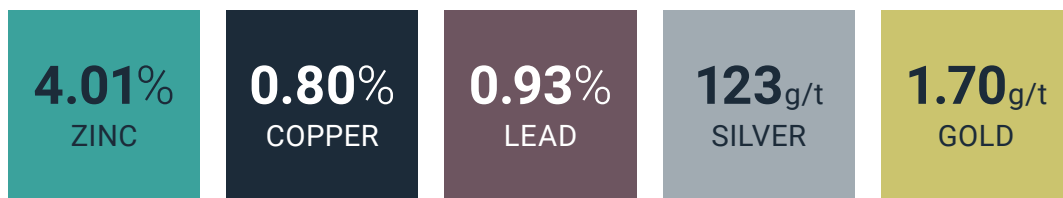
- **A fully operational 2,400 tonnes-per-day (tpd) processing plant**
- **Established underground portals and declines**
- **Tailings storage, ore stockpiles, and maintenance workshops**
- **On-site medical clinic, living quarters, and office facilities**
- **Reliable water supply and grid-connected power**

This infrastructure—valued at approximately US\$500 million—significantly de-risks the asset by removing near-term capital requirements.

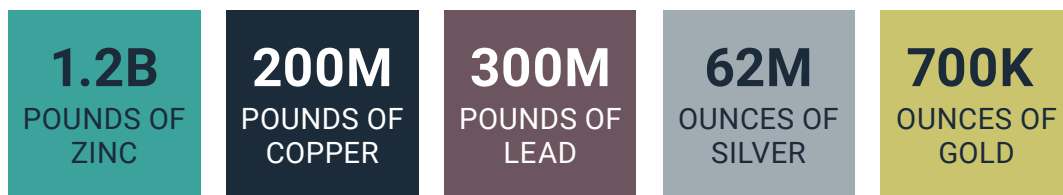
ROBUST POLYMETALLIC RESOURCE BASE

Campo Morado is underpinned by a large, high-grade mineral resource. According to the most recent NI 43-101 compliant Preliminary Economic Assessment, the project contains:

16.6 million tonnes of Measured and Indicated (M&I) resources, grading:



This equates to an in-situ inventory of:



The deposit is characterized as a volcanogenic massive sulfide (VMS) system, offering strong leverage to both base and precious metals.

TRACK RECORD OF PRODUCTION AND DEVELOPMENT

Campo Morado has a long-standing production history. Initially developed by Farallon Resources in 2009 and acquired by Nyrstar in 2010 for approximately C\$420 million, the mine operated until 2015 before being placed on care and maintenance due to weak metal prices. Luca Mining (then Altaley) acquired the mine in 2017, restarted operations by the end of that year, and declared commercial production in May 2018. Since then, the company has steadily increased throughput, now averaging 2,000+ tpd, with plans to optimize toward the full 2,400 tpd capacity.

OPTIMIZATION PROGRAM DRIVING OPERATIONAL GAINS

In December 2023, Luca launched the Campo Morado Improvement Program in partnership with Ausenco Consultants, replacing earlier work done using Jameson Cell test methods. The program focused on metallurgical upgrades and process redesigns, delivering several key outcomes:

- **Implementation of a copper-lead separation circuit**
- **Installation of advanced process controls (airflow and level control)**
- **Refurbishment of flotation mechanisms and metallurgical lab**
- **Sustainable increases in recoveries and concentrate grades**

These efforts have led to improved efficiency, enhanced operational reliability, and stronger cash flow margins. To fund the upgrades, Luca secured a strategic financing package in late 2023, reflecting strong confidence in the asset's economics and scalability.

2025 OUTLOOK: GROWTH AND DELEVERAGING

Campo Morado is forecast to produce between 54,000–64,000 gold-equivalent ounces (AuEq) in 2025. With no major capital expenditures planned and operational throughput ramping steadily, the mine is expected to deliver meaningful free cash flow this year.

Financially, the company is on a firm path to strengthening its balance sheet. Luca has already reduced debt from US\$18.2 million to US\$8.5 million, with a stated goal of being debt-free by mid-2026. This will be achieved through internal cash flow and the exercise of in-the-money warrants.

EXPLORATION REAWAKENS AFTER A DECADE

For the first time in more than ten years, Luca is relaunching exploration at Campo Morado. The company has identified:

- **38 exploration targets, including 4 “drill-ready” zones**
- **Extensive historical drilling data—over 580,000 metres of core**
- **Surface mapping, geochemical sampling, and geophysics programs underway**

Given the scale of the land package and the lack of recent exploration, Campo Morado offers significant untapped resource potential.

A CORE ASSET FOR LONG-TERM VALUE CREATION

Campo Morado is the financial engine of Luca Mining's portfolio—a consistent, cash-generating asset with robust infrastructure, a long mine life, and material growth upside. With operations now optimized, exploration advancing, and a clear path to becoming debt-free, Campo Morado exemplifies Luca's disciplined, value-driven growth model. It is positioned to support the company's strategy to scale into a 200,000+ oz AuEq mid-tier producer through both organic growth and strategic M&A.



TAHUEHUETO

MEXICO'S NEXT HIGH-GRADE GOLD-SILVER PRODUCER

STRATEGIC LOCATION IN A WORLD-CLASS MINERAL BELT

Tahuehueto is Luca Mining's newest producing asset, located in the prolific Sierra Madre Mineral Belt in northwestern Durango State, Mexico—a region known for world-class gold and silver deposits. The 75 square-kilometre property is situated approximately 250 kilometers northwest of Durango City and 160 kilometers northeast of Culiacan, with nearby producing operations including the Topia polymetallic-silver mine and the La Cienega gold-silver-base metal mine.

The project is well-connected to regional infrastructure. The nearest service center, Tepehuanes, is located 175 kilometers away, offering access to a 34.5 kV power line and telecommunications. The site itself operates on diesel-generated power, with a hybrid solar-gas upgrade in the works to enhance energy efficiency and reduce operating costs.

STRONG RESOURCE AND RESERVE BASE

Tahuehueto is underpinned by a technically robust and geologically diverse resource. According to the NI 43-101 Preliminary Feasibility Study (PFS), the project hosts:

- **Proven Reserves:** 2.538 million tonnes @ 2.89 g/t gold, 51.93 g/t silver, 0.27% copper, 1.18% lead, 2.07% zinc
- **Probable Reserves:** 1.227 million tonnes @ 1.90 g/t gold, 46.48 g/t silver, 0.23% copper, 0.96% lead, 1.63% zinc
- **Measured & Indicated Resources:** 6.3 million tonnes @ 2.11 g/t gold, 46.97 g/t silver, 0.27% copper, 0.90% lead, 1.98% zinc
- **Inferred Resources:** 3.5 million tonnes @ 1.3 g/t gold, 37.5 g/t silver, 0.27% copper, 1.34% lead, 2.44% zinc

This multi-metal profile provides strong exposure to precious metals with the added benefit of base metal by-product credits, enhancing overall project economics.

COMMERCIAL PRODUCTION ACHIEVED IN Q1 2025

Following years of construction and staged commissioning, Tahuehueto achieved commercial production in Q1 2025. A major milestone was the installation and testing of the second ball mill, bringing the plant's total installed grinding capacity to 1,250 tpd, with current throughput ramping to the targeted 1,000 tpd.

Luca Mining has already proven its ability to scale production. The mine reached 500 tpd output in June 2023, laying the groundwork for consistent full-scale operations.

With full ramp-up now underway, Tahuehueto is expected to produce 31,000–36,000 ounces of gold-equivalent (AuEq) in 2025, with future years targeting 40,000+ AuEq ounces annually. Operating costs are highly competitive, and the project carries a 10+ year mine life.

EXCEPTIONAL EXPLORATION UPSIDE

Tahuehueto is far from fully explored. The property contains 12+ identified mineralized zones hosted within a structurally controlled epithermal system that stretches over 6 kilometers. These zones remain largely open along strike and at depth.

After a decade-long pause in drilling, exploration resumed in Q4 2024. In early 2025, first assays from new step-out drilling confirmed the discovery of additional high-grade gold zones, with strong continuity in the vein system. This has strengthened Luca's thesis that Tahuehueto has district-scale potential, drawing comparisons to Mexico's iconic San Dimas mining district.

COMPELLING PROJECT ECONOMICS

The April 2022 PFS outlines a financially robust project, even at conservative commodity prices. Key economic indicators include:

- **After-tax NPV (5%): US\$131.8 million**
- **Internal Rate of Return (IRR): 65%**
- **Payback Period: Less than two years**

These metrics reflect the value of the project's high grades, low costs, and streamlined development path. They also do not yet include upside from recent exploration success or potential mill expansion.

STRATEGIC ROLE IN LUCA'S GROWTH PLAN

Tahuehueto is now in the early stages of what Luca Mining believes will become a core high-margin, cash-flow-generating asset. It offers exposure to gold and silver in a jurisdiction known for its supportive mining framework, robust infrastructure, and strong geological potential.

The ramp-up of Tahuehueto aligns with Luca's broader corporate vision: to scale production across both assets to 200,000+ gold-equivalent ounces annually, elevating the company into mid-tier producer status.

With Campo Morado providing steady cash flow and Tahuehueto adding high-grade gold production and exploration optionality, Luca Mining is building a powerful and balanced two-asset platform for sustainable value creation.

WHY MEXICO

Mexico is widely regarded as one of the world's most important mining jurisdictions, combining vast mineral resources with a strong investment ecosystem. The country has a deep-rooted mining tradition and remains a prime destination for global mining companies.

Recent policy developments have reinforced Mexico's commitment to responsible mining while maintaining an attractive environment for investors. The country's stable mining operations, ongoing foreign capital inflows, and renewed government dialogue with the industry signal continued growth.

With record-high foreign investment in 2024, Mexico is well-positioned to remain a leading jurisdiction for mining, offering strong opportunities for companies worldwide.

- **Proven Mining Powerhouse** – Mexico has a long-standing mining tradition and ranks as the world's top silver producer, along with being a major supplier of gold, copper, and zinc.
- **Investor-Friendly Regulations** – The country's legal framework allows 100% foreign ownership of mining operations, with strong legal protections for investors under the Mining Law.
- **Long-Term Security for Mining Concessions** – Mexico historically granted 50-year concessions; the 2023 mining law update reduced this to 30 years (renewable once), while ensuring existing concessions remain legally protected.
- **Competitive Tax Incentives** – Mining companies benefit from tax deductions, zero export taxes, and double taxation treaties with the U.S., Canada, and Australia, reducing fiscal burdens.
- **Nearshoring Boom & Government Support** – The 2025 "Plan Mexico" initiative provides MXN 30 billion in tax incentives for companies investing in Mexico, strengthening North American supply chain integration.
- **World-Class Infrastructure & Skilled Workforce** – Mexico has modern ports, rail networks, and power grids, supporting mining operations, with a mining workforce of over 417,000 professionals.
- **Strategic Location with Global Access** – As a key supplier to the U.S. market, Mexico provides tariff-free mining exports under the USMCA trade agreement, giving it a huge edge over South American competitors.
- **Diverse & Rich Mineral Deposits** – Beyond silver and gold, Mexico is a top global producer of lithium, fluorite, molybdenum, and industrial minerals, crucial for EV batteries and green technologies.
- **Lower Operating Costs vs. Canada & Australia** – Mexico's labor, energy, and infrastructure costs are significantly cheaper than North America and Australia, increasing profit margins for mining companies.
- **Record Foreign Investment & Future Growth** – In 2024, foreign direct investment in mining hit US\$900 million, reinforcing Mexico's status as a leading mining jurisdiction for long-term opportunities.



GLOBAL DEMAND FOR LUCA'S MINERAL RESOURCES

GOLD

The demand for gold is poised to remain robust over the next decade, driven by macroeconomic and geopolitical factors that emphasize its role as a safe-haven asset, states the World Gold Council. Central banks, which have purchased over 1,000 tonnes annually in recent years, are expected to continue driving demand as they diversify reserves away from the US dollar. The World Gold Council (WGC) projects that gold prices could surpass \$3,000 per ounce by 2025, supported by declining interest rates, a weaker US dollar, and sustained central bank purchases. Beyond 2025, analysts anticipate further growth in gold demand, underpinned by its strategic importance in volatile markets. The WGC forecast estimates the global gold market will rise from 4,700 tonnes in 2024 to 6,300 tonnes by 2030 (about 5.1% CAGR).

Gold's use in electronics, medical devices, and renewable technologies may also contribute to steady long-term consumption. Constraints on new mining projects will also impact availability, potentially driving demand for gold.

SILVER

The demand for silver is expected to remain strong over the next decade, fueled by its critical role in industrial applications and investment demand, according to the Silver Institute. The global shift toward renewable energy, electrification, and advanced technologies continues to elevate silver's importance, particularly in the solar photovoltaic (PV) industry, where demand reached a record 193.5 million ounces in 2023.

The Silver Institute projects that silver prices could surpass \$35 per ounce by 2025, supported by rising industrial consumption, persistent supply deficits, and investor interest. Beyond 2025, analysts anticipate continued strong demand growth, particularly as global green energy initiatives expand and silver's use in electronics, batteries, and automotive applications increases.

One forecast estimates the global silver market will rise from approximately 1.2 billion ounces in 2024 to 1.5 billion ounces by 2030, with an annual growth rate of around 3.2% CAGR.

Silver's demand in electronics, medical devices, and 5G technology is also set to increase, while supply constraints from limited mining expansion may further support higher silver prices in the long term.

COPPER

The demand for copper is set to surge over the next decade, driven by electrification, renewable energy expansion, and infrastructure development, according to the International Copper Study Group (ICSG). The global transition to electric vehicles (EVs) and the expansion of power grids and renewable energy systems are expected to significantly boost copper consumption.

The ICSG projects that copper prices could surpass \$12,000 per tonne by 2030, supported by growing industrial use, supply constraints, and increasing demand from energy transition projects. The demand for refined copper is expected to rise from 26 million tonnes in 2024 to over 36 million tonnes by 2035, reflecting a compound annual growth rate (CAGR) of ~3%.

Copper's role in EVs (which require 2–4 times more copper than traditional vehicles), charging infrastructure, and grid modernization will be a major demand driver. Additionally, supply risks, including declining ore grades and limited new mining projects, could lead to long-term market tightness and sustained high prices.

LEAD

Lead demand is expected to grow steadily over the next decade, mainly driven by its dominance in lead-acid batteries, states the International Lead and Zinc Study Group (ILZSG). Despite the rise of lithium-ion technology, lead-acid batteries remain essential for automotive, industrial backup power, and telecommunications storage solutions.

According to the ILZSG, global lead demand is projected to increase from 12.8 million tonnes in 2024 to approximately 15 million tonnes by 2035, with a modest CAGR of ~1.5%. The automotive industry (both traditional and electric vehicles, which still use lead-acid auxiliary batteries) will sustain demand, while the growth of data centers and renewable energy storage may further contribute to lead consumption.

Environmental concerns and recycling improvements mean that secondary (recycled) lead production will play a growing role in meeting demand. Lead's long-standing dominance in low-cost, reliable energy storage solutions ensures it remains a key material, despite evolving battery technologies.

ZINC

Zinc demand is poised for moderate growth over the next decade, primarily due to its essential role in galvanizing steel for construction, infrastructure, and automotive sectors, reports the International Lead and Zinc Study Group (ILZSG). The expansion of urban development, renewable energy projects, and transportation infrastructure will support continued zinc consumption.

The ILZSG estimates that global zinc demand will rise from approximately 13.7 million tonnes in 2024 to over 16 million tonnes by 2035, with a CAGR of around 1.8%. Major demand will come from emerging markets, particularly India, China, and Southeast Asia, as these regions continue rapid infrastructure expansion.

Zinc's growing applications in battery technologies, particularly zinc-air and zinc-flow batteries for energy storage, could provide new demand avenues. However, supply fluctuations due to mine closures and environmental regulations may impact future zinc availability, potentially supporting higher prices in the long run.





**PROVEN
LEADERSHIP
DRIVING
GROWTH AND
SHAREHOLDER
VALUE**

Luca Mining's Board of Directors comprises industry leaders with expertise in finance, mining, exploration, and corporate strategy, driving sustained growth and value creation in the resource sector. With global experience across North America, Europe, Latin America, Africa, and Asia, they provide strong governance and strategic vision. Their combined financial acumen, operational excellence, and capital markets expertise position the company to maximize shareholder value, secure funding, and advance high-potential resource projects worldwide.



PETER DAMOUNI
CHAIRMAN AND DIRECTOR

Peter Damouni is an experienced corporate and investment banking professional with a 20-year track record in the natural resources sector. He has held executive and board positions for multiple public companies listed on the TSX, TSXV, and LSE, demonstrating strong strategic and financial acumen. Throughout his career, Peter has played a key role in corporate strategy development, including equity and debt financings, restructurings, joint ventures, mergers, acquisitions, and divestitures. His extensive background in capital markets and corporate finance allows him to support the company's growth, financial structuring, and strategic initiatives in the mining sector.



RORY GODINHO
DIRECTOR

With over 35 years of capital markets experience, Rory Godinho has a deep understanding of mergers and acquisitions, public and private equity, debt financings, and regulatory compliance. He is a co-founder and financier of E3 Lithium Ltd. (TSXV: ETL), a prominent Canadian lithium resource and technology company. As Co-Chair of Cozen O'Connor's Canadian Capital Markets and Securities Group, Rory has leveraged his extensive finance network to help multiple publicly listed companies secure substantial growth capital. Cozen O'Connor is a top-tier international law firm ranked among the Amlaw 100. Rory also served as Chair of the TSX Venture Exchange's National Advisory Committee, further solidifying his expertise in navigating capital markets and regulatory frameworks.



RUBEN ALVIDREZ ORTEGA
DIRECTOR

Ruben Alvidrez Ortega is an Industrial Engineer with an MBA from Notre Dame University and extensive experience in corporate and commercial banking operations. His expertise lies in risk management, continuous improvement, and project development, making him a key asset in financial oversight. Over a career spanning more than 25 years, Ruben has held several leadership roles at Citigroup, overseeing operations in both Mexico and the United States. He led large teams, managing corporate banking clients and strategic initiatives, and most recently served as Senior Vice-President of Custody Operations within Citigroup's corporate segment until February 2020. His expertise in financial controls, risk assessment, and banking operations brings valuable insight into corporate finance and strategic growth initiatives.



NEIL O'BRIEN
INDEPENDENT DIRECTOR

Neil O'Brien is an accomplished economic geologist and former mining executive with over 30 years of industry experience. He has held executive and board positions in both public and private mineral exploration companies, contributing his expertise in exploration, project evaluation, and strategic corporate development. With experience spanning six continents, he has been involved in all stages of mineral resource development, from early exploration to feasibility and mining operations. Neil retired in 2018 as Senior Vice President of Exploration and New Business Development at Lundin Mining Corp. He continues to provide consulting services to the mining industry and serves as a non-executive director for several publicly traded companies.



PHIL BRUMIT SR.
INDEPENDENT DIRECTOR

Phil Brumit Sr. is a veteran mining executive with over 40 years of experience spanning property evaluation, engineering, project management, construction, and operations. Most recently, he served as Executive Vice President of Projects & Operations at Josemaria Resources Inc. Before that, he was President and Managing Director of Minera Candelaria, Chile, a Lundin Mining subsidiary. Phil's career includes key leadership roles at Freeport-McMoRan, where he served as President of its African Division and later as a Senior Advisor, focused on the Tenke Fungurume project. His extensive operational and leadership experience makes him a valuable contributor to mine development and resource optimization strategies.



DAVID RHODES
DIRECTOR

David Rhodes is a seasoned finance professional with over 25 years of experience in the mining sector. He serves as Managing Director at Endeavour Financial, a leading mining financial advisory firm known for its award-winning success in structuring multi-source funding solutions. Endeavour also operates in asset management and insurance development. Before joining Endeavour over 14 years ago, David held senior roles at Standard Bank London, Barclays Capital, and the Royal Bank of Scotland, where he specialized in structuring, syndicating, and securing financing for global mining projects. Having worked in London and New York, he brings extensive international expertise across North and South America, Europe, CIS, and Africa. Over the course of his career, David has facilitated over \$18 billion in funding for mining companies worldwide.

THE MANAGEMENT TEAM

MINING EXCELLENCE, FINANCIAL STRENGTH, OPERATIONAL SUCCESS



DAN BARNHOLDEN
CHIEF EXECUTIVE OFFICER

Dan Barnholden is a seasoned mining finance professional with over 20 years of investment banking experience at major financial institutions and specialized firms in Toronto and Vancouver. He has played a pivotal role in securing billions of dollars in debt and equity financings for junior, mid-tier, and senior mining companies. His expertise extends to mergers, acquisitions, divestitures, and strategic advisory. Before joining Luca, Dan was Managing Director at an international investment banking firm and previously led investment banking at a Vancouver-based employee-owned firm. He holds a B.A. with Great Distinction from McGill University and an MBA from the Richard Ivey School of Business at the University of Western Ontario, where he was recognized as an Ivey Scholar.



RAMON PEREZ
PRESIDENT

Ramon Perez is a mining executive with over 15 years of international experience in the industry. He is a Co-Founder and President of Candelaria Mining Corp., where he previously served as Interim CEO. His background includes 10 years as Vice President at Carrelton Horizon Natural Resource Fund, specializing in junior mining investments in Latin America. Ramon is also a founding member of Sociedad Minera Reliquias S.A., advancing a former 2,000 tpd silver mine in Peru. Additionally, he worked as a consultant for Core Gold, restructuring its operational and administrative teams before its merger with Titan Minerals (TTM: ASE) in 2020. His extensive experience in finance, operations, and corporate leadership positions him as a key driver of Luca's success.



LISA DEA
CHIEF FINANCIAL OFFICER

Lisa Dea, CPA, CA, is a highly accomplished financial executive with over 30 years of expertise in finance, capital markets, and accounting. As former CFO of Guanajuato Silver Company Ltd., she played a key role in revitalizing past-producing silver and gold mines in central Mexico. Her experience includes corporate finance, M&A, financial reporting, and capital market transactions, having successfully led multiple debt and equity financings. Lisa has held CFO roles at several TSX, TSX-V, CSE, and ASX-listed companies, and maintains strong banking relationships with global financial institutions. She holds a Bachelor of Commerce degree from the University of British Columbia and earned her Chartered Accountant designation in 1997. Lisa began her career at Deloitte & Touche LLP, where she advanced to Senior Manager.



RAMON MENDOZA REYES,
M.SC., P.ENG.

**CHIEF TECHNICAL OFFICER
AND COO**

Bringing over 35 years of experience, Ramon Mendoza Reyes is a mining leader specializing in mine development, process optimization, and operational management. His expertise includes integrating mine design, planning, cost modeling, and geo-sciences to improve efficiency and profitability. Prior to joining Luca, he worked as a mining consultant and held a senior leadership role at First Majestic Silver Corp., where he focused on strategic planning and project execution. His extensive experience in both underground and open-pit mining makes him a valuable asset in advancing high-potential mining projects.



ISRAEL MUNOZ
VP FINANCE

Israel Munoz, CPA, CA, is a seasoned finance professional with 24 years of experience in IFRS, financial reporting, internal controls (SOX), risk management, and budgeting. His background includes senior finance roles at leading silver, gold, zinc, and lead mining firms across North and South America, including Guanajuato Silver Company Ltd., Fortuna Silver Mines, Golden Queen Mining, and First Majestic Silver. Before entering the mining sector, Israel spent over a decade at Ernst & Young in Mexico as an audit manager, specializing in financial oversight and regulatory compliance.



PAUL GRAY, P.GEO
VP EXPLORATION

Paul Gray is an accomplished geologist with 30 years of experience in precious and base metals exploration across multiple continents. His expertise includes designing, managing, and executing multi-million-dollar exploration programs, leading to significant resource discoveries. He has authored numerous NI 43-101 Technical Reports and is a Qualified Person under NI 43-101. A member of the Engineers and Geoscientists of British Columbia, Paul previously served as VP Exploration at Victoria Gold Corp., where he was responsible for near-mine and greenfield resource expansion. His hands-on, field-driven approach ensures strategic exploration success for Luca.



ADAM MELNYK, P.ENG., CFA
VP CORPORATE DEVELOPMENT

Adam Melnyk is a corporate development and finance expert with extensive experience in mining investment and strategic planning. Before joining Luca, he served as Executive VP of Business Development at Victoria Gold Corp. and was formerly Head of Mining Research at Sun Valley Gold LLC, an SEC-registered Investment Advisor and Hedge Fund. He also worked in Equity Research at bank-owned and independent investment firms, earning a reputation for in-depth, independent analysis. Adam's technical background includes work as a Mining Engineer at Golder Associates and in exploration at Goldcorp's Red Lake Mine. He holds a B.Sc. in Geological Engineering (Hons) from Queen's University, is a Professional Engineer (P.Eng.) in British Columbia, and a CFA Charter-holder.

WHAT THE ANALYSTS SAY ABOUT LUCA MINING

“We believe Luca's initiatives to increase production from two mines in Mexico will lead to average revenue and EBITDA growth over the next two years of 38% and 152%, respectively.”

– Managing Director and Senior Industrials Analyst at Maxim Group, January 2025.

SIGNIFICANT REVENUE AND EBITDA GROWTH

Luca's mine expansion and operational improvements in Mexico are expected to drive 38% average revenue growth and 152% EBITDA growth over the next two years. Key production increases at Campo Morado and Tahuehueto are central to this growth, with EBITDA margins forecasted to rise from 6.5% in 2024E to 20.9% in 2026E.

NEW THIRD CONCENTRATE PRODUCTION AT CAMPO MORADO

Luca is set to introduce a third concentrate at the Campo Morado mine, complementing its bulk and zinc concentrates. Metallurgical tests have confirmed the feasibility of a copper-lead separation process, and production is expected to begin in the first half of 2025, further strengthening revenue streams and operational efficiency.

FINANCIAL STRENGTH AND DEBT REDUCTION

Luca has successfully reduced its debt from C\$18.4M in September 2024 to C\$15.9M as of January 2025. The company forecasts free cash flow (FCF) of C\$18.8M in 2025 and C\$39.8M in 2026, which will be used to further pay down debt and support growth initiatives.

LEADERSHIP AND OPERATIONAL ENHANCEMENTS

Under new CEO Dan Barnholden, Luca has implemented a new mine process at Campo Morado, hired an exploration team and a Chief Technology Officer, and optimized production strategies. These initiatives are expected to extend mine life, boost efficiency, and enhance free cash flow generation at both projects.

COMPELLING VALUATION AND BUY RATING

Maxim has initiated coverage on Luca with a Buy rating and a USD \$1.00 price target, based on a 6.5x multiple of 2026 EBITDA estimates. The company is currently trading at 6.6x 2025 EBITDA, which presents an attractive valuation opportunity compared to other mining companies operating in Mexico.

"With cash flow on the upswing and exploration catalysts on the horizon, we see 2025 being a turning point for Luca and becoming a quality name for investors seeking exposure to a polymetallic producer with upside." – Phil Ker & Zach Matheson, Ventum Capital Markets, February 2025.

CAMPO MORADO OPTIMIZATION DRIVING EFFICIENCY

Luca's five-phase optimization plan at the Campo Morado mine has already begun boosting recovery rates, mining efficiency, and equipment performance, leading to improved cash flow. The site benefits from over US\$500M in existing infrastructure and a strong operational and exploration history, positioning it for long-term value creation.

TAHUEHUETO MINE COMMISSIONING EXPANDING PRODUCTION

In late 2024, Luca successfully completed construction at its 1,000 tpd Tahuehueto mine, which is expected to contribute ~25,000 gold equivalent ounces (AuEq) annually in 2025. This expansion significantly enhances Luca's overall production profile and supports revenue diversification across both precious and base metals.

DIVERSIFIED REVENUE STREAMS MITIGATING MARKET RISK

Luca's balanced production mix—51% from gold and silver and 49% from base metals (copper, lead, zinc)—ensures strong revenue stability against commodity price fluctuations. This polymetallic optionality strengthens the company's market positioning by capturing value across multiple mining segments.

STRONG FREE CASH FLOW FUELING GROWTH

Luca is forecasted to generate US\$77M in operating cash flow in 2025, providing significant capital for exploration at Campo Morado and Tahuehueto to support resource growth and mine life expansion. With a free cash flow (FCF) to enterprise value (EV) yield of 28.5%, Luca ranks among the strongest cash flow generators in Ventum's coverage.

STRENGTHENING BALANCE SHEET AND DEBT REDUCTION

Luca has already reduced its debt by 39% since October 2024 through repayments and convertible debt repurchases. With rising cash flow and disciplined financial management, the company is on track to become debt-free by mid-2026, further strengthening its financial stability and growth potential.

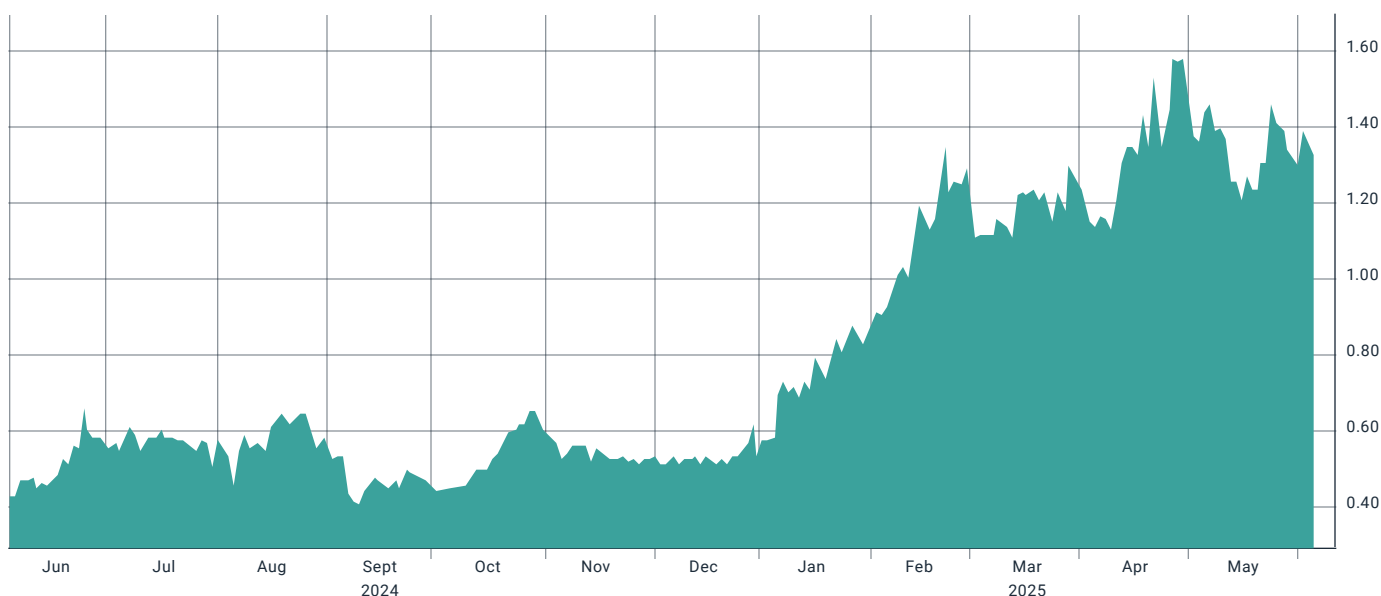
LUCA CORPORATE STATS

TSXV:LUCA | OTCQX:LUCMF | FRANKFURT:Z68

Shares Outstanding	262 million
Fully Diluted	286 million
Market Cap (Jun 6, 2025)	C\$341 million
52 Week	C\$1.60 high
	C\$0.405 low
Debt	U\$8.5 million

Cash	U\$25 million
Warrants	822K mm @ \$0.50 Jun 25
	622K @ \$2.80 Jun 25
	7.5 mm @ \$0.60 Mar 26
	228K@ \$0.45 Mar 26

PRICE CHART (ONE YEAR)



ANALYSTS

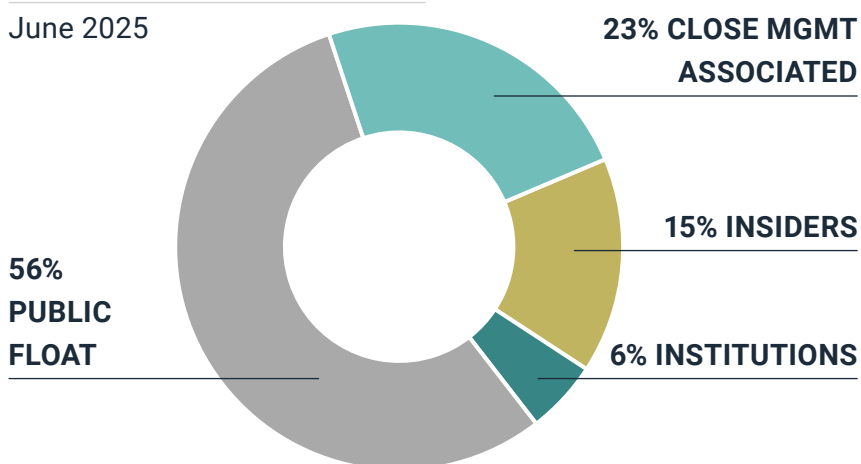
Ventum	Buy	C\$2.05
Maxim	Buy	U\$1.75

INDICES

Solactive Global Copper Miners
Total Return Index

SHAREHOLDER BASE

June 2025



APPENDIX

<https://lucamining.com/>
<https://lucamining.com/operations/>
<https://lucamining.com/wp-content/uploads/2025/03/Luca-Mining-Presentation-Feb-18-2025.pdf>
<https://lucamining.com/investor/#whyinvest>
Regulatory Frameworks and Legal Protections
Mexico's Mining Law Overview – <https://lucamining.com/operations/campo-morado/>
Mining Law Reforms 2023 Summary – <https://www.nortonrosefulbright.com/en/knowledge/publications/04715af1/major-overhaul-to-mexicos-mining-regulation>
Legal Challenges to Mining Reforms – <https://www.jonesday.com/en/insights/2023/06/mining-reform-in-mexico-amendments-and-impact>
Investor Protections and Trade Agreements – <https://www.export.gov/article?id=Mexico-Mining-and-Minerals>
Investment Incentives and Foreign Direct Investment
Mexico's Mining Tax Regime & Investment Policies – <https://mexicobusiness.news/mining/news/mexico-mining-sector-attracts-strong-foreign-investment>
USMCA and Mining Trade Benefits – <https://www.trade.gov/country-commercial-guides/mexico-mining-and-minerals>
Nearshoring Incentives for Industrial Investment – <https://www.bloomberg.com/news/articles/2024-02-18/mexico-ramps-up-investment-incentives-amid-usmca-growth>
Mexico's Mineral Wealth and Strategic Positioning
Mexico's Leading Silver Production Status – <https://www.silverinstitute.org/global-silver-production-statistics>
Gold and Base Metal Production in Mexico – <https://www.statista.com/statistics/813181/mexico-gold-production/>
Lithium and Strategic Mineral Reserves – <https://www.reuters.com/markets/commodities/mexicos-lithium-nationalization-explained-2023-04-15/>
Comparison with Other Mining Jurisdictions
Fraser Institute's Annual Mining Survey 2023 – <https://www.fraserinstitute.org/studies/annual-survey-of-mining-companies-2023>
Mining Investment Climate in Latin America – <https://www.mining.com/mexico-slips-in-global-mining-investment-rankings-2023/>
Cost Comparisons of Mining in Mexico vs. Canada and Australia – <https://www.miningglobal.com/mexico-vs-canada-australia-cost-analysis>
Challenges and Risks
Security Risks in Mexico's Mining Sector – <https://www.reuters.com/article/mexico-mining-security-2023-idUSKBN2Y005E>
Environmental and Social Licensing Risks – <https://mexiconewsdaily.com/mexico-mining-environmental-regulations-tightening/>
Lithium Nationalization and Resource Nationalism – <https://www.bloomberg.com/news/articles/2023-04-19/mexico-s-lithium-nationalization-what-investors-need-to-know>
<https://www.researchandmarkets.com/report/gold#:~:text=The%20global%20market%20for%20Gold,you%20make%20informed%20business%20decisions>
<https://www.researchandmarkets.com/report/gold#:~:text=The%20global%20market%20for%20Gold,you%20make%20informed%20business%20decisions>
<https://www.gold.org/about-gold/gold-demand/by-sector#:~:text=Gold%20jewellery%20represents%20the%20largest,of%20total%20gold%20demand>
<https://www.gold.org/about-gold/gold-demand/by-sector#:~:text=Gold%20jewellery%20represents%20the%20largest,of%20total%20gold%20demand>
<https://www.kitco.com/news/off-the-wire/2025-02-05/gold-demand-1-2024-remain-supported-economic-uncertainty-world-gold>
<https://www.gold.org/about-gold/gold-demand/by-sector#:~:text=Technology>
<https://www.researchandmarkets.com/report/gold#:~:text=The%20global%20market%20for%20Gold,you%20make%20informed%20business%20decisions>
<https://icsg.org/>
<https://www.ilzsg.org/>
<https://silverinstitute.org/>
<https://www.spglobal.com/en>
<https://www.mckinsey.com/>
<https://www.crugroup.com/>