



# Luca

Mining Corp.

TSXV: [LUCA](#) | OTCQX: [LUCMF](#) | FSE: [TSGA](#)

April 2023

# FORWARD LOOKING STATEMENTS

**Legal Disclaimer:** This corporate presentation (this "Corporate Presentation") has been prepared by the management of Luca Mining Corp. (the "Company" or "Luca") for informational purposes only and is not intended to provide financial, tax, legal or accounting advice. This Corporate Presentation and the contents herein do not constitute or form part of any advertisement, any offer to sell or any solicitation of an offer to buy or subscribe for securities of Luca or represent an intention to induce any person to make an investment in the Company or to assist any person in the making of an investment decision. Unless otherwise indicated, the information provided in this Corporate Presentation is provided as of August 31, 2022.

**Cautionary Note Regarding Production Decisions and Forward-Looking Statements:** Statements contained in this corporate presentation that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable securities laws. Forward Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance in 2022 and future years that are based on assumptions and forecasts about future economic conditions and courses of action; comparisons to other polymetallic producers in the same jurisdiction as the Company; the timing and costs of future activities on the Company's properties, such as production rates and increases; success of exploration, development and bulk sample processing activities; and timing for processing at the Company's own mineral processing facility on the Tahuehueto project site. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as "plans", "expects", "scheduled", "estimates", "forecasts", "intends", "anticipates" or variations of such words and phrases. In preparing the Forward-Looking Information in this Corporate Presentation, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Campo Morado Mine and the Tahuehueto Project can be achieved, the continuity of the price of gold and other metals, economic and political conditions, and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. Such risks and uncertainties includes fluctuations in metal prices and currency markets, unpredictable results of exploration activities, uncertainties inherent in the estimation of mineral reserves and resources, fluctuations in the costs of goods and services, problems associated with exploration, mining and milling operations, changes in legal, social or political conditions in the jurisdictions in which Luca operates, the novel coronavirus ("COVID-19") outbreak, lack of appropriate funding and other risk factors discussed in the Company's filings with Canadian regulatory agencies and available at [www.sedar.com](http://www.sedar.com). The Company believes that the expectations reflected in Forward-Looking Information in this Corporate Presentation are reasonable but there can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume or undertake any obligation to update Forward-Looking Information contained in this Corporate Presentation to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. No statement in this Corporate Presentation, including the asset forecasts, is intended to be nor may be construed as a profit forecast. Luca relies on litigation protection for Forward-Looking Information. It should be noted that Luca has declared commercial production mining at Campo Morado without the benefit of a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Luca's production decision has been made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study was completed and relied upon to make a production decision.

Luca has completed a preliminary economic assessment ("PEA") mining study on the Campo Morado mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (the PEA dated March 30, 2018, is available on SEDAR). The assessments in the PEA are preliminary in nature, mineral resources are not mineral reserves and do not have demonstrated economic viability, and there is no assurance the preliminary assessments will be realized. The results of this PEA are materially affected by the metals pricing, environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues. This Corporate Presentation also refers to non-GAAP financial measures, such as free cash flow, undiscounted cash flow, average cost per ton; average cost per AuEq ounce; unit LOM operating cash costs; average head grade of ore; average payable recoveries of ore; annual discount rate; and EBITDA. These measures do not have a standardized meaning or method of calculation, even though the descriptions of such measures may be common. These performance measures have no meaning under International Financial Reporting Standards (IFRS) and therefore, amounts presented may not be comparable to similar data presented by other mining companies. Ralph Shearing, P. Geol., President of Luca Mining Corp. is the Qualified Person for the Company as defined in National Instrument 43-101. Mr. Shearing is responsible for ensuring that the technical information contained in this presentation is an accurate summary of the original reports and data provided to or developed by Luca Mining Corp. and has approved this disclosure.

## Cautionary Notes to U.S. Investors Concerning Resource Estimates

The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource" and "Inferred Mineral Resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and normally are not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into Reserves. "Inferred Mineral Resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an Inferred Mineral Resource will ever be upgraded to a higher category or that Mineral Resources will ever be upgraded to Mineral Reserves. Under Canadian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies other than Preliminary Economic Assessments. United States investors are cautioned not to assume that all or any part of Indicated Mineral Resources will ever be converted into Mineral Reserves. United States investors are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists or is economically or legally mineable, or that an Indicated Mineral Resource is economically or legally mineable. Accordingly, information contained in this corporate presentation containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations there under.

## Cautionary Note to U.S. Investors regarding Adjacent or Similar Properties

This document may also contain information with respect to adjacent or similar mineral properties in respect of which the Company has no interest or rights to explore or mine. The Company advises United States investors that the United States Securities and Exchange Commission's mining guidelines strictly prohibit information of this type in documents filed with the SEC. Readers are cautioned that the Company has no interest in or right to acquire any interest in any such properties, and that mineral deposits on adjacent or similar properties are not indicative of mineral deposits on the Company's properties.

# 2 PROJECTS

2024E Production ~65,000 Gold  
Equivalent Ounces / Yr

One Operating Mine

One in Pre-Production

In Mexico

Each with +10-year mine lives



# Why Invest

High quality projects, decades of resources and a new team with proven track record to succeed

## PROFIT GENERATING ASSET

- Strong cash flow from both Operations commencing 2024
- Expecting 2024 consolidated asset CF of C\$41 million
- Potential to self-fund growth initiatives

## QUALITY & QUANTITY RESOURCES

- Tahuehueto 10+ yr reserves & 18+ yr resource (2022 PFS)
- Campo Morado 20+ yr resource (2018 PEA)
- Combined 2.2 million AuEq ounce M&I resource

## OPERATIONAL EXPERTISE

- **CEO** 40+ years of Int'l mining experience including 7 years as Project Manager and Projects Director at Lundin Mining
- **COO** 40+ years experience building and operating over 20 projects in Mexico

## MEXICO: TOP TIER JURISDICTION

- Mexico's mining history extends almost 500 years
- Largest producer of silver in the world and a top global producer of gold, copper, zinc
- Trade Agreements with US & Canada
- Approximately 794 mines in production USGS records

## ATTRACTIVE GROWTH POTENTIAL

- Large compliant resources allows for throughput expansion initiatives
- Multi-mine Strategy
- Targeting complementary advanced projects

# Transformational Year

## New Leadership

Focused On  
Operational Execution

2024 is expected to be  
Luca's **highest ever cash  
flow generating** year

New Management & Board

**Int'l experience including Lundin**

New Controlling Shareholder

**Calu Opportunity Fund**

2024 Estimated Consolidated Op. Cash Flow

**C\$41 Million**

Post PP Market Cap

**C\$52 Million**

Luca 2024E P/CF\*

**1.26x**

Jr Producers 2024E P/CF\*\*

**2.7x**

Intermediate Producers 2024E P/CF\*\*

**4.9x**

\*Cash Flow based on internal corporate financial model

\*\*Source: Company disclosure and S&P Capital IQ; market data as at Feb 26, 2023

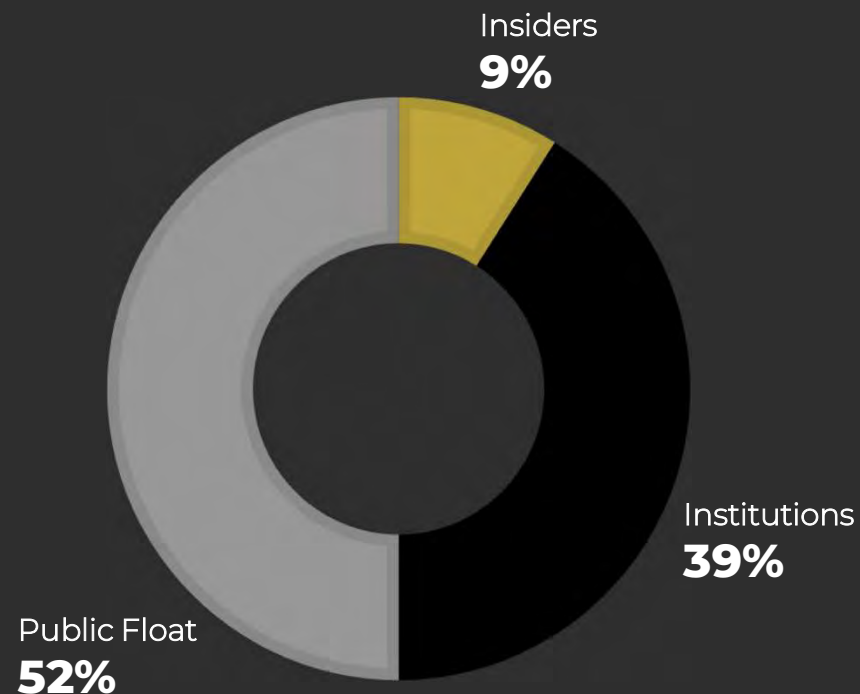
Shares outstanding based on the treasury stock method

Estimates based on S&P Capital IQ reported consensus estimates and forecasts

# CORPORATE SUMMARY

## Capital Structure Post Financing (Estimate)

	Tickers	TSXV: LUCA OTCQX: LUCMF FSE: TSGA
Basic Shares Outstanding		150M
Options: (avg strike C\$0.50)		1.2M
Warrants: (avg strike C\$0.61)		57.4M
Fully Diluted Shares Outstanding		196M
Market Cap. (Basic)		C\$52.5M
Cash		C\$16M
Debt		C\$26M



**Institutional Holdings**  
Calu Opportunity Fund LP  
Trafigura Holdings  
Sprott Global Resource Investment  
Myrmikan Gold Fund LLC  
EMA GARP Fund LP  
P&V Precious Metal Mining Fund

886,000 M&I ounces AuEq

## GOLD & SILVER TAHUEHUETO

Durango (100% Owned)

- 1 **2022** Commenced Pre-Production @ ~320 tpd
- 2 **2023** Estimated Commercial Production @ 1,000 tpd or (> 41k AuEq oz/yr)
- 3 **2024** Focus on exploration potential with a goal increase mine life 2x to 3x allowing for throughput expansions



# TAHUEHUETO (GOLD + SILVER)

Property	28 mining concessions totalling 7,492 ha
Location	Durango State within the prolific Sierra Madre Belt
Mineralization	Au-Ag epithermal veins and breccias with Pb-Zn-Cu
P&P Reserves	3.6M tonnes at 2.55 g/t Au (4.92 g/t AuEq) Contains 356K oz Au (613K oz AuEq)
M&I Resources	6.3M tonnes at 2.11 g/t Au (4.44 g/t AuEq) containing 425K oz Au (886K oz AuEq)
Mining Method	Underground: PFS – primarily sub-level long-hole open stoping and some cut and fill
Processing	Stage 1 – 500 tpd, Stage 2 – 1,000 tpd, flotation
Commercial Production	Estimated end 2023
Cash Flow	Average 2024 (commercial production) C\$2M per month
Silver Stream	100% of first 1,250,000 ounces of payable silver, 20% thereafter terminating in 2033

**+10 year**

Mine life based on reserves

**27k oz**

Annual Avg Gold Payable over first 6 years  
of production

**41k oz AuEq**

Per year over first 6 years

**+18 year**

Mine life based on resources

**1,000 tpd**

Current Pre-Production avg 300 tpd

**US\$855/oz AuEq**

All In Sustaining Costs (AISC) over life of  
mine<sup>1</sup>

<sup>1</sup> M&I Resources include Reserves. See appendix for a breakdown of reserves and resources as well as underlying assumptions  
Refer NI43-101 Technical Report “Preliminary Feasibility Study – Tahuehueto Project”, April 2022

# TAHUEHUETO PROFILE

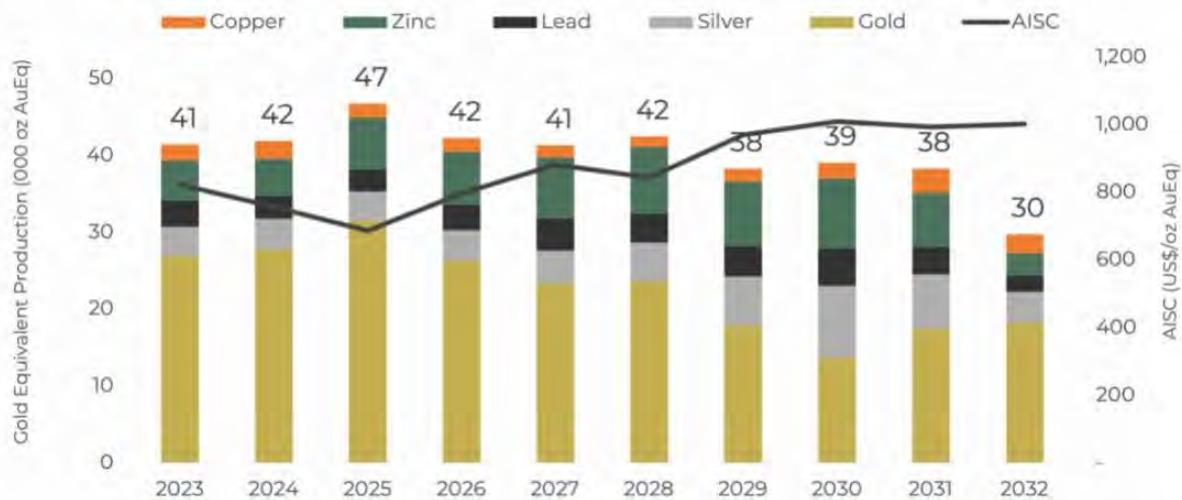
Company forecast based on current reserves and the 2022 PFS at a 1,000 tpd operation

**Post Tax NPV10 : US\$131.8 million**

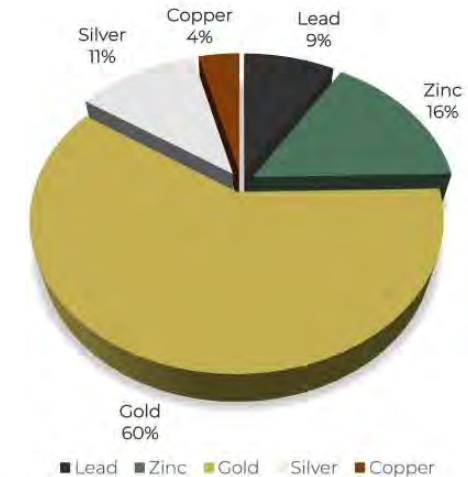
**IRR : 65.5%**

**Payback : 2.0 years**

## Gold Equivalent Production and (Internal) AISC Forecast



## Total Revenue Breakdown



## Metal Price Forecasts

Metal	Unit	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Zinc	USD/lb	1.36	1.29	1.24	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Lead	USD/lb	0.94	0.93	0.93	0.92	0.92	0.92	0.92	0.92	0.92	0.92
Gold	USD/oz	1,796	1,792	1,749	1,650	1,650	1,650	1,650	1,650	1,650	1,650
Silver	USD/oz	21.86	22.30	22.24	21.35	21.35	21.35	21.35	21.35	21.35	21.35
Copper	USD/lb	3.73	3.86	3.94	3.59	3.59	3.59	3.59	3.59	3.59	3.59

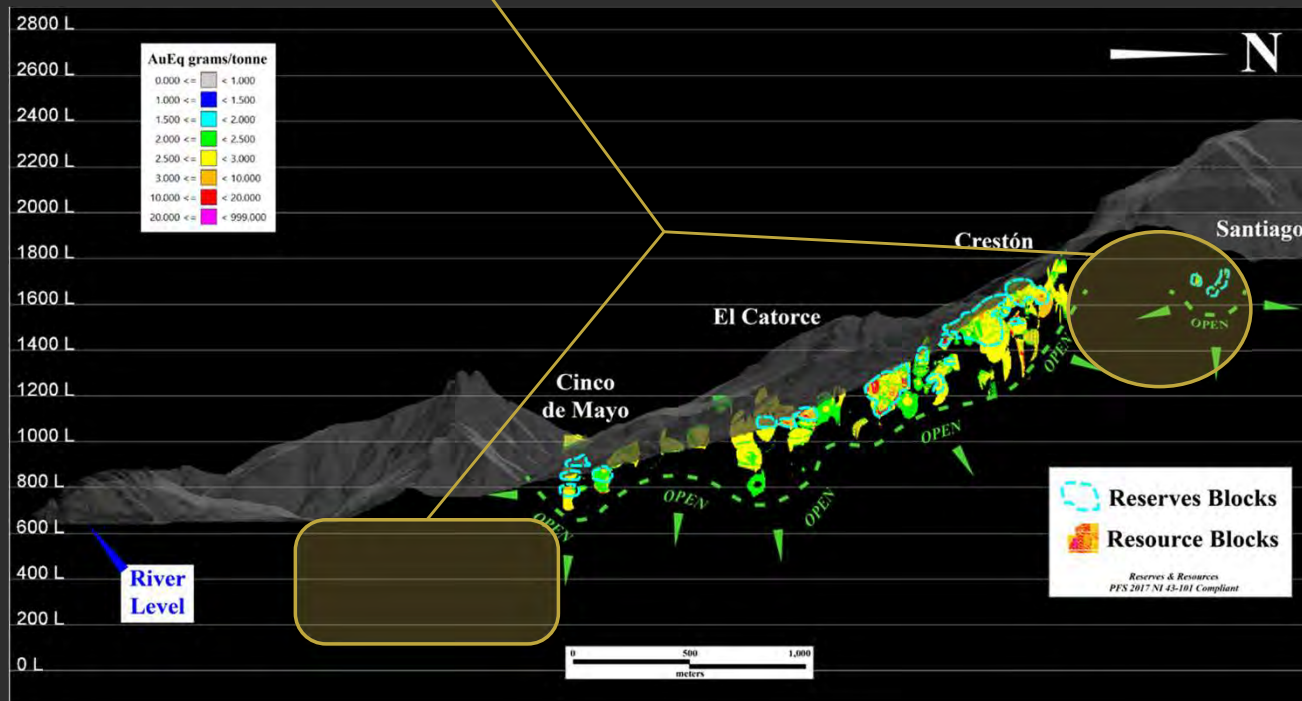
Based on management's forecasts. Gold equivalent production, AISC and revenue breakdown were calculated using the following metal price forecast based on CI BC September 2022 consensus research median prices:

Production has the potential to be maintained above 40,000 AuEq ounces in later years of mine life, combined with scope to extend mine life through exploration success.

## Resource Growth Potential

# HIGH CONFIDENCE EXPLORATION

Un-drilled zones have the potential to meaningfully increase resources



# DISTRICT SCALE POTENTIAL

Similar multi-vein potential as **San Dimas** – Excellent potential to grow to a **multi-million-ounce** gold deposit

- **District Scale Project**

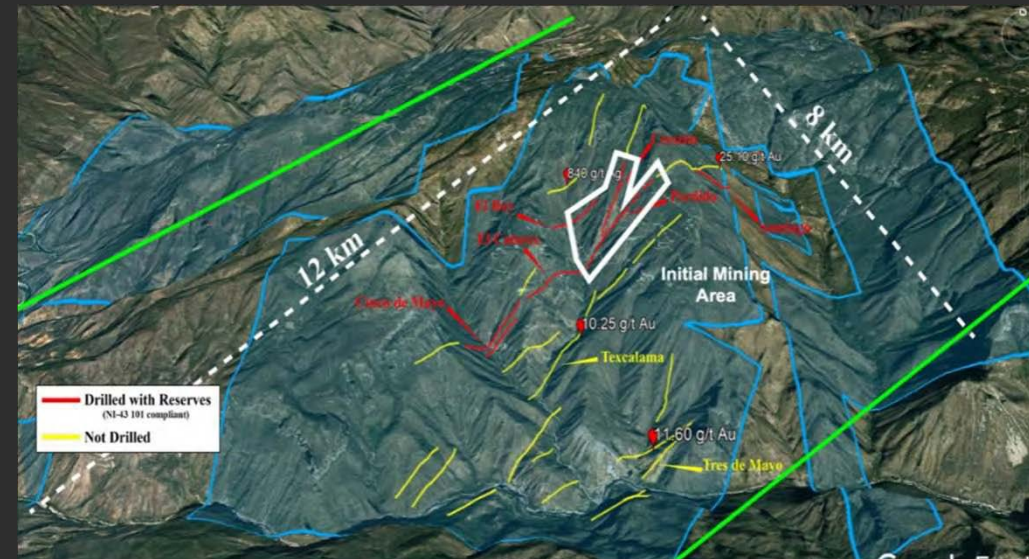
- Multi-vein potential
- Concessions cover ~80% of a 90km<sup>2</sup> epithermal mineralized district

- **Much More to be Discovered**

- Less than 10% of the 7,495 hectare land package has been explored by drilling to date
- Structural corridor at least 7.5km in length

- **Growth Potential**

- Mineralization open at depth and along strike in current mine area
- Multiple undrilled and largely unexplored vein targets in close proximity to mine



Red veins have been drilled and contain reserves/resources

Yellow veins are targets identified to date

Mineralized 7.5 km strike length

Current mine area

1.68M M&I ounces AuEq

**COPPER - ZINC**

## **CAMPO MORADO**

**Guerrero State** (100% Owned)

- 1 **2023** plan: 25% of revenue from copper, potential to increase further
- 2 Significant potential to increase recoveries by multiple points
- 3 Extensive metallurgical review by Ausenco's world class engineers presents pathway to increase revenues



# CAMPO MORADO (COPPER + ZINC)

Location	Guerrero State
Mineralization	At least 7 zones containing VMS mineralization
2022 Actual Production	1.3k tonnes Cu >16k tonnes Zn, 122kg Au and 23 tonnes Ag
2023 Production Plan	>2.6k tonnes Cu, >20k tonnes Zn, 208kg Au and 20 tonnes Ag
Processing	2,400 tpd (crushing, milling, flotation)
Commercial Production	Luca – May 2018 (previous owners – 2009)
Cash Flow	2024 Average C\$1.4M per month

**+20 year**  
Mine life based on reserves

**US\$0.83/lb Zn**  
Avg 2021 AISC

**C\$34.3M**  
2021 Mine Operating Profit

	Tonnes (M mt)	Gold g/t	Silver g/t	Copper %	Lead %	Zinc %
M&I Resources	16.6	1.70	123	0.80	0.93	4.01
Inferred Resources	0.99	1.32	116	0.64	0.92	3.20

Note: Inferred mineral resources are considered too speculative geologically to have economic considerations applied to them such that they can be categorized as Mineral Reserves. Form 43-101F1 Technical Report, Titley Consulting Ltd. And Micon International Limited – March 2018. Approximately 2.2M mt have been mined to the end of April 2022

# CAMPO MORADO'S EVOLUTION

A total of **3,069 core holes** with a total drilled length of **580,886 metres** have been completed on the property for exploration and mine development purposes between **1995 and 2014**

**2009**

Farallon Resources commences commercial production at Campo Morado

**2014**

Campo Morado operations suspended due to industry conditions

**2021**

Campo Morado generated **C\$34.3M** in mine operating profits

**2024**

Estimated Operating CF of **C\$17M**

**2010**

Nyrstar acquires Farallon For **C\$420M**

**2017**

Luca acquires Campo Morado for **US\$20M** and re-commences operations at 1,400 tpd ramping up to 2,500 tpd by 2H 2017

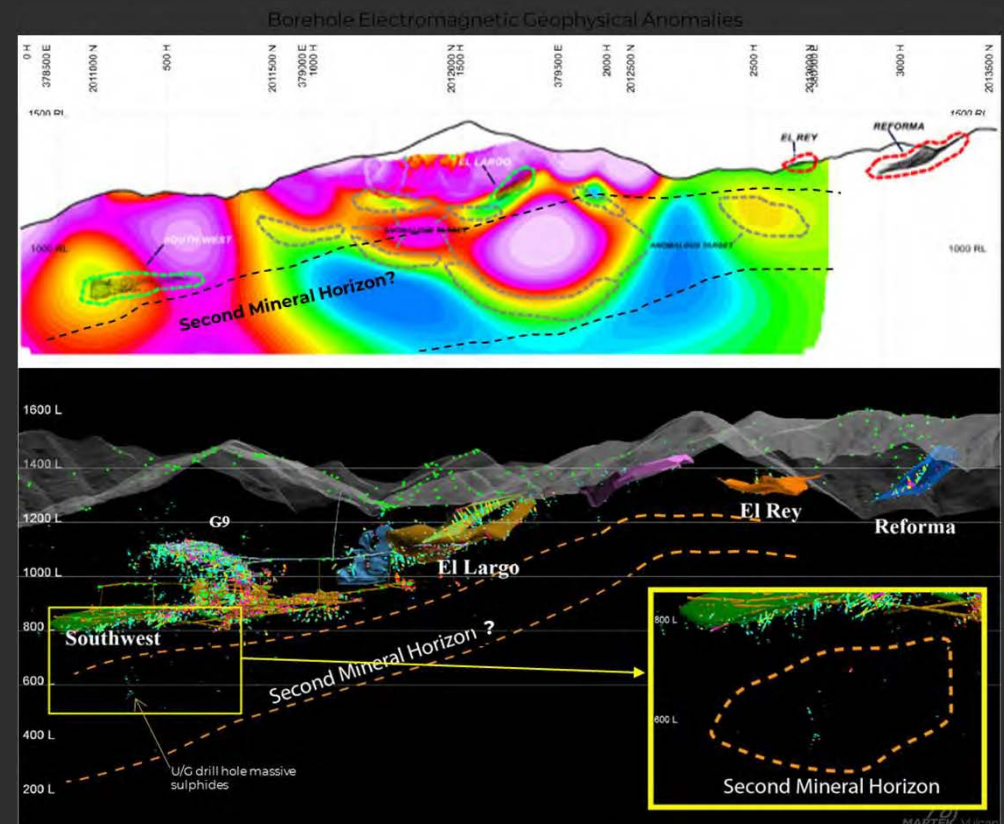
**2022**

Luca transitions to copper rich ore body

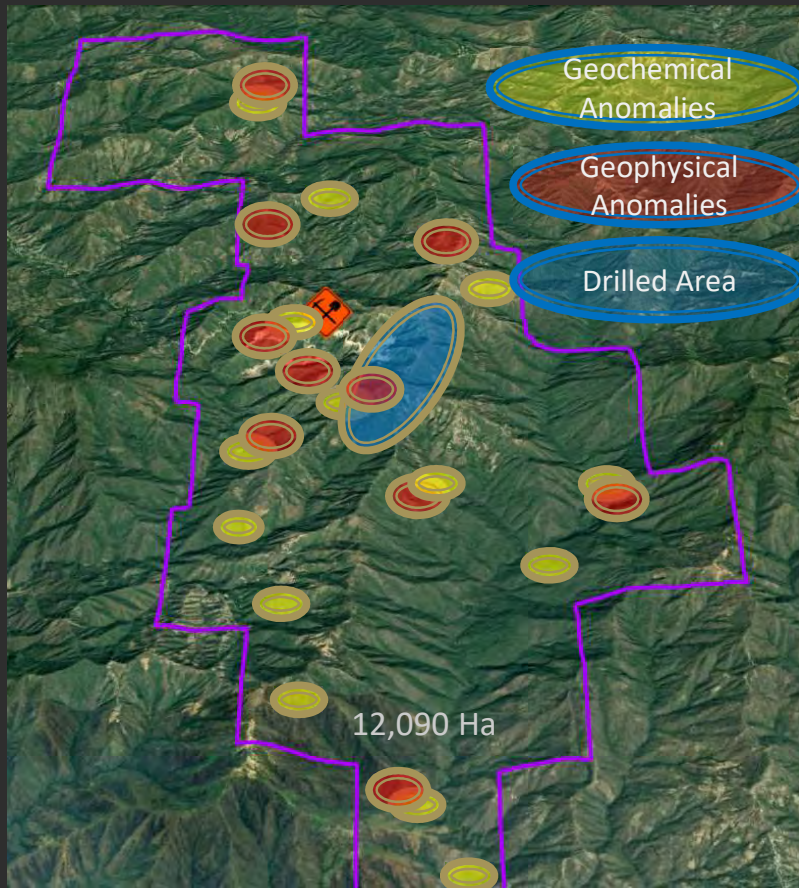
# CAMPO MORADO RESOURCE EXPANSION POTENTIAL

Resource growth with a long term expansion goal to 5,000 tpd from 2,400 tpd

- **Extensive Historical Drilling**
  - 580,886 meters of Diamond Drilling
- **Numerous Large Scale Anomalies**
  - Anomalies identified below G9, Southwest, El Largo and El Rey deposits
- **Second Mineral Horizon Expected**
  - Drilling intercepted wide zones of mineralized VMS below the current Southwest resource
- **Numerous Other Surface Targets Identified**
  - These targets remain undrilled within the wider mineralized district Campo Morado property (See Appendix)



# CAMPO MORADO DISCOVERY POTENTIAL



Concession Boundary

**12,090 ha**

Property that remains largely unexplored

**>16**

Regional drill-ready exploration targets

- Region is host to many large polymetallic VMS and vein deposits
  - Rey de Plata Project (Penoles)
  - Tizapa Mine: produced +1.6B lbs Zn, +100M oz Ag and +570k oz Au
  - Ana Paula Project (Argonaut): 1.5M oz Au & 3.4M oz Ag resource
  - El Limon (Torex): 3.1M oz Au & 4.6M oz Ag resource
- Nyrstar identified at least 16 large-scale targets following an extensive regional exploration program in 2015
  - 10 geophysical anomalies
  - 15 geochemical anomalies, some with coincident geophysical anomalies

# NEW LEADERSHIP

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## CEO Mike Struthers

- 40+ year mining career
- Operated in 4 continents
- 7 years as Project Manager and Projects Director with Lundin Mining Corp.
- 4 years of executive leadership roles with TSXV and AIM listed companies
- Experience includes extensive management of feasibility and engineering studies, technical reviews, project and financial evaluations, strategic planning, mine expansions construction management, and project due diligence

## President Ramon Perez

- Mining executive with over 15 years of international mining experience
- 10 years as vice president of the Carrelton Horizon Natural Resource Fund covering the metals and mining sector with a focus on publicly listed junior mining companies in Latin America
- Founding member of Sociedad Minera Reliquias S.A., now listed on the TSXV (AGMR) as Silver Mountain Resources Inc.
- Previous consultant to Core Gold Inc in Ecuador during its M&A transaction with Titan Minerals (TTM:ASE)

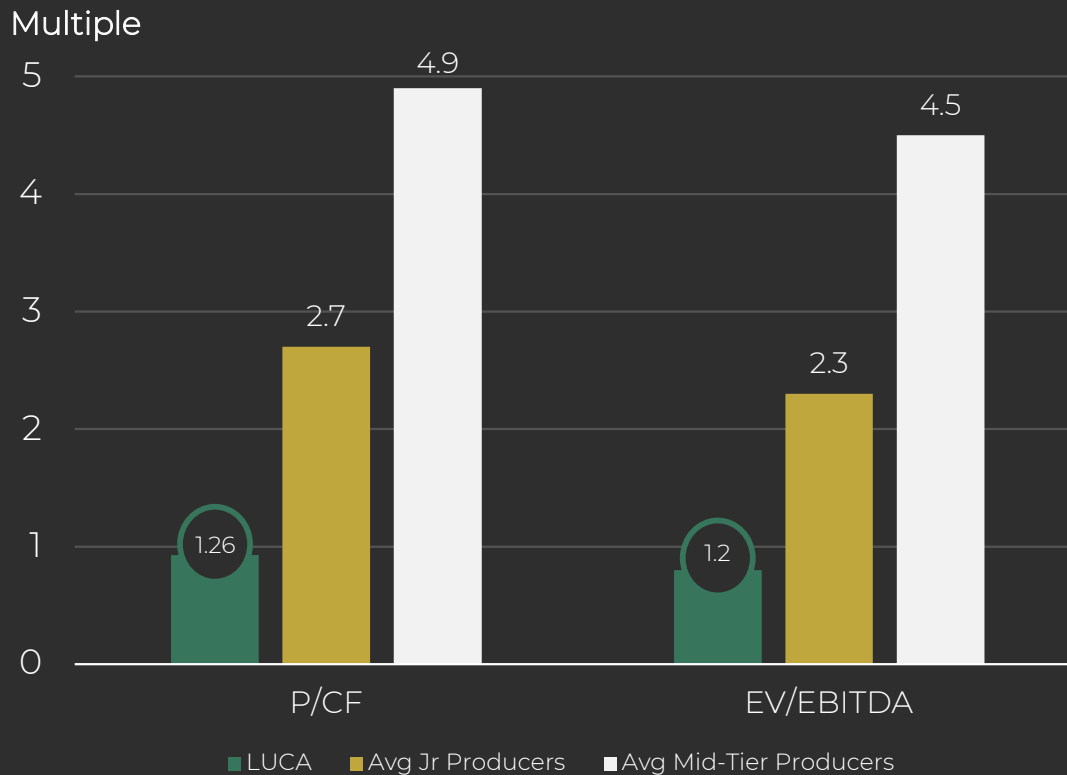
# Key Management Deliverables

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	2023		2024
Tahuehueto	Phase I 500 tpd	Commercial Production 1,000 tpd	Est Operating Cash Flow C\$24M
Campo Morado	Increase Cu Concentrate grades by 5%	Mine-to-Mill/ Geometallurgy Roadmap	Est Operating Cash Flow C\$17M

# EXECUTION LEADS TO RE-RATING

Comparable Public Company Trading Multiples



**1.26x**

2024E P/CF

Potential re-rate could see significant market cap appreciation

**Source:** Company disclosure and S&P Capital IQ; market data as at Feb 26, 2023 (1) Shares outstanding based on the treasury stock method (2) Estimates based on S&P Capital IQ reported consensus estimates and forecasts (3) P/NAV, Forecast EBITDA and Cash Flow based on internal corporate financial model

# UPCOMING CATALYSTS

Expecting a strong performance in 2023 and significant re-rating



- **2023** Demonstrates significantly increasing precious metal recoveries at Campo Morado – select optimal technology and execute into **2024**
- **2023** Progressively improve plant performance at Campo Morado per Ausenco recommendations



## SUMMARY



One operating mine & one in pre-production targeted for full commercial production late 2023, both in Mexico, each with a +10 year mine lives



New leadership focused on delivering Tahuehueto commercial production and optimization strategy at Campo Morado



Increased copper-gold revenue mix from Campo Morado and Tahuehueto



Excellent resource and throughput expansion potentials at both sites

# BOARD MEMBERS



**Mike Struthers, M.Sc., CEng**  
**CEO and Director**

A 40+ year mining career starting in operations in Africa and Australia, then an international technical consulting career in Africa, Europe, Russia and CIS, and the Americas, with extensive experience in feasibility studies, capital projects and executive roles.



**Ralph Shearing, B.Sc, PGeol**  
**Director**

Over 38 years' experience in mineral exploration & development and 35 years senior management experience with publicly listed companies.



**David Rhodes, B.Sc., (Hons) UMIST**  
**Chairman and Director**

David's career in the finance industry has spanned more than twenty-five years with an award-winning track record of success in the mining industry, specializing in arranging multi-sourced funding solutions for development companies.



**Mark Bailey, M.Sc**  
**Independent Director**

Mr. Bailey is a mining executive and registered professional geologist with 44 years of industry experience. He is currently non-executive Chairman of Fiore Gold Ltd. Mr. Bailey has B.Sc degree in Geology from the University of Washington and a M.Sc degree in Geology from Oregon State University.



**Rory Godinho, LLB**  
**Independent Director**

An extensive background in advising corporate clients on a broad range of matters such as initial public offerings, public and private equity and debt financings, mergers and acquisitions, reverse takeovers, qualifying transactions, corporate restructurings and reorganizations, capital alterations, and continuous disclosure requirements.



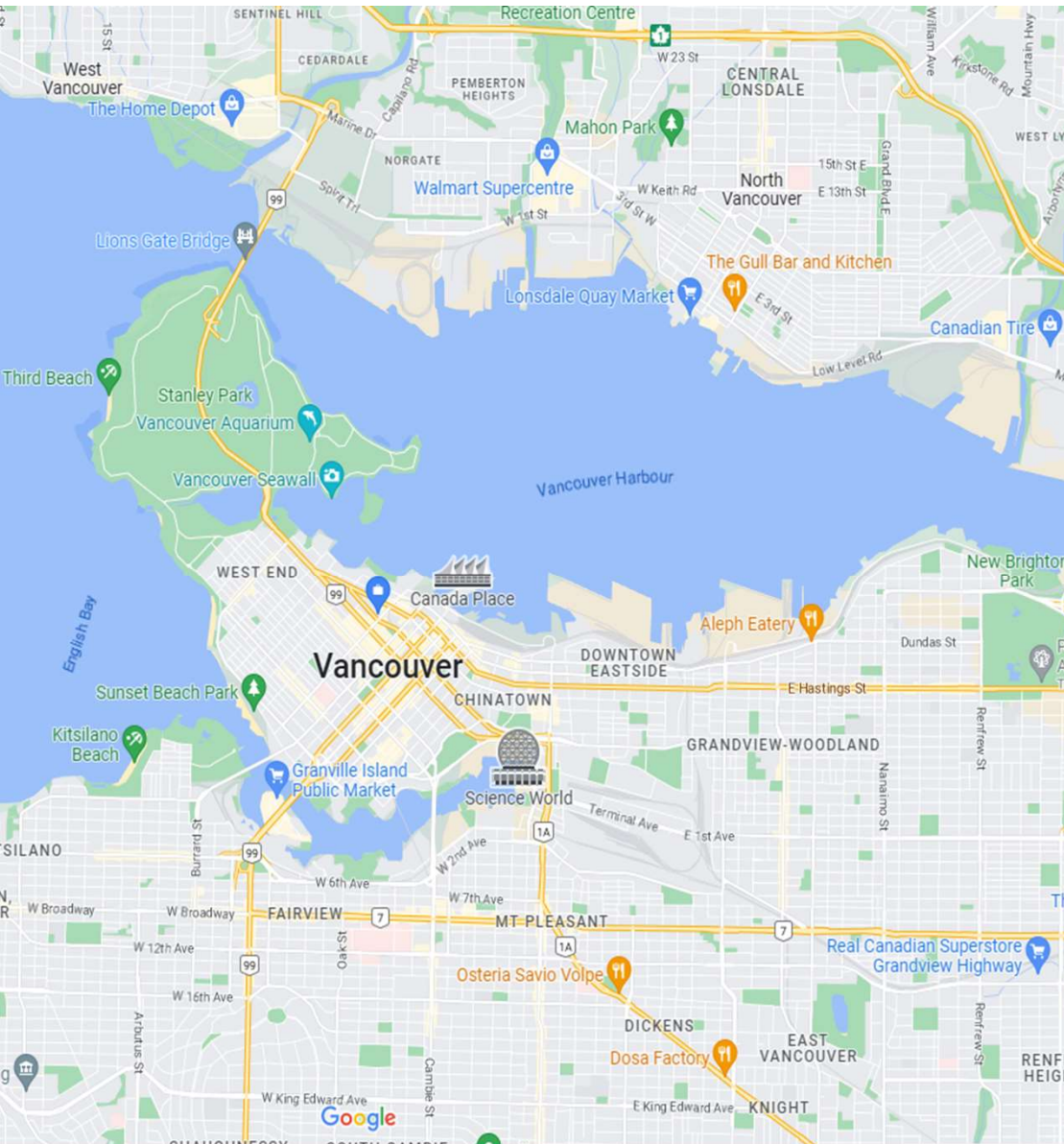
**Ruben Alvidrez Ortega, BIE and MBA**  
**Director**

Since 1994 he worked in several roles with Citigroup, working with corporate clients in the US and Mexico and leading teams of over 200 people.



**Roberto Guzman, M.Fin.**  
**Director**

25 years' experience in financial sector with several Mexican publicly traded and private companies. A Director of Bursametrica Casa de Bolsa, a Mexican brokerage firm.



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# APPENDIX

# RESERVES & RESOURCES

## Tahuehueto Reserves & Resources (NI 43-101 Compliant, April 2022)

Category	Tonnes	Gold		Silver		Copper		Lead		Zinc		Gold Equivalent	
		000s	g/t	000 oz	g/t	000 oz	%	000 lbs	%	000 lbs	%	000 lbs	g/t
Probable Reserves	3,585	2.55	294	50.06	5,770	0.26	20,550	1.11	87,357	1.92	151,640	4.92	567
M&I Resources	6,260	2.11	425	46.97	9,454	0.27	36,594	0.90	123,872	1.98	273,364	4.40	886
Inferred Resources	918	1.02	30	28.46	840	0.15	3,077	1.16	23,571	1.96	39,755	2.99	88

Note: Mineral reserves are based upon and included within the current mineral resource estimate.

Mineral reserves are estimated using a metal price forecast of US\$1,647.50/oz for gold, US\$21.64/oz for silver, US\$3.60/lb for copper, US\$0.92/lb for lead and US\$1.14/lb for zinc. Mineral resources are not mineral reserves and do not have demonstrated economic viability. Mineral resource estimates include inferred mineral resources which are considered too speculative geologically to have economic considerations applied that would enable them to be classified as mineral reserves. There is no certainty that inferred mineral resources will be converted to measured or indicated mineral resources. Gold equivalency was estimated using metal selling prices of US\$1,650/Oz Au, US\$21.02/Oz Ag, US\$0.91/Lb Pb, US\$1.15/Lb Zn and US\$3.70/Lb Cu. Source: NI 43-101 Technical Report Preliminary Feasibility Study for the Tahuehueto Project prepared by Scott E. Wilson (independent qualified person) of Resource Development Associates Inc. with an effective date of April 25, 2022.

## Campo Morado Resources (NI 43-101 Compliant, March 2018)

### Measured & Indicated Resources

Cut-off	Tonnes	Gold	Silver	Copper	Lead	Zinc	ZnEq
% ZnEq	000s	g/t	g/t	%	%	%	%
3.0	33,852	1.29	88	0.70	0.64	2.71	6.36
4.0	25,736	1.46	102	0.74	0.76	3.22	7.27
<b>5.5</b>	<b>16,627</b>	<b>1.70</b>	<b>123</b>	<b>0.80</b>	<b>0.93</b>	<b>4.01</b>	<b>8.68</b>
7.0	10,404	1.91	146	0.87	1.11	4.85	10.16

### Inferred Resources

Cut-off	Tonnes	Gold	Silver	Copper	Lead	Zinc	ZnEq
% ZnEq	000s	g/t	g/t	%	%	%	%
3.0	3,316	0.98	76	0.52	0.58	2.10	6.36
4.0	2,152	1.11	90	0.55	0.71	2.54	5.85
<b>5.5</b>	<b>988</b>	<b>1.32</b>	<b>116</b>	<b>0.64</b>	<b>0.92</b>	<b>3.20</b>	<b>7.27</b>
7.0	416	1.52	148	0.76	1.10	3.78	8.75

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Zinc equivalent calculations used metal prices of US\$1.20/lb for zinc, US\$2.80/lb for copper, US\$17/oz for silver, US\$1,150/oz for gold and US\$0.90/lb for lead and metallurgical recoveries of 70% for zinc, 68% for copper, 38% for silver, 25% for gold, and 60% for lead. Metal price assumptions used in the ZnEq calculation are the same assumptions used in establishing the cut-off for the estimates and reasonable prospects of eventual economic extraction. A 5.5% ZnEq cut-off in bold is considered to be appropriate for the sub-level caving mining method planned for extraction of the mineralization in the various deposits. All Mineral Resource estimates, cut-offs and metallurgical recoveries are subject to change as a consequence of more detailed economic analyses that would be required in Pre-Feasibility and Feasibility studies. The 5.5% ZnEq cut-off in bold is considered the base case Mineral Resource estimate. Other estimates are reported in the context of cut-off grade sensitivity analysis. Source: NI 43-101 Technical Report on the Preliminary Economic Assessment of the Campo Morado Project prepared by Eric Titley (independent QP) of Titley Consulting Ltd. with an effective date of March 30, 2018.