



Mining Corp.

Management's Discussion and Analysis

**For the three and nine months ended
September 30, 2025**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the unaudited condensed consolidated interim financial statements of Luca Mining Corp. ("Luca" or the "Company"), for the three and nine months ended September 30, 2025, and the related notes contained therein (the "Financial Statements") which were prepared in accordance with IAS 34, Interim financial reporting, using accounting policies consistent with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Company's audited consolidated financial statements for the year ended December 31, 2024. The Company uses certain non-IFRS financial measures in this MD&A as described under "Non-IFRS Measures". Additional information relating to the Company is available on SEDAR at www.sedarplus.ca. All amounts are expressed in thousands of United States ("US") dollars except per share amounts, realized prices, tonnes and ounces or unless otherwise stated. Certain amounts shown in this MD&A may not add exactly to total amounts due to rounding differences.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained therein. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of November 17, 2025, unless otherwise stated.

QUALIFIED PERSON

The scientific and technical information contained in this MD&A relating to the Company's mines and mineral projects has been reviewed and approved by Mr. Ramon Mendoza Reyes, P.Eng., a Qualified Person within the meaning of National Instrument 43-101, "Standards for Disclosure of Mineral Projects." The scientific and technical information contained in this MD&A relating to the Company's geology and exploration projects has been reviewed and approved by Mr. Paul D. Gray, P.Geo., a Qualified Person within the meaning of National Instrument 43-101, "Standards for Disclosure of Mineral Projects".

FORWARD-LOOKING STATEMENTS

Certain statements included in this MD&A may contain forward-looking statements that relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. These statements include, but are not limited to, statements concerning: the future cash flows, profitability, financial and operating performance of the Company; estimated future metals prices, cut-off grades, operating costs, capital costs, commodity prices, rates of inflation, metallurgical recoveries, amenability of ore to mining and treatment, environmental considerations and labor availability; the estimation of reserves and resources; expected benefits and outcomes of mine optimization activities; the realization of reserve estimates; timing of technical reports, scoping studies, and preliminary economic assessments; expected content of scoping studies and preliminary economic assessments; anticipated working-capital requirements; capital expenditures; costs and timing of future exploration; requirements for additional capital; government regulation of resource operations; environmental risks; title disputes or claims; limitation of insurance coverage; and the maintenance of permits, licenses and surface rights necessary for the Company's operations.

Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "proposes", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements involve 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 statements. Such factors include, but are not limited to: general business and economic uncertainties; exploration and resource extraction risks; uncertainties relating to permits, licenses and surface rights; the actual results of current exploration, development and mining activities; fluctuations in future metals prices; inherent risks of operating in a foreign jurisdiction; climate-change related risks; changes in capital and operating costs for the Company's properties; foreign exchange risks; changes in mine plan and design and the mining methods employed on the Company's properties; labor risks; lack of access to infrastructure, power and water; changes in labor laws; counterparty risk; volatility in the price of the Company's common shares; security risks; tailings pond risks; the outcome of negotiations; conclusions of economic evaluations and studies; future prices of natural resource based commodities; increased competition in the natural resource industry for properties, equipment and qualified personnel; risks associated with environmental compliance and permitting, including those created by changes in environmental legislation and regulation; natural disasters; the risk of arbitrary changes in law; title risks; and the risk of loss of key personnel.

The forward-looking statements contained herein are based on a number of assumptions that the Company believes are reasonable but may prove to be incorrect. These assumptions include, but are not limited to, assumptions about: no material deterioration in general business and economic conditions; favorable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the production, development and exploration of the Company's properties and assets; future prices of gold, silver, copper, zinc, lead and other metal prices; the timing and results of exploration and drilling programs; the accuracy of any mineral reserve and mineral resource estimates; the geology of Tahuehueto and Campo Morado being as described in the respective technical report for each property; production costs; the accuracy of budgeted exploration, development and construction costs and expenditures; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favorable such that the Company is able to operate in a safe, efficient and effective manner; work force continuing to remain healthy in the face of prevailing epidemics, pandemics or other health risks; political and regulatory stability; the receipt of governmental, regulatory and third party approvals, licenses and permits on favorable terms; obtaining required renewals for existing approvals, licenses and permits on favorable terms; requirements under applicable laws; sustained labor stability; stability in financial and capital goods markets; availability

of equipment; positive relations with local groups and the Company's ability to meet its obligations under its agreements with such groups; and satisfying the terms and conditions of any debt obligations of the Company.

The foregoing lists of factors and assumptions are not exhaustive. The reader should also consider carefully the matters discussed under the heading "Risks Factors and Uncertainties" elsewhere in this MD&A. Forward-looking statements contained herein are made as of the date hereof (or as of the date of a document incorporated herein by reference, as applicable). No obligation is undertaken to update publicly or otherwise revise any forward-looking statements or the foregoing lists of factors and assumptions, whether as a result of new information, future events or results or otherwise, except as required by law. Because forward-looking statements are inherently uncertain, readers should not place undue reliance on them. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

The forward-looking statements and forward-looking information contained herein are based on information available as of November 17, 2025.



Infrastructure improvements at Tahuehueto

TABLE OF CONTENTS

CORE BUSINESS & STRATEGY	5
OPERATING AND FINANCIAL HIGHLIGHTS	6
ANNUAL OUTLOOK	9
ENVIRONMENTAL, SOCIAL AND GOVERNANCE	13
FINANCIAL PERFORMANCE	33
LIQUIDITY AND CAPITAL RESOURCES	36
NON-IFRS FINANCIAL MEASURES	38
SUMMARY OF QUARTERLY RESULTS	44
OTHER FINANCIAL INFORMATION	46
FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS	46
RISKS AND UNCERTAINTIES	48
MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS	52
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS	52
MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES	52

CORE BUSINESS & STRATEGY

Luca is a polymetallic producer, producing gold, silver, copper, zinc and lead, and is focused on the operation, development and exploration of mineral resource properties in North America. The Company currently operates two mines in Mexico: the Campo Morado Mine and Mill Complex ("Campo Morado") in the state of Guerrero and the Tahuehueto Mine and Mill ("Tahuehueto") in the state of Durango. In early 2024, the Company was in the process of commissioning Tahuehueto and declared commercial production on March 31, 2025.

The Company is a publicly traded company on the TSX Venture Exchange ("TSX.V") under the symbol "LUCA", quoted on the OTCQX over-the-counter market in the USA under the symbol "LUCMF" and quoted on the Frankfurt Stock Exchange under the symbol "Z68". Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and the Company's website www.lucamining.com.

The Company's overall strategy is to grow its mining business through the advancement of existing mines and mineral concessions, complemented by the acquisition and development of additional operations, resources, and reserves. Growth is driven by opportunity rather than restricted by geography, with a focus on assets where the Company's unique combination of political, exploration, operational, financial, and community expertise can deliver meaningful value.

This experience is central to identifying and evaluating acquisition opportunities—particularly in cases where a fresh perspective or targeted investment can unlock potential. The Company seeks to create value by optimizing underperforming assets, advancing overlooked exploration opportunities, and successfully navigating complex regulatory and stakeholder environments.

The Company's approach is underpinned by disciplined execution, a long-term focus on value creation, and the integration of environmental, health & safety and social responsibility into every stage of the process. These primary areas of focus align with our three pillars of value creation:

- Optimization – Enhancing efficiency, productivity, and cost performance at existing operations.
- Exploration – Advancing high-potential targets to grow resources and reserves.
- Expansion – Acquiring and developing assets to broaden the operational portfolio and extend mine life.



General location Map of the Company's mines

OPERATING AND FINANCIAL HIGHLIGHTS

In the third quarter of 2025, the Company continued focusing on advancing critical underground development and exploration initiatives at both mines to support long-term production reliability and grade improvement. These activities continued to impact quarterly costs and cash flow but represent a strategic investment in the future profitability of the Company. Development meters and exploration drilling were stepped up versus the prior year period, intentionally front-loading sustaining work to unlock higher-grade stopes and improve mine sequencing going forward.

Revenue for the quarter totaled \$35.0 million, an 94% increase vs. \$18.1 in Q3 2024, reflecting higher consolidated production, stronger gold and silver prices, and continued operational momentum at both Campo Morado and Tahuehueto. While results moderated relative to Q1 and Q2 2025 due to lower grades, recoveries, and the additional further investment in sustaining capital, the overall performance continues to demonstrate the benefits of a two-mine production platform.

The Company previously expressed consolidated and each site's production on a gold-equivalent ("AuEq") basis to provide a simplified view of total output across multiple metals. However, with Campo Morado's polymetallic nature and the relative contribution of base metals, management believes that presenting production by individual metal primarily zinc, copper, and lead, with zinc-equivalent ("ZnEq") pounds provides a more accurate and representative measure of operational performance.

Each metal contributes differently to revenue depending on market conditions, metallurgical recoveries, and concentrate payabilities, which can vary over time. Reporting by metal allows for clearer insight into these factors and better alignment between operational results and realized financial outcomes.

Given the distinct production profiles of the Company's two operating mines, management has refined its reporting framework to enhance transparency and comparability. Campo Morado, a polymetallic base-metal operation primarily supported on zinc and copper revenues, will present cash costs and all-in sustaining costs on a per-pound-of-zinc basis. Tahuehueto, as a gold-dominant precious metals mine, will continue to present its results on a gold-equivalent ounce basis to capture the combined value contribution from gold, silver, and base metal by-products. This presentation provides a more meaningful depiction of each mine's cost structure and performance and facilitating clearer assessment of each asset's operating margins and cash flow generation.

During the quarter, the Company completed 3,051 meters of capitalized underground development at a cost of \$10.5 million and 17,082 meters of exploration drilling totaling \$3.0 million, a substantial increase over the prior year when minimal work was undertaken. These efforts are designed to access new mining areas, enhance operational flexibility, and prepare higher-grade zones earlier than planned.

Consolidated production reached materially higher levels year-over-year, as the focus on development temporarily reduced head grades and recoveries but lifted overall throughput. Gold production totaled 5,457 ounces (+51%) and silver 312,324 ounces (+97%), with strong base-metal contributions including 10.5 million lbs of zinc (+78%), 2.6 million lbs of copper (+43%), and 2.1 million lbs of lead (+81%).

At Tahuehueto, throughput increased materially compared to the prior year, with 77,548 tonnes milled (+167%) and an average 969 tpd (+187%) at 86.9% availability, supporting higher metal output despite variable grades and recoveries. Production increased across the board: gold 3,560 oz (+58%), silver 73,558 oz (+255%), lead 937k lbs (+131%), zinc 1,524k lbs (+113%), copper 290k lbs (+181%), and AuEq 5,579 oz (+74%). Sales increased in line gold 3,036 oz (+34%), AuEq 4,268 oz (+49%), with base-metal sales also higher (lead 762k lbs, +124%; zinc 814k lbs, +71%). Realized precious-metal prices increased (gold +41%, silver +33%), further enhancing revenue. Importantly, direct mining cost per tonne improved to \$149 (-22%) on higher plant utilization and operating efficiencies, while sustaining investment increased (\$2.3 million, +45%) to advance long-term reliability and mine development. Overall, Tahuehueto delivered a step-change in throughput and multi-metal production compared to the prior year, underpinning stronger financial contributions.

At Campo Morado, mill performance improved compared to prior year, with 173,260 tonnes milled (+42%) and an average of 2,038 tpd (+43%) at 92.4% availability, which, together with higher head grades (Zn 3.07% +30%, Pb 0.76% +23%, Ag 105.9 g/t +27%) offset modestly lower recoveries across metals. This delivered an increased in: zinc 8.96M lbs (+74%), copper 2.32M lbs (+35%), lead 1.13M lbs (+53%), silver 238.8k oz (+73%), and ZnEq production 30.2M lbs (+75%); sales increased in line to 21.1M lbs ZnEq lbs sold, (+61%). Realized prices were Cu \$4.43/lb (+19%), Ag \$39.23/oz (+34%), Au \$3,445/oz (+41%), while zinc was broadly flat (\$1.27/lb, +1%). Unit costs reflected the mix of higher volumes and stepped-up sustaining work: cash cost improved to \$1.09 per payable ZnEq lb (-14%) on throughput and by-product credits, while AISC increased to \$1.43 per payable ZnEq lb (+8%) driven by \$6.4 million of sustaining capital and higher royalties. Overall, Campo Morado delivered strong growth in payable metal production and sales, with cost performance remaining competitive despite the heavier sustaining program.

Adjusted net earnings increased to \$12.8 million for the nine months ended September 30, 2025, compared to a \$0.45 million loss in the prior year period. Adjusted EBITDA increased to \$22.6 million from \$5.9 million, with operating margins positive as mine operating earnings increased to \$26.4 million from \$8.0 million on higher consolidated sales volumes and stronger realized precious-metal prices. Reported net loss was \$14.7 million (prior year: \$9.2 million) and was driven primarily by a non-cash change in fair value of financial instruments of \$19.1 million and a \$3.7 million accrual related to a settlement with SAT; excluding these items, underlying operating performance increased despite higher sustaining capital, royalties, and treatment and selling costs.

Key operational highlights included:

- **Safety:** continued emphasis on safe, disciplined operations with strengthened housekeeping and visible leadership engagement across both sites.
- **Throughput increased:** consolidated tonnes milled of 250,807 (+66% vs. prior year), supporting higher metal output across gold, silver, zinc, copper, and lead.
- **Profitability indicators:** Adjusted EBITDA of \$4.3 million for the quarter and positive year-to-date adjusted net earnings of \$12.8 million.
- **Revenue momentum:** Revenues of \$35.0 million (+94% vs. prior year), supported by higher sales volumes and stronger realized precious-metal prices (gold +28%, silver +18%).
- **Campo Morado performance:** production increased on higher grades and volumes (notably zinc and silver); cash cost improved to \$1.09 per payable ZnEq lb (-14% vs. prior year) with AISC of \$1.43/lb while advancing sustaining work. Zinc-circuit recoveries were stabilized through targeted ore-blend controls reagent/operating adjustments and commissioning a 4th Zn-cleaning stage.
- **Tahuehueto ramp-up:** 77,548 tonnes milled (+167% vs. prior year) and AuEq production up 74%; direct mining cost per tonne improved to \$149 (-22%), with the new contractor “La Cantera” redeployment supporting development and plant reliability.
- **Investment for reliability:** sustaining capital of \$8.7 million in the quarter (\$19.0 million YTD) to accelerate underground development and drilling, positioning both mines for improved grade access and operating flexibility.

With throughput scaling, positive adjusted margins, and development investment largely front-loaded, the Company enters the coming quarters focused on converting this groundwork into higher grades, steadier recoveries, and improving unit costs. Campo Morado is positioned to sustain stable base-metal output with cost discipline as sustaining projects bed in, while Tahuehueto’s ramp-up continues to benefit from ongoing development and stope access initiatives that support reliable plant utilization. Management will prioritize cash generation, prudent capital allocation, and safety-first execution, aiming to translate stronger realized prices and higher sales volumes into durable operating cash flow and continued positive results.



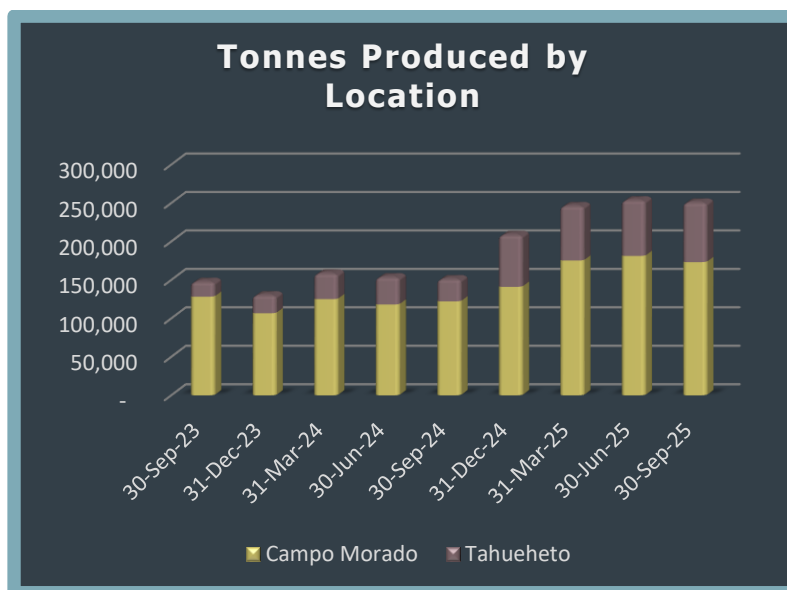
Tailings storage facility at Campo Morado

Consolidated	Three months ended			Nine Months ended		
	September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
Operating						
Tonnes mined	241,153	153,010	58%	751,538	447,367	68%
Tonnes milled	250,807	151,221	66%	750,806	463,322	62%
Gold ("Au") ounces produced	5,457	3,604	51%	19,755	12,179	62%
Silver ("Ag") ounces produced	312,324	158,778	97%	942,832	554,550	70%
Lead ("Pb") produced (lbs'000)	2,062	1,142	81%	6,661	4,070	64%
Zinc ("Zn") produced (lbs'000)	10,485	5,876	78%	33,997	19,529	74%
Copper ("Cu") produced (lbs'000)	2,608	1,818	43%	7,693	5,120	50%
Gold ounces sold	3,990	3,124	28%	16,155	10,332	56%
Silver ounces sold	233,934	127,650	83%	716,545	409,479	75%
Lead sold (lbs'000)	762	340	124%	2,575	1,267	103%
Zinc sold (lbs'000)	7,643	4,837	58%	25,003	13,757	82%
Copper sold (lbs'000)	1,871	1,367	37%	5,514	3,757	47%
Sustaining Capital (\$)	8,655	1,851	368%	19,043	3,902	388%
Financial						
	\$	\$		\$	\$	
Net Revenue	35,039	18,095	94%	110,436	52,599	110%
Cost of Sales	31,123	16,347	(90%)	84,084	44,578	(89%)
Mine operating earnings	3,916	1,748	124%	26,352	8,021	229%
Mine operating cash flow before taxes ^{(2) (4)}	7,178	2,384	201%	34,953	9,762	258%
Net earnings (loss) ⁽⁶⁾	(16,021)	(19,223)	17%	(14,729)	(9,248)	(59%)
Adjusted net earnings (loss) ^{(2) (6)}	(49)	(1,553)	97%	12,759	(447)	2,954%
Net free cashflow before working capital ⁽⁵⁾	(3,246)	(597)	(443%)	5,306	4,322	23%
EBITDA ^{(1)(2) (6)}	(10,793)	(17,765)	39%	(2,100)	(5,340)	61%
Adjusted EBITDA ^{(1)(2) (6)}	4,343	(76)	5,804%	22,569	5,922	281%
Realized gold price per ounce (\$) ⁽²⁾⁽³⁾	3,138.12	2,442.13	28%	3,434.32	2,266.34	52%
Realized silver price per ounce (\$) ⁽²⁾⁽³⁾	34.65	29.36	18%	39.11	26.80	46%
Realized lead price per pound (\$) ⁽²⁾⁽³⁾	0.89	0.93	(5%)	0.89	0.95	(6%)
Realized zinc price per pound (\$) ⁽²⁾⁽³⁾	1.25	1.26	(1%)	1.27	1.21	5%
Realized copper price per pound (\$) ⁽²⁾⁽³⁾	4.31	3.73	15%	4.43	3.96	12%
Working capital ⁽⁵⁾	(9,371)	(8,850)	(6%)	(9,371)	(8,850)	(6%)
Shareholders						
Gain (loss) per share – basic ⁽⁶⁾	(0.06)	(0.11)	43%	(0.06)	(0.06)	0%
Gain (loss) per share – diluted ⁽⁶⁾	(0.06)	(0.11)	43%	(0.06)	(0.06)	0%
Adjusted earnings per share – basic and diluted ^{(5) (6)}	0.00	(0.01)	(98%)	0.05	0.00	(1996%)
Weighted Average Shares Outstanding - basic (000)	263,534	171,431	54%	250,294	166,316	50%
Weighted Average Shares Outstanding - diluted (000)	263,534	171,431	54%	250,294	166,316	50%

1. See Reconciliation of earnings before interest, taxes, depreciation, and amortization on page 40.
2. See "Non-IFRS Financial Measures" on page 38.
3. Based on provisional sales before final price adjustments, treatment, and refining charges.
4. Mine operating cash flow before taxes is calculated by adding back royalties, changes in inventory and depreciation and depletion to mine operating earnings. See Reconciliation to IFRS on page 40.
5. Net free cash flow before working is operating cash flow before working capital changes, less capital expenditures. See page 41.
6. Information presented herein for the three and nine months ended September 30, 2024, has been restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

	September 30 2025	December 31 2024
	\$	\$
Cash	15,925	10,207
Total assets	158,546	134,974
Total current liabilities	51,614	51,593
Non-current liabilities	43,985	35,697
Shareholders' equity	62,947	47,684

The above highlights are key measures used by management; however, they should not be the sole measures used in determination of the performance of the Company's operations.



ANNUAL OUTLOOK

2025 Production Guidance

Consolidated

During the first nine months of 2025, the Company produced 19,755 ounces of gold and 942,832 ounces of silver, representing approximately 60% and 76%, respectively, of the low end of annual production guidance. Consolidated base-metal output totaled 33.9 million pounds of zinc, 6.7 million pounds of lead, and 7.1 million pounds of copper, corresponding to 68%, 77%, and 75% of the low end of guidance. Payable metals followed a similar pattern, with payable copper achieving 92% of guidance, reflecting improved concentrate payabilities, while payable gold and zinc remained below plan due to the timing of higher-grade stope access at Tahuehueto and grade variability at Campo Morado.

In light of year-to-date results and mine sequencing for the balance of the year, the Company has revised its full-year production guidance to better reflect the expected grade profile and development schedules at each operation. The updated guidance remains aligned with improved metallurgical performance at both mines.

Produced Metal					
		Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD (low end guidance)	Updated Guidance
Gold production	oz	33,000 – 39,000	19,755	60%	25,500 – 29,000
Silver production	oz	1,244,000 – 1,464,000	942,832	76%	1,187,000 – 1,391,000
Lead production	lbs ('000)	8,600 – 10,200	6,661	77%	8,600 – 10,200
Zinc production	lbs ('000)	46,000 – 54,000	33,997	68%	43,800 – 45,000
Copper production	lbs ('000)	9,400 – 10,700	7,693	75%	9,600 – 10,800
Payable Metal					
		Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD (low end guidance)	Updated Guidance
Gold production	oz	27,000 – 34,000	16,155	60%	21,000 – 24,000
Silver production	oz	941,000 – 1,159,000	716,545	76%	899,000 – 1,070,000
Lead production	lbs ('000)	3,000 – 4,000	2,575	86%	3,000 – 4,000
Zinc production	lbs ('000)	36,000 – 45,000	25,003	69%	31,500 – 36,200
Copper production	lbs ('000)	6,000 – 7,000	5,514	92%	7,000 – 8,000

(1) Original guidance as published in the Company's March 31, 2025, news release. Totals may not sum due to rounding.

While consolidated gold and zinc production are tracking below the pace implied by the original full-year plan, the variance primarily reflects mine sequencing and ramp-up timing rather than operational underperformance. At Tahuehueto, access to higher-grade stopes within the Creston and Perdido veins is progressing, positioning the operation for a notable improvement in head grades and output in the fourth quarter. At Campo Morado, mining through mixed-grade zones earlier in the year temporarily impacted zinc output; however, process optimizations implemented in Q3 particularly blending and grinding adjustments—are already yielding improved concentrate grades and recoveries.

With these improvements in place and both mines entering higher-grade production zones, management expects a stronger fourth quarter, with increased metal output, improved unit costs, and a more stable production base heading into 2026.

Campo Morado

Campo Morado produced 29.4 million pounds of zinc, 3.7 million pounds of lead, 6.8 million pounds of copper, 732,921 ounces of silver, and 6,630 ounces of gold during the first nine months of 2025, achieving between 67% and 77% of the low end of annual guidance for most metals. Throughput levels remained steady near target rates, while metallurgical optimization initiatives continued to focus on improving recoveries and concentrate quality.

In light of year-to-date performance and mine sequencing through mixed-grade zones, the Company has revised Campo Morado's production guidance to reflect current grade trends and the operational trajectory for the remainder of the year. Zinc production is now expected to range between 38 and 42 million pounds, with modest downward revisions to gold and silver output, while copper guidance has been increased to capture stronger recoveries observed late in Q3.

Produced Metal					
		Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD (low end guidance)	Updated Guidance
Gold production	oz	11,000 – 13,000	6,630	60%	8,500 – 10,000
Silver production	oz	997,000 – 1,173,000	732,921	74%	940,000 – 1,100,000
Lead production	lbs ('000)	5,000 – 6,000	3,653	73%	5,000 – 6,000
Zinc production	lbs ('000)	40,000 – 47,000	29,496	67%	38,000 – 42,000
Copper production	lbs ('000)	8,000 – 9,000	6,811	77%	8,500 – 9,500
Payable Metal					
		Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD (low end guidance)	Updated Guidance
Gold production	oz	7,000 – 9,000	4,243	61%	5,500 – 6,500
Silver production	oz	722,000 – 889,000	530,443	73%	680,000 – 800,000
Lead production	lbs ('000)	-	-	-	-
Zinc production	lbs ('000)	32,000 – 40,000	22,348	70%	28,000 – 32,000
Copper production	lbs ('000)	6,000 – 7,000	5,514	92%	7,000 – 8,000

(1) Original guidance as published in the Company's March 31, 2025, news release. Totals may not sum due to rounding.

While early-year production was affected by lower-than-modeled head grades and variable ore mineralogy, process refinements introduced in the third quarter, particularly adjustments to reagent dosing and concentrate cleaning, are already yielding incremental improvements in recoveries and concentrate grades. The operation remains on track to sustain throughput above 2,000 tonnes per operating day by year-end, with a focus on stabilizing metallurgical performance and further enhancing payability.

Development of a third lead-rich concentrate continues as planned and is expected to improve gold and silver payabilities beginning in 2026.

Tahuehueto

At Tahuehueto, total year-to-date production reached 13,125 ounces of gold, 209,910 ounces of silver, 3.0 million pounds of lead, 4.5 million pounds of zinc, and 883,000 pounds of copper. Output represents between 60 % and 85 % of the low end of annual guidance, with particularly strong performance in silver and lead. Lower gold and zinc production reflects the staged ramp-up of underground development and temporary limitations in ore-blending flexibility during the first half of the year. These conditions are easing as additional stopes are prepared and plant availability continues to improve.

In light of year-to-date results and the development sequence for the remainder of 2025, the Company has revised its full-year guidance for Tahuehueto to reflect current ramp-up progress and updated grade expectations. Gold production is now forecast between 17,000 and 19,000 ounces, with minor adjustments to base-metal forecasts, while silver guidance remains unchanged given consistent recoveries and feed grades.

Produced Metal					
		Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD (low end guidance)	Updated Guidance
Gold production	oz	22,000 – 26,000	13,125	60%	17,000 – 19,000
Silver production	oz	247,000 – 291,000	209,910	85%	247,000 – 291,000
Lead production	lbs ('000)	3,600 – 4,200	3,008	84%	3,600 – 4,200
Zinc production	lbs ('000)	6,000 – 7,000	4,501	75%	5,800 – 6,500
Copper production	lbs ('000)	1,400 – 1,700	883	63%	1,000 – 1,500
Payable Metal					
		Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD (low end guidance)	Updated Guidance
Gold production	oz	20,000 – 25,000	11,911	60%	15,500 – 17,500
Silver production	oz	219,000 – 270,000	186,101	85%	219,000 – 270,000
Lead production	lbs ('000)	3,000 – 4,000	2,575	86%	3,000 – 4,000
Zinc production	lbs ('000)	4,000 – 5,000	2,654	66%	3,500 – 4,200
Copper production	lbs ('000)	-	-	-	-

(1) Original guidance as published in the Company's March 31, 2025, news release. Totals may not sum due to rounding.

Plant throughput averaged 969 tonnes per day at 86.9 % mill availability through the third quarter, consistent with the ramp-up plan. Management expects average throughput to rise toward 900 – 1,000 tpd in Q4, supported by a robust underground development program. As steady-state throughput is achieved and additional high-grade stopes in the Dos de Mayo and Santiago veins are accessed, gold output is expected to strengthen materially in the final months of 2025, driving improved cash costs and establishing a solid production foundation for 2026.

Outlook

With both mines positioned for stronger fourth-quarter performance, consolidated production is expected to increase meaningfully through year-end, supported by higher-grade stopes at Tahuehueto and continued metallurgical optimization at Campo Morado. These improvements, together with disciplined cost control and capital prioritization, are expected to drive a stronger cash generation profile in the final quarter.

Capital investment for 2025 remains focused on sustaining and optimization projects that directly enhance throughput, recoveries, and mine development. While additional expenditures were incurred earlier in the year to accelerate underground access and infrastructure upgrades, management continues to expect total capital spending to remain within the updated guidance range. With production momentum building and non-recurring development costs tapering, the Company anticipates delivering positive free cash flow before working capital adjustments in the fourth quarter, consistent with revised full-year expectations.

2025 Budgeted Capital Expenditures and Exploration

Capital investment in 2025 has been primarily directed toward sustaining mine development, plant optimization, and near-mine exploration across both operations. Expenditures during the first nine months totaled \$20.3 million, representing approximately 74% of full-year guidance. As project scopes have evolved and key optimization initiatives were accelerated to support long-term performance, the Company has revised its consolidated capital guidance modestly higher to \$29.4 million, largely reflecting incremental mine development at Campo Morado and infrastructure improvements at Tahuehueto.

Campo Morado				
	Guidance ⁽¹⁾ \$	Q3 Actual YTD \$	% of guidance YTD	Updated Guidance \$
Mine Development - Sustaining	10.0 million	9.0 million	90%	12.2 million
Other Capital - Sustaining	3.0 million	2.7 million	90%	3.7 million
Total Sustaining	13.0 million	11.7 million	90%	15.9 million
Exploration	1.3 million	1.7 million	130%	2.3 million
Total	14.3 million	13.4 million	94%	18.2 million

Tahuehueto				
	Guidance ⁽¹⁾ \$	Q3 Actual YTD \$	% of guidance YTD	Updated Guidance \$
Mine Development - Sustaining	6.5 million	1.5 million	23%	4.2 million
Other Capital - Sustaining	4.0 million	4.1 million	101%	5.2 million
Total Sustaining	10.5 million	5.6 million	53%	9.4 million
Exploration	2.6 million	1.4 million	52%	1.8 million
Total	13.1 million	6.9 million	52%	11.2 million

Consolidated				
	Guidance ⁽¹⁾	Q3 Actual YTD	% of guidance YTD	Updated Guidance
Mine Development - Sustaining	16.5 million	10.5 million	64%	16.5 million
Other Capital - Sustaining	7.0 million	6.8 million	97%	8.9 million
Total Sustaining	23.5 million	17.3 million	74%	25.3 million
Exploration	3.9 million	3.0 million	78%	4.1 million
Total	27.4 million	20.3 million	74%	29.4 million

(1) Original guidance as published in the Company's March 31, 2025, news release. Totals may not sum due to rounding.

Higher sustaining capital at Campo Morado reflects the advancement of mine development to access new production zones and completion of key plant improvements, including upgrades to the flotation and grinding circuits. At Tahuehueto, capital expenditures have shifted toward plant reliability and infrastructure optimization to support higher throughput and long-term operating stability.

Despite these incremental investments, overall spending remains aligned with the Company's growth and optimization priorities. With major development projects now largely complete and throughput rates improving at both operations, capital intensity is expected to decline in 2026, supporting continued improvement in free cash flow before working capital adjustments. Management continues to target positive free cash flow in Q4 2025, consistent with the revised annual outlook and positioning the Company for stronger cash generation in 2026.

Free Cash Flow

The Company initially anticipated generating between \$30 million and \$40 million⁽¹⁾ in Net Free Cash Flow before working capital adjustments for the year. However, following additional capital investments to accelerate mine development and infrastructure upgrades, together with lower-than-expected gold and zinc output during the second and third quarters of 2025 as mining progressed through lower-grade areas, full-year Net Free Cash Flow is now expected to be between \$5 million and \$10 million.

While the revised outlook reflects the timing of these investments and temporary grade variability, the spending has materially advanced underground development, plant optimization, and long-term operating reliability at both mines. As higher-grade stopes are accessed at Tahuehueto and metallurgical performance continues to improve at Campo Morado, management expects these initiatives to translate into stronger production, lower unit costs, and improved cash generation beginning in Q4 2025 and into 2026.

This measure, which excludes short-term fluctuations in receivables, payables, prepaids, and inventory, provides a clearer view of underlying operational cash flow generation before working capital movements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

As a conscientious mining entity, Luca recognizes the paramount importance of the Health & Safety of our employees and the significance of Environmental, Social, and Governance ("ESG") considerations in all aspects of its operations. The Company is dedicated to conducting its activities sustainably, striving to create enduring value for stakeholders while minimizing any negative impact on the environment and society. Embracing responsible mining as both a moral imperative and a strategic necessity, Luca's management is unwavering in its commitment to uphold high ethical and compliance standards, as well as ensure transparent and integrity-driven operations.

Luca's adherence to world-wide accepted health and safety standards and to ESG principles are not merely a philosophical stance but a practical imperative that underpins its business strategy. It is essential for fostering trust and garnering support from customers, investors, employees, and the communities where it operates. Luca has delineated key focus areas and is actively in pursuit of concrete actions to achieve and uphold these objectives.

At the heart of Luca Mining Corp.'s endeavors lies the value of family. The Company recognizes that its purpose extends beyond profit; it encompasses producing metals essential for a world grappling with critical issues like climate change, poverty reduction, gender equality, and health and well-being. Luca's commitment to meaningful work resonates deeply with the local families in the communities it operates in, as it strives to empower individuals to achieve their personal and professional aspirations, thereby building a lasting legacy for future generations.

Luca's mission is clear: to build profitable mining operations while creating lasting economic and social benefits for all stakeholders. Central to this mission is the Company's unwavering dedication to honor and protect employee safety and the environment every day. Luca aims to become the benchmark in sustainable development, passionately fostering economic and social benefits for communities and shareholders alike. Ultimately, the Company seeks to ensure that all of its families can take pride in the impactful work it does.

Health and Safety	Environmental Stewardship	People, Community and Culture	Governance & Ethics
- Promote safe and healthy behavior as a core value in the organization's culture - Provide training and information to enable all our people to work safely and competently. - Promote and enhance employee commitment and accountability. - Achieved 1,000,000 hours with no LTI's at Campo Morado - Maintain a 5-hectare community landfill site at Tahuehueto. - Maintain 160 km of roads annually, including the main road access to the communities and routes to nearby villages	- Pursue continual improvement in environmental performance. - Implemented a water re-utilization system in Campo Morado, and the Company plans to also implement the same system at Tahuehueto. - Actively advancing green energy initiatives, evaluating the benefits of installing solar power at Campo Morado and planning natural gas generator installation at Tahuehueto to cut carbon emissions. - Tahuehueto is also exploring solar panel installation to reduce reliance on generators for daytime electricity needs.	- Assisted local authorities to establish and equip the first school and medical clinic in the Tahuehueto area. - Provide annual vaccination campaigns to the community. - Contributed to enhancing infrastructure including electricity, water supply, and filtration systems in the Tahuehueto communities. - Local hiring and procurement policies to benefit local communities. Campo Morado employs over 200 locals directly and supports local suppliers and contractors. - Tahuehueto mine currently employs approximately 150 people, directly supporting the local community.	- Governance policies in place include a Corporate Disclosure policy, Insider Trading policy, Code of Conduct, and a Whistleblower policy. - The Company's board is diverse with individuals from varied backgrounds and expertise with one senior director being a Mexican national. - The Company regularly interacts with employees, investors, communities and regulators to understand their concerns and incorporate their feedback in the decisions made.

CAMPO MORADO MINE

Campo Morado is an underground polymetallic mine located in the state of Guerrero, Mexico, producing concentrates containing gold, silver, zinc, copper and lead. The mine is situated on a property consisting of six mining concessions covering a surface of 12,090 hectares (121 square kilometers). The processing plant at Campo Morado includes a crushing and grinding mill, and a flotation circuit with an installed capacity of approximately 2,400 tonnes per operating day.

OPERATIONS

Operating results for the three and nine months ended September 30, 2025, and 2024, were as follows:

	Three months ended			Nine Months ended		
	September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
Production						
Tonnes mined	168,645	123,122	37%	534,461	355,637	50%
Tonnes milled	173,260	122,195	42%	529,914	365,404	45%
Average tonnes milled per day ⁽⁷⁾	2,038	1,421	43%	2,070	1,427	45%
<u>Head Grade</u>						
Average gold grade (g/t)	1.50	1.35	11%	1.47	1.46	1%
Average silver grade (g/t)	105.91	83.30	27%	101.20	96.97	4%
Average lead grade (%)	0.76	0.62	23%	0.74	0.68	9%
Average zinc grade (%)	3.07	2.36	30%	3.13	2.50	25%
Average copper grade (%)	0.83	0.81	3%	0.78	0.77	1%
<u>Recoveries</u>						
Average gold recovery (%)	22.69	25.35	(10%)	26.4	27.95	(6%)
Average silver recovery (%)	40.47	42.19	(4%)	42.5	41.86	2%
Average lead recovery (%)	38.75	44.20	(12%)	42.3	44.87	(6%)
Average zinc recovery (%)	76.45	81.26	(6%)	80.6	82.27	(2%)
Average copper recovery (%)	72.85	78.35	(7%)	74.5	77.39	(4%)
Gold produced (oz)	1,897	1,347	41%	6,630	4,793	38%
Silver produced (oz)	238,766	138,065	73%	732,921	476,937	54%
Lead produced (lbs'000)	1,125	736	53%	3,653	2,462	48%
Zinc produced (lbs'000)	8,961	5,162	74%	29,496	16,595	78%
Copper produced (lbs'000)	2,319	1,715	35%	6,811	4,806	42%
ZnEq produced (lbs'000)⁽¹⁾	30,227	17,243	75%	92,422	54,312	70%
Sales						
Gold sold (oz)	954	857	11%	4,244	3,026	40%
Silver sold (oz)	169,542	109,586	55%	530,444	345,972	53%
Zinc sold (lbs'000)	6,829	4,362	57%	22,348	12,235	83%
Copper sold (lbs'000)	1,871	1,367	37%	5,514	3,757	47%
ZnEq sold (lbs'000)⁽¹⁾	21,099	13,122	61%	66,317	38,263	73%
Realized gold price per ounce (\$) ⁽⁵⁾⁽⁶⁾	3,445.69	2,446.29	41%	3,073.91	2,239.36	37%
Realized silver price per ounce (\$) ⁽⁵⁾⁽⁶⁾	39.23	29.37	34%	34.60	26.75	29%
Realized lead price per pound (\$) ⁽⁵⁾⁽⁶⁾	0.89	0.93	(4%)	0.89	0.95	(7%)
Realized zinc price per pound (\$) ⁽⁵⁾⁽⁶⁾	1.27	1.26	1%	1.25	1.21	3%
Realized copper price per pound (\$) ⁽⁵⁾⁽⁶⁾	4.43	3.73	19%	4.31	3.96	9%
Costs						
Direct mining cost per tonne (\$) ⁽²⁾⁽⁵⁾	88	78	(14%)	80	71	(13%)
Cash cost (payable ZnEq, \$/lb) ⁽¹⁾⁽³⁾⁽⁵⁾	1.09	1.27	14%	0.96	1.14	15%
AISC per (payable ZnEq, \$/lb) ⁽¹⁾⁽⁴⁾⁽⁵⁾	1.43	1.33	(8%)	1.22	1.23	1%
Capital expenditures						
Sustaining (\$)	6,384	280	2,180%	13,491	1,943	594%

1. Zinc equivalents are calculated using an 2,946.12:1 (Zn/Au), 30.6:1 (Zn/Ag), 0.6990:1 (Zn/Pb) and 3.47:1 (Zn/Cu) ratio for Q3 2025; and Zinc equivalents are calculated using an 1,942.91:1 (Zn/Au), 23.3:1 (Zn/Ag), 0.7387:1 (Zn/Pb) and 2.97:1 (Zn/Cu) ratio for Q3 2024; 2,510.51:1 (Zn/Au), 27.7:1 (Zn/Ag), 0.7091:1 (Zn/Pb) and 3.45:1 (Zn/Cu) ratio for YTD 2025; and Zinc equivalents are calculated using an 1,874.39:1 (Zn/Au), 22.1:1 (Zn/Ag), 0.7841:1 (Zn/Pb) and 3.27:1 (Zn/Cu) ratio for YTD 2024, respectively.
2. Direct mining costs include mining, processing, and direct overhead at the operation sites See reconciliation on page 41.
3. Cash cost per zinc equivalent ounce includes mining, processing, direct overhead costs and treatment and refining charges. See reconciliation on page 41.
4. AISC per ZnEq lbs includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. See Reconciliation to IFRS on page 41.
5. See "Non-IFRS Financial Measures" on page 38.
6. Based on provisional sales before final price adjustments, treatment, and refining charges.
7. Average tonnes milled per day assumes the actual days in the month less 2 days for planned preventative maintenance.

Production

Three months ended September 30, 2025 (compared to the three months ended September 30, 2024)

For the three months ended September 30, 2025, total production at Campo Morado amounted to 30.2 million zinc-equivalent pounds, an increase of 75% compared to 17.2 million pounds in the same period of prior year. This increase was driven primarily by sustained plant throughput improvements, with 173,260 tonnes milled (+42%) and an average 2,038 tonnes per operating day (+43%) at 92.3% mill availability. Operating discipline and reliability initiatives supported steadier milling rates through the quarter. Also, the mine and plant teams tightened feed-blend controls (limiting high-iron material), reinforced housekeeping, and stabilized reagent dosing to keep the circuit consistent.

Head grades increased across key base metals compared to the prior year quarter—zinc 3.07% (+30%), lead 0.76% (+23%), silver 105.9 g/t (+27%), and copper 0.83% (+3%) while gold grade increased to 1.50 g/t (+11%). Recoveries were lower as the operation processed a broader range of ore types with higher iron content: zinc 76.5% (-6%), copper 72.9% (-7%), lead 38.8% (-12%), silver 40.5% (-4%), and gold 22.7% (-10%). Targeted metallurgical adjustments tighter ore-blend management, reagent and cleaning-stage optimization, and ongoing flotation cell refurbishment supported circuit stability; geometallurgical work completed during the quarter is guiding blend strategy and is expected to support recovery improvement as development advances and the stope sequence normalizes.

Metal production increased in line with the higher throughput and grades: zinc 8.96 million lbs (+74%), copper 2.32 million lbs (+35%), lead 1.13 million lbs (+53%), silver 238,766 oz (+73%), and gold 1,897 oz (+41%) compared to the prior year quarter. Sales performance reflected these trends, with ZnEq payable pounds sold of 21.1 million (+61%). Consistent mine execution, improved plant stability, and strengthened offtake quality control (all zinc concentrates meeting specification) underpinned the quarter's gains, while ongoing development and blending practices position the operation to sustain volumes and progressively improve recoveries.

During the period ended September 30, 2025, costs reflected a larger, more reliable operation and front-loaded sustaining work. Cost of sales increased on higher tonnes milled (173,260, +42%) and ZnEq payable pounds sold (21.1 million, +61%), with direct mining cost per tonne at \$88 (2024: \$78, +14%) as higher throughput lifted power, reagents, grinding media, and scheduled maintenance (pump rebuilds, crusher work, thickener/filter servicing). Cash cost per ZnEq payable pound improved to \$1.09 (2024: \$1.27, -14%) on scale and steadier product quality, while AISC and all-in cost per ZnEq payable pound increased to \$1.43 (2024: \$1.33, +8%) and \$1.48 (2024: \$1.34, +10%), respectively, largely due to sustaining capital of \$6,384 (2024: \$280) from increased development to access new mineralized zones and plant equipment refurbishment. These cost dynamics were supported by stronger realized prices gold \$3,445/oz (2024: \$2,446), silver \$39.23/oz (2024: \$29.37), copper \$4.43/lb (2024: \$3.73) and higher sales volumes (zinc +57%, copper +37%, silver +55%, gold +11%), which together underpinned operating margins despite the investment heavy quarter.

Nine months ended September 30, 2025 (compared to the nine months ended September 30, 2024)

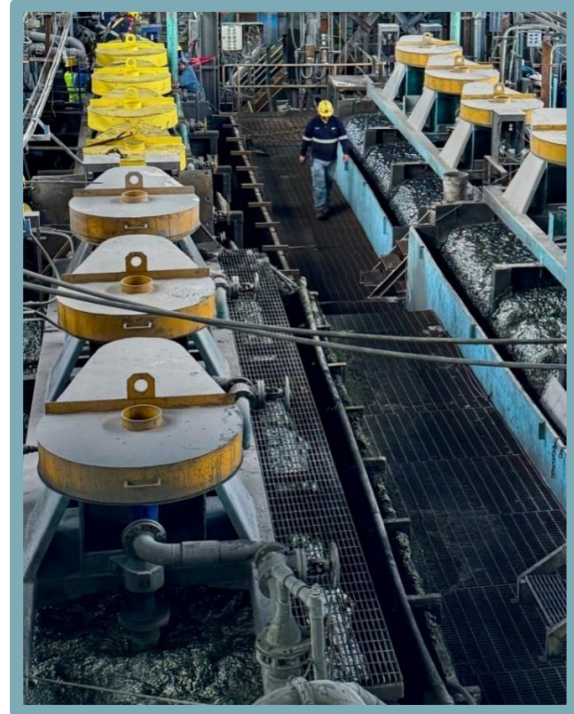
For the nine months ended September 30, 2025, total production at Campo Morado amounted to 92.4 million zinc-equivalent pounds, an increase of 70% compared to 54.3 million pounds in the prior-year period. This increase reflected a step change in operating scale carried through from the first half (H1): throughput increased to 529,914 tonnes milled (+45%) and average daily milling rates increased versus the prior year, trending around the 2,000 tpd level (this quarter average 2,038 tpd, +43%). Improvements established in H1 re-bolting and ventilation upgrades, control-system repairs, improved power distribution, and disciplined ore-inventory management with long-hole stoping contributing the majority of mined tonnes supported steadier runtime. In this quarter, those reliability gains were complemented by tighter feed blend control and housekeeping in the plant, which helped sustain higher, more consistent throughput.

Across the period, the grade profile increased versus the prior year zinc 3.13% (+25%), lead 0.74% (+9%), silver 101.2 g/t (+4%), copper 0.78% (+1%), and gold 1.47 g/t (+1%) while recoveries were mixed as a broader range of ore types was processed: zinc 80.6% (-2%), copper 74.5% (-4%), lead 42.3% (-6%), silver 42.5% (+2%), and gold 26.4% (-6%). Through H1 the team advanced recovery and flotation optimization (finer grind tests, metallurgical classification, reagent/cell adjustments); in Q3 that work continued alongside cleaning-stage and dosing upgrades and ongoing cell refurbishments. Together with geometallurgical guidance and stricter blend management (including limiting high-iron material), these actions stabilized the circuit and are expected to support incremental recovery improvement as development opens additional stopes and sequencing normalizes.

Year-to-date metal production increased in line with higher throughput and improved grades: zinc 29.5 million lbs (+78%), copper 6.81 million lbs (+42%), lead 3.65 million lbs (+48%), silver 732,921 oz (+54%), and gold 6,630 oz (+38%). Sales tracked production, with ZnEq payable pounds sold of 66.3 million (+73%), supported by stronger realized prices (gold +37%, silver +29%, zinc +3%, copper +9%). Unit costs reflected scale benefits and operating discipline cash cost decreased to \$0.96 per payable ZnEq lb (-15%) and AISC was \$1.22/lb (-1%) even as sustaining capital increased to \$13.5 million YTD to reinforce plant reliability and mine development. Concentrate quality met specification throughout the period, supporting offtake and shipment cadence.



Sag mill at the Campo Morado plant



Flotation circuit at Campo Morado plant

Cash Cost and All-In Sustaining Cost per ZnEq payable pounds Sold (see "Non-IFRS Financial Measures" on page 43)

Three months ended September 30, 2025 (compared to the three months ended September 30, 2024)

In prior years, the Company calculated Cash Costs, AISC, and All-In Costs using produced gold ounces as the denominator. Beginning in 2025, the Company has transitioned to using payable gold ounces as the denominator for these metrics to better align its cost reporting with industry peers. However, with Campo Morado's polymetallic nature and the relative contribution of base metals, management believes that presenting production by individual metal primarily zinc, copper, and lead, with zinc-equivalent ("ZnEq") pounds provides a more accurate and transparent measure of operational performance. All comparative figures have been restated accordingly.

For the three months ended September 30, 2025, Cost of sales increased 64% to \$17,279 (2024: \$10,558), driven by higher operating scale tonnes milled up 42% to 173,260 and ZnEq payable pounds sold up 61% to 21,099. Within the mix, direct mining cost increased to \$15,320 (2024: \$9,496, +61%) as the site ran more stopes, more mobile equipment, and sustained higher plant hours. The year-over-year increase also reflects (i) more underground development and maintenance, (ii) higher power and consumables at higher throughput, and (iii) planned plant maintenance catch-ups (crushing and pumping circuits) that lifted repairs/spares. Depreciation increased to \$992 (2024: \$636, +56%) as additional mine and plant assets were placed into service. Royalties were \$967 (2024: \$426, +127%), in line with stronger metal sales and prices.

Unit operating costs. Direct mining cost averaged \$88/t (2024: \$78/t, +14%), with the \$5,824 increase in total direct cost to \$15,320 driven by three areas: mining +\$3,231 to \$7,618 (2024: \$4,387) on more headings and longer hauls to sustain higher mill rates; milling +\$2,303 to \$5,576 (2024: \$3,273) on higher power draw, grinding media, and reagent consumption at increased tonnes; and indirect/site support +\$1,159 to \$2,588 (2024: \$1,429) on maintenance, spares, and contracted services tied to planned repairs (pump rebuilds, crusher maintenance, thickener/filter servicing). This was partly offset by an inventory swing of \$869 favorable (credit \$462 vs. prior-year charge \$407) as ore and concentrate balances normalized.

Operationally, the plant was more stable than the prior-year quarter (fewer unplanned stops), but the throughput step-up naturally lifted energy and reagent usage. In addition, several planned maintenance items such as pump rebuilds, crusher maintenance, and servicing of thickeners/filters were scheduled and completed within the quarter, concentrating maintenance spend into Q3.

Cash cost increased 38% to \$23,037 (2024: \$16,660), reflecting the higher direct mining spend plus treatment & selling costs of \$6,750 (flat vs \$6,738 on much higher shipped tons due to better commercial terms/logistics) and royalties of \$967 (2024: \$426). Despite the absolute increase, cash cost per ZnEq payable lb improved to \$1.09 (2024: \$1.27, -14%) on strong volume leverage, steadier product quality (payabilities), and better freight coordination that limited per-unit TC/RC pressure.

AISC increased 73% to \$30,237 (2024: \$17,492), principally from sustaining capital of \$6,384 (2024: \$280). Sustaining was concentrated in capitalized underground development, mobile/plant component replacements, and reliability projects (de-bottlenecking pumps/lines, spares, safety systems) to keep the mill consistently above 2,000 tpd. Lease/other AISC items were broadly steady (G&A allocation \$685 vs \$482; accretion \$117 vs \$80). On a unit basis, AISC per ZnEq lb was \$1.43 (2024: \$1.33, +8%) the sustaining heavy quarter outweighed scale benefits.

In sum, Campo Morado delivered steadier plant performance and higher throughput, translating into better payabilities and a lower cash cost per ZnEq lb to \$1.09 from \$1.27, even as cost of sales scaled with volume in the same period of prior year. During this quarter sustaining spend (\$6,384) and scheduled reliability work (pumps, crusher, thickener/filters) lifted AISC per ZnEq lb to \$1.43 from \$1.33, compared to same quarter prior year, but these investments underpin grade delivery and recovery control. With development access largely in place and maintenance catch-ups, management expects a more balanced sustaining profile and continued focus on recovery stability and unit-cost efficiency in subsequent periods.

Nine months ended September 30, 2025 (compared to the nine months ended September 30, 2024)

Cost performance year-to-date reflects a larger, more reliable operation running at higher sustained throughput, with unit efficiencies on cash costs offset by deliberate, front-loaded sustaining investment. Cost of sales increased 67% to \$47,911 (2024: \$28,712) on tonnes milled of 529,914 (+45%) and ZnEq payable pounds sold of 66.3 million (+73%). Within this, direct mining cost increased 64% to \$42,568, driven by additional development headings, longer hauls, higher power and consumables at increased tonnage, and a fuller maintenance program; depreciation increased 69% to \$2,950 as additional mine/plant assets were placed in service; and royalties increased to \$2,393 (2024: \$1,063) in line with higher net revenues.

During the nine months ended September 30, 2025, direct mining cost increased 64% to \$42,568 (2024: \$25,908), consistent with higher sustained throughput (529,914 t, +45%) and a fuller development/reliability program. On a unit basis, direct mining cost per tonne increased 13% to \$80/t (2024: \$71/t). The mix comprised mining \$21,981 (2024: \$10,995, +100%) on more headings and longer hauls to support steady mill rates; milling \$15,017 (2024: \$11,364, +32%) on higher power, grinding media and reagents at increased tonnage; and indirect/site support \$6,157 (2024: \$4,153, +48%) for maintenance, spares, and contracted services. Inventory movements were modestly favorable (\$587 vs \$(604)) compared to the same period ended September 30, prior year.

Total cash cost increased 47% to \$63,969 (2024: \$43,480) on higher mining spend and treatment & selling costs of \$19,008 (+15%) tied to materially higher shipped concentrate volumes and standard TCRC terms; royalties were \$2,393 (2024: \$1,063, +125%) in line with stronger net revenues. Despite scale-up, cash cost per ZnEq payable pound improved to \$0.96 (2024: \$1.14, -15%) on volume leverage, steadier concentrate quality/payabilities, and tighter freight coordination, compared to the same period ended September 30, prior year.

All-in sustaining costs (AISC) increased 71% to \$80,598 (2024: \$47,068), driven mainly by sustaining capital of \$13,491 (2024: \$1,943, +594%) for capitalized underground development, component replacements, and reliability projects (pumps/lines, crusher work, thickener/filter upkeep) required to stabilize higher throughput. Lease payments were \$754 (2024: \$105, +618%) and corporate G&A allocated to site support was \$2,119 (2024: \$1,250, +70%). Volume benefits largely offset the spend, keeping AISC per ZnEq payable pound at \$1.22 (2024: \$1.23, -1%), compared to the same period ended September 30, prior year.

Overall, Campo Morado is showing the expected scale-up profile: meaningfully lower unit cash costs on higher volumes (\$0.96/lb vs \$1.14/lb) while AISC per lb remains contained despite step-change sustaining to lock in reliability and access. With most development and maintenance catch-up now embedded in the asset base, management expects a more balanced sustaining cadence and continued focus on recovery stability and unit-cost efficiency through subsequent periods.

DEVELOPMENT

Mining Operations

During the third quarter of 2025, Campo Morado achieved an average processing rate of 2,038 tonnes per operating day ("tpd") at 92.3% mill availability, reflecting successful continuity in the operation of the underground mine and the processing plant.

Increased levels of development and stope preparation have also enabled the Company to consistently produce from different mineralized zones, thereby enhancing its ability to optimize ore blending strategies. An adequate blending practice supports improved plant feed stability and operational continuity.

Campo Morado Improvement Project

The Company continues to work to improve the Campo Morado mill's performance. The Company engaged international engineering consultant Ausenco México ("Ausenco") in the last quarter of 2022 to undertake a detailed review of the Campo Morado processing plant to improve overall metallurgical performance. The external review provided the Company's operations with a roadmap to improve recoveries and concentrate grades, which has been progressively implemented since Q3 2023 with positive results to date. These improvements have been achieved by beginning with a geometallurgy program at the site, which enhanced the Company's understanding of ore zone mineralogy and metallurgical performance in the plant. This initial stage provided the necessary inputs to design a more efficient flowsheet that simplified the milling, flotation and concentration processes.

Currently, Campo Morado produces a zinc concentrate and a bulk copper-lead concentrate. The Company is now working to configure the Campo Morado plant to separate copper and lead from the bulk concentrate into two separate concentrates, with the ultimate goal of producing cleaner, higher-grade zinc, copper, and lead concentrates. More importantly, higher recoveries and more efficient operational processes increase sales margins. Bench-level metallurgical testwork to achieve a clean copper-lead separation was carried out at the ALS laboratories in Canada. A variability testwork program using the flowsheet developed by ALS is underway at the site laboratory to validate the new flowsheet's robustness. Understanding the mineralogy and mineral associations has been a critical part of the testing, and the results have guided modifications to the plant, the identification of the grinding target size, and the prediction of flotation performance. The separation results in the lab have been positive with improved grades of gold and silver in the copper concentrate. Open-circuit bulk rougher results have returned copper recoveries of 80% to 93%.

The CMIP has already delivered significant financial benefits to the Campo Morado operation with only minor adjustments to the process plant. Copper recovery to the bulk concentrate remained above 65% in Q3-2025, facilitating an increase in copper metal production to 941 tonnes, up 6% from the two previous quarters of 2025. Figure 1 below shows copper recovery, and Figure 2 shows bulk concentrate copper grade over the last two years.

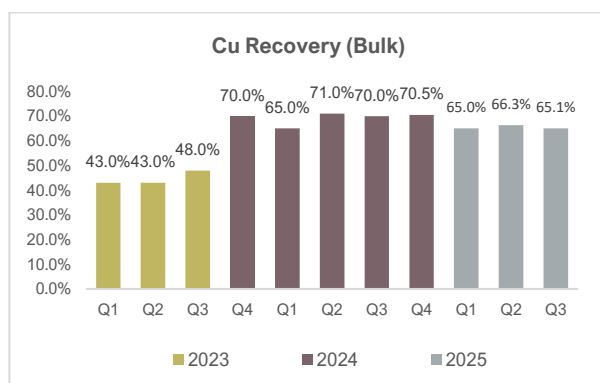


Figure 1

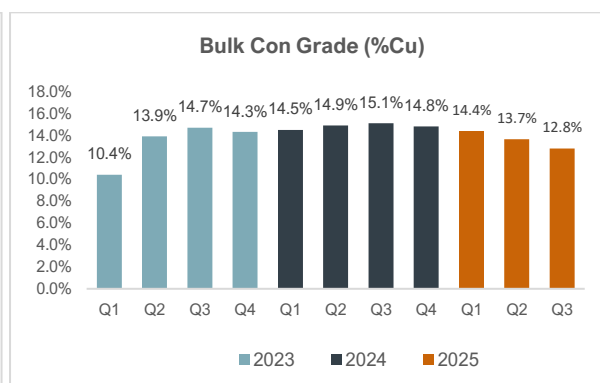


Figure 2

Work continues on Stage 3 of the CMIP project, which consists of essential modifications to the processing plant, including:

- Revised metallurgical sampling systems.
- Rebuild of certain flotation cell banks and modernization of their agitation systems.
- Automation of the reagent dosing systems.
- New flotation cell air flow monitoring and control.
- Installation of next-generation pH/ORP probes.
- Construction of a new bulk rougher concentrate surge tank.
- Modifications to the bulk regrind circuit to operate with 2-stage regrinding.
- Modernization of the feeding mechanisms of the three existing thickener tanks.
- Construction of a 4th thickening tank to have the ability to filter the lead concentrate.

Completion of Stage 3 will increase the liberation of copper and lead minerals, enabling collection in two separate concentrates via a sequential flotation process. In conjunction with the refurbishment of equipment and the implementation of a new mine-to-mill strategy, it is anticipated that the CMIP 3 will deliver more robust revenues for the Campo Morado operation. The Company continued testing the copper-lead separation process in its site laboratory during Q3 of 2025, while also engaging a reputable Canadian metallurgical lab to optimize the cleaning process. Results of the metallurgical investigation are expected in Q4-2025, which will guide an industrial trial in 2026 when the 4th thickener is completed.

The Company continued with Stage 4 of the CMIP. Known as CMIP 4.0, this study, initiated at a conceptual level, aims to investigate which technologies are amenable to Campo Morado mineralogy to increase the metallurgical recovery of base and precious metals. Representative samples of three flotation tailings were sent to the independent lab to carry out what is known as the Orientation Test-work, which assesses the amenability of pyritic material to ultra-fine regrinding and cyanidation leaching for the recovery of gold and silver.

EXPLORATION

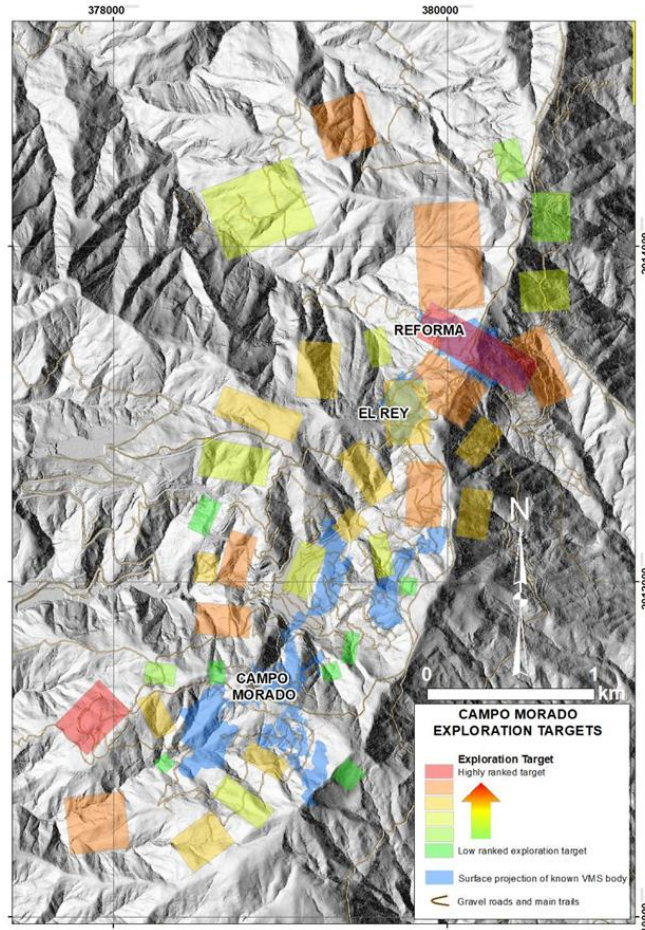
In January 2025, the Company commenced an exploration drilling campaign at Campo Morado. The property hosts several polymetallic massive sulphide deposits containing zinc, copper, gold, silver, and lead mineralization within a highly prospective land package totaling over 121 square kilometers within the Guerrero Gold Belt. The current drill campaign represents the first meaningful exploration program carried out at Campo Morado since 2014 and is designed to target the addition of mineral resources for the near and medium term mine plan.

The Company drilled 5,070 metres of underground diamond drilling from 24 holes during the first phase of exploration activities. This program's primary target is the definition of additional mineral resources from under-drilled zones proximal to existing underground production areas as well as the identification of mineralization within previously untested areas with high potential for the discovery and development of new mineral resources. Based on the success of the Phase 1 underground drilling program Luca initiated a Phase 2 program, which together with Phase 1 is now planned to total 7,500 metres of underground diamond drilling in 2025. Drilling from both surface and underground continues. A surface drill program commenced in May 2025, designed to test portions of the property away from of the current mine workings, towards development of the greater resource potential across the entirety of Luca's concessions that comprise the Campo Morado Property. The initial Phase 1 Surface drilling program consisted of 2,500m of diamond drilling, and in this quarter the surface drill program at Campo Morado was expanded by 120%, with the 2025 surface drill budget now totalling 5,500 metres.

Previous exploration at Campo Morado has produced an extensive set of high-quality, proprietary geological data, including over 600,000 meters of underground and surface drilling data, property-wide geological/structural mapping, approximately 30,000 geochemical soil sample data, as well as several airborne and ground-based geophysical survey datasets, inclusive of gravity, electromagnetics, and induced polarization surveys. Analyses of these geophysical survey datasets, particularly gravity, directly resulted in the original discovery and initial definition of mineral resources on the property and will continue to guide all exploration initiatives; moreover, this large geophysical dataset is currently being compiled, cleaned and reinterpreted by the Company to prioritize the greater than 38 exploration targets identified to date across the property (See below exploration target map). Production at Campo Morado has been exclusively from three main deposits; G9, Southwest, and El Largo.



Exploration drill platform at Campo Morado



The strategic objectives for the current, and all future drill programs, are to 1) identify additional near-mine mineralization that can be quickly developed and added to the resource/reserve base and mine plan at Campo Morado; 2) Expand mineral resources to allow for increased mine production rates and/or mine life extension, and; 3) develop the mineral resource potential across the larger Campo Morado property through the advancement of defined exploration targets distal to the mine site.

On August 27, 2025, six surface drillholes at the Reforma Deposit and five underground drillholes from the ongoing exploration programs were released; highlights from this news release included:

- Surface drillhole CMRF25-07 intercepts **37.2m of 13.85 AuEq**** (5.87 g/t gold, 367.50 g/t silver, 0.53% copper, 5.54% zinc and 2.57% lead) including **6.2m of 43.77 g/t AuEq** (20.81 g/t gold, 1,484.20 g/t silver, 0.82% copper, 5.98% zinc and 4.58% lead)
- **Underground drillhole CMUG-25-022** returns assays including **5.5 m of 15.2/t AuEq** (5.5m of 3.20 g/t gold, 252.6 g/t silver, 2.19% copper, 12.79% zinc and 5.10% lead) from an unmined area within 20 metres of current underground workings

Surface drillholes CMRF-25-02 through CMRF-25-07 were all collared within the Reforma Deposit, and intersected appreciable intervals of massive sulphide mineralization including:

- **6.2m of 43.77 g/t AuEq** (20.81 g/t gold, 1,484.20 g/t silver, 0.82% copper, 5.98% zinc and 4.58% lead) from 237.0m within a broader interval of **37.2m of 13.85 AuEq** (5.87 g/t gold, 367.50 g/t silver, 0.53% copper, 5.54% zinc and 2.57% lead) from 211.2m in hole CMRF-25-07
- **9.9m of 28.32 AuEq** (11.61 g/t Au, 783.90 g/t Ag, 3.51% Cu, 4.56% Zn and 2.91% Pb) from 218.6m within a broader interval of **39.0m of 10.05 AuEq** (4.09 g/t gold, 304.90 g/t silver, 0.96% copper, 1.27% zinc and 1.74% lead) from 191.6m in hole CMRF-25-06
- **5.0m of 9.13 g/t AuEq** (3.56 g/t gold, 196.28 g/t silver, 0.70% copper, 4.43% zinc and 2.24% lead) from 285.5m in hole CMRF-25-03

- **3.9m of 19.78 AuEq** (11.23 g/t gold, 342.28 g/t silver, 0.36% copper, 3.95% zinc and 7.55% lead) from 273.8m within a larger **7.45m of 12.59 AuEq** (6.91 g/t gold, 228.06 g/t silver, 0.37% copper, 2.29% zinc and 4.75% lead) in hole CMRF-25-02

These surface holes were drilled across the Reforma Deposit to confirm the size, tenor and grade of precious and base metals historically reported as well as to better define the deposit and test the expansion potential of the Reforma massive sulphide mineralization. Of note is the fact that these holes have returned grades equal to or exceeding historically reported intervals and importantly over larger widths than the geologic model predicted.

Underground drillholes CMUG-25-17 confirmed mineralization close to the 856 Zone of the Southwest Zone while CMUG-25-19 through CMUG-25-21 confirmed continuity of mineralization between the Largo Zone and anomalous mineralization to the west identified from historical drilling. Drillhole CMUG-25-22 confirmed the extension potential of the Bajo zone mineralization, intersecting mineralization above mine cutoff grades, including **5.5 m of 15.2/t AuEq** (5.5m of 3.20 g/t gold, 252.6 g/t silver, 2.19% copper, 5.10% zinc and 12.79% lead) from 158.0m (downhole) in an unmined area within 20 metres of current underground workings.

Highlighted Diamond Drill Assay Results from UG Drillholes CMUG-25-17, CMUG-25-19 through CMUG-25-22 and Surface Drillholes CMRF-25-through CMRF-25-07.

Hole ID	From (m)	To (m)	Interval * (m)	Au g/t	Ag g/t	Cu%	Pb%	Zn%	AuEq**	Logged Recovery (%)
CMUG25-017	9.3	10.3	1.0	0.62	158.00	2.75	1.00	3.85	7.79	>90%
CMUG-25-019	232.3	248.7	16.4	0.62	45.95	0.34	0.31	0.97	2.06	>90%
	Including									
	232.3	242.9	10.6	0.74	52.85	0.38	0.37	1.08	2.38	>90%
CMUG-25-020	231.6	238.5	7.0	0.73	52.56	0.36	0.24	0.92	2.23	>90%
	Including									
	235.5	238.5	3.0	0.91	63.30	0.50	0.24	1.22	2.85	>90%
CMUG25-021	329.3	330.9	1.6	1.23	36.60	0.07	0.53	0.02	1.93	>90%
	340.3	344.4	4.2	0.59	34.17	0.42	0.18	0.53	1.79	>90%
	379.1	380.2	1.0	0.59	38.20	0.44	0.23	0.02	1.70	>90%
CMUG25-022	151.5	178.9	27.4	1.15	91.21	0.78	1.36	4.27	5.22	>90%
	Including									
	158.0	174.7	16.6	1.51	131.40	1.14	2.14	6.55	7.58	>90%
	Including									
	158.0	163.6	5.5	3.20	252.59	2.19	5.10	12.79	15.22	>90%
	181.9	210.1	28.3	0.15	13.13	0.25	0.14	1.89	1.36	>90%
	Including									
	187.5	205.5	18.0	0.15	15.51	0.31	0.15	2.41	1.65	>90%
	238.5	259.5	21.0	0.08	11.03	0.38	0.14	2.00	1.47	>90%
	Including									
	246.5	256.5	10.1	0.10	16.98	0.64	0.16	3.41	2.42	>90%
CMRF25-02	271.5	278.9	7.5	6.91	228.06	0.37	2.29	4.75	12.59	99
	Including									
	273.8	277.7	3.9	11.23	342.28	0.36	3.95	7.55	19.78	98

Hole ID	From (m)	To (m)	Interval * (m)	Au g/t	Ag g/t	Cu%	Pb%	Zn%	AuEq**	Logged Recovery (%)
CMRF25-03	284.6	293.1	8.5	2.38	138.52	0.69	1.43	2.93	6.45	98
	Including									
	285.5	293.1	7.6	2.65	146.76	0.59	1.59	3.24	6.85	97
	Including									
	285.5	290.5	5.0	3.56	196.28	0.70	2.24	4.43	9.13	98
CMRF25-04	131.2	132.6	1.4	3.89	277.00	0.36	6.90	23.55	18.29	74
	132.6	167.6				35.0	Very Low Core Recovery			7-21%
	167.8	170.8	3.0	0.13	328.00	0.08	0.37	0.07	4.44	33
CMRF25-05	134.4	193.4	59.0	0.78	44.30	0.88	0.30	1.67	3.15	97
	Including									
	134.4	155.5	21.1	0.72	32.89	1.30	0.06	0.49	2.99	93
	Including									
	134.4	147.3	12.9	0.87	39.75	1.43	0.06	0.57	3.42	91
	Including									
	134.4	143.5	9.1	0.93	45.29	1.71	0.08	0.68	3.95	99
	and									
	163.6	171.4	7.9	0.08	19.70	0.55	0.08	2.11	1.82	100
	and									
	171.4	193.4	22.0	1.34	74.71	0.59	0.71	3.14	4.37	100
	Including									
	173.5	180.7	7.2	2.12	100.40	0.53	0.97	4.22	5.85	99
	and									
	184.7	190.7	6.0	1.41	77.47	0.59	0.91	2.74	4.38	100
CMRF25-06	173.2	181.5	8.3	0.18	27.80	0.70	0.07	1.08	1.83	76
	Including									
	173.2	179.0	5.8	0.24	34.70	0.83	0.09	1.28	2.23	75
	Including									
	173.2	176.8	3.2	0.34	48.20	1.05	0.13	1.34	2.81	77
	191.6	230.6	39.0	4.09	304.90	0.96	1.74	1.27	10.05	44
	Including									
	191.6	195.6	4.0	4.48	141.00	0.08	3.16	0.15	7.26	41
	and									
	197.6	216.8	19.2	1.28	181.20	0.10	1.34	0.13	4.08	17
	and									
	218.6	228.5	9.9	11.61	783.90	3.51	2.91	4.56	28.32	100
	and									
	230.0	230.6	0.5	2.33	101.30	0.18	0.81	1.74	4.68	100

Hole ID	From (m)	To (m)	Interval * (m)	Au g/t	Ag g/t	Cu%	Pb%	Zn%	AuEq**	Logged Recovery (%)
CMRF25-07	185.4	250.1	64.7	3.41	224.30	0.48	1.61	4.29	8.82	95
	Including									
	185.4	211.2	25.9	0.09	30.30	0.43	0.32	2.70	2.09	100
	Including									
	185.4	198.3	13.0	0.10	22.60	0.48	0.18	1.00	1.41	100
	and									
	198.3	211.2	12.9	0.09	38.00	0.39	0.46	4.41	2.80	100
	and									
	211.2	248.4	37.2	5.87	367.50	0.53	2.57	5.54	13.85	91
	Including									
	232.7	248.4	15.7	12.41	777.10	0.65	3.40	5.83	25.97	97
	Including									
	237.0	243.2	6.2	20.81	1,484.20	0.82	4.58	5.98	43.77	93

*True widths are estimated to be >90% of drilled intervals.

** AuEq equation is: $AuEq = Au + (Ag * 0.0124) + (Cu * 1.2787) + (Pb * 0.2740) + (Zn * 0.3653)$, at \$2,250 US\$/oz Au, 28 US\$/oz Ag, 4.20 US\$/lb Cu, 0.90 US\$/lb Pb and 1.20 US\$/lb Zn, respectively.

On October 16, four surface drillholes at the Reforma Deposit and the two underground drillholes were news released, highlights included:

- Surface drillhole CMRF-25-10 intercepts **13.0 metres ("m") of 11.4 g/t AuEq**** (4.96 g/t gold, 237.09 g/t silver, 0.66% copper, 3.00% zinc and 1.30% lead), including **3.7m of 21.3 g/t AuEq** (8.19 g/t gold, 578.08 g/t silver, 0.48% copper, 5.60% zinc and 2.83% lead)
- Surface drillhole CMRF-25-11 intercepts **24.6 m of 6.0 g/t AuEq**** (2.25 g/t gold, 74.54 g/t silver, 0.86% copper, 2.39% zinc and 0.49% lead), including **11.6m of 8.6 g/t AuEq** (3.45 g/t gold, 113.29 g/t silver, 0.94% copper, 3.65% zinc and 0.83% lead)
- Underground drillhole CMUG-25-023 returns assays including **2.6 m of 1.84 g/t gold, 103.76 g/t silver, 2.02% copper, 0.07% zinc and 0.13% lead** from an unmined area within 20 metres of current underground workings

Highlighted Diamond Drill Assay Results from UG Drillholes CMUG-25-23 through CMUG-25-24 and Surface Drillholes CMRF-25-08 through CMRF-25-11.

Hole ID	From	To	Interval	Au g/t	Ag g/t	Cu%	Pb%	Zn%	AuEq g/t	Core Recovery %***
CMUG-25-023	18.8	25.5	6.7	0.96	82.11	2.19	0.10	0.10	-	>90
	Including									
	18.8	21.4	2.6	1.84	103.76	2.02	0.13	0.07	-	>90
	and									
	22.6	25.5	2.9	0.52	96.54	3.22	0.12	0.15	-	>90
	Including									
	22.6	23.0	0.3	2.92	173.50	4.40	0.30	0.02	-	>90
CMUG-25-024	142.9	145.6	2.7	0.22	26.61	1.35	0.10	5.26	-	>90
	and									
	148.0	149.9	1.9	0.28	23.81	0.78	0.05	5.28	-	>90
	235.3	238.5	3.2	0.67	55.79	0.49	0.33	4.16	-	>90
CMRF-25-08	181.4	183.4	2.0	3.03	865.00	0.21	0.66	0.11	16.91	39

Hole ID	From	To	Interval	Au g/t	Ag g/t	Cu%	Pb%	Zn%	AuEq g/t	Core Recovery %***
CMRF-25-09	174.4	182.3	7.9	0.08	31.47	0.81	0.23	1.69	2.70	100
	Including									
	179.3	182.3	3.1	0.18	32.37	1.43	0.06	0.80	3.33	100
	190.1	194.3	4.2	0.08	46.67	2.05	0.01	0.40	4.23	100
	205.9	218.5	12.7	0.97	59.65	0.77	0.35	1.97	4.12	89
	Including									
	211.8	217.8	6.0	1.39	65.27	0.76	0.49	2.17	4.74	100
CMRF-25-10	Including									
	124.4	145.6	21.2	3.53	160.69	0.55	0.94	2.26	8.20	98
	124.4	126.8	2.5	2.46	69.03	0.70	0.44	1.86	5.62	96
	and									
	130.2	143.2	13.0	4.96	237.09	0.66	1.30	3.00	11.43	99
	Including									
	139.5	143.2	3.7	8.19	578.08	0.48	2.83	5.60	21.29	100
CMRF-25-11	and									
	144.8	145.6	0.8	4.13	141.00	0.87	2.11	4.31	10.31	97
	98.1	106.0	7.9	0.56	189.41	0.00	0.04	0.06	3.51	100
	Including									
	99.4	104.7	5.3	0.57	239.91	0.00	0.05	0.07	4.31	100
	165.8	190.4	24.6	2.25	74.54	0.86	0.49	2.39	6.01	100
	Including									
	167.1	178.6	11.6	3.45	113.29	0.94	0.83	3.65	8.62	100

*True widths are estimated to be >90% of drilled intervals.

** The Gold equivalent calculation is: $AuEq = Au + (Ag * 0.0124) + (Cu \% * 1.2787) + (Pb \% * 0.2740) + (Zn \% * 0.3653)$, at \$2,250 US\$/oz Au, 28 US\$/oz Ag, 4.20 US\$/lb Cu, 0.90 US\$/lb Pb and 1.20 US\$/lb Zn, respectively. Additionally, the AuEq calculation combines gold, zinc, silver, copper, and lead, net of assumed metallurgical recoveries using deposit-average recovery value assumptions in a bulk flotation scenario provided by Ausenco PTY Ltd. (70% for zinc, 55% for gold, 68% for silver, 68% for copper, and 60% for lead).

*** Core recovery at Reforma was an issue historically reported at Reforma and has continued to be a technical drilling challenge in 2025 drilling.

TAHUEHUETO MINE

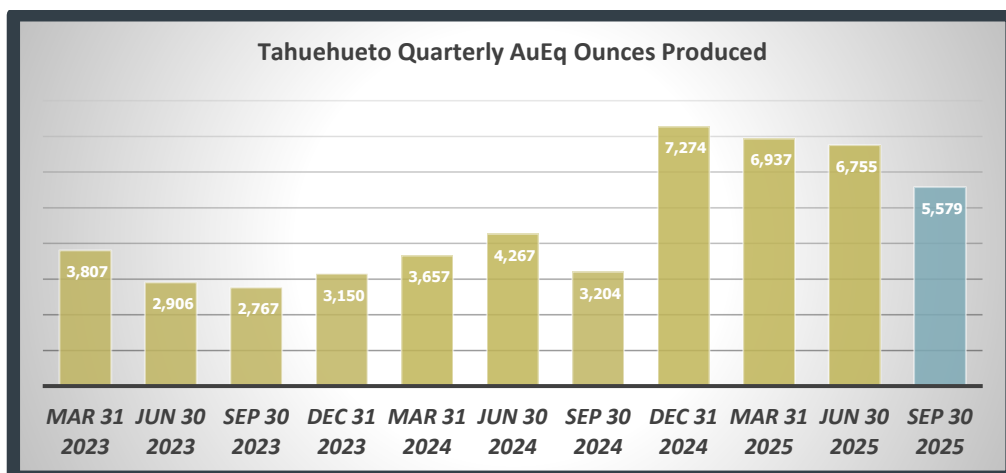
Tahuehueto is a new underground gold and silver mine located in northwestern Durango State, Mexico, within the prolific Sierra Madre Mineral Belt, with an installed plant capacity of 1,000 tonnes per operating day. The Company finalized commissioning and officially declared commercial production in excess of 800 tpd on March 31, 2025.

OPERATIONS

Operating results for the three and nine months ended September 30, 2025, and 2024 were as follows:

	Three months ended			Nine Months ended		
	September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
Production						
Tonnes mined	72,508	29,888	143%	217,078	91,730	137%
Tonnes milled	77,548	29,027	167%	220,892	97,918	126%
Average tonnes milled per day ⁽⁷⁾	969	338	187%	863	382	126%
<u>Head Grade</u>						
Average gold grade (g/t)	1.71	2.79	(39%)	2.19	2.72	(19%)
Average silver grade (g/t)	34.52	25.57	35%	34.67	29.22	19%
Average lead grade (%)	0.73	0.81	(10%)	0.83	0.94	(12%)
Average zinc grade (%)	1.36	1.44	(6%)	1.37	1.78	(23%)
Average copper grade (%)	0.20	0.19	4%	0.21	0.18	18%
<u>Recoveries</u>						
Average gold recovery (%)	83.68	86.72	(3%)	84.28	86.29	(2%)
Average silver recovery (%)	85.47	86.79	(2%)	85.26	84.37	1%
Average lead recovery (%)	75.00	78.07	(4%)	74.50	79.10	(6%)
Average zinc recovery (%)	65.65	77.41	(15%)	67.71	76.21	(11%)
Average copper recovery (%)	84.33	83.70	1%	84.31	79.58	6%
Gold produced (oz)	3,560	2,258	58%	13,125	7,386	78%
Silver produced (oz)	73,558	20,713	255%	209,910	77,614	170%
Lead produced (lbs'000)	937	405	131%	3,008	1,608	87%
Zinc produced (lbs'000)	1,524	714	113%	4,501	2,934	53%
Copper produced (lbs'000)	290	103	181%	883	314	181%
AuEq produced (oz)⁽¹⁾	5,579	3,204	74%	19,271	11,128	73%
Sales						
Gold sold (oz)	3,036	2,267	34%	11,911	7,306	63%
Silver sold (oz)	64,392	18,064	256%	186,101	63,507	193%
Lead produced (lbs'000)	762	340	124%	2,575	1,267	103%
Zinc produced (lbs'000)	814	476	71%	2,654	1,523	74%
AuEq sold(oz)⁽¹⁾	4,268	2,859	49%	15,734	9,407	67%
Realized gold price per ounce (\$) ⁽⁵⁾⁽⁶⁾	3,430.75	2,440.55	41%	3,160.99	2,277.51	39%
Realized silver price per ounce (\$) ⁽⁵⁾⁽⁶⁾	38.81	29.27	33%	34.81	27.06	29%
Realized lead price per pound (\$) ⁽⁵⁾⁽⁶⁾	0.89	0.93	(4%)	0.89	0.95	(7%)
Realized zinc price per pound (\$) ⁽⁵⁾⁽⁶⁾	1.28	1.24	3%	1.24	1.21	3%
Realized Price Copper per pound (\$)	4.43	3.73	19%	4.31	3.96	9%
Costs						
Direct mining cost per tonne (\$) ⁽²⁾⁽⁵⁾	149	191	22%	133	137	3%
Cash cost per AuEq ounce sold (\$) ⁽¹⁾⁽³⁾⁽⁵⁾	3,063	2,297	(33%)	2,168	1,740	(25%)
AISC per AuEq ounce sold (\$) ⁽¹⁾⁽⁴⁾⁽⁵⁾	3,909	2,898	(35%)	2,698	2,080	(30%)
Capital expenditures						
Sustaining (\$)	2,254	1,557	45%	5,535	1,945	185%

- Gold equivalents are calculated using an 87.80:1 (Ag/Au), 0.0004:1 (Au/Zn), 0.0013:1 (Au/Cu) and 0.0003:1 (Au/Pb) ratio for Q3 2025; and Gold equivalents are calculated using an 83.19:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0015:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024; an 90.55:1 (Ag/Au), 0.0004:1 (Au/Zn), 0.0013:1 (Au/Cu) and 0.0003:1 (Au/Pb) ratio for YTD 2025; and an 84.57:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024, respectively.
- Direct mining costs include mining, processing, and direct overhead at the operation sites See reconciliation on page 41.
- Cash cost per gold equivalent ounce includes mining, processing, direct overhead costs and treatment and refining charges. See reconciliation on page 41.
- AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. See Reconciliation to IFRS on page 41.
- See "Non-IFRS Financial Measures" on page 38.
- Based on provisional sales before final price adjustments, treatment, and refining charges.
- Average tonnes milled per operating day assumes the actual days in the month less 2 days for planned preventive maintenance.



Production

Three months ended September 30, 2025 (compared to the three months ended September 30, 2024)

For the three months ended September 30, 2025, Tahuehueto continued to advance its production ramp-up, delivering strong year-over-year increases in operating throughput despite sequencing constraints. Tonnes mined increased 143% to 72,508 tonnes, and tonnes milled increased 167% to 77,548 tonnes. The average daily milling rate increased 187% to 969 tpd at 86.9% mill availability, reflecting greater plant utilization and improved mechanical availability. These gains were supported by focused underground development and the new contractor deployment La Cantera, which increased stope access and improved cycle times.

Head grades varied during the quarter. Gold grade decreased 39% to 1.71 g/t and lead grade decreased 10% to 0.73%, while silver grade increased 35% to 34.52 g/t and copper grade increased 4% to 0.20%; zinc grade decreased 6% to 1.36%. The decreases in gold and zinc grades were primarily attributable to mine sequencing and temporary limitations in access to higher-grade stopes as development progressed. Silver and copper grade improvements helped offset some of the adverse variances.

Metallurgical performance was resilient. Copper recovery increased to 84.33% (+1%) while gold, lead, and zinc recoveries decreased 3%, 2%, 4%, and 15%, respectively, driven by ore-blend variability and ramp-up constraints that affected blending flexibility. Corrective actions including enhanced ore classification, tighter blending control, and operating parameter adjustments continued through the quarter and are expected to support recovery improvement as additional stopes come online.

Strong year-over-year growth in metal output underscored the ramp-up. Gold production increased 58% to 3,560 oz, silver increased 255% to 73,558 oz, lead increased 131% to 0.94 million lbs, zinc increased 113% to 1.52 million lbs, and copper increased 181% to 0.29 million lbs. Overall, gold-equivalent production (AuEq) increased 74% to 5,579 oz, supported by higher throughput, improving plant reliability, and supportive realized prices (gold +41%, silver +33%).

Sales volumes reflected the production ramp-up and stronger shipment cadence. AuEq ounces sold increased 49%, with gold up 34% and silver up 256%. Base-metal sales also increased lead up 124% and zinc up 71% consistent with higher plant utilization and reinforcing steady throughput. The pricing environment was supportive: realized gold increased to \$3,430.75/oz from \$2,440.55/oz (+41%), and realized silver increased to \$38.81/oz from \$29.27/oz (+33%), zinc realized pricing increased to \$1.28/lb from \$1.24/lb (+3%), while lead realized pricing decreased to \$0.89/lb from \$0.93/lb (-4%). Collectively, higher volumes, a richer precious metal mix, and favorable pricing enhanced net revenue and helped mitigate the impact of lower grades and recoveries.

Direct mining cost per tonne decreased 22% to \$149 (2024: \$191), reflecting steadier plant operation and initial efficiency gains from the new La Cantera contractor, which completed phase 1 of the transition during the quarter (further benefits are expected as full integration progresses). Cash cost per AuEq ounce sold increased 33% to \$3,063 (2024: \$2,297), driven by higher treatment/selling costs and royalties on larger concentrate shipments, plus blend/recovery variability during the transition. AISC increased 35% to \$3,909 per ounce (2024: \$2,898) on elevated sustaining activity development access, underground services, and reliability projects to secure stable throughput.

Nine months ended September 30, 2025 (compared to the nine months ended September 30, 2024)

For the period ended September 30, 2025, Tahuehueto, continued to focus on achieving steady throughput and production. Tonnes mined increased to 217,078 tonnes from 91,730 tonnes (+137%), and tonnes milled increased to 220,892 tonnes from 97,918 tonnes (+126%). Average daily throughput increased to 863 tpd from 382 tpd (+126%) at 93.4% mill availability reflecting enhanced plant reliability, improved maintenance planning, and more efficient contractor deployment to support consistent stope access. During the period, La Cantera was added as a dedicated mining contractor equipped with a jumbos, scooptrams and supporting crews improving development rates, cycle times, and stope readiness to sustain steady plant feed and shipment cadence, compared to the same period ended September 30 in the prior year.

Head grades were mixed across metals. Gold grade decreased to 2.19 g/t from 2.72 g/t (-19%), zinc grade decreased to 1.37% from 1.78% (-23%), and lead grade decreased to 0.83% from 0.94% (-12%) due to mine sequencing and temporary constraints on access to higher-grade stopes. Silver grade increased to 34.67 g/t from 29.22 g/t (+19%), and copper grade increased to 0.21% from 0.18% (+18%), reflecting extraction from zones with higher silver and copper content that helped balance the overall head-grade profile, as compared with the same period ended September 30, 2024.

Recovery performance varied during the period. Gold recovery decreased to 84.3% from 86.3% (-2%), lead recovery decreased to 74.5% from 79.1% (-6%), and zinc recovery decreased to 67.7% from 76.2% (-11%), influenced by blending inconsistencies and grind/coarseness effects. Silver recovery increased to 85.3% from 84.4% (+1%), and copper recovery increased to 84.3% from 79.6% (+6%). Continued ore classification, blending discipline, and operating parameter adjustments are expected to support further stabilization as additional stopes come online, relative to the corresponding period in the prior year.

Metal production increased across all commodities. Gold production increased to 13,125 oz from 7,386 oz (+78%), silver increased to 209,910 oz from 77,614 oz (+170%), lead increased to 3.01 million lbs from 1.61 million lbs (+87%), zinc increased to 4.50 million lbs from 2.93 million lbs (+53%), and copper increased to 0.88 million lbs from 0.31 million lbs (+181%). Overall, gold-equivalent production (AuEq) increased to 19,271 oz from 11,128 oz (+73%), supported by higher throughput and a more stable operating cadence, versus the comparable period of the prior year.

Sales broadly tracked production trends. AuEq ounces sold increased to 15,734 from 9,407 (+67%), with gold sales increasing to 11,911 oz from 7,306 oz (+63%). Base-metal sales also increased lead increased to 2.58 million lbs from 1.27 million lbs (+103%) and zinc increased to 2.65 million lbs from 1.52 million lbs (+74%) consistent with higher plant utilization and steadier shipment cadence. The pricing environment was supportive overall: realized gold increased to \$3,160.99/oz from \$2,277.51/oz (+39%) and realized silver increased to \$34.81/oz from \$27.06/oz (+29%). For base metals, realized zinc increased to \$1.24/lb from \$1.21/lb (+3%), contributing to revenue alongside higher volumes, while realized lead decreased to \$0.89/lb from \$0.95/lb (-7%) amid softer market conditions; the lower lead price was largely offset by higher lead volumes. Collectively, higher volumes, a richer precious-metals mix, and net-favorable pricing supported year-to-date revenue growth despite lower gold and zinc grades and softer recoveries, when compared to the period ended September 30, 2024.

Cash Cost and All-In Sustaining Cost per AuEq Ounce Sold (see "Non-IFRS Financial Measures" on page 43).

Three months ended September 30, 2025 (compared to the three months ended September 30, 2024)

In prior years, the Company calculated Cash Costs, All-In Sustaining Costs ("AISC"), and All-In Costs using produced gold ounces as the denominator. Beginning in 2025, the Company has transitioned to using payable gold ounces as the denominator for these metrics to better align its cost reporting with industry peers. All comparative figures have been restated accordingly.

For the three months ended September 30, 2025, Tahuehueto operated at a larger, steadier scale: cost of sales increased to \$14,205 from \$5,789 (145%) as tonnes milled increased to 77,548 from 29,027 (167%) and AuEq ounces sold increased to 4,268 from 2,859 (49%) compared to the same quarter in the prior year.

Direct mining cost increased to \$11,552 from \$5,538 (109%). The increase reflects higher mining activity and development to sustain the larger milling rate, as well as the full-quarter impact of contractor La Cantera. On a unit basis, direct mining cost per tonne improved to \$149/t from \$191/t (-22%); milling cost per tonne decreased to \$46/t from \$68/t and indirect/site support per tonne decreased to \$23/t from \$37/t, partially offset by higher mining cost per tonne at \$86/t versus \$75/t due to added headings, longer hauls, and contractor mobilization. The cost mix shows mining of \$6,701 (2024: \$2,174), milling of \$3,557 (2024: \$1,980), and indirect of \$1,813 (2024: \$1,064), with inventories providing a credit of \$(521) (2024: charge \$320), compared to the same quarter in the prior year.

Cash cost increased to \$13,075 from \$6,566 (99%), driven by the higher operating scale and related selling expenditures. Treatment and selling costs increased to \$1,119 from \$777 (44%) on more concentrate shipped, and royalties increased to \$404 from \$115 (251%) on higher metal sales; there was no Empress stream charge in the period (2024: \$136). On a unit basis, cash cost per AuEq ounce sold increased to \$3,063 from \$2,297 (33%), reflecting the transition costs of ramping mine development and blend/recovery variability at higher throughput, compared to the same quarter in the prior year.

AISC increased to \$16,686 from \$8,286 (101%). The step-up was led by sustaining capital of \$2,254 (2024: \$1,557, +45%) for mine development, underground services, and plant reliability work; corporate G&A allocated to AISC was \$988 (2024: \$(180)); lease payments were \$226 (2024: \$288); and reclamation/rehabilitation accretion was \$143 (2024: \$55). On a unit basis, AISC per AuEq ounce sold increased to \$3,909 from \$2,898 (35%) as the site invested to firm up steady-state operations, compared to the same quarter in the prior year. Total all-in cost increased to \$20,383 from \$8,539 (139%), reflecting AISC plus financing outflows and stream-related amounts. The quarter included loan payments of \$1,034 (2024: nil), Empress stream amounts of \$2,267 (2024: nil), and interest paid of \$396 (2024: \$253). On a unit basis, all-in cost per AuEq ounce sold increased to \$4,776 from \$2,987 (60%) as higher sustaining and financing costs accompanied the throughput expansion, compared to the same quarter in the prior year.

In summary, Tahuehueto delivered materially higher throughput and sales with improving plant unit efficiencies, while near-term costs reflected the development and sustaining work required to support a larger operation. With contractor integration established, continued focus on blend control and recoveries, and a more balanced sustaining program, management expects further progress on unit cost discipline and operating consistency in subsequent periods versus the same quarter of the prior year.

Nine months ended September 30, 2025 (compared to the nine months ended September 30, 2024)

For the nine months ended September 30, 2025, cost of sales increased to \$36,173 from \$15,866 (128%), reflecting the step-change in operating scale as tonnes milled increased to 220,892 from 97,918 (126%) and AuEq ounces sold increased to 15,734 from 9,407 (67%). The variance is consistent with higher mining and processing activity, progressive contractor mobilization, and the site's transition to steadier, higher throughput compared to the same period ended September 30, 2024.

Direct mining cost increased to \$29,326 from \$13,412 (119%), driven by expanded underground development, additional production drilling, and contractor and maintenance spend necessary to support sustained plant rates. On a unit basis, direct mining cost per tonne decreased to \$133/t from \$137/t (-3%), as milling efficiencies and more consistent plant operation offset part of the development-led inflation at the face (mining cost per tonne increased to \$68 from \$62; milling cost per tonne improved to \$45 from \$64; indirect cost per tonne improved to \$18 from \$22), compared to the same period ended September 30, 2024.

Cash cost increased to \$34,116 from \$16,366 (108%), primarily reflecting the higher physical volumes noted above and higher treatment and selling costs to \$3,594 from \$2,543 (41%), plus royalties to \$1,196 from \$335 (257%) on stronger prices and shipments. Cash cost per AuEq ounce sold increased to \$2,168/oz from \$1,740/oz (25%), influenced by blend/recovery variability during the year as new crews and equipment were phased in, compared to the same period ended September 30, 2024.

AISC increased to \$42,449 from \$19,568 (117%), with sustaining capital rising to \$5,535 from \$1,945 (185%) for development access, ventilation and services, reliability projects, and plant optimization. Lease payments were \$683 versus \$482 (42%), and site G&A allocations and accretion were modestly higher in support of the larger operating footprint. AISC per AuEq ounce sold increased to \$2,698/oz from \$2,080/oz (30%), consistent with the investment cycle required to underpin stable throughput, compared to the same period ended September 30, 2024.

Overall, the year-to-date cost profile reflects a larger, more reliable operation with higher sustained throughput and deliberate sustaining investment to lock in stability. With Phase 1 of the La Cantera contractor transition completed and further integration in progress, management expects continued focus on recovery stability, disciplined unit costs, and a more balanced sustaining cadence over subsequent periods, compared to the same period ended September 30, 2024.

DEVELOPMENT

Mining Operations

During the third quarter of 2025, the Tahuehueto mine continued to progress toward full operational capacity, achieving an average processing rate of 843 tonnes per calendar day ("tpd"), up from 792 tpd in the two previous quarters.

To increase the development and mine production capacity, in the second quarter of 2025, the Company engaged La Cantera Desarrollos Mineros as a second mining contractor for Tahuehueto. The mining contractor mobilized to the mine site during the quarter and was assigned the development of three production levels in the underground mine.

Mine development during the quarter increased to an average of 416 metres per month, up 21% from the monthly average of the two previous quarters. This initiative enabled the Company to finish the quarter with more prepared stopes, providing a stockpile of ore at the crushing plant in subsequent months and enabling ore blending to improve metal production.

Processing

Early in 2025, the Company carried out a metallurgical testing program which indicated the potential to produce a saleable copper concentrate. Currently, the bulk concentrate contains lead and copper, with only the lead paid for. A second set of tests was run at an independent laboratory, further demonstrating the potential to separate the bulk concentrate into two saleable concentrates with defined lead and copper grades.

In the third quarter of 2025, the Company began purchasing and installing processing equipment to separate copper and lead from the bulk concentrate currently produced. This initiative will increase revenues by selling a third copper concentrate and reduce sales costs by improving the lead and zinc concentrate grades. Industrial tests are expected to start in late Q4-2025.

EXPLORATION

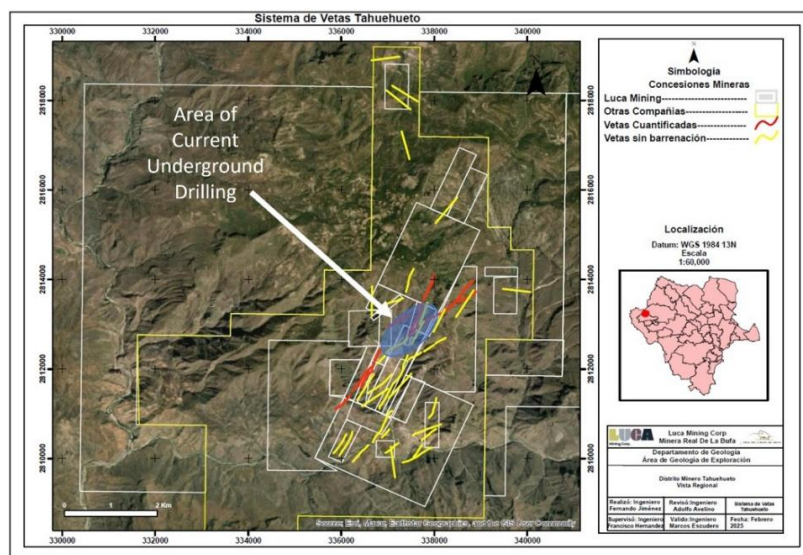
Tahuehueto is a large epithermal, gold-silver vein system with associated breccias additionally hosting lead-zinc-copper sulphides. The property now comprises approximately 100 square kilometres (10,000 hectares) located in the state of Durango in north-central Mexico within the Sierra Madre mineral belt and has significant exploration potential. It is estimated that less than 10% of the concession area has been adequately explored.

Tahuehueto is comparable in concession area size and epithermal mineralization style to the Tayoltita mine of the San Dimas district to the south. It is estimated that the San Dimas district has produced over 11 million ounces of gold to date (Source: Technical Report on Mineral Resource and Reserve Update December 2020, First Majestic Silver Corp.).

In October 2024 the Company commenced a Phase 1, 5,000 metre, underground exploration drilling campaign at the Tahuehueto gold mine, followed by a Phase 2, 5,500 metre campaign which began in April 2025. These campaigns represent the first significant exploration drill programs on the property in over 10 years. The drill plan takes advantage of recently developed underground areas to potentially expand the mineral resource through the additions of economic mineralization along the modeled veins and interpreted vein extensions.

Mineralization is open along strike and at depth for most of the modeled resource area and the objective of the current campaign will be a combination of infill and step-out drilling to determine the vertical and lateral extent of mineralization as well as to identify mineralized brecciated zones within the epithermal vein system.

In addition to the four veins that comprise the mineralized resource, there are at least 14 additional prospective veins or splays documented within the greater concession area that have potential to host additional epithermal mineralization. In some cases, these prospective targets may represent extensions or continuations of the currently defined Mineral Resource. The Company estimates that there are more than 11 km of prospective vein structures (measured along strike), compared to the currently defined 4.5 km of known mineralized veins.



On August 28, Luca Mining Corp. executed a purchase agreement and closed a transaction with Minera Mexicana La Cienega S.A. de C.V., a subsidiary of Fresnillo PLC, to acquire a 100-per-cent interest in a large mining concession adjacent to the company's Tahuehueto mine in Durango, Mexico.

As consideration for a 100-per-cent interest in the Humaya 3 mining concession, which covers 2,507 hectares and directly surrounds the Tahuehueto mine, Luca has paid Fresnillo a cash purchase price of \$400,000 (U.S.). The acquired concession is not subject to any underlying NSR (net smelter return) royalties. With this acquisition, Luca expands its land position at Tahuehueto by more than 25 per cent, reaching approximately 10,000 hectares.

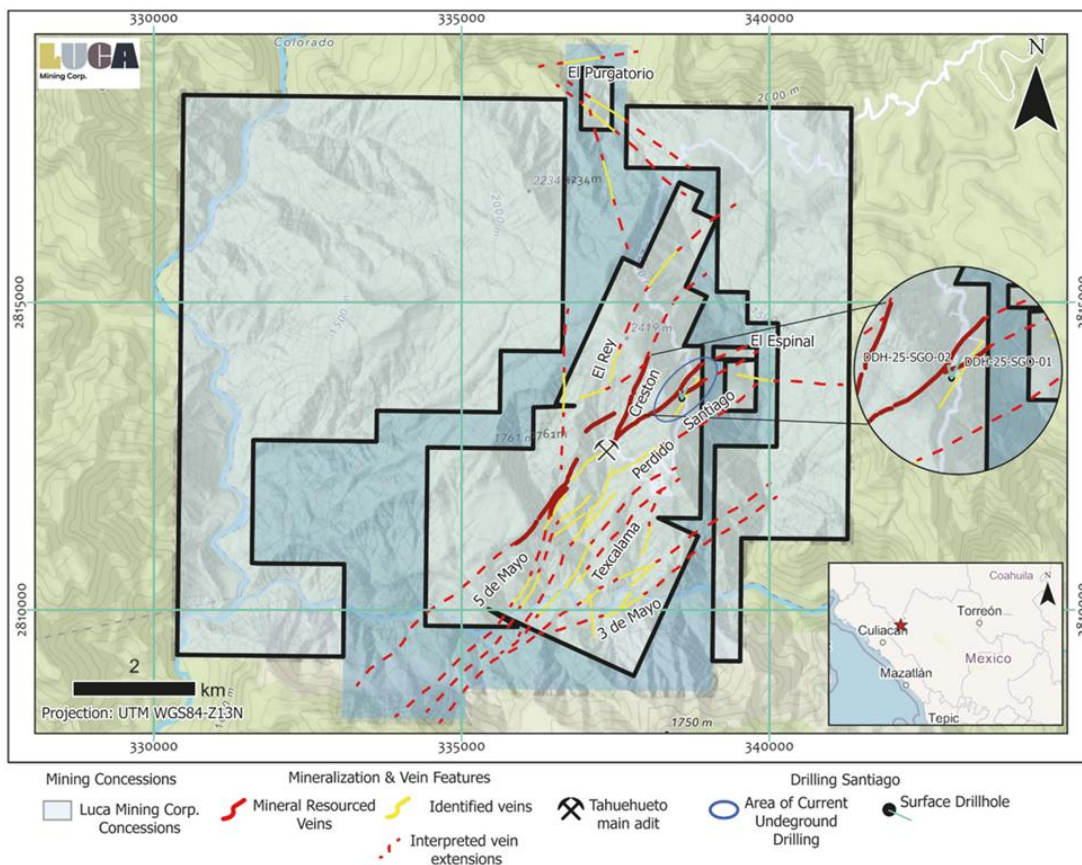
On September 8, Luca announced analytical results from eleven underground diamond drill holes from the ongoing exploration campaign along with the results from the first surface diamond drilling program at the Santiago Deposit where Luca intercepted 14.0 metres of 6.68g/t Gold and 6 metres of 9 g/t Gold in the first holes drilled at Santiago since 2008. Highlights include:

- Diamond drillhole DDH25-SGO-001 returns **1.9m of 23.10 g/t AuEq** (22.28 g/t Gold)** from 237.05m within a broader **5.75m intercept of 9.00 g/t AuEq (8.22 g/t Gold)** from 237.05m. DDH25-SGO-002 intersects a wide zone of brecciated vein related mineralization that reported **21.3m of 6.41 g/t AuEq (4.96/t Au)** from 185.9m including 2 distinct zone of high-grade gold mineralization; **2.0m of 5.53 g/t AuEq (5.30g /t Au)** from 185.9m and **14.0m of 8.59 AuEq (6.68 g/t Au)** from 193.2m

- Mineralized Creston and Perdido veins, the zones where mining is currently being conducted, have been encountered on every drillhole of the Tahuehueto Underground Drill program – highlighting the consistency of these veins along strike
- New Mineralized Creston gold-rich breccia zones discovered from previously untested areas along strike of the Creston Vein - north of current underground workings. Results include: **1.65m of 0.33 g/t Au, 49.28 g/t Ag, 0.27% Cu, 1.64% Pb, and 4.60% Zn (3.28 g/t AuEq) from 146.85m**

Surface drillholes at Santiago targeted confirmation of mineralization within the Santiago vein structure as well as in-fill to increase Deposit confidence. **DDH25-SGO-001** and **DDH25-SGO-002** intersected the Santiago vein in two distinct areas, approximately 90m from each other, and were drilled into previously untested portions of the Deposit – approximately 20m and 40m from the nearest historical drillholes, respectively. These drillholes have confirmed and expanded the mineralization previously identified at the Santiago Deposit. In particular, these holes have returned higher grades than predicted by the resource model.

The surface drilling in and around the underexplored Santiago Deposit, located ~950m from the eastern extent of the existing Tahuehueto mine development. The Santiago Deposit (See Company News Release of April 26, 2022) offers significant expansion potential as historical drilling left it open along strike and to depth. Recent surface mapping at Santiago has identified the potential for thick, higher-grade breccia-type zones within areas of the deposit with low drill density and along strike. The Santiago deposit is currently defined approximately 350m long and up to 50m wide – strike extensions to the east and west are the main exploration target of the current Santiago exploration campaign.



The underground exploration program has continued to intercept the Creston and Perdido veins in every drillhole, increasing confidence in the continuity of these mineralized structures along strike. **Drillhole DDH24-228** targeted a previously untested zone, approximately 150 horizontal metres away from the active mine workings of Level 12, and intersected a new high-grade brecciated zone within the El Creston vein system that returned **1.15m of 1.66 g/t Au, 93.30 g/t Ag, 0.27% Cu, 4.45% Pb, and 25.91% Zn (13.09 g/t Au Eq)** from 45.75m.

Drillhole DDH25-229 targeted the strike extension of the Creston Vein north of previously drilling, in an area approximately 150 horizontal metres from active mine workings of Level 12, and intersected a new high-grade brecciated zone within the El Creston vein system that returned **1.65m of 0.33 g/t Au, 49.28 g/t Ag, 0.27% Cu, 1.64% Pb, and 4.60% Zn (3.28 g/t AuEq)** from 146.85m; and **2.25m of 0.40 g/t Au, 123 g/t Ag, 1.10% Cu, 0.50% Pb and 0.77% Zn (3.37 g/t AuEq)** from 167.40.

Drillhole DDH25-231 was drilled into an undertested area of the Creston Vein north of current underground workings and intersected a new high-grade brecciated zone within the El Creston vein system that returned **1.85m of 1.07 g/t Au, 52.51 g/t Ag, 0.38% Cu, 0.95% Pb and 2.78% Zn (3.40 g/t AuEq)** from 121.05m; approximately 20m from existing miner workings.

Drillhole DDH25-234 was drilled into an undertested area of the Creston Vein north of current underground workings, and intersected a new high-grade brecciated zone within the Creston vein system that returned **0.4m of 20.30 g/t Au, 200.00 g/t Ag, 0.26% Cu, 1.18% Pb and 10.98% Zn (27.13 g/t AuEq)** from 151.05m, approximately 80m from current mine workings, and **2.98m of 1.42 g/t Au, 163.03 g/t Ag, 1.29% Cu, 1.66% Pb and 3.66% Zn (6.78 g/t AuEq)** from 173.77m including **0.75m of 2.69 g/t Au, 200.00 g/t Ag, 2.44% Cu, 6.18% Pb and 13.19% Zn (14.43 g/t AuEq)** from 176.00m, approximately 100m from current mine workings.

Highlighted Diamond Drill Assay Results from DDH24-225 through DDH25-235 and DDH-25-SGO-001 and DDH-25-SGO-002

Hole	From (m)	To (m)	Interval* (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au Eq**	Drilled vein
DDH25-225	37.0	37.5	0.5	0.14	86.80	0.87	2.45	1.17	3.40	Creston Hanging-wall
	165.9	166.7	0.8	3.38	15.90	0.08	0.48	0.88	4.11	Main creston
	174.5	177.6	3.1	0.23	93.34	0.40	1.14	0.81	2.49	Main creston
DDH25-227	35.9	38.8	3.0	0.34	52.88	0.04	3.27	2.19	2.68	Creston Hanging-wall
	Including									
	36.5	38.2	1.7	0.38	24.13	0.04	5.43	3.16	3.28	Creston Hanging-wall
DDH25-228	146.8	148.0	1.2	2.43	200.00	1.48	0.33	0.25	6.99	Main creston
	40.0	46.9	7.0	0.31	19.63	0.06	0.86	5.00	2.55	Creston Hanging-wall
	Including									
DDH25-229	45.8	46.9	1.2	1.66	93.30	0.27	4.45	25.91	13.09	Creston Hanging-wall
	95.4	95.8	0.4	0.64	22.90	0.15	2.23	9.01	4.75	Creston
	146.9	148.5	1.7	0.33	49.28	0.27	1.64	4.60	3.28	Main Creston
DDH25-231	167.4	169.7	2.3	0.40	123.07	1.10	0.50	0.77	3.73	Main Creston
	113.5	114.9	1.4	0.31	27.40	0.19	2.00	4.23	2.86	Creston
	119.3	122.9	3.6	0.64	39.09	0.34	0.67	2.06	2.44	Creston
	Including									
DDH25-232	121.1	122.9	1.9	1.07	52.51	0.38	0.95	2.78	3.40	Creston
	191.1	191.7	0.6	1.29	35.00	0.06	0.50	1.80	2.54	Main Creston
	74.6	75.3	0.7	0.06	3.85	0.03	0.59	7.07	2.68	Creston Hanging-wall
	168.2	168.7	0.5	1.07	14.81	0.17	0.17	5.28	3.29	Main Creston
DDH25-233	224.5	225.4	0.9	1.38	41.65	0.15	0.17	0.29	2.23	Creston Foot-wall
	126.1	127.7	1.6	5.38	171.04	0.33	0.54	4.20	9.49	Creston
	151.1	151.5	0.4	20.30	200.00	0.26	1.18	10.98	27.13	Creston
DDH25-234	173.8	176.8	3.0	1.42	163.03	1.29	1.66	3.66	6.78	Main Creston
	Including									
	176.0	176.8	0.8	2.69	200.00	2.44	6.18	13.19	14.43	Main Creston
	211.8	213.4	1.7	1.35	106.41	0.75	0.16	1.98	4.34	Creston Foot-wall
	231.4	232.4	1.0	0.27	15.40	0.11	0.97	4.67	2.43	Creston Foot-wall
DDH25-SGO-01	237.1	242.8	5.8	8.22	26.89	0.06	0.38	0.75	9.00	Santiago
	Including									
	237.1	240.6	3.6	12.75	39.06	0.08	0.21	0.65	13.61	Santiago
DDH25-SGO-002	Including									
	237.1	239.0	1.9	22.28	38.85	0.05	0.22	0.65	23.10	Santiago

Hole	From (m)	To (m)	Interval* (m)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	Au Eq**	Drilled vein
DDH25-SGO-02	185.9	207.2	21.3	4.96	55.99	0.33	0.44	0.61	6.41	Santiago
	Including									
	185.9	187.9	2.0	5.30	12.20	0.01	0.05	0.14	5.53	Santiago
	And									
	193.2	207.2	14.0	6.68	76.50	0.40	0.63	0.82	8.59	Santiago
	Including									
	194.0	197.0	3.0	17.11	132.34	0.44	1.67	2.64	20.67	Santiago
	And									
	201.4	207.2	5.8	6.73	78.29	0.17	0.38	0.20	8.09	Santiago
	Including									
	204.8	207.2	2.4	11.68	127.84	0.16	0.36	0.16	13.63	Santiago

*True widths are estimated to be approximately 85% of drilled intervals.

** AuEq equation is: $AuEq = Au + (Ag * 0.0124) + (Cu \% * 1.2799) + (Pb \% * 0.2737) + (Zn \% * 0.3359)$, at \$2,250 US\$/oz Au, 28 US\$/oz Ag, 9,260 US\$/Tonne Cu, 1,980 US\$/Tonne Pb and 2,430 US\$/Tonne Zn, respectively.

With the success of the Phase 1 exploration campaign, a Phase 2 underground drilling program consisting of an additional 5,500m of drilling has been approved and has commenced. The ongoing Phase 2 drill program targets the extension of the Creston Vein System to the north and will be bolstered by surface drilling in and around the underexplored Santiago Deposit, located ~950m from the eastern extent of the existing Tahuehueto mine development. The Santiago Deposit offers significant expansion potential as historic drilling left it open along strike and to depth. Recent surface mapping at Santiago has identified the potential for thick, higher-grade breccia-type zones within areas of the deposit with low drill density and along strike.



New parts warehouse at Tahuehueto

FINANCIAL PERFORMANCE

The financial results below for 2025 include commercial production from Campo Morado and Tahuehueto. The financial results below for 2024 include commercial production from Campo Morado and revenue and associated costs from Tahuehueto during the pre-production period.

CONSOLIDATED	Three Months Ended			Nine Months Ended		
	September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
Financial Results	\$	\$		\$	\$	
Revenue						
Gold	13,702	7,630	80%	50,695	23,416	116%
Silver	9,150	3,747	144%	24,831	10,972	126%
Lead	678	315	115%	2,282	1,201	90%
Zinc	9,743	6,080	60%	31,253	16,634	88%
Copper	8,280	5,105	62%	23,780	14,895	60%
Income from stream	-	135	(100%)	-	842	(100%)
Provisional pricing adjustments	1,354	2,597	(48%)	196	3,690	(95%)
Treatment and selling costs	(7,868)	(7,515)	(5%)	(22,601)	(19,052)	(19%)
Net Revenues	35,039	18,095	94%	110,436	52,599	110%
Production Costs	27,474	14,307	(92%)	72,326	40,944	(77%)
Royalties	1,371	541	(153%)	3,589	1,398	(157%)
Empress stream	-	136	100%	-	2,119	100%
Inventory changes	(984)	727	235%	(432)	(1,624)	(73%)
Cost of Sales	31,123	16,347	90%	84,084	44,578	89%
Mine operating cashflow before Taxes⁽⁴⁾	7,178	2,384	201%	34,953	9,762	258%
Depreciation and depletion	3,262	636	(413%)	8,601	1,741	(394%)
Mine operating earnings	3,916	1,748	124%	26,352	8,021	229%
General and Administration	(2,784)	(2,294)	(21%)	(9,963)	(6,187)	(61%)
SBC Compensation	(1,582)	(975)	(62%)	(2,383)	(1,177)	(102%)
Foreign exchange gain (loss)	(836)	19	4,500%	(2,819)	2,461	(215%)
Other operating income (expenses)	(2,718)	(185)	(1,369%)	(3,151)	(114)	(2,664%)
Interest and finance costs, net	(654)	(822)	20%	(1,846)	(2,167)	15%
Fair value of derivative liability in excess of deferred revenue ⁽⁶⁾	-	(14,440)	100%	-	(14,440)	100%
Gain on debt modification and settlement	-	-	0%	295	4,542	(94%)
Gain on disposal of subsidiary	-	-	0%	-	2,087	(100%)
Change in fair value of derivative liability from stream agreement ⁽⁶⁾	(10,067)	(2,274)	(343%)	(19,094)	(2,274)	(740%)
Current income tax (expense) recovery	(1,296)	-	(100%)	(2,120)	-	(100%)
Net earnings (loss) ⁽⁶⁾	(16,021)	(19,223)	17%	(14,729)	(9,248)	(59%)
Earnings (loss) per share - basic and diluted ⁽⁶⁾	(0.06)	(0.11)	(688%)	(0.06)	(0.06)	0%
Net free cashflow before working capital ⁽⁵⁾	(3,246)	(597)	(443%)	5,306	4,322	23%
EBITDA ^{(1) (3) (6)}	(10,793)	(17,765)	39%	(2,100)	(5,340)	61%
Adjusted EBITDA ^{(2) (3) (6)}	4,343	(76)	5,804%	22,569	5,922	281%

1. See Reconciliation of earnings before interest, taxes, depreciation, and amortization on page 40.

2. See reconciliation of Adjusted EBITDA on page 40.

3. See "Non-IFRS Financial Measures" on page 38.

4. Mine operating cash flow before taxes is calculated by adding back royalties, changes in inventory and depreciation and depletion to mine operating loss. See Reconciliation to IFRS on page 40.

5. Net free cash flow before working capital is operating cash flow before working capital changes, less capital expenditures. See page 41.

6. Information presented herein for the three and nine months ended September 30, 2024, has been restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

Three months ended September 30, 2025 (compared to the three months ended September 30, 2024)

Revenue

For the three months ended September 30, 2025, net revenues increased to \$35,039 from \$18,095 (94%) compared to the same period in 2024. The increase was driven primarily by higher sales volumes at both operations reflecting materially higher tonnes milled and stronger head grades for key base metals at Campo Morado, and higher plant utilization at Tahuehueto together with supportive realized prices for precious metals and steady concentrate shipment cadence.

By metal, gold revenue increased to \$13,702 from \$7,630 (80%) and silver revenue increased to \$9,150 from \$3,747 (144%), as ounces sold increased (gold +28%, silver +83%) and realized prices strengthened (gold increased to \$3,138/oz from \$2,442/oz; silver increased to \$34.65/oz from \$29.36/oz). Base-metal revenues also increased on higher payable volumes: zinc increased to \$9,743 from \$6,080 (60%), copper increased to \$8,280 from \$5,105 (62%), and lead increased to \$678 from \$315 (115%), consistent with higher mill throughput and a stronger grade profile at Campo Morado, compared to the same period in 2024.

Pricing dynamics were net supportive. Realized prices increased for gold and silver (as noted above) and increased for copper to \$4.31/lb from \$3.73/lb (15%); zinc was broadly flat at \$1.25/lb vs. \$1.26/lb (-1%), and lead decreased to \$0.89/lb from \$0.93/lb (-5%). The precious metal price uplift, combined with higher volumes, more than offset softer lead pricing and essentially flat zinc pricing. Treatment and selling costs increased to \$7,868 from \$7,515 (5%) in line with the higher shipment volumes, and provisional pricing adjustments decreased to \$1,354 from \$2,597, moderating the overall uplift; there was no income from stream arrangements in the current quarter versus \$135 in the prior-year period.

Cost of sales

Cost of sales increased to \$31,123 from \$16,347 (90%). The variance was primarily volume driven as consolidated tonnes milled increased to 250,807 from 151,221 (66%), lifting production and shipments at both operations. Within cost of sales, production costs increased to \$27,474 from \$14,307, royalties increased to \$1,371 from \$541 in line with higher net revenues, and depreciation and depletion increased to \$3,262 from \$636 as additional assets entered service. These increases were partly offset by inventory changes moving to a credit of \$(984) from a charge of \$727, compared to the same period ended September 30 in the prior year.

At Campo Morado, higher throughput (173,260 tonnes milled vs. 122,195; 42%) and a stronger grade profile in zinc, lead, and silver increased production costs to \$15,320 from \$9,496 (61%). Unit direct mining cost increased to \$88/t from \$78/t (14%) as the quarter included scheduled maintenance and reliability work in the plant; royalties increased to \$967 from \$426 (127%) with higher payable metal sales. Treatment and selling costs were broadly stable at \$6,750 versus \$6,738 despite higher volumes, reflecting stable commercial terms and concentrate quality, compared to the prior year quarter.

At Tahuehueto, steadier plant utilization lifted tonnes milled to 77,548 from 29,027 (167%) and increased production costs to \$11,552 from \$5,538 (109%). Depreciation and depletion commenced as more assets were placed into service (\$2,249 vs. nil), which, together with higher royalties (\$404 vs. \$115) and treatment and selling costs (\$1,119 vs. \$777) consistent with the increased shipment cadence, explains most of the site variance. Notably, unit direct mining cost per tonne improved to \$149/t from \$191/t (22%) on improved operating practices and contractor deployment, compared to the same period ended September 30 in the prior year.

Overall, the consolidated increase reflects the intentional scale-up across both mines higher tonnes, more concentrate shipments, and a larger in-service asset base tempered by inventory timing. Operation specific sections will provide further detail on unit cost dynamics (cash costs and AISC) and the initiatives underpinning costs in subsequent periods

General and administration

General and administration expenses increased to \$2,784 from \$2,294 (21%). Salaries and employee benefits increased to \$1,197 from \$914 on leadership hires and compensation adjustments; corporate and administration increased to \$1,072 from \$722 with scaling of support functions; depreciation and amortization decreased to \$33 from \$102 as certain assets were fully depreciated or not yet in service; and professional fees decreased to \$482 from \$556 on lower site legal activity year-over-year, compared to the same period ended September 30 in the prior year.

Corporate was the principal driver: salaries/benefits increased (approximately +\$169) and consulting/audit support stepped up (CMIP, Empress valuation, fixed-asset valuation for insurance, and quarterly reviews), partially offset by lower discretionary corporate administration primarily marketing and promotional spend than in the prior-year quarter. At the units, Tahuehueto's transition to steady operations lifted staffing and administrative costs (approximately +\$534), while Campo Morado recorded a modest increase (approximately +\$133) tied to salaries, bonuses, and professional services. The net effect is a consolidated increase consistent with a two-mine corporate platform and Q3 operating cadence, compared to the period ended September 30, 2024.

Share-based compensation

For the three months ended September 30, 2025, total share-based compensation expense increased to \$1,582, compared to \$975 for the same period in 2024. The increase reflects larger grant activity at higher weighted-average exercise prices during the quarter and the vesting of previously granted options in line with the Company's expanded employee base.

During the quarter, the Company continued to grant and settle stock options under its long-term incentive plan, which increased the Black-Scholes fair value recognized in the period and reduced lower-strike overhang through exercises. As of September 30, 2025, 15,648,402 options were outstanding at a weighted-average exercise price of CAD\$0.89 (December 31, 2024: 15,260,249 at CAD\$0.51)

During the quarter, 1,400,000 RSUs were granted at a weighted-average fair value of CAD\$1.81, and 1,300,000 RSUs granted in 2024 (weighted-average fair value CAD\$0.61) vested and were exercised into shares on August 15, 2025. As at September 30, 2025, 1,400,000 RSUs were outstanding at a weighted-average fair value of CAD\$1.81 (December 31, 2024: 1,300,000 at CAD\$0.61). RSU expense for the quarter formed part of total share-based compensation and will continue to be recognized over the remaining vesting schedules in accordance with the plan terms.

Interest and finance costs

Net interest and finance costs decreased to \$654 from \$822. The decrease reflects the absence of prior-year non-cash items (no accretion or re-measurement related to the streaming arrangement and no loan-modification losses in the current quarter), partially offset by higher interest expense on borrowings and leases (\$409 vs. \$184) and higher accretion related to reclamation (\$260 vs. \$135). Interest income increased to \$(63) from \$(12), and bank fees and other increased to \$48 from \$8, compared to the same period ended September 30, 2024.

Nine months ended September 30, 2025 (compared to the nine months ended September 30, 2024)

Revenue

For the nine months ended September 30, 2025, net revenues totaled \$110,436, an increase of \$57,837 (110%) from \$52,599 in the same period of 2024. The increase was driven by materially higher metal sales volumes from both operations and stronger realized prices for gold, silver, zinc, and copper, compared to the period ended September 30, 2024.

By metal, gold increased to \$50,695 from \$23,416 (+116%), silver to \$24,831 from \$10,972 (+126%), zinc to \$31,253 from \$16,634 (+88%), copper to \$23,780 from \$14,895 (+60%), and lead to \$2,282 from \$1,201 (+90%). The increase reflects materially higher sales. Volume growth reflected a step-change in throughput at both mines and a favorable grade/recovery mix overall. At Campo Morado, tonnes milled increased to 529,914 from 365,404 (+45%), with higher head grades in zinc (3.13%, +25%), lead (0.74%, +9%) and silver (101.2 g/t, +4%), and broadly steady metallurgical performance (zinc recovery 80.6%, copper 74.5%). At Tahuehueto, tonnes milled increased to 220,892 from 97,918 (+126%) as plant utilization stabilized; despite lower gold and zinc grades year over year, recoveries remained strong for gold (84.28%) and copper (84.31%) and silver grades were higher (+19%), supporting payable ounces

The price environment was supportive: gold increased to \$3,434/oz from \$2,266/oz (+52%), silver to \$39.11/oz from \$26.80/oz (+46%), zinc to \$1.27/lb from \$1.21/lb (+5%), and copper to \$4.43/lb from \$3.96/lb (+12%). Lead decreased to \$0.89/lb from \$0.95/lb (-6%), which partially offset its strong volume gains. The combination of higher shipments and improved realized prices for gold, silver, zinc, and copper drove the year-over-year revenue increase.

Treatment, refining and selling costs ("TRCs") increased to \$22,601 from \$19,052, primarily due to the higher volume of concentrate shipments across both operations (more zinc and copper concentrate at Campo Morado; higher gold-silver concentrate at Tahuehueto). While absolute TRCs were higher on volume, per-unit selling costs improved with scale and steadier product quality consistent with lower unit cash costs. Freight, handling and smelting charges tracked the shipment uplift and payable metal mix, with no unusual penalties charged. In addition, provisional pricing adjustments were \$196 (2024: \$3,690) and there was no stream income in 2025 (2024: \$842). After TRCs, net revenues were \$110,436 vs. \$52,599 (+110%), underscoring that higher shipments and stronger realized prices more than offset the higher selling costs.

Cost of sales

Cost of sales was \$84,084 compared to \$44,578 (\$39,506, 89%). The variance was primarily volume driven; consolidated tonnes milled increased to 750,806 from 463,322 (+62%), lifting production and shipments at both operations. Within cost of sales, production costs increased to \$72,326 from \$40,944 on higher mining, processing, and site support activity; royalties increased to \$3,589 from \$1,398 in line with higher net revenues; and depreciation and depletion increased to \$8,601 from \$1,741 as additional assets particularly at Tahuehueto entered commercial production. These increases were only modestly offset by inventory changes of \$(432) compared to \$(1,624) last year (a less favorable credit), and by the absence of Empress stream charges (2025: nil vs. \$2,119 in 2024).

By operation, Campo Morado cost of sales increased to \$47,911 from \$28,712 on higher throughput (529,914 t vs. 365,404 t, +45%) and a stronger base-metal grade profile; direct mining cost per tonne increased to \$80/t from \$71/t, reflecting more operating development, maintenance, and support activity consistent with the higher operating cadence. Tahuehueto cost of sales increased to \$36,173 from \$15,866 on a step-up in tonnes milled (220,892 t vs. 97,918 t, +126%) and the commencement of depreciation (\$5,651 vs. nil) as more assets were placed into service; on a unit basis, direct mining cost per tonne improved to \$133/t from \$137/t as operating practices and contractor deployment became more efficient.

Across the group, the nine-month outcome reflects deliberate scale up higher tonnes, more concentrate shipments, and a larger in-service asset base partly tempered by blend/recovery variability (more handling and processing effort at periods of constrained stockpiles) and a smaller inventory credit year over year. The removal of Empress stream charges versus 2024 provided a favorable comparative, but the dominant drivers of the variance were volume, site activity to sustain that volume, and depreciation on newly commissioned assets.

General and administration

For the nine months ended September 30, 2025, general and administrative (G&A) expenses were \$9,963, an increase of 61% from \$6,187 in the same period of 2024. The increase reflects deliberate investment in a two-mine corporate platform staffing, systems, and governance to support higher production and public-company requirements. These platform costs are predominantly enablement expenditures (people, controls, and external assurance) that should not scale one-for-one with future volume growth.

At the corporate level, G&A totaled \$5,700 (vs. \$4,000 prior year), driven by higher salaries and benefits and consulting/audit support (Empress valuation, fixed asset/insurance valuations, quarterly reviews), partially offset by lower promotion/marketing. At the units, Tahuehueto is \$2,160 and Campo Morado \$2,040, reflecting staffing to support steady operations. New roles include maintenance planners/supervisors, underground safety coordinators, mine and grade-control geologists, metallurgy/process engineers, and warehouse/procurement lead at the sites, plus select corporate finance and reporting hires; severance and settlements at both corporate and site levels also contributed. Professional/advisory was higher net by roughly \$250, and administration (travel/office /communications /transfer agent) by about \$600, with insurance/rent modestly higher year over year.

Share-based compensation

For the nine months ended September 30, 2025, total share-based compensation expense increased to \$2,383, compared to \$1,177 for the same period in 2024. The increase is primarily due to larger grant activity at higher weighted-average exercise prices during 2025, together with the vesting of options granted in late 2024 and early 2025.

During the nine months ended September 30, 2025, the Company granted 5,645,000 stock options with a weighted-average exercise price of CAD\$1.55, compared to 10,059,833 options granted in 2024 at CAD\$0.54. The larger grant size and higher exercise price increased the fair-value per option under the Black-Scholes model and, together with vesting of awards granted in late 2024 and early 2025, drove the year-to-date share-based compensation expense. Option activity also included 4,710,181 options exercised at CAD\$0.50 and 546,666 options cancelled/expired. As of September 30, 2025, 15,648,402 options were outstanding at a weighted-average exercise price of CAD\$0.89 (December 31, 2024: 15,260,249 at CAD\$0.51).

Equity-settled RSU expense increased year to date, reflecting the August 15, 2025, vesting and settlement of 1,300,000 RSUs granted in 2024 (weighted-average fair value CAD\$0.61) and the initiation of amortization for 1,400,000 RSUs granted in 2025 at a higher weighted-average fair value of CAD\$1.81, compared to the same period ended September 30, 2024. As at September 30, 2025, 1,400,000 RSUs remained outstanding (December 31, 2024: 1,300,000), with expense recognized over the remaining vesting schedules in accordance with the plan terms.

Overall, the trend in share-based compensation reflects both the timing and fair value of stock option and RSU grants, consistent with the Company's long-term incentive strategy designed to retain key personnel and align their interests with shareholder value.

Interest and finance costs

Interest and finance costs for the nine months ended September 30, 2025 decreased to \$1,846 from \$2,167, primarily due to the absence of prior-year non-cash items (no streaming-agreement accretion or loan-modification losses and no amortization of deferred financing costs in 2025) and higher interest income, partially offset by higher cash interest on borrowings and leases as facilities were utilized to support operations; reclamation accretion was broadly stable and bank fees modestly higher, compared to the same period ended September 30, 2024.

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically funded its acquisition, exploration and development activities through equity financings, debt facilities and convertible debentures. The Company may choose to undertake equity, debt, convertible debt or other financings, on an as-needed basis, in order to facilitate its growth. Management of the Company believes that operating cash flow and existing working capital will be sufficient to cover 2025 capital requirements and meet its short-term obligations. The Company continues to assess financing alternatives, including equity or debt or a combination of both, to fund future growth, including future M&A activity.

	Three Months Ended			Nine Months Ended		
	September 30 2025	September 30 2024 ⁽¹⁾	% Change	September 30 2025	September 30 2024 ⁽¹⁾	% Change
Cash Flow	\$	\$		\$	\$	
Cash (used in) provided by operating activities	1,315	1,143	15%	17,303	1,178	1,369%
Cash (used in) provided by investing activities	(8,266)	(1,881)	(339%)	(19,043)	(3,902)	(388%)
Cash (used in) provided by financing activities	(1,195)	9,000	(113%)	7,173	10,327	(31%)
Effect of exchange rate changes on cash	(226)	(152)	(49%)	285	(205)	239%
Change in cash	(8,370)	8,110	(203%)	5,718	7,398	(23%)
Cash, beginning of period	24,296	1,346	1,705%	10,207	2,058	396%
Cash, end of period	15,925	9,456	68%	15,925	9,456	68%

1. Restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

As at September 30, 2025, the Company had cash of \$15,925 and negative working capital of \$9,371 compared with cash of \$10,207 and negative working capital of \$20,968 at December 31, 2024.

Operating activities

For the three months ended September 30, 2025, cash provided by operating activities increased to \$1,317 from \$1,143 in Q3 2024 (+\$174, +15%). The improvement was driven by stronger non-cash adjustments and steadier site execution. Non-cash add-backs were notably higher year over year: change in fair value of financial instruments was \$10,067 (Q3 2024: \$2,695; +\$7,372), depreciation and amortization were \$3,386 (Q3 2024: \$720; +\$2,666), and share-based compensation was \$2,274 (Q3 2024: \$1,169; +\$1,105). Accretion/interest on leases and debt added \$933 (Q3 2024: \$262-\$478).

Working capital was a modest net source, led by accounts payable and accrued liabilities of \$378 versus a use of \$(1,655) in Q3 2024 (+\$2,033 swing). Inventories used \$(1,218) (Q3 2024: +\$911), while prepaids and other deposits used \$417 (Q3 2024: provided \$1,096). Empress silver purchases of \$(2,730) were partly offset by deliveries of \$571. Overall, the quarter's operating inflow reflects higher production activity and disciplined cost execution despite normal quarter-end working-capital timing.

For the nine months ended September 30, 2025, net cash provided by operating activities increased to \$17,303 (compared to \$1,178 in the same period of the prior year). The improvement was driven by larger non-cash add-backs depreciation and amortization of \$8,744 (2024: \$1,821), share-based compensation of \$3,493 (2024: \$1,440), and a \$19,094 add-back from the change in fair value of financial instruments (2024: \$2,695) and favorable working-capital movements, notably accounts payable and accrued liabilities increasing \$7,953 (2024: decrease of \$6,519).

Investing activities

Investing activities for the three months ended September 30, 2025, used \$8,266 (Q3 2024: \$1,881; +\$6,385, +339%), primarily for mine development and reliability projects at both operations. Mineral properties were \$4,708 (Q3 2024: \$624; +\$4,084) and property, plant and equipment were \$3,558 (Q3 2024: \$1,257; +\$2,301), consistent with the Company's plan to underpin stable throughput and metallurgical performance.

For the nine months ended September 30, 2025, investing outflows increased to \$19,043 (compared to \$3,902 in the same period of the prior year), reflecting deliberate reinvestment at both mines: \$12,720 in mineral properties (2024: \$1,012) and \$6,323 in property, plant and equipment (2024: \$2,890) to support underground development, reliability, and plant optimization.

Financing activities

Financing activities during the current quarter were a net outflow of \$1,195 versus an inflow of \$9,000 in Q3 2024 (swing of \$(10,195)). Equity inflows from warrant/option exercises totaled \$1,854 (Q3 2024: \$2,227), while scheduled deleveraging drove repayments of debt \$(2,283) (Q3 2024: nil) and lease repayments \$(287) (Q3 2024: \$(661)). Interest paid declined to \$(479) (Q3 2024: \$(875)), reflecting lower cash interest burden.

For the nine months ended September 30, 2025, financing activities provided \$7,173 (compared to \$10,327 in the same period of the prior year). The current period benefited from \$19,503 of proceeds from warrant and option exercises (2024: \$2,578), partly offset by \$9,137 of debt repayments (2024: nil), \$1,638 of interest paid (2024: nil), and \$1,555 of lease repayments (2024: \$1,310); the prior period also included \$7,800 of equity financing that did not recur.

On January 11, 2024, the Company received an additional loan from Trafigura for \$2,500 under the Trafi Campo loan agreement, converted \$5,800 of the Trafi Tah loan into a non-interest-bearing convertible debenture and concurrently amended the terms of the Trafigura Loans. The Trafi Campo loan's maturity date was extended to June 30, 2025, with repayments of \$260 plus interest commencing on April 30, 2024. The Trafi Tah loan's maturity date was extended to January 3, 2026, with repayments of \$200 plus interest commencing on March 31, 2024. After six months, the repayments on the Trafi Tah loan will increase to \$345 plus interest. Trafigura conditionally assigned the convertible debenture to its affiliate Urion Holdings ("Malta") Limited ("Urion"), such assignment to be perfected upon Urion being included in the existing security arrangements between the Company and Trafigura (the "Condition"). The convertible debenture was originally signed and placed in escrow, but was released on August 22, 2024, as the Condition is met. The convertible debenture matures three years from the date it is released from escrow and made effective but may be repaid prior to that date upon providing 60 days' written notice and that the Trafigura Loans and the Breakwater Loan have been repaid in full. Trafigura may elect to convert in whole or in part, the convertible debenture principal at any time prior to the maturity date at the conversion price of \$0.35 per common share. Any Shares issued under the convertible debenture will be subject to a four month plus one day hold period under applicable Canadian securities laws. The convertible debenture is subject to the receipt of final approval from the TSX-V.

Further on August 22, 2024, the Company and Trafigura further amended the outstanding Trafigura Loans to extend the maturities of the Trafi Campo loan to December 2025 and the Trafi Tah loan to July 2026. For Trafi Campo, repayments are to be made in 15 equal installments commencing in October 2024. For Trafi Tah, repayments are to be made 22 installments commencing October 2024 at \$200 and increasing to \$345 in April 2025.

Concurrently with the Trafi Tah and Trafi Campo amendments, on August 22, 2024, the Company and Breakwater further extended the maturity date of the loan to December 2025 with repayment to commence in October 2024 with payments initially at \$55, increasing to \$124 in January 2025.

In January 2024, the Company closed a debt settlement (the "Debt Settlement") with Latapi Consultores, S.A. de C.V. ("Latapi"), by issuing an aggregate of 17,750,000 Shares to settle outstanding debt of \$11,030, comprising of (i) \$3,042 of debt that the Latapi and the Company agreed to write off and (ii) CAD\$7,988, of debt that was settled in common shares of the Company (the "Shares"), at a price of CAD\$0.45 per Share. The Shares were issued to a syndicate of creditors with Latapi acting as agent on behalf of the syndicate to negotiate the terms of the Debt Settlement. The debt was originally owed under a loan facility to Accendo Banco, S.A. and assigned to Latapi acting on behalf of a syndicate of creditors.

On September 26, 2024, the Company completed a private placement and sold 6,126,167 Units at a price of \$0.33 (CAD\$0.45) per unit for gross proceeds of \$2,046 (CAD \$2,756) and also concurrently closed its Listed Issuer Financing Exemption offering selling 19,000,000 Units at a price of \$0.33 (CAD \$0.45) per unit for gross proceeds of \$6,346 (CAD\$8,550) (combined the "Offering"). The Offering consists of one common share in the Company and one half of one share purchase warrant (the "Unit") entitling the holder to purchase an additional common share at a price of CAD\$0.60 per common share until March 26, 2026. In connection with the Offering, the Company issued 1,140,000 finders' warrants with a fair value of \$177 (CAD\$239) and legal fees and other transaction costs of \$591 (CAD\$789). The entirety of the fair value net of share issuance costs have been allocated to share capital with the finders' warrants being allocated to other reserves.

On January 07, 2025, the Company, along with an arm's-length third-party, Jaluca Limited ("Jaluca"), reached an agreement with Urion to repurchase 100% of Luca's \$5,800 Convertible Debenture (Note 13(a)) held by Urion. Luca and Jaluca purchased 43% and 57% of the Convertible Debenture, respectively. Upon closing of the transaction, Luca immediately canceled its portion of the Convertible Debenture and Jaluca converted its purchased share of the Convertible Debenture at the Convertible Debenture's exercise price of \$0.35 for a total of 13,566,771 shares extinguishing the debt.

NON-IFRS FINANCIAL MEASURES

The Company has disclosed certain non-IFRS financial measures and ratios in this MD&A, as discussed below. These non-IFRS financial measures and non-IFRS ratios are widely reported in the mining industry as benchmarks for performance and are used by Management to monitor and evaluate the Company's operating performance and ability to generate cash. The Company believes that, in addition to financial measures and ratios prepared in accordance with IFRS, certain investors use these non-IFRS financial measures and ratios to evaluate the Company's performance. However, the measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures disclosed by other companies. Accordingly, non-IFRS financial measures and non-IFRS ratios should not be considered in isolation or as a substitute for measures and ratios of the Company's performance prepared in accordance with IFRS.

Non-IFRS financial measures are defined in National Instrument 52-112 – Non-GAAP and Other Financial Measures Disclosure ("NI 52-122") as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ratio, fraction, percentage or similar representation.

A non-IFRS ratio is defined by 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage or similar representation, (b) has a non-IFRS financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

Working Capital

Working capital is a non-IFRS measure that is a common measure of liquidity but does not have any standardized meaning. The most directly comparable measure prepared in accordance with IFRS is current assets and net of current liabilities. Working capital is calculated by deducting current liabilities from current assets. Working capital should not be considered in isolation or as a substitute from measures prepared in accordance with IFRS. The measure is intended to assist readers in evaluating our liquidity.

	September 30 2025	December 31 2024
	\$	\$
Current assets	42,243	30,961
Current liabilities	51,614	51,593
Working capital	(9,371)	(20,632)

Mine Operating Cash Flow before Taxes

Mine operating cash flow before taxes is a non-IFRS measure that does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers. Mine operating cash flow is calculated as revenue minus production costs, transportation and selling costs and inventory changes. Mine operating cash flow is used by management to assess the performance of the mine operations, excluding corporate and exploration activities, and is provided to investors as a measure of the Company's operating performance.

	Three Months Ended		Nine Months Ended	
	September 30 2025	September 30 2024	September 30 2025	September 30 2024
	\$	\$	\$	\$
Net revenues	35,039	18,095	110,436	52,599
Production cost	(27,474)	(14,307)	(72,326)	(40,944)
Royalties	(1,371)	(541)	(3,589)	(1,398)
Empress streaming	-	(136)	-	(2,119)
Inventory changes	984	(726)	432	1,625
Mine operating cash flows before taxes	7,178	2,384	34,953	9,762

Adjusted Earnings and Adjusted Earnings per Share

Adjusted earnings and adjusted earnings per share are non-IFRS measures and supplement information to the Company's consolidated financial statements. The Company believes that, in addition to the conventional measures prepared in accordance with IFRS Accounting Standards, the Company and certain investors and analysts use this information to evaluate the Company's underlying core operating performance. The presentation of adjusted earnings and adjusted earnings per share is not meant to be a substitute of net earnings and net earnings per share presented in accordance with IFRS but rather should be evaluated in conjunction with such IFRS measures.

The Company defines the adjusted earnings as net income adjusted to exclude certain non-cash items, and items that in the Company's judgment are subject to volatility as a result of factors which are unrelated to the Company's operation in the period. Certain items that become applicable in a period may be adjusted for, with the Company retroactively presenting comparable periods with an adjustment for such items and, conversely, items no longer applicable may be removed from the calculation. The following table provides a detailed reconciliation of net earnings (loss) as reported in the Company's consolidated financial statements to adjusted earnings (loss) and adjusted earnings (loss) per share.

	Three Months Ended		Nine Months Ended	
	September 30 2025	September 30 2024 ⁽¹⁾	September 30 2025	September 30 2024 ⁽¹⁾
	\$	\$	\$	\$
Net earning (loss) per financial statements	(16,021)	(19,223)	(14,729)	(9,248)
Share based compensation	1,582	975	2,383	1,177
Loss on revaluation of derivative liability	-	14,440	-	14,440
Foreign exchange loss (gain)	836	(19)	2,819	(2,461)
Gain on settlement of debt and modification of loans	-	-	(295)	(4,542)
Gain on disposition of subsidiary	-	-	-	(2,087)
Change in fair value of derivative liability from stream agreement	10,067	2,274	19,094	2,274
Other non operating expenses (SAT payable)	3,487	-	3,487	-
Adjusted Net earnings (loss)	(49)	(1,553)	12,759	(447)
Adjusted earnings (loss) per share				
Adjusted (loss) earning per share basic	(0.00)	(0.01)	0.05	(0.00)
Adjusted (loss) earning per share diluted	(0.00)	(0.01)	0.05	(0.00)
Basic weighted average shares outstanding ('000)	263,534	171,431	250,294	166,316
Diluted weighted average shares outstanding ('000)	263,534	171,431	250,294	166,316

1. Restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

Net Free Cashflow Before Working Capital

Net free cash flow before working capital adjustments is a non-IFRS liquidity measure that reflects operating cash flows before changes in working capital, and less capital expenditures. Management uses this measure as a key indicator of the Company's underlying liquidity, as it provides a clearer view of the cash generated from core operations, excluding short-term fluctuations in working capital. This metric is used alongside related IFRS amounts when assessing available cash for decision-making purposes, including dividends and discretionary investments. It also assists management, the Board of Directors, and investors in evaluating the Company's ability to generate sustainable liquidity from operating activities.

	Three Months Ended		Nine Months Ended	
	September 30 2025	September 30 2024 ⁽¹⁾	September 30 2025	September 30 2024 ⁽¹⁾
	\$	\$	\$	\$
Cash provided by operating activities per financial statements	1,317	1,143	17,303	1,178
Purchases of silver bullion for Empress net of silver proceeds	2,159	799	5,782	799
SAT payable	3,487	-	3,487	-
Net changes in non-cash working capital per financial statements	(1,934)	(658)	(2,213)	(6,248)
Operating cash flow before working capital changes	5,020	1,284	24,349	8,225
Property, plant and equipment	(3,558)	(1,257)	(6,323)	(2,890)
Mineral Properties	(4,708)	(624)	(12,720)	(1,012)
Net free cash flow before working capital changes	(3,246)	(597)	5,306	4,322
Net free cash flow before working capital changes per share (\$)	(0.01)	(0.00)	0.02	0.03
Basic weighted average shares outstanding ('000)	263,534	171,431	250,294	166,316

1. Restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

EBITDA

EBITDA is a non-IFRS financial measure, which excludes the following from net loss:

- Income tax expense;
- Finance costs;
- Amortization and depletion.

Adjusted EBITDA excludes the following additional items from EBITDA:

- Share based compensation;
- Non-recurring impairments (reversals);
- Loss (gain) on Settlement of debt;
- Significant other non-routine finance items.

Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the basic weighted average number of shares outstanding for the period.

Management believes EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures. Management uses EBITDA for this purpose. EBITDA is also frequently used by investors and analysts for valuation purposes whereby EBITDA is multiplied by a factor or "EBITDA multiple" based on an observed or inferred relationship between EBITDA and market values to determine the approximate total value of a Company.

EBITDA intends to provide additional information to investors and analysts. It does not have any standardized definition under IFRS and should not be considered in isolation or as a substitute for measures of operating performance prepared in accordance with IFRS. EBITDA excludes the impact of cash costs of financing activities and taxes, and the effects of changes in operating working capital balances and therefore is not necessarily indicative of operating profit or cash flow from operations as determined by IFRS. Other companies may calculate EBITDA and Adjusted EBITDA differently.

	Three Months Ended		Nine Months Ended	
	September 30 2025	September 30 2024 ⁽¹⁾	September 30 2025	September 30 2024 ⁽¹⁾
	\$	\$	\$	\$
Net gain (loss) per financial statements	(16,021)	(19,223)	(14,729)	(9,248)
Depreciation and depletion – cost of sales	3,262	636	8,601	1,741
Depreciation and depletion – general and administration	16	-	62	-
Interest and finance costs (income), net	654	822	1,846	2,167
Current income tax	1,296	-	2,120	-
EBITDA	(10,793)	(17,765)	(2,100)	(5,340)
Share based compensation	1,582	975	2,383	1,177
Fair value of derivative liability in excess of deferred revenue	-	14,440	-	14,440
Gain on settlement of debt and modification of loans	-	-	(295)	(4,542)
Gain on disposition of subsidiary	-	-	-	(2,087)
Change in fair value of derivative liability from stream agreement	10,067	2,274	19,094	2,274
Other non operating expenses (SAT payable)	3,487	-	3,487	-
Adjusted EBITDA	4,343	(76)	22,569	5,922

1. Restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

Realized Price per Ounce and Realized Price per Pound

Realized price per ounce or per pound are based on provisional prices received from the sales of gold, silver, zinc, copper and lead before price adjustments and treatment and refining charges. It also excludes income from streaming.

Cash Cost, All-In Sustaining Cost, and Direct Mining Cost per Tonne

Cash costs per gold equivalent ounce sold, cash costs per zinc pound sold and direct mining costs per tonne are measures developed by precious metals companies to provide a comparable standard; however, there can be no assurance that the Company's reporting of these non-IFRS measures and ratios are similar to those reported by other mining companies. Cash costs per gold equivalent ounce sold, cash costs per zinc pound sold and total direct mining cost per tonne are non-IFRS performance measures used by the Company to manage and evaluate operating performance at its operating mining units, in conjunction with the related IFRS amounts. They are widely reported in the mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. Direct mining costs include mining, milling, direct overhead and changes in finished goods inventory at the operation sites.

Cash costs per gold equivalent ounce include all direct costs plus royalties, special mining duty and treatment and selling costs. Cash costs per gold equivalent ounce sold is calculated by dividing cash costs by the payable gold equivalent ounces sold. Direct mining costs per tonne are calculated by dividing total direct mining cost costs by the number of processed tonnes.

Cash costs per zinc pound includes costs directly attributable to mining operations (including mining, processing and administration), treatment, refining and transportation charges, but excludes royalty expenses, expenses associated with non-cash fair value adjustments to inventory, depreciation and amortization. Revenue from sales of by-products, inclusive of adjustments for the terms of streaming agreements but excluding the recognition of any deferred revenue from the allocation of upfront streaming proceeds, reduce cash cost.

All-in Sustaining Costs ("AISC") is a non-IFRS performance measure and was calculated based on guidance provided by the World Gold Council ("WGC"). WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining capital expenditures. AISC is a more comprehensive measure than cash cost per ounce or pound sold and is useful for investors and management to assess the Company's operating performance by providing greater visibility, comparability and representation of the total costs associated with selling gold equivalent ounces or zinc pounds from its current operations, in conjunction with related IFRS amounts. AISC helps investors to assess costs against peers in the industry and helps management assess the performance of its mine.

AISC includes total direct mining costs (IFRS measure) incurred at the Company's mining operation, which forms the basis of the Company's total cash costs. Additionally, the Company includes sustaining capital expenditures, corporate general and administrative expenses, operating lease payments, share-based compensation and reclamation cost accretion. The Company believes this measure represents the total sustainable costs of selling metal concentrates from current operations and provides additional information of the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of gold equivalent ounces or zinc pounds from the zinc and lead concentrate production from current operations, new projects capital at current operation is not included. Certain other cash expenditures, including tax payments, dividends and financing costs are also not included.

The Company previously expressed production on a gold-equivalent ("AuEq") basis to provide a simplified view of total output across multiple metals. However, with Campo Morado's polymetallic nature, management believes that presenting production by individual metal—primarily zinc, copper, and lead, with associated precious-metal by-products—provides a more accurate and transparent measure of operational performance, Tahuehueto remains using gold equivalent ounces.

The following tables provide detailed reconciliations of these measures regarding the cost of sales, as reported in notes with our consolidated financial statements.

Campo Morado

		Three months ended			Nine Months ended		
		September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
Cost of sales		17,279	10,558	64%	47,911	28,712	67%
Royalties		(967)	(426)	127%	(2,393)	(1,063)	125%
Empress stream		-	-	100%	-	-	100%
Depreciation and SBC		(992)	(636)	56%	(2,950)	(1,741)	69%
Direct mining cost⁽⁴⁾		15,320	9,496	61%	42,568	25,908	64%
Add:							
Treatment and selling costs		6,750	6,738	0%	19,008	16,509	15%
Royalties		967	426	127%	2,393	1,063	125%
Empress stream		-	-	100%	-	-	100%
Cash cost⁽²⁾		23,037	16,660	38%	63,969	43,480	47%
General and administrative – corporate		685	482	42%	2,119	1,250	70%
SBC Compensation		-	-	100%	-	-	100%
Lease payments		14	(10)	(240%)	754	105	618%
Accretion relating to reclamation and rehabilitation		117	80	46%	265	290	(9%)
Sustaining capital expenditures		6,384	280	2,180%	13,491	1,943	594%
All-in sustaining cost⁽³⁾		30,237	17,492	73%	80,598	47,068	71%
Tonnes milled	D	173,260	122,195	42%	529,914	365,404	45%
Zinc Equivalent (ZnEq) payable pounds sold ('000)	E	21,099	13,122	61%	66,317	38,263	73%
Direct mining cost⁽⁴⁾	A	15,320	9,496	61%	42,568	25,908	64%
Cash cost⁽²⁾	B	23,037	16,660	38%	63,969	43,480	47%
All-in sustaining cost⁽³⁾	C	30,237	17,492	73%	80,598	47,068	71%
Direct mining cost per tonne⁽⁴⁾	A/D	88	78	14%	80	71	13%
Cash cost per ZnEq payable pound sold⁽²⁾	B/E	1.09	1.27	(14%)	0.96	1.14	(15%)
All-in sustaining cost per ZnEq payable pound sold⁽³⁾	C/E	1.43	1.33	8%	1.22	1.23	(1%)
Mining cost per tonne		44	36	22%	41	30	38%
Milling cost per tonne		32	27	20%	28	31	(9%)
Indirect cost per tonne		15	12	28%	12	11	2%
Inventory changes		(3)	3	(180%)	(1)	(2)	(33%)
Direct mining cost per tonne⁽⁴⁾		88	78	14%	80	71	13%
Mining		7,618	4,387	74%	21,981	10,995	100%
Milling		5,576	3,273	70%	15,017	11,364	32%
Indirect		2,588	1,429	81%	6,157	4,153	48%
Inventory changes		(462)	407	(213%)	(587)	(604)	(3%)
Direct mining cost		15,320	9,496	61%	42,568	25,908	64%

1. Zinc equivalents are calculated using an 2,946.12:1 (Zn/Au), 30.6:1 (Zn/Ag), 0.6990:1 (Zn/Pb) and 3.47:1 (Zn/Cu) ratio for Q3 2025; and Zinc equivalents are calculated using an 1,942.91:1 (Zn/Au), 23.3:1 (Zn/Ag), 0.7387:1 (Zn/Pb) and 2.97:1 (Zn/Cu) ratio for Q3 2024; 2,510.51:1 (Zn/Au), 27.7:1 (Zn/Ag), 0.7091:1 (Zn/Pb) and 3.45:1 (Zn/Cu) ratio for YTD 2025; and Zinc equivalents are calculated using an 1,874.39:1 (Zn/Au), 22.1:1 (Zn/Ag), 0.7841:1 (Zn/Pb) and 3.27:1 (Zn/Cu) ratio for YTD 2024, respectively.
2. Cash cost per ZnEq pound includes mining, processing, and direct overhead costs.
3. AISC per ZnEq lb includes mining, processing, direct overhead, corporate general and administration expenses, reclamation and sustaining capital.
4. Production costs include mining, milling, and direct overhead at the operation sites.

Tahuehueto

		Three months ended			Nine Months ended		
		September 30 2025	September 30 2024	% Change	September 30 2025	September 30 2024	% Change
Cost of sales		14,205	5,789	145%	36,173	15,866	128%
Royalties		(404)	(115)	251%	(1,196)	(335)	257%
Empress stream		-	(136)	(100%)	-	(2,119)	(100%)
Depreciation and SBC		(2,249)	-	100%	(5,651)	-	100%
Direct mining cost⁽⁴⁾		11,552	5,538	109%	29,326	13,412	119%
Add:							
Treatment and selling costs		1,119	777	44%	3,594	2,543	41%
Royalties		404	115	251%	1,196	335	257%
Empress stream		-	136	(100%)	-	76	(100%)
Cash cost⁽²⁾		13,075	6,566	99%	34,116	16,366	108%
General and administrative – corporate		988	(180)	(649%)	1,923	598	222%
SBC Compensation		-	-	100%	-	-	100%
Lease payments		226	288	(22%)	683	482	42%
Accretion relating to reclamation and rehabilitation		143	55	160%	192	177	8%
Sustaining capital expenditures		2,254	1,557	45%	5,535	1,945	185%
All-in sustaining cost⁽³⁾		16,686	8,286	101%	42,449	19,568	117%
Tonnes milled	D	77,548	29,027	167%	220,892	97,918	126%
Gold equivalent ounces sold ⁽¹⁾	E	4,268	2,859	49%	15,734	9,407	67%
Direct mining cost⁽⁴⁾	A	11,552	5,538	109%	29,326	13,412	119%
Cash cost⁽²⁾	B	13,075	6,566	99%	34,116	16,366	108%
All-in sustaining cost⁽³⁾	C	16,686	8,286	101%	42,449	19,568	117%
Direct mining cost per tonne⁽⁴⁾	A/D	149	191	(22%)	133	137	(3%)
Cash cost per AuEq ounce sold⁽²⁾	B/E	3,063	2,297	33%	2,168	1,740	25%
All-in sustaining cost per AuEq ounce sold⁽³⁾	C/E	3,909	2,898	35%	2,698	2,080	30%
Mining cost per tonne		86	75	15%	68	62	11%
Milling cost per tonne		46	68	(33%)	45	64	(29%)
Indirect cost per tonne		23	37	(36%)	18	22	(16%)
Inventory changes		(7)	11	(161%)	1	(10)	(107%)
Direct mining cost per tonne⁽⁴⁾		149	191	(22%)	133	137	(3%)
Mining		6,701	2,174	208%	15,126	6,028	151%
Milling		3,557	1,980	80%	10,050	6,294	60%
Indirect		1,813	1,064	70%	3,994	2,110	89%
Inventory changes		(521)	320	(263%)	156	(1,020)	(115%)
Direct mining cost		11,551	5,538	109%	29,326	13,412	119%

1. Gold equivalents are calculated using an 87.80:1 (Ag/Au), 0.0004:1 (Au/Zn), 0.0013:1 (Au/Cu) and 0.0003:1 (Au/Pb) ratio for Q3 2025; and Gold equivalents are calculated using an 83.19:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0015:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024; an 90.55:1 (Ag/Au), 0.0004:1 (Au/Zn), 0.0013:1 (Au/Cu) and 0.0003:1 (Au/Pb) ratio for YTD 2025; and an 84.57:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024, respectively.

2. Cash cost per AuEq ounce includes mining, processing, and direct overhead costs.

3. AISC per AuEq ounce includes mining, processing, direct overhead, corporate general and administration expenses, reclamation and sustaining capital.

4. Direct mining costs include mining, milling, and direct overhead at the operation sites.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected consolidated financial information for the eight most recent quarters. Detailed financial and production data are provided in the Company's consolidated financial statements and "Results of Operations" section of this MD&A.

Variations in quarterly results reflect changes in production and sales volumes, average realized metal prices, and foreign-exchange movements between the Mexican peso and U.S. dollar. Revenue and operating income increased significantly through 2024 and have steadied in 2025 as the Tahuehueto Mine ramp-up progressed and Campo Morado maintained steady throughput and improved recoveries.

Quarterly performance also reflects periodic non-recurring items, including fair-value adjustments to the stream and derivative liabilities, share-based compensation expense, and financing or debt-restructuring charges.

Metal prices strengthened materially over the period — particularly gold and silver — contributing to higher revenues in late 2024 and 2025. Quarter-to-quarter fluctuations are expected to continue due to shipment timing, provisional pricing adjustments, and metal-price volatility, all of which are typical in the mining sector.

	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
	\$	\$	\$	\$	\$	\$	\$	\$
Net revenue	35,039	36,780	38,617	27,975	18,095	18,163	16,341	13,416
Production costs	(27,474)	(22,950)	(21,902)	(19,475)	(14,307)	(14,289)	(12,348)	(10,112)
Royalties	(1,371)	(1,118)	(1,100)	(1,048)	(541)	(493)	(364)	(247)
Empress streaming	-	-	-	2,119	(136)	(1,495)	(488)	(463)
Inventory changes	984	(665)	113	2,960	(727)	1,454	897	(591)
Mine operating cashflows before taxes	7,178	12,047	15,728	12,531	2,384	3,340	4,038	2,003
Depreciation	(3,262)	(2,974)	(2,365)	(3,382)	(636)	(673)	(432)	(652)
Mine operating earnings	3,916	9,073	13,363	9,149	1,748	2,667	3,606	1,351
Net income (loss) ⁽¹⁾	(16,021)	(3,228)	4,520	(1,175)	(19,223)	4,674	5,301	(2,471)
Net free cashflow before working capital ⁽¹⁾	(6,724)	(4,520)	9,450	3,029	(597)	1,772	3,148	(2,542)
EBITDA ⁽¹⁾	(10,793)	1,218	7,589	2,635	(17,765)	6,153	6,386	(1,183)
Adjusted EBITDA ⁽¹⁾	4,343	5,797	12,741	8,058	(76)	4,166	1,946	(991)
Basic and diluted (gain) loss per share ⁽¹⁾	(0.06)	(0.01)	0.02	(0.01)	(0.11)	0.03	0.03	(0.02)
Weighted Average shares outstanding ('000)	263,534	255,773	230,252	198,526	171,431	165,875	161,566	148,108

1. Information presented herein for the three months ended September 30, 2024, has been restated to reflect the impact of the reclassification of the Amended Streaming Agreement from deferred revenue to a derivative financial liability. See Note 2 of the condensed consolidated interim financial statements.

The following is a summary of the Company's production information for the eight most recent quarters:

PRODUCTION	2025			2024				2023
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Processed tonnes	250,807	253,717	246,282	208,649	151,221	153,676	158,424	130,210
Campo Morado	173,260	181,320	175,334	141,097	122,195	118,104	125,105	106,765
Tahuehueto	77,548	72,396	70,948	67,552	29,027	35,572	33,319	23,446
Gold Ounces	5,457	6,622	7,677	7,120	3,604	4,278	4,297	3,155
Campo Morado	1,897	1,753	2,980	2,002	1,347	1,517	1,929	1,164
Tahuehueto	3,560	4,868	4,697	5,118	2,258	2,761	2,368	1,991
Gold Grade	1.56	1.54	1.96	1.88	1.63	1.84	1.70	1.40
Campo Morado	1.50	1.15	1.78	1.46	1.35	1.58	1.46	1.02
Tahuehueto	1.71	2.51	2.40	2.78	2.79	2.74	2.64	3.13
Gold Recovery	43.26	52.82	49.44	56.34	45.53	46.94	49.52	53.80
Campo Morado	22.69	26.16	29.68	30.30	25.35	25.36	32.96	33.18
Tahuehueto	83.68	83.45	85.62	84.88	86.72	88.16	83.83	84.46
Silver Ounces	312,323	279,839	350,669	228,317	158,778	188,267	207,504	155,763
Campo Morado	238,766	208,398	285,757	172,642	138,065	158,762	180,108	133,872
Tahuehueto	73,558	71,441	64,912	55,674	20,713	29,505	27,396	21,891
Silver Grade	83.83	70.08	91.27	73.65	72.22	79.46	95.71	75.63
Campo Morado	105.91	83.54	114.81	94.70	83.30	94.47	112.69	84.72
Tahuehueto	34.52	36.38	33.09	29.70	25.57	29.65	31.95	34.24
Silver Recovery	46.20	48.95	48.52	46.21	45.22	47.95	42.56	49.19
Campo Morado	40.47	42.79	44.15	40.19	42.19	44.26	39.73	46.03
Tahuehueto	85.47	84.37	86.01	86.32	86.79	87.01	80.05	84.83
Lead Pounds Produced ('000)	2,062	2,197	2,401	1,746	1,142	1,472	1,456	1,231
Campo Morado	1,125	1,243	1,285	768	736	822	904	762
Tahuehueto	937	954	1,117	977	405	650	553	469
Lead Grade	0.75	0.74	0.80	0.68	0.66	0.78	0.77	0.68
Campo Morado	0.76	0.71	0.75	0.60	0.62	0.71	0.71	0.60
Tahuehueto	0.73	0.83	0.93	0.85	0.81	1.00	0.99	1.08
Lead Recovery	49.65	52.88	54.99	55.58	52.25	55.79	54.00	62.59
Campo Morado	38.75	44.01	44.15	41.08	44.20	44.37	45.90	54.16
Tahuehueto	75.00	71.70	76.64	76.94	78.07	82.73	75.92	83.78
Zinc Pounds Produced ('000)	10,485	11,965	11,547	6,806	5,876	6,890	6,763	6,019
Campo Morado	8,961	10,580	9,954	5,292	5,162	5,701	5,732	5,075
Tahuehueto	1,524	1,384	1,593	1,514	714	1,188	1,032	944
Zinc Grade	2.54	2.70	2.59	1.85	2.18	2.49	2.38	2.49
Campo Morado	3.07	3.27	3.06	2.08	2.36	2.65	2.51	2.53
Tahuehueto	1.36	1.30	1.44	1.39	1.44	1.95	1.90	2.35
Zinc Recovery	74.66	79.08	81.98	79.83	80.77	81.63	81.42	84.06
Campo Morado	76.45	81.04	84.12	81.94	81.26	82.54	82.91	85.35
Tahuehueto	65.65	66.74	70.73	73.24	77.41	77.50	73.99	77.74
Copper Pounds Produced ('000)	2,608	2,578	2,507	2,226	1,818	1,557	1,745	1,478
Campo Morado	2,319	2,284	2,209	1,983	1,715	1,441	1,650	1,408
Tahuehueto	290	294	298	244	103	116	95	71
Copper Grade	0.64	0.61	0.60	0.61	0.69	0.58	0.66	0.64
Campo Morado	0.83	0.77	0.75	0.81	0.81	0.70	0.79	0.75
Tahuehueto	0.20	0.22	0.22	0.19	0.19	0.18	0.18	0.17
Copper Recovery	73.97	75.59	77.18	79.49	78.64	78.83	75.29	80.16
Campo Morado	72.85	74.66	76.24	78.96	78.35	78.55	75.44	80.13
Tahuehueto	84.33	83.69	84.90	84.18	83.70	82.36	72.72	80.84

OTHER FINANCIAL INFORMATION

SHARE CAPITAL

The Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

The common shares, warrants and stock options outstanding are as follows:

September 30, 2025				November 17, 2025		
	Number of units	Weighted average exercise Price ⁽¹⁾	Weighted average life (years)	Number of units	Weighted average exercise Price ⁽¹⁾	Weighted average life (years)
Common shares	268,833,087			269,667,032		
Warrants	5,309,506	0.60	0.48	4,725,561	0.59	0.36
Stock options	15,648,402	0.89	3.90	15,526,736	0.89	3.70
Restricted share units	1,400,000	-	-	1,400,000	-	-
Fully diluted	291,190,995			291,319,329		

1. Amounts are in CAD.

MANAGEMENT OF CAPITAL

The Company considers the items included in the consolidated statements of changes in equity as capital. The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders. The Company manages the capital structure and makes adjustments to it in light of changes in economics conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, convertible debentures, asset acquisitions or return capital to shareholders. As at September 30, 2025, the Company is not subject to externally imposed capital requirements.

OFF BALANCE SHEET ARRANGEMENTS

As of September 30, 2025, the Company has commitments of \$1,315 for equipment and mining services which are expected to be expensed within one year.

TRANSACTIONS WITH RELATED PARTIES

Related party transactions during the three and nine months ended September 30, 2025, were in the ordinary course of business and measured at the exchange amounts agreed to by the parties. Details of compensation to key management personnel, balances outstanding with directors and officers, and transactions with related entities are provided in *Note 22* to the September 30, 2025, condensed consolidated interim financial statements. There were no material changes to the nature or terms of related-party arrangements compared with those disclosed in the Company's annual financial statements for the year ended December 31, 2024.

CONTINGENCIES

The Company is involved in certain legal and tax matters that arise in the normal course of business. As at September 30, 2025, the Company has recognized provisions for all outstanding legal and tax matters, including the previously disclosed SAT assessment and Size Solutions claim, which are now fully accrued within accounts payable and accrued liabilities. No other material claims or contingencies are anticipated to have a significant effect on the Company's financial condition or results of operations.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value measurement and valuation techniques

The Company measures its financial instruments in accordance with IFRS 13 using fair value or amortized cost, as appropriate. Detailed quantitative disclosures, valuation methodologies, and fair-value hierarchy classifications are provided in *Note 13* to the September 30, 2025, condensed consolidated interim financial statements.

During the nine-month period ended September 30, 2025, there were no transfers between Levels 1, 2, and 3 of the fair-value hierarchy.

Key movements during the period

- Trade receivables measured at fair value were \$3,799 (Dec 31, 2024: \$1,005), reflecting higher provisional prices and open quotational periods on late-Q3 shipments; the balance is lower than at June as several invoices settled in Q3.
- The stream agreement liability (Level 3) increased to \$36,043 (Dec 31, 2024: \$22,804), driven by updated gold/silver price curves and discounting assumptions on the remaining delivery profile.
- The derivative liability for the convertible debenture was \$0 (Dec 31, 2024: \$4,975) following settlement/cancellation and changes in conversion/volatility inputs.
- Loans payable decreased to \$5,682 (Dec 31, 2024: \$17,037), largely from scheduled repayments under amended facilities.
- Accounts payable and accrued liabilities increased to \$33,651 (Dec 31, 2024: \$24,715) on timing of sustaining capital, mining services, and concentrate-related payables.
- The Company's cash position was \$15,925 (Dec 31, 2024: \$10,207), supported by stronger operating cash flow and option/warrant exercises, partly offset by capital spending and debt service.
- Other receivables were \$4,206 (Dec 31, 2024: \$6,632), mainly due to VAT collections and timing of recoveries.

The carrying values of cash, receivables, payables, and other short-term financial instruments continue to approximate their fair values given their short-term maturities.

Level 2 valuations primarily relate to provisional-priced trade receivables and the convertible-debenture derivative. The stream liability remains classified within Level 3, reflecting the use of unobservable inputs such as long-term metal-price forecasts and discount rates.

Management reviews these inputs each period to ensure they reflect current market conditions. Based on sensitivity analyses, reasonably possible changes in key assumptions would not materially affect reported fair values as at September 30, 2025.

RISKS AND UNCERTAINTIES

The Company is exposed to many risks in conducting its business, including but not limited to: metal price risk as the Company derives its revenue from the sale of zinc, copper, lead, silver and gold; trading and credit risk in the normal course of dealing with other companies; foreign exchange risk as the Company operates in Mexico that utilize the Mexican Peso; risks relating to cyber security; the inherent risk of uncertainties in estimating mineral reserves and mineral resources; political, economic and social risks related to conducting business in jurisdictions such as Canada, and Mexico; environmental and permitting regulation; risks related to its relations with employees and local communities where the Company operates. The risks set out below are not the only risks the Company faces. Risks and uncertainties not currently known to the Company or that are currently deemed to be immaterial may also materially and adversely affect the Company's business, financial condition, financial performance and prospects. Certain of these risks are described below and are more fully described in the Company's consolidated financial statements for the year ended December 31, 2023 (available on SEDAR+ at www.sedarplus.ca). Readers are encouraged to refer to these documents for a more detailed description of some of the risks and uncertainties inherent to the Company's business.

Financial risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks include fluctuations in metal prices, exchange risk, credit risk, interest rate risk, and liquidity risk. Where material, these risks are reviewed and monitored by the Board of Directors.

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Commodity price risk

Gold, silver, zinc, copper and lead prices have historically fluctuated significantly and are affected by numerous factors outside of the Company's control, including, but not limited to, industrial and retail demand, central bank lending, forward sales by producers and speculators, level of worldwide production, short-term changes in supply and demand due to speculative hedging activities and certain other factors. The ability of the Company to develop its mineral properties and exploration and evaluation assets is highly correlated to the market prices of zinc, copper, lead, gold and silver. If metal prices decline for a prolonged period below the anticipated cost of production of the Company's mine, it may not be economically feasible to continue production.

The following table summarizes the effect on provisionally priced sales and accounts receivable of a 10% change in metal prices from the realized prices used at September 30, 2025:

Metal	Change	Effect on Sales \$
Gold	+/- 10%	1,139
Silver	+/- 10%	1,924
Zinc	+/- 10%	1,276
Copper	+/- 10%	1,121
Lead	+/- 10%	88

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and amounts receivable. The Company deposits its cash and cash equivalents with high credit quality major Canadian and Mexican financial institutions as determined by ratings agencies. Trade accounts receivable from concentrate sales are held with large international metals trading companies.

As of	September 30 2025	December 31 2024
	\$	\$
Cash	15,925	10,207
Trade receivables	3,799	770
Other receivables	2,586	267
Other assets	1,013	116
	23,323	11,360

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The Company enters into contracts that give increase to commitments in the normal course of business. The following table summarizes the remaining contractual maturities of the Company's financial liabilities, operating and capital commitments, shown in contractual undiscounted cash flows, including interest, as at September 30, 2025:

	Expected payments, by year, as at September 30, 2025			
	Less than 1 year	1 -3 years	After 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	33,651	-	-	33,651
Lease liabilities	1,238	6,044	3,331	10,613
Royalty streaming	11,043	20,606	4,394	36,043
Loans payable	5,682	-	-	5,682
Provision for reclamation and rehabilitation	-	-	7,678	7,678
Total contractual obligations	51,614	26,650	15,403	93,667

Interest rate risk

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at September 30, 2025, and December 31, 2024, the Company's loans payable were at fixed and floating rates and the Company has not entered into any financial derivatives or other financial instruments to hedge against this risk. The Company's loans bear interest at variable and fixed rates. Interest risk exposure is in relation to variable interest rates and a variation of 1% on the interest rate would change net loss by approximately \$50 (December 31, 2024 – \$98).

The Company's cash is mainly held in bank accounts at Canadian and Mexican chartered banks. The interest rate risks on cash and cash equivalents are not considered significant.

Foreign currency risk

Currency risk is the risk that foreign exchange rates will fluctuate significantly from expectations. The Company reports its financial statements in US dollars; however, it operates in Mexico which utilized both the Mexican Peso ("MXN") and the US Dollar ("USD") and Canada which utilized the Canadian dollar ("CAD") (collectively "Local Currencies"). Consequently, the financial results of the Company's operations as reported in US dollars are subject to changes in the value of the US dollar relative to the Local Currencies. Since a significant portion of the Company's operating costs and capital spending are in Local Currencies, the Company is negatively impacted by strengthening local currencies relative to the US dollar and positively impacted by the inverse.

The US dollar equivalents of financial assets and liabilities denominated in currencies other than the US dollar as at September 30, 2025, are as follows:

Denominated (000's)	September 30, 2025		December 31, 2024	
	CAD Dollars	Mexican Peso	CAD Dollars	Mexican Peso
	\$	\$	\$	\$
Financial assets, foreign currency	6,756	109,495	3,304	144,984
Financial liabilities, foreign currency	(1,279)	(746,235)	(1,575)	(482,509)
Net financial assets (liabilities)	5,477	(636,740)	1,729	(337,525)

Of the financial assets listed above, CAD\$5,353 (2024 – CAD\$3,244) represents cash held in CAD dollars and MXN\$1,145 (2024 – MXN\$4,305) represents cash held in Mexican pesos. The remaining cash balance is held in US Dollars.

The Company is primarily exposed to fluctuations in the value of USD against CAD and USD against MXN. With all other variables held constant, a 10% change in USD against CAD or USD against MXN would result in the following impact on the Company's net loss for the period:

Currency	Change	Effect \$
CAD dollars	+/- 10%	358
Mexican pesos	+/- 10%	3,154

Risks Relating to the Company's Business Operations

The business, financial condition, actual results of operations and prospects of the Company could also be materially and adversely affected by the following risks:

- estimates of mineral resources and mineral reserves are based on interpretation and assumptions, which are inherently imprecise;
- there is no guarantee that the Company or its subsidiaries will obtain the licenses and permits necessary to conduct business, the failure of which may result in an impairment or loss in the Company's mineral properties;
- surface rights for the Company's mineral properties are not guaranteed;
- most exploration projects do not result in commercially mineable deposits;
- the Company's principal properties are located in Mexico;
- economic and political instability may affect the Company's business;
- the relative strength and stability of future metal markets are difficult to predict, and the Company's liquidity and long-term ability to raise necessary capital may be affected by market volatilities;
- community relations may affect the Company's business, including its interest in Campo Morado and Tahuehueto;
- emerging climate change regulations could result in significant costs and climate change may result in physical risks to a mining company's operations;
- the Company has a history of losses and values attributed to the Company's assets may not be realizable;
- the Company has historically had negative cash flows;
- uncertainties and risks relating to the operation of the Campo Morado and Tahuehueto;
- capital requirements for Tahuehueto and Campo Morado contemplated in the technical reports titled "NI 43-101 Technical Report, Preliminary Feasibility Study, Altaley Mining Corporation, Tahuehueto Project, Durango, Mexico", with an effective date of February 3, 2022 (the "**PFS**"), and "Campo Morado Project, Guerrero State, Mexico, Technical Report on Preliminary Economic Assessment", with an effective date of March 30, 2018 (the "**PEA**"), are subject to volatility and uncertainty;
- mineral projects, such as Campo Morado and Tahuehueto, are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for project production;
- the Company has declared commercial production mining at Campo Morado without the benefit of a feasibility study of mineral reserves demonstrating economic and technical viability;
- the mining methods utilized as the basis for the economic analysis in the PFS and PEA differ from the mining methods currently employed by the Company at the Tahuehueto and Campo Morado projects, and therefore the plan, design and financial results from Tahuehueto and Camp Morado may not be consistent with the PFS and PEA, respectively;
- the continued operation of Campo Morado and Tahuehueto may be adversely impacted by a lack of access to a skilled workforce;
- labor risks;
- the continued operation of Campo Morado and Tahuehueto may be adversely impacted by lack of access and availability of infrastructure, power, water and other critical inputs;
- risks related to amendments to the Mexican federal labor law on labor subcontracting;
- risks related to the Company's decision to participate in the development, exploration, processing and production of Campo Morado and Tahuehueto;
- the Company may encounter certain transportation and refining risks that could have a negative impact on its operations;
- the Company's mineral properties are subject to title risk and any challenge to the title to any of such properties may have a negative impact on the Company;
- risks related to potential Indigenous rights claims made against the Company's mineral properties and the complex nature of such claims;
- any challenge to the title to Campo Morado and Tahuehueto may have a negative impact on the Company;

- title to the properties in which the Company has an interest that are not registered in the name of the Company may result in potential title disputes, which may have a negative impact on the Company;
- the Company has a significant shareholder that may be able to exert influence over the direction of the Company's business;
- the price of the Common Shares is volatile;
- there is no assurance of a sufficient liquid trading market for the Company's Common Shares in the future;
- most of the Company's mineral assets and certain directors and officers of the Company are located outside of Canada;
- the Company has outstanding common share equivalents which, if exercised, could cause dilution to existing shareholders;
- the Company has not paid dividends and may not pay dividends in the immediate future;
- risks related to the highly competitive nature of the mineral exploration industry;
- environmental regulations are becoming more onerous to comply with, and the cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of the Company's operations at Campo Morado and Tahuehueto;
- risks relating to tailings storage facilities and the loss of permits for such facilities;
- the Company may experience difficulties managing and integrating acquisitions;
- the Company or its subsidiaries may be subject to litigation, the disposition of which could negatively affect the Company's profits to varying degrees;
- if the Company is unable to hire, train, deploy and manage qualified personnel in a timely manner, particularly in Mexico, its ability to manage and grow its business will be impaired;
- cyber security risks may impact the Company's business;
- risks related to natural disasters;
- the Company may face equipment shortages, access restrictions and a lack of infrastructure;
- the Company is dependent on its key personnel, none of whom are insured by the Company;
- foreign currency fluctuations and inflationary pressures may have a negative impact on the Company's financial position and results;
- conflicts of interest may increase among the Company's directors as a result of their involvement with other natural resource companies;
- the Company may be subject to reputational risk;
- mining operations generally involve a high degree of risk and potential liability and insurance coverage may not cover all potential risks associated with the Company's operations;
- metal prices and marketability fluctuate and any decline in metal prices may have a negative effect on the Company;
- risks related to amendments to the Mexican Federal Mining Law;
- the environment in which the Company operates may not adhere to international standards with respect to security and human rights;
- risks related to the Company being subject to anti-corruption laws;
- the Company may be required by human rights laws to take actions that delay the advancement of its projects;
- the Company's activities within Mexico are subject to extensive laws and regulations governed by Mexican regulators;
- risks related to Mexican foreign investment and income tax laws applying to the Company; and
- any enforcement proceedings under Canada's Extractive Sector Transparency Measures Act against the Company could adversely affect the Company.

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The accounting policies applied in preparing the Company's interim financial statements for the three and nine months ended September 30, 2025, are consistent with those applied in the Company's audited consolidated financial statements for the year ended December 31, 2024, and there were no material changes in critical accounting estimates or judgments during the period.

A number of new standards and amendments to existing standards have been issued by the IASB but are not yet effective. The most relevant to the Company are *IFRS 18 – Presentation and Disclosure in Financial Statements* and the amendments to *IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments*. These standards primarily relate to presentation and disclosure enhancements rather than recognition or measurement changes. The Company has not early adopted these standards and is evaluating their potential impact, which is not expected to be material to the current financial statements.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this MD&A, including the consolidated financial statements, is the responsibility of management. In the preparation of the consolidated financial statements, estimates are sometimes necessary to make a determination of future value or certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying consolidated financial statements. Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.



Mine portal at Campo Morado