LUCA Mining Corp.

Management's Discussion and Analysis

For the three and six months ended June 30, 2024

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 six months ended June 30, 2024, and the related notes contained therein (the "Financial Statements") which were prepared in accordance 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, 2023. 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 August 28, 2024, 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. Chris Richings, Vice-President Technical of Luca and 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 (including COVID-19); 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 August 28, 2024.

Campo Morado

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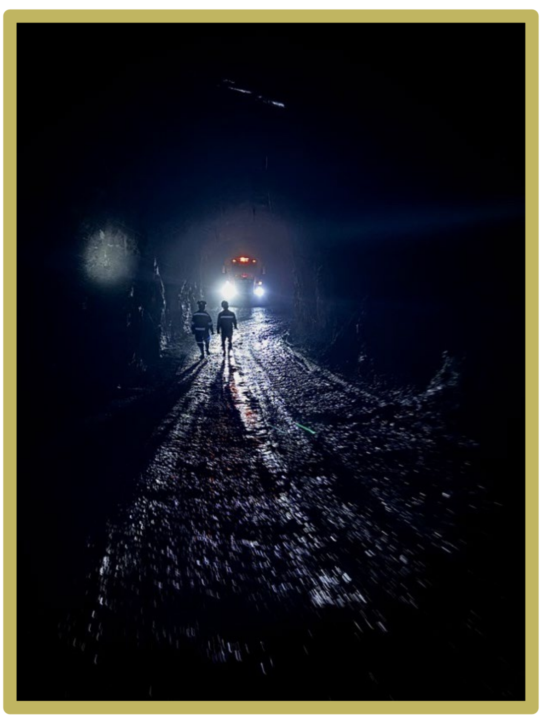


Underground at Campo Morado

Mining Corp.

OPERATING AND FINANCIAL HIGHLIGHTS

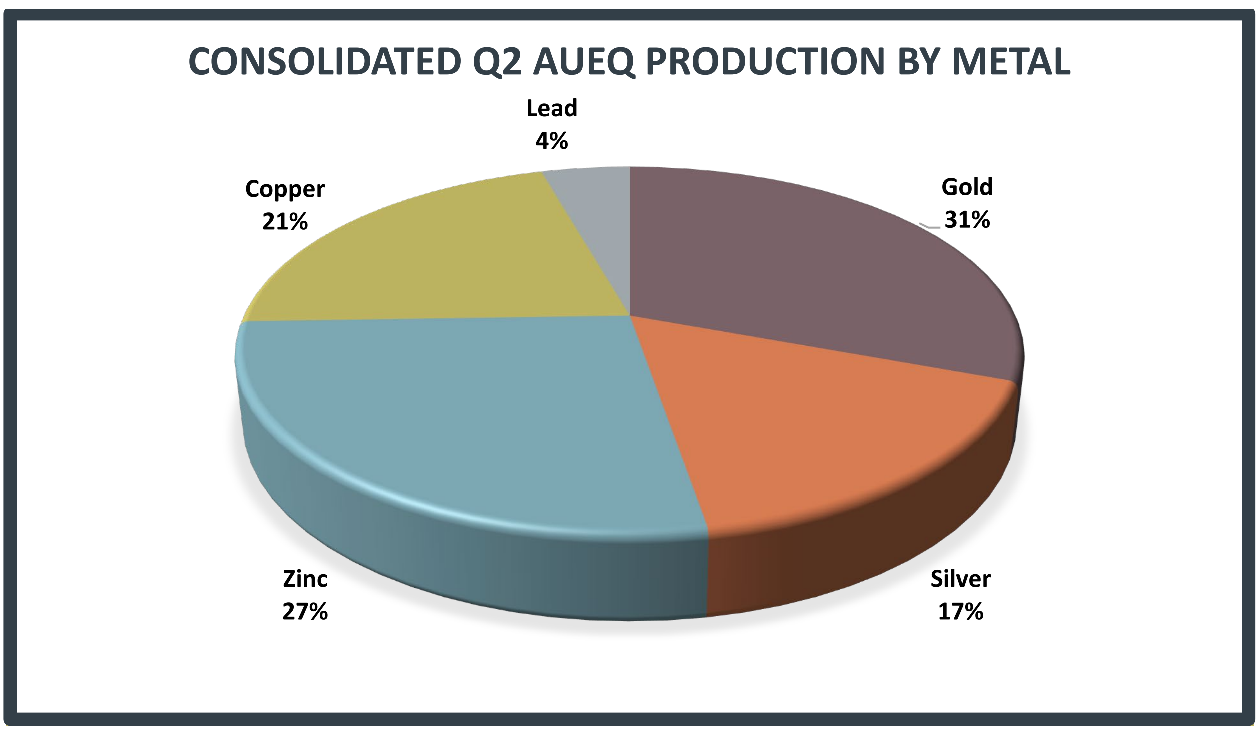
The results outlined below provide a summary of the operating performance of Campo Morado mine and the pre-production results from the Tahuehueto project.

	Three months ended			Six Months ended		
Consolidated	**June 30 2024**	**June 30 2023**	**% Change**	**June 30 2024**	**June 30 2023**	**% Change**
Operating						
Tonnes mined	159,096	146,428	9%	294,358	290,096	1%
Tonnes milled	**153,676**	**185,953**	**(17%)**	**312,101**	**387,190**	**(19%)**
Gold ounces produced	4,278	2,716	57%	8,575	5,240	64%
Silver ounces produced	188,267	178,583	5%	395,772	363,200	9%
Zinc produced (tonnes)	3,125	4,850	(36%)	6,193	9,485	(35%)
Copper produced (tonnes)	706	666	6%	1,498	1,308	15%
Lead produced (tonnes)	667	652	2%	1,328	1,486	(11%)
AuEq produced (oz) (1)	**13,947**	**14,703**	**(5%)**	**28,095**	**31,097**	**(10%)**
Gold ounces sold	3,629	2,200	65%	7,208	4,618	56%
Silver ounces sold	131,736	121,072	9%	281,828	265,904	6%
Zinc sold (tonnes)	1,980	3,767	(47%)	4,046	6,977	(42%)
Copper sold (tonnes)	553	356	55%	1,084	803	35%
Lead sold (tonnes)	244	211	15%	420	480	(12%)
AuEq ounces sold (1)	**10,186**	**10,280**	**(1%)**	**20,239**	**22,163**	**(9%)**
Production cost per tonne ($) (5)(9)	93	59	58%	85	60	43%
Cash cost per Au/Eq ounce ($) (1)(2)(5)	1,490	1,256	19%	1,389	1,227	13%
AISC per Au/Eq ounce ($) (1)(3)(5)	1,766	1,743	1%	1,633	1,529	7%
All-in cost per Au/Eq ($) (1)(3)(5)(8)	1,763	1,737	2%	1,664	1,582	5%
Financial	**$**	**$**		**$**	**$**	
Net Revenue	18,163	12,156	49%	34,504	25,903	33%
Cost of Sales	15,496	12,581	23%	28,231	25,421	11%
Mine operating earnings (loss)	2,667	(425)	728%	6,273	482	1201%
Mine operating cash flow before taxes (7)	3,340	491	580%	7,378	2,042	261%
Net earnings (loss)	4,674	(3,979)	217%	9,975	(4,915)	303%
EBITDA (4)(5)	6,122	(2,335)	362%	12,634	(1,293)	1077%
Adjusted EBITDA (4)(5)	4,135	(1,966)	310%	6,207	(565)	1199%
Realized gold price per ounce ($) (5)(6)	2,315.12	1,968.09	18%	2,186.62	1,942.16	13%
Realized silver price per ounce ($) (5)(6)	28.57	23.88	20%	25.60	23.33	10%
Realized zinc price per tonne ($) (5)(6)	2,812.65	2,372.04	19%	2,604.58	2,534.48	3%
Realized copper price per tonne ($) (5)(6)	9,619.32	8,179.98	18%	9,064.98	8,414.22	8%
Realized lead price per tonne ($) (5)(6)	2,148.46	2,119.94	1%	2,102.25	2,088.51	1%
Working capital (5)	(27,848)	(11,692)	138%	(27,848)	(11,692)	138%
Shareholders						
Gain (loss) per share – basic and diluted	0.03	(0.06)	146%	0.06	(0.08)	180%
Weighted Average Shares Outstanding ('000)	165,875	64,382	158%	163,730	64,309	155%

1. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024; 81.80:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023, an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 83.02:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023, respectively.
2. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See Reconciliation to IFRS on page 29.
3. AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, reclamation, and sustaining capital on page 29.
4. See Reconciliation of earnings before interest, taxes, depreciation, and amortization on page 26.
5. See "Non-IFRS Financial Measures" on page 25.
6. Based on provisional sales before final price adjustments, treatment, and refining charges.
7. 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 25.
8. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
9. Production costs include mining, milling, and direct overhead cost at the operation sites. See reconciliation on page 29.

Quarter Production Summary	Three months ended June 30, 2024 Campo Morado	Tahuehueto	Consolidated	Six Months ended June 30, 2024 Campo Morado	Tahuehueto	Consolidated
Production						
Tonnes milled	**118,104**	**35,572**	**153,676**	**243,210**	**68,891**	**312,101**
Gold ounces produced	1,517	2,761	4,278	3,446	5,129	8,575
Silver ounces produced	158,762	29,505	188,267	338,871	56,901	395,772
Zinc produced (tonnes)	2,586	539	3,125	5,186	1,007	6,193
Copper produced (tonnes)	654	53	706	1,402	96	1,498
Lead produced (tonnes)	373	295	667	783	545	1,328
AuEq produced (oz) (1)	**9,680**	**4,267**	**13,947**	**20,171**	**7,924**	**28,095**
Sales						
Gold ounces sold	886	2,742	3,629	2,169	5,039	7,208
Silver ounces sold	105,761	25,975	131,736	236,385	45,443	281,828
Zinc sold (tonnes)	1,718	262	1,980	3,571	475	4,046
Copper sold (tonnes)	553	-	553	1,084	-	1,084
Lead sold (tonnes)	-	244	244	-	420	420
AuEq ounces sold (1)	**6,583**	**3,603**	**10,186**	**13,691**	**6,548**	**20,239**
Cost						
Production cost per tonne ($)(5)(6)	78	143	93	72	134	85
Cash cost per Au/Eq ounce ($) (1)(2)(4)(5)	1,494	1,480	1,490	1,380	1,413	1,389
AISC per Au/Eq ounce ($) (1)(3)(4)(5)	1,714	1,677	1,766	1,516	1,600	1,633
All-in cost per Au/Eq ($) (1)(4)(5)	1,723	1,755	1,763	1,525	1,678	1,664

1. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024, and an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2024, respectively.
2. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See Reconciliation to IFRS on page 29.
3. AISC per Au/Eq oz includes mining, processing, direct overhead, corporate general and administration expenses, reclamation, and sustaining capital.
4. See "Non-IFRS Financial Measures" on page 25.
5. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
6. Production costs include mining, milling, and direct overhead cost at the operation sites. See reconciliation on page 29.



	June 30 2024	December 31 2023
	$	$
Cash	1,346	2,058
Total assets	120,373	110,851
Non-current liabilities	16,260	13,034
Shareholders' equity	54,852	41,153

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

Tahuehueto at sunset

LUCA Mining Corp.

COMPANY HISTORY, OVERVIEW & STRATEGY

Luca is a polymetallic producer focused on the operation, development and exploration of mineral resource properties in North America. The Company currently operates two mines in Mexico. In the state of Guerrero, Luca produces gold, silver, zinc, copper, lead from the Campo Morado Mine and Mill ("Campo Morado") and is in the process of developing the gold, silver, zinc and lead Tahuehueto project in the state of Durango.

The Company was incorporated under the Business Corporations Act of British Columbia in 1986 and 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". The Company's head office is located at suite 410 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6 and its registered and records offices, is located at Suite 2501 – 550 Burrard Street, Vancouver, British Columbia, Canada, V6B 0A4. 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 focus is to develop mining operations within North America through the advancement of its existing mines, mineral concessions and through acquisition and development of additional mining operations and mineral resources and reserves.

General location of the Company's mines

Going Concern

For the six months ended June 30, 2024, the Company generated mine operating earnings of $6,273, net earnings of $9,975 and positive cash flows from operating activities of $35, and has an accumulated deficit of $68,729 and current liabilities that exceed its current assets by $27,848 as at June 30, 2024. These factors give rise to material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The continued operations of the Company are dependent on its ability to generate future cash flows from operations and/or from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that cash flows from operations or additional financing will not be available on a timely basis or on terms acceptable to the Company.

Management has taken steps to manage the Company’s liquidity, including extending payment terms with suppliers and settling certain liabilities through the issuance of the Company’s common shares. Management is also in discussions with existing and new lenders about amending existing debt arrangements or obtaining new debt financing and may also consider raising additional equity financing. The continuing operations of the Company are dependent in the near-term on its ability to obtain additional financing and in the longer-term on a combination of additional financing and the continued generation of positive cash flows from operations. Management is of the opinion that sufficient funds will be obtained from external financing and cash flows from operations to meet the Company’s liabilities and commitments as they become due, although there is a risk that additional financing or cash flows from operations will not be available on a timely basis or on terms acceptable to the Company.

The Company has historically funded its acquisition, exploration and development activities through equity financing and debt facilities. The Company may choose to fund additional capital requirements through equity, debt, convertible debentures, or other financings, on an as-needed basis, in order to facilitate growth or fund operations until the Company achieves positive cash flow.

HEALTH & SAFETY, 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 upholding high ethical and compliance standards, ensuring 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 pursuing 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 honoring and protecting the environment every day, in every way. 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

- 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.
- Develop and implement effective management systems to identify, minimize and manage health and safety risks in the workplace.
- Provide the resources to achieve a safe and healthy work environment for all of our people.
- Comply with or exceed applicable regulations, laws and international guidelines.

Environmental Stewardship

- 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.
- Comply with or exceed applicable regulations, laws and international guidelines.

Community

- Assisted local authorities to establish and equip the first school and medical clinic in the Tahuehueto area.
- Contributed to enhancing infrastructure including electricity, water supply, filtration systems and sanitation in the Tahuehueto communities.
- Additional improvements, such as securing a larger generator to supply electricity to more nearby homes at Tahuehueto, are being planned.
- Local hiring and procurement policies to benefit local communities. Campo Morado employs over 200 locals directly and supports local suppliers for contractors.
- Tahuehueto mine currently employs approximately 150 people, directly supporting the local community.

Governance

- 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 2 of the Company’s senior directors being Mexican nationals.
- The Company regularly interacts with employees, investors, communities and regulators to understand their concerns and incorporate their feedback in the decisions made.

Mining Corp.

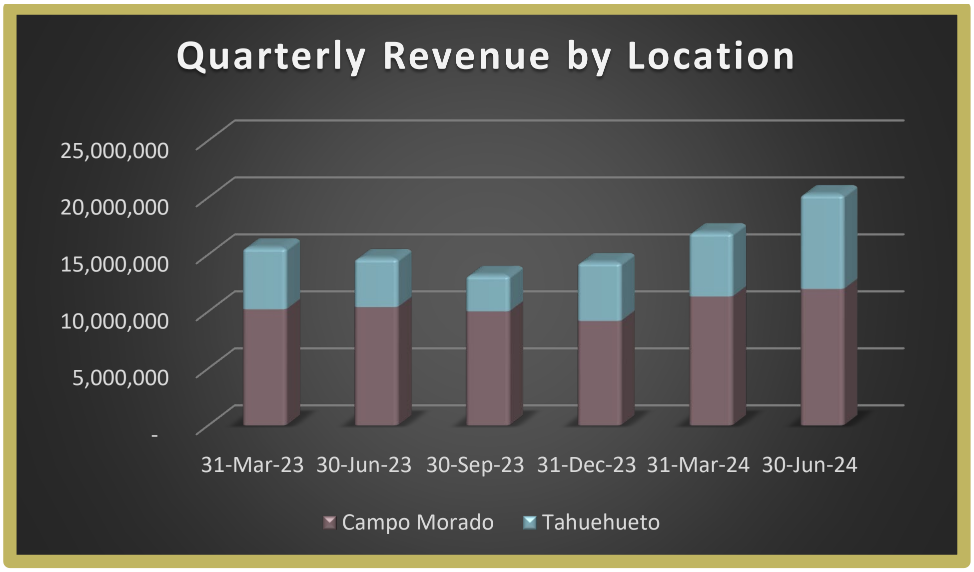
MINING OPERATIONS

CONSOLIDATED OPERATIONS

The Company operates the Campo Morado mine and Tahuehueto project. Consolidated operating results are as follows:

	Three months ended					
	Jun 30 2024	**Mar 31 2024**	**Dec 31 2023**	**Sep 30 2023**	**Jun 30 2023**	**Mar 31 2023**
Production						
Tonnes mined	159,096	135,262	104,326	138,123	146,428	143,668
Tonnes milled	153,676	158,424	130,210	147,732	185,953	201,237
Average tonnes milled per day (8)	1,830	1,864	1,514	1,718	2,188	2,396
Head Grade						
Average gold grade (g/t)	1.84	1.70	1.40	1.81	1.23	0.89
Average silver grade (g/t)	79.46	95.71	75.63	91.95	75.30	63.37
Average zinc grade (%)	2.49	2.38	2.49	2.61	3.23	2.91
Average copper grade (%)	0.58	0.66	0.64	0.69	0.56	0.52
Average lead grade (%)	0.78	0.77	0.68	0.82	0.71	0.76
Recovery						
Average gold recovery (%)	46.9	49.5	53.8	40.1	36.8	44.1
Average silver recovery (%)	48.0	42.6	49.2	38.7	39.7	45.0
Average zinc recovery (%)	81.6	81.4	84.1	78.6	80.8	79.2
Average copper recovery (%)	78.8	75.3	80.2	63.2	63.6	61.9
Average lead recovery (%)	55.8	54.0	62.6	53.5	49.2	54.5
Gold produced (oz)	4,278	4,297	3,155	3,437	2,716	2,524
Silver produced (oz)	188,267	207,505	155,763	169,163	178,583	184,617
Zinc produced (tonnes)	3,125	3,068	2,730	3,028	4,850	4,635
Copper produced (tonnes)	706	791	671	640	666	642
Lead produced (tonnes)	667	661	558	645	652	834
AuEq produced (oz) (1)	**13,947**	**14,148**	**11,808**	**12,813**	**14,703**	**16,394**
Sales						
Gold sold (oz)	3,629	3,579	2,857	2,476	2,200	2,418
Silver sold (oz)	131,736	150,092	112,373	117,250	121,072	144,831
Zinc sold (tonnes)	1,980	2,066	2,037	2,134	3,767	3,210
Copper sold (tonnes)	553	531	471	424	356	446
Lead sold (tonnes)	244	177	179	144	211	268
AuEq sold (oz) (1)	**10,186**	**10,053**	**8,890**	**8,593**	**10,280**	**11,883**
Realized gold price per ounce ($) (5)(6)	2,315.12	2,055.98	2,018.05	1,917.21	1,968.09	1,918.59
Realized silver price per ounce ($) (5)(6)	28.57	22.99	23.79	23.06	23.88	22.88
Realized zinc price per tonne ($) (5)(6)	2,812.65	2,404.60	2,476.12	2,482.37	2,372.04	2,725
Realized copper price per tonne ($) (5)(6)	9,619.32	8,479.16	8,357.57	8,395.63	8,179.98	8,598.63
Realized lead price per tonne ($) (5)(6)	2,148.46	2,038.24	2,066.59	2,142.58	2,119.94	2,063.74
Costs						
Production cost per tonne ($) (2)(5)	93	78	78	77	59	60
Cash cost per Au/Eq ounce ($) (1)(3)(5)	1,490	1,290	1,249	1,345	1,256	1,200
AISC per Au/Eq ounce ($) (1)(4)(5)	1,766	1,499	1,484	1,679	1,743	1,342
All-in cost per Au/Eq ($) (1)(5)(7)	1,763	1,533	1,572	1,827	1,737	1,401
Capital expenditures						
Sustaining ($)	1,641	410	151	2,035	4,650	384

1. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024, an 88.72:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q1 2024; 85.07:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q4, 2023; 81.84:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q3 2023; 81.80:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023; 83.71:1 (Ag/Au), 0.0008:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q1 2023.
2. Production costs include mining, milling, and direct overhead cost at the operation sites. See reconciliation on page 29.
3. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See reconciliation on page 29.
4. AISC per Au/Eq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 29.
5. See "Non-IFRS Financial Measures" on page 25.
6. Based on provisional sales before final price adjustments, treatment, and refining charges.
7. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
8. Average tonnes milled per day assumes the actual days in the month less 2 planned monthly down days.



Production

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

In the second quarter, the total production amounted to 13,947 ounces of gold equivalent, which is comprised of 4,278 ounces of gold, 188,267 ounces of silver, 3,125 tonnes of zinc, 706 tonnes of copper and 667 tonnes of lead. This represents a 5% decrease in gold equivalent ounces compared to Q2 2023. Out of the total production for the three months ended June 30, 2024, Campo Morado accounted for 9,680 gold equivalent ounces, which is approximately 70% of the total production. Tahuehueto contributed 4,267 ounces of equivalent gold, representing 30% of the total production.

In this quarter, the Company's two plants processed a consolidated 153,676 tonnes of ore with average grades of 1.84 grams per tonne ("g/t") for gold, 79.46 g/t for silver, 2.49%, 0.58% and 0.78% per tonne for zinc, copper, and lead respectively. This represents a 17% decrease in tonnes compared to Q2 2023 of 185,953, but an increase on average grades of gold by 49%, silver by 6%, copper and lead by 4% and 9% respectively and a 23% decrease to zinc. Metallurgical recoveries for gold, silver, zinc, copper and lead increased in the second quarter of 2024 compared to the same period of 2023, averaging at 46.9% for gold, 48.0% for silver, 81.6% for zinc, 78.8% for copper and 55.8% for lead in the same comparable period, representing a 28%, 21%, 1%, 24% and 13%, increase for gold, silver, zinc, copper and lead respectively.

The 5% decrease in consolidated gold equivalent production in Q2 2024 over Q2 2023 is mainly driven by fewer tonnes milled as the Company continued implementing the planned improvements at the Campo Morado mine and plant and the completion of the construction at Tahuehueto. The Company's production was also significantly hampered by issues with its mobile equipment availability at Campo Morado, leading to 18 non-consecutive days of downtime in the mill in the second quarter, as well as changes to mining sequence. This reduction in ore throughput was offset in the period by overall increased grades and increased recoveries in the second quarter compared to the same period last year. To address the mobile equipment availability issues and improved overall mine production, on August 6, 2024 the Company entered into a 2-year contract with Cominvi, S.A. de C.V. ("Cominvi") to carry out core mining operations at Campo Morado. Cominvi is one of the largest and most respected mining contractors in Latin America and has a particular expertise in underground mining. The Company expects that partnering with Cominvi will lead to a significant improvement in mine production starting in late Q3, with the full impact of the transition anticipated in Q4.

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

In the half year, the total production amounted to 28,095 ounces of gold equivalent, which is comprised of 8,575 ounces of gold, 395,772 ounces of silver, 6,193 tonnes of zinc, 1,498 tonnes of copper and 1,328 tonnes of lead. This represents a 10% decrease in gold equivalent ounces compared to the half year 2023. Out of the total production for the six months ended June 30, 2024, Campo Morado accounted for 20,171 gold equivalent ounces, which is approximately 72% of the total production. Tahuehueto contributed 7,924 ounces of equivalent gold, representing 28% of the total production.

In the six months ended June 30, 2024, the Company's two plants processed a consolidated 312,101 tonnes, a 19% decrease in tonnes compared to the half year 2023. The 10% decrease in consolidated gold equivalent production for the half year 2024 is also mainly due to fewer tonnes milled as the Company continued implementing the planned improvements at the Campo Morado mine and plant and the completion of the construction at Tahuehueto. The Company's production was also significantly hampered by issues with its mobile equipment availability at Campo Morado, leading to 33.8 non-consecutive days of downtime in the mill in the second quarter, as well as changes to mining sequence.

Cash Cost and All-In Sustaining Cost per AuEq Ounce (see "Non-IFRS Financial Measures" on page 25)

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

For the three months ended June 30, 2024, production costs per tonne increased by $34, or 58%, compared to the same period in 2023. This increase is primarily due to the Company's strategic shift towards contracted mine operations and efforts to improve recoveries under the Campo Morado Improvement Project ("CMIP") (See *Campo Morado – Development* for description) at Campo Morado. Consequently, mining costs per tonne increased by $18, or 102%, driven by the expenses associated with contracted mining operations at both Campo Morado and Tahuehueto. Total tonnes milled decreased by 32,276 tonnes, or 17%, to 153,676 tonnes, from 185,953 tonnes in the three months ended June 30, 2023. Campo Morado had a 29% reduction in milled tonnes, while Tahuehueto had an 86% increase. Milling costs per tonne increased by $17, with a $15 per tonne increase at Campo Morado and a $2 per tonne decrease at Tahuehueto. The net increase in milling costs per tonne is primarily attributed to higher reagent costs at Campo due to the CMIP project as well as the reduction in milled tonnes in the quarter.

For the three months ended June 30, 2024, consolidated cash costs per tonne increased 13% to $20,777 from $18,464 in the three months ended June 30, 2023, mainly attributable to increased production costs as discussed in the paragraph above, offset by a 17% decrease in treatment and selling costs from $7,226 to $5,996. These factors combined with a 5% decrease in the gold equivalent ounces produced (a decrease of 756 AuEq) resulted in a 19% increase in cash cost per equivalent ounce of gold to $1,490 per AuEq from $1,256 AuEq in the comparable 2023 period.

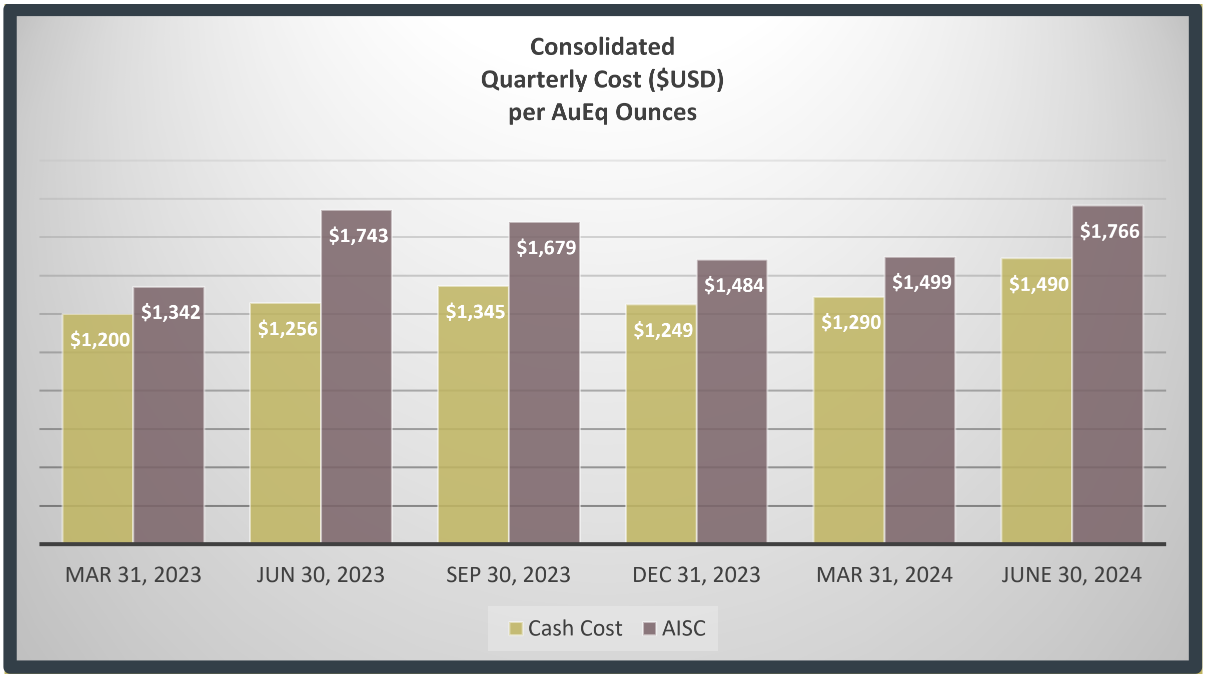
For the three months ended June 30, 2024, total all-in sustaining costs per gold equivalent ounce produced increased to $1,766 per ounce from $1,743 per ounce in the comparable period or 1%. This is due to the decrease in tonnes milled, offset by the decrease in sustaining capital expenditures. In Campo Morado, sustaining capital expenditures increased to $1,416 from $1,167 in the comparable prior period, or 21% due to tailings dam construction costs. This increase was offset by the decrease in sustaining capital expenditures in Tahuehueto, to $225 from $3,483 in the comparable prior period, or negative 94% as Tahuehueto neared completion of construction.

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

For the six months ended June 30, 2024, production costs per tonne increased by $25, or 43%, compared to the same period in 2023. This increase is primarily due to the Company's strategic shift towards contracted mine operations and efforts to improve recoveries under the Campo Morado Improvement Project ("CMIP") (See *Campo Morado – Development* for description) at Campo Morado. Consequently, mining costs per tonne increased by $12, or 56%, driven by the expenses associated with contracted mining operations at both Campo Morado and Tahuehueto. Total tonnes milled decreased by 75,089 tonnes, or 19%, to 312,101 tonnes, from 387,190 tonnes in the six months ended June 30, 2023. Campo Morado had a 29% reduction in milled tonnes, while Tahuehueto had an 60% increase. Milling costs per tonne increased by $13, with a $12 per tonne increase at Campo Morado and a $5 per tonne decrease at Tahuehueto. The net increase in milling costs per tonne is primarily attributed to higher reagent costs at Campo due to the CMIP project as well as the reduction in milled tonnes in the half year.

For the six months ended June 30, 2024, consolidated cash costs increased 2% to $39,031 from $38,143 in the six months ended June 30, 2023, mainly attributable to increased production costs as discussed in the paragraph above, offset by a 20% decrease in treatment and selling costs from $14,376 to $11,537. These factors combined with a 105% decrease in the gold equivalent ounces produced (a decrease of 3,003 AuEq) resulted in a 13% increase in cash cost per equivalent ounce of gold to $1,389 per AuEq from $1,227 AuEq in the comparable 2023 period.

For the six months ended June 30, 2024, total all-in sustaining costs per gold equivalent ounce produced increased to $1,633 per ounce from $1,529 per ounce in the comparable period or 7%. This is due to the decrease in tonnes milled, offset by the decrease in sustaining capital expenditures. In Campo Morado, sustaining capital expenditures increased to $1,663 from $1,443 in the comparable prior period, or 15% due to tailings dam construction costs. This increase was offset by the decrease in sustaining capital expenditures in Tahuehueto, to $388 from $3,591 in the comparable prior period, or negative 89% as Tahuehueto neared completion of construction.



Crushed ore on conveyor belt at Campo Morado

Mining Corp.

CAMPO MORADO MINE

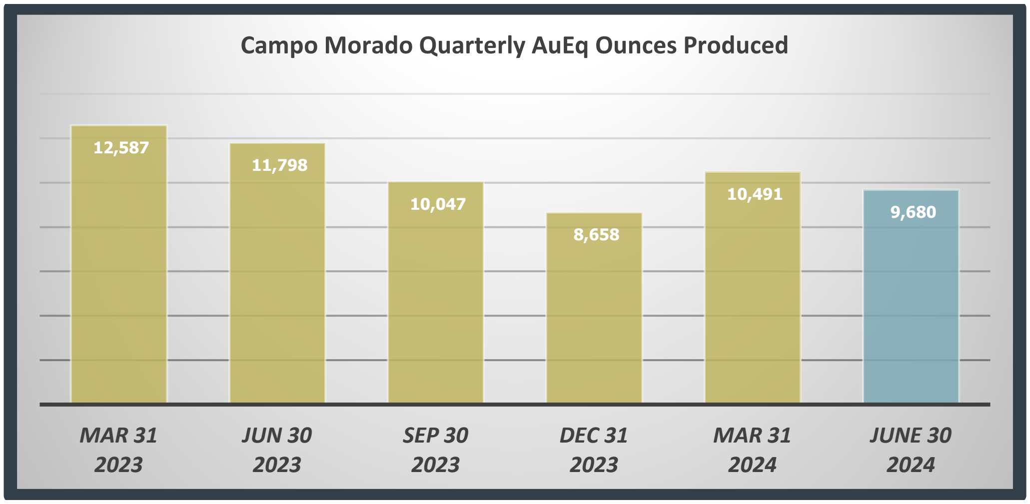
Campo Morado is an underground polymetallic mine located in the state of Guerrero, Mexico, producing gold, silver, zinc, copper and lead. The mine is situated on 12,090 hectares (121 square kilometers), consisting of six mining concessions. The flotation circuit mill at Campo Morado has a maximum capacity of approximately 2,500 tonnes per day as per its nameplate specifications.

OPERATIONS

Operating results for the three and six months ended June 30, 2024, and 2023, were as follows:

	Three months ended			Six months ended		
	June 30 2024	June 30 2023	% Change	June 30 2024	June 30 2023	% Change
Production						
Tonnes mined	119,684	129,616	(8%)	232,515	251,866	(8%)
Tonnes milled	118,104	166,796	(29%)	243,210	344,089	(29%)
Average tonnes milled per day (8)	1,390	1,962	(29%)	1,431	2,036	(30%)
Average gold grade (g/t)	1.58	1.03	52%	1.51	0.82	84%
Average silver grade (g/t)	94.47	79.70	19%	103.84	73.32	42%
Average zinc grade (%)	2.65	3.19	(17%)	2.58	2.96	(13%)
Average copper grade (%)	0.70	0.61	16%	0.75	0.59	28%
Average lead grade (%)	0.71	0.63	13%	0.71	0.64	11%
Average gold recovery (%)	25.4	20.8	22%	29.1	20.5	42%
Average silver recovery (%)	44.3	37.2	19%	41.7	39.7	5%
Average zinc recovery (%)	82.5	80.4	3%	82.7	80.2	3%
Average copper recovery (%)	78.6	63.0	25%	76.9	62.1	24%
Average lead recovery (%)	44.4	39.2	13%	45.2	42.1	7%
Gold produced (oz)	1,517	1,155	31%	3,446	1,862	85%
Silver produced (oz)	158,762	158,792	(0%)	338,871	322,148	5%
Zinc produced (tonnes)	2,586	4,285	(40%)	5,186	8,173	(37%)
Copper produced (tonnes)	654	640	2%	1,402	1,252	12%
Lead produced (tonnes)	373	410	(9%)	783	932	(16%)
AuEq produced (oz) (1)	**9,680**	**11,798**	**(18%)**	**20,171**	**24,385**	**(17%)**
Sales						
Gold sold (oz)	886	464	91%	2,169	727	198%
Silver sold (oz)	105,761	106,115	(0%)	236,385	233,061	1%
Zinc sold (tonnes)	1,718	3,529	(51%)	3,571	6,414	(44%)
Copper sold (tonnes)	553	356	55%	1,084	803	35%
Lead sold (tonnes)	-	-	-	-	-	-
AuEq sold (oz) (1)	**6,583**	**7,821**	**(16%)**	**13,691**	**16,491**	**(17%)**
Realized gold price per ounce ($) (5)(6)	2,328.53	1,958.96	19%	2,157.58	1,946.11	11%
Realized silver price per ounce ($) (5)(6)	28.72	23.85	20%	25.53	23.31	10%
Realized zinc price per tonne ($) (5)(6)	2,825.21	2,372.33	19%	2,605.77	2,528.53	3%
Realized copper price per tonne ($) (5)(6)	9,648.27	8,132.49	19%	9,030.26	8,433.27	7%
Costs						
Production cost per tonne ($) (2)(5)	78	44	76%	72	47	51%
Cash cost per Au/Eq ounce ($) (1)(3)(5)	1,494	1,206	24%	1,380	1,225	13%
AISC per Au/Eq ounce ($) (1)(4)(5)	1,714	1,342	28%	1,516	1,312	16%
All-in cost per Au/Eq ($) (1)(5)(7)	1,723	1,360	27%	1,525	1,330	15%
Capital expenditures						
Sustaining ($)	1,416	1,167	21%	1,663	1,443	15%

1. Gold equivalents are calculated using an 81:00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024, an 88.8:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023; an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 83.02:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023.
2. Production costs include mining, milling, and direct overhead at the operation sites See reconciliation on page 29.
3. Cash cost per gold equivalent ounce include mining, processing and direct overhead costs. See reconciliation on page 29.
4. AISC per Au/Eq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. See Reconciliation to IFRS on page 29.
5. See "Non-IFRS Financial Measures" on page 25.
6. Based on provisional sales before final price adjustments, treatment, and refining charges.
7. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
8. Average tonnes milled per day assumes the actual days in the month less 2 planned monthly down days.



Production

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

In the second quarter of 2024, the total production of gold equivalent ounces amounted to 9,680, marking an 18% decrease from the 11,798 recorded in the second quarter of 2023. This decrease can be attributed to several factors. First, there was a 29% decline in plant throughput from 166,796 tonnes in Q2 2023 to 118,104 tonnes in Q2 2024 as the Company continued with the implementation of the CMIP (See "Development" section below) which included a planned reduction in throughput through the plant to approximately 1,600 tonnes per day ("tpd") in order to improve metallurgical recoveries, particularly in gold and copper. Additionally, the Company's production was impacted by lower mechanical availability from its fleet of mobile equipment which reduced mining output and resulted in a total of 18 (non-consecutive) days of downtime in the plant. In an effort to improve equipment availability the Company engaged contract miners, Desarrollo Minero Guadalupe, S.A. de C.V ("DMG"), Versa Perforaciones S.A. de C.V. ("VERSA") and La Cantera Desarrollos Mineros, S.A. de C.V. ("Cantera"), to perform certain mining functions for the Company. The involvement of these contractors improved the Company's equipment availability, but further enhancements are still necessary. Consequently, the Company has decided to engage Cominvi for all its mining operations at Campo.

The overall improved recoveries contributed to offsetting the decrease in throughput, with gold recoveries increasing by 22% (from 20.8% to 25.4%), silver recoveries increased by 19% (from 37.2% to 44.3%), zinc, copper and lead recoveries increasing 3% (80.4% to 82.5%), 25% (63% to 78.6%) and 13% (39.2% to 44.4%), respectively from Q2 2023 to Q2 2024. The decrease in throughput was also offset by improved grades. The gold grade went up by 52% from 1.03 g/t to 1.58 g/t, the silver grade experienced a 19% increase from 79.7 g/t to 94.47 g/t, the copper grade increased 16% from 0.61% to 0.70% and lead grade increased by 13% from 0.63% to 0.71% between Q2 2023 and Q2 2024, offset by a decrease in zinc of 17%. The Company expects that throughput will increase during the second half of 2024 and 2025 as the Company ramps up production to 2,000 tonnes per day.

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

In the six months ended June 30, 2024, the total production of gold equivalent ounces amounted to 20,171, or a 17% decrease from the 24,385 recorded in the comparable 2023 period. This decrease can be attributed to lower tonnes milled by 29% or 100,879 tonnes offset by an increase in the improved metallurgical recoveries by 42%, 5%, 3%, 24% and 7% on gold, silver, zinc, copper and lead, in the comparable periods respectively, as the Company continued with the implementation of the CMIP project. The Company experienced lower mechanical availability from its fleet of mobile equipment which reduced mining output and resulted in 33.8 (non-consecutive) days of downtime in the plant.

Cash Cost and All-In Sustaining Cost per Ounce (see "Non-IFRS Financial Measures" on page 25)

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

For the three months ended June 30, 2024, at Campo Morado, production cost increased 76% or $34 per tonne, due to mining costs increasing to $28 per tonne, or 95% from $14 per tonne in the prior period, primarily due to the 29% decrease in tonnes milled and the engagement of external contractors, DMG, VERSA and Cantera, to offset poor equipment availability. Additionally, milling costs per tonne increased by 74% to $35 per tonne, from $20 per tonne, due to higher reagent costs aimed at improving recoveries. Indirect costs also increased by 53% to $15 per tonne, from $10 per tonne, due to the lower volume of milled tonnes. The Company expects downtime in the plant will be reduced in the second half of the year as it improves mobile equipment availability through the use of contract mining, thereby increasing throughput and reducing production unit costs.

Cash costs per gold equivalent ounce for the three months ended June 30, 2024, increased by 24% or $288 from $1,206 to $1,494, mainly due to higher production costs and a decrease in equivalent ounces of gold produced by 18% compared to the same period of prior year.

Increase of 28% or $372 per equivalent ounce of gold in All in Sustaining cost in the three months ended June 30, 2024, was due to higher cash cost and higher capital expenditures of 21% or $249 from $1,167 due to the cost of tailings dam expenses, in the comparable prior period.

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

Production costs increased 51% to $72 per tonne in the six months period ended June 30, 2024, from $47 per tonne in the same period of 2023. Production costs increased largely due to engaging with contracted mining services from DMG and VERSA. Milled tonnes decreased due to a 29% decrease in tonnes milled as the Company continues to focus on the CMIP as well as poor equipment availability. Engaging DMG and VERSA has helped to improve equipment availability, however, the Company has decided to consolidate its mining operations with one contractor, Cominvi, to streamline its core mining operations and the Company expects that partnering with Cominvi will lead to a significant improvement in mine production starting in late Q3, with the full impact of the transition anticipated in Q4.

Cash costs per gold equivalent ounce for the six months ended June 30, 2024, increased 13% to $1,380 compared to the same period in 2023, of $1,225 mainly due to 17% lower gold equivalent ounces produced. AISC per ounce increased 16% to $1,516 per ounce in the period from $1,312 per ounce in the same comparable period in 2023, mainly due to a higher cash costs and payments for capital equipment as the Company continues to optimize the operations.

DEVELOPMENT

The Company continues to work on improving the performance of the Campo Morado mine and mill. The Company engaged international engineering consultants, Ausenco México, S. de R.L. de C.V. ("Ausenco"), in the last quarter of 2022 to undertake a detailed review of the Campo Morado processing plant with the goal of improving metallurgical performance. The external review provided the Company's operations with a roadmap to progressively improve recoveries and concentrate grades which has been progressively implemented since Q3 2023 with significant, positive results. These improvements have been achieved by beginning with a geometallurgy program at 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.

In July 2023, consultants from Ausenco completed a detailed review of the operational performance at Campo Morado and reconfigured the grinding circuit to optimize grinding performance and hence improve downstream recoveries. The optimum primary grind was re-established at 35 microns, and in both laboratory test work and live plant trials demonstrated substantial increases in metal recoveries. This led to the definition a larger optimization project, including vital Mine-to-Mill elements to provide a consistent plant feed and sustain higher recoveries. Additionally, the project identified a significant opportunity to increase economic results at Campo Morado by producing three separate salable concentrates. To achieve this, an integrated project plan was developed that includes production planning, improvements to the mobile equipment fleet, additional metallurgical testing, reconfiguring some existing plant equipment and modest capital expenditures for modernization.

In the fourth quarter of 2023, the Company, again in conjunction with Ausenco, formally kicked-off the optimization project, internally called CMIP. The metallurgy program with the external lab (ALS) provided a training opportunity for site metallurgists while at the same time confirming the expected benefits from the project and improving knowledge of the ore body. The metallurgical test work focused on future mining areas to improve both short-range and long-range planning and used to develop an integrated mine-to-mill production plan. In addition, new procedures for ore blending and optimized reagent dosing for improved recoveries were rolled out at site. During this same period some of the phased equipment upgrades for the mine and mill were initiated. The result of these changes includes higher metallurgical recoveries and concentrate grades, particularly for copper in the bulk concentrate where recovery increased from less than 48% at the beginning of the year to over 70% by the end of 2023, a 69% increase.

Currently Campo Morado produces a zinc concentrate, and a mixed (bulk) copper-lead concentrate. The Company is now working to configure the Campo Morado plant to separate the copper and lead from the bulk concentrate into two separate concentrates, with the ultimate goal of producing clean high-grade zinc, copper and lead concentrates, with higher recoveries, more efficient operational processes and higher sales margins. The metallurgical test work to achieve a clean copper-lead separation was done at the ALS laboratories in Canada. A variability test work program using the flowsheet developed by ALS was completed at the site laboratory to validate the robustness of the new flow sheet. Understanding the mineralogy and the mineral associations have been a critical part of the testing and the results have guided modifications to the plant, identifying grinding target size and predicting 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 returned copper recovery of between 80% and 93%. The testing indicates improvements to overall recovery and concentrate grades as high as 28% copper are achievable. The results from the metallurgical testing by ALS confirm the site lab results and consequently, the Company is on track to be producing the three different concentrates of lead, copper and zinc by the second half of 2024.

In addition to improved copper recovery and concentrate grades, the test work has also shown significant improvements in gold recovery of between 35% and 65% in open circuit copper rougher circuit testing, depending on the ore body mineralogy, with the conclusion that increasing copper and lead recovery will increase the recovery of gold and silver as well.

The Company expects to complete the next tailings storage facility lift during 2024, adding approximately 15 months to the tailings storage capacity. Storage capacity is increased progressively through the construction of embankment lifts constructed on the downstream side of the existing structure.

Flotation Plant at Camp Morado

LUCA Mining Corp.

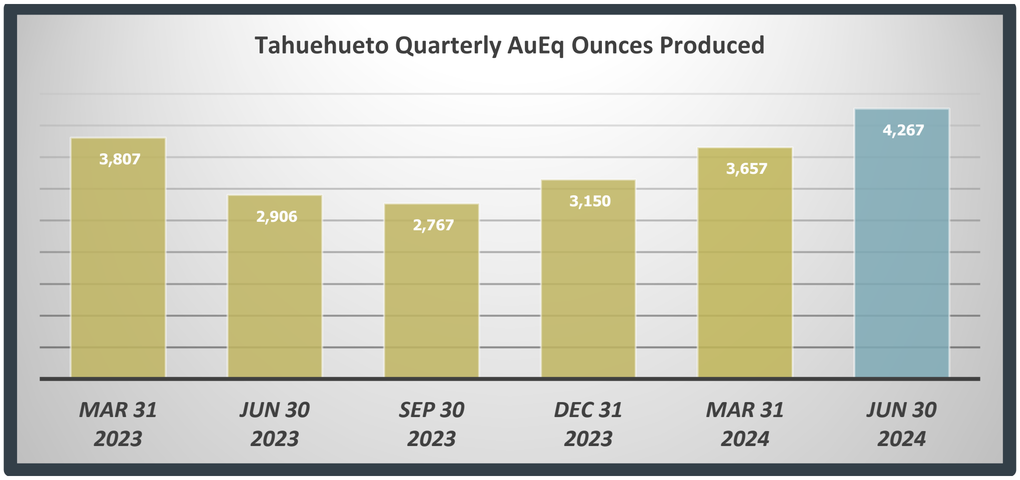
TAHUEHUETO MINE PROJECT

Tahuehueto is a new underground gold mine in northwestern Durango State, Mexico, located within the prolific Sierra Madre Mineral Belt. Construction, to the nameplate capacity of the plant of 1,000 tonnes per day has been completed and the Company is now in the process of commissioning the plant.

Operating results for the three and six months ended June 30, 2024, and 2023 were as follows:

	Three months ended			Six Months ended		
	June 30 2024	June 30 2023	% Change	June 30 2024	June 30 2023	% Change
Production						
Tonnes mined	39,412	16,812	134%	61,843	38,230	62%
Tonnes milled	35,572	19,157	86%	68,891	43,101	60%
Average tonnes milled per day [8]	419	225	86%	405	255	59%
Head Grade						
Average gold grade (g/t)	2.74	2.97	(8%)	2.69	2.90	(7%)
Average silver grade (g/t)	29.65	37.01	(20%)	30.76	35.42	(13%)
Average zinc grade (%)	1.95	3.54	(45%)	1.93	3.87	(50%)
Average copper grade (%)	0.18	0.16	14%	0.18	0.15	17%
Average lead grade (%)	1.00	1.46	(31%)	1.00	1.49	(33%)
Average gold recovery (%)	88.2	85.2	3%	86.1	84.1	2%
Average silver recovery (%)	87.0	86.8	0%	83.5	83.6	(0%)
Average zinc recovery (%)	77.5	83.2	(7%)	75.8	78.7	(4%)
Average copper recovery (%)	82.4	84.3	(2%)	77.7	84.4	(8%)
Average lead recovery (%)	82.7	86.7	(5%)	79.5	86.0	(8%)
Gold produced (oz)	2,761	1,561	77%	5,129	3,378	52%
Silver produced (oz)	29,505	19,791	49%	56,901	41,052	39%
Zinc produced (tonnes)	539	564	(4%)	1,007	1,312	(23%)
Copper produced (tonnes)	53	25	107%	96	56	72%
Lead produced (tonnes)	295	242	22%	545	554	(2%)
AuEq produced (oz) [1]	**4,267**	**2,906**	**47%**	**7,924**	**6,713**	**18%**
Sales						
Gold sold (oz)	2,742	1,736	58%	5,039	3,891	30%
Silver sold (oz)	25,975	14,957	74%	45,443	32,843	38%
Zinc sold (tonnes)	262	238	10%	475	563	(16%)
Copper sold (tonnes)	-	-	100%	-	-	100%
Lead sold (tonnes)	244	211	15%	420	480	(12%)
AuEq sold (oz) [1]	**3,603**	**2,459**	**47%**	**6,548**	**5,671**	**15%**
Realized gold price per ounce ($) [5][6]	2,320.00	1,966.73	18%	2,204.16	1,939.74	14%
Realized silver price per ounce ($) [5][6]	28.38	23.96	18%	26.18	23.39	12%
Realized zinc price per tonne ($) [5][6]	2,794.26	2,367.77	18%	2,628.36	2,602.25	1%
Realized lead price per tonne ($) [5][6]	2,154.92	2,119.94	2%	2,104.92	2,088.51	1%
Costs						
Production cost per tonne ($) [2][5]	143	186	(23%)	134	157	(15%)
Cash cost per Au/Eq ounce ($) [1][3][5]	1,480	1,459	1%	1,413	1,234	15%
AISC per Au/Eq ounce ($) [1][4][5]	1,677	2,683	(37%)	1,600	1,822	(12%)
All-in cost per Au/Eq ($) [1][5][7]	1,755	2,809	(38%)	1,678	1,948	(14%)
Capital expenditures						
Sustaining ($)	225	3,483	(94%)	388	3,591	(89%)

1. Gold equivalents are calculated using an 81:00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024, an 88.8:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023; an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 83.02:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023.
2. Production costs include mining, milling, and direct overhead at the operation sites See reconciliation on page 29.
3. Cash cost per gold equivalent ounce include mining, processing and direct overhead costs. See reconciliation on page 29.
4. AISC per Au/Eq oz include mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. See Reconciliation to IFRS on page 29.
5. See "Non-IFRS Financial Measures" on page 25.
6. Based on provisional sales before final price adjustments, treatment, and refining charges.
7. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
8. Average tonnes milled per day assumes the actual days in the month less 2 planned monthly down days.



Production

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

During the three months ended June 30, 2024, the Company produced 4,267 gold equivalent ounces, a 47% increase compared to 2,906 gold equivalent produced in the second quarter of 2023, consisting of 2,761 ounces of gold (77% increase from 1,561 in Q2 2023), 29,505 ounces of silver (49% increase from 19,791 in Q2 2023), 539 tonnes of zinc (4% decrease from 564 in Q2 2023), 53 tonnes of copper (107% increase from 25 tonnes in Q2 2023) and 295 tonnes of lead (22% increase from 242 in Q2 2023). Total mineralized material processed amounted to 35,572 tonnes, an increase of 86% over the same quarter prior year of 19,157 tonnes processed.

Gold grades averaged 2.74 g/t, 8% lower than 2.97 g/t from the prior comparable period, silver grades averaged 29.65 g/t, 20% lower than 37.01 g/t from the prior comparable period, zinc grades averaged 1.95%, copper grade averaged 0.18%, and lead grades averaged 1.00%, a 45% decrease, a 14% increase and 31% decrease, respectively compared to the prior comparable period.

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

During the six months ended June 30, 2024, the Company produced 7,924 gold equivalent ounces, an 18% increase compared to 6,713 gold equivalent produced in the second quarter of 2023, consisting of 5,129 ounces of gold (52% increase from 3,378 in Q2 2023), 56,901 ounces of silver (39% increase from 41,052 in Q2 2023), 1,007 tonnes of zinc (23% decrease from 1,312 in Q2 2023), 96 tonnes of copper (72% increase from 56 tonnes in Q2 2023) and 545 tonnes of lead (2% decrease from 554 in Q2 2023). Total mineralized material processed amounted to 68,891 tonnes, an increase of 60% over the same quarter prior year of 43,101 tonnes processed.

Gold grades averaged 2.69 g/t, 7% lower than 2.90 g/t from the second quarter of 2023, silver grades averaged 30.76 g/t, 13% lower than 35.42 g/t from same quarter prior year, zinc grades averaged 1.93%, copper grades averaged 0.18% and lead grades averaged 1.00%, a 50% decrease, a 17% increase and 33% decrease, respectively compared to Q2, 2023**.** The decrease in metal grades and consequently, recoveries is due to mining sequence and variability in ore veins.

Cash Cost and All-In Sustaining Cost per Ounce (see "Non-IFRS Financial Measures" on page 25).

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

For the three months ended June 30, 2024, production costs increased to $5,089 from $3,556 in the comparable period, or 43% largely due to a 138% increase in mine cost, 81% increase in processing cost, partially offset by 67% decrease in indirect cost. This notable increase was primarily attributed to the continuing ramping up of production to 35,572 tonnes in this period from 19,157 in the same period the prior year, representing an 86% increase. Mine costs increased as a result of increased development and production activities. Processing costs increased in proportion to the increase in milling volume, with electricity costs being the main driver of processing costs. The decrease in indirect cost is attributable to the increase in milling volume.

Cash cost per AuEq ounce remained consistent for the quarter, marginally increasing to $1,480, a $21 or 1% increase compared to $1,459 in the same quarter of prior year. The change in cash cost per AuEq is attributable to largely exchange rate fluctuations.

All-In Sustaining cost for the three months ended June 30, 2024, was $1,677 compared to $2,683 in the same period in 2023. The 37% or $1,006 improvement in AISC was mainly due to a 94% decrease in sustaining capital expenses associated with the construction of the Tahuehueto plant, which was at near completion at the end of the second quarter of 2024, and a higher AuEq ounces produced in this period compared to same period prior year.

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

For the six months ended June 30, 2024, production costs increased to $9,214 from $6,787 in the comparable period, or 36% largely due to an 84% increase in mine cost, 47% increase in processing cost and 40% decrease in indirect cost. This notable increase was primarily attributed to the continuing ramping up of production to 68,891 tonnes in this period from 43,101 in the same period the prior year. Mine costs increased because of increased development and production activities. Processing costs increased in response to the increase in milling volume, with electricity costs being the main driver of processing costs, offset by the increase in throughput which has a positive impact on fixed costs. Similarly, the decrease in indirect costs is attributable to the increase in milling volume.

Cash cost per AuEq ounce produced for the six months ended June 30, 2024, was $1,413 a $180 or 15% increase compared to $1,234 in the same quarter of prior year. The increase in the cash cost per AuEq ounce was primarily attributed to a combination of the increase in production cost offset by the higher equivalent ounces produced this quarter compared to same quarter of prior year.

All-In Sustaining cost per AuEq ounce produced for the six months ended June 30, 2024, was $1,678 compared to $1,948 in the same period in 2023. The 14% or $269 decrease in AISC was mainly due to an 89% decrease in sustaining capital expenses associated with the construction of the Tahuehueto plant, which was at near completion at the end of the second quarter of 2024, and due to a higher AuEq ounces produced in this period compared to same period prior year.

DEVELOPMENT

The Company began the construction of the Tahuehueto mine and mill in 2017. The nameplate capacity of the mill will be 1,000 tpd once construction is complete. In the second quarter of 2023, the installed capacity reached approximately 500 tpd, including the first stage of the tailings facility. A second ball mill was installed in the first quarter of 2024. This second ball mill has a larger capacity of approximately 750 tpd giving the plant an installed grinding capacity of 1,250 tpd. Ancillary equipment (cyclones, pumps etc.) were also installed in the fourth quarter with testing of the second ball mill completed in February 2024.

The three tailings filter presses have been installed on-site, with a total maximum capacity of approximately 1,250 tpd each. Commissioning of the third filter press is expected during Q3 2024 which will allow the mill to run at its full capacity of 1,000 tpd.

Additionally, the Company plans to replace the tailings thickener mechanism at Tahuehueto. The Company has acquired the mechanism which was inspected in Durango, and it is now at site ready for installation along with new fabricated rakes. These improvements are planned to be installed during the third quarter of 2024.

Construction of the second stage of the tailings embankment is complete and secondary diversion channels are being completed. The tailings storage facility at Tahuehueto will have a capacity of approximately 3 years at a run rate of 1,000 tpd.

Upon completion of construction, first phase production levels are expected to reach over 40,000 gold equivalent ounces per year.

As Tahuehueto is near to completion of the development phase, the Company continued to capitalize all direct costs related to the development of the project.

	Six months ended June 30 2024	Year ended December 31 2023
	$	$
Balance, beginning of period	35,184	28,749
Costs incurred:		
Depreciation and amortization	2,568	1,753
General and office expenses (project related)	324	121
Permitting, environmental and community costs	-	115
Salaries and wages	41	223
Share based compensation	33	247
Travel and accommodation	22	41
Loss on extinguished debt	159	184
Interest	1,390	3,514
Changes in closure and reclamation	-	237
Balance, end of period	**39,721**	**35,184**

The Company completed the construction of the Tahuehueto gold mine on July 25, 2024. (Refer to the News release dated July 25, 2024, "Luca Mining Completes Construction of Tahuehueto Gold Mine").

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FINANCIAL PERFORMANCE

The Financial Results below include commercial production from the Campo Morado and revenue and associated costs from Tahuehueto during this pre-production period.

	Three months ended			Six Months ended		
CONSOLIDATED	**June 30, 2024**	**June 30, 2023**	**% Change**	**June 30, 2024**	**June 30, 2023**	**% Change**
Financial Results	**$**	**$**		**$**	**$**	
Revenue						
Gold	8,426	4,324	95%	15,786	8,963	76%
Silver	3,775	2,889	31%	7,225	6,201	17%
Zinc	5,586	8,936	(37%)	10,554	17,684	(40%)
Copper	5,338	2,899	84%	9,790	6,769	45%
Lead	526	448	17%	886	1,002	(12%)
Income from stream	344	-	100%	707	207	242%
Treatment and selling costs	(5,996)	(7,226)	(17%)	(11,537)	(14,376)	(20%)
Provisional pricing adjustments	164	(114)	(244%)	1,093	(547)	(300%)
Net Revenues	**18,163**	**12,156**	**49%**	**34,504**	**25,903**	**33%**
Production Costs	14,288	10,921	31%	26,637	23,060	16%
Royalties	493	316	56%	857	707	21%
Empress stream	1,495	-	100%	1,983	-	100%
Inventory changes	(1,454)	428	(440%)	(2,351)	94	(2,601%)
Cost of Sales	**15,496**	**12,581**	**23%**	**28,231**	**25,421**	**11%**
Mine operating cashflow before taxes (7)	**3,340**	**491**	**580%**	**7,378**	**2,042**	**261%**
Depreciation and depletion	673	916	(27%)	1,105	1,560	(29%)
Mine operating earnings (loss)	**2,667**	**(425)**	**(728%)**	**6,273**	**482**	**1,201%**
General and Administration	(1,823)	(1,870)	(3%)	(3,893)	(3,230)	21%
SBC Compensation	(100)	(369)	(73%)	(202)	(728)	(72%)
Foreign exchange gain (loss)	2,663	(722)	(469%)	2,442	(147)	(1,761%)
Other operating (expenses) income	(128)	54	(337%)	71	4	1,675%
Interest and finance costs, net	(692)	(649)	7%	(1,345)	(1,907)	(29%)
Gain on settlement of debt	-	-	0%	4,542	-	100%
Gain on disposal of a subsidiary	2,087	-	100%	2,087	-	100%
Change in fair value of financial instruments	-	2	(100%)	-	611	(100%)
Net earnings (loss)	**4,674**	**(3,979)**	**(217%)**	**9,975**	**(4,915)**	**(303%)**
Earnings (loss) per share - basic and diluted	(0.03)	0.06	(146%)	(0.06)	0.08	(180%)
EBITDA (1)(5)	6,122	(2,335)	362%	12,634	(1,293)	1077%
Adjusted EBITDA (2)(5)	4,135	(1,966)	310%	6,207	(565)	1199%
Cash cost Au/Eq per ounce (3)(5)(9)	1,490	1,256	19%	1,389	1,227	13%
AISC cost per Au/Eq ounce (4)(5) (9)	1,766	1,743	1%	1,633	1,529	7%
All-in cost per Au/Eq ($) (4)(5)(8)(9)	1,763	1,737	2%	1,664	1,582	5%
Realized gold price per ounce ($) (5)(6)	2,315.12	1,968.09	18%	2,186.62	1,942.16	13%
Realized silver price per ounce ($) (5)(6)	28.57	23.88	20%	25.60	23.33	10%
Realized zinc price per tonne ($) (5)(6)	2,812.65	2,372.04	19%	2,604.58	2,534.48	3%
Realized copper price per tonne ($) (5)(6)	9,619.32	8,179.98	18%	9,064.98	8,414.22	8%
Realized lead price per tonne ($) (5)(6)	2,148.46	2,119.94	1%	2,102.25	2,088.51	1%

1. See Reconciliation of Earnings before interest, taxes, depreciation, and amortization on page 26.
2. See reconciliation of Adjusted EBITDA on page 26.
3. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See Reconciliation to IFRS on page 29.
4. AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, reclamation and sustaining capital. See reconciliation to IFRS on page 29.
5. See "Non-IFRS Financial Measures" on page 25.
6. Based on provisional sales before final price adjustments, treatment, and refining charges.
7. 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 25.
8. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
9. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024, and an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2024, respectively.

Three months ended June 30, 2024 (compared to the three months ended June 30, 2023)

Revenues

For the three months ended June 30, 2024, revenues totaled $18,163, net of metal deductions, treatment and refining charges, and provisional pricing adjustments, representing an increase of $6,007 or 49%, compared to $12,156 in the same period of 2023. This growth was primarily driven by higher sales volumes across key metals, particularly a 65% increase in gold sold to 3,629 ounces (from 2,200 ounces in the prior period) and a 9% increase in silver sold to 131,736 ounces (from 121,072 ounces).

Copper and lead sold also experienced strong growth, with copper sold increasing by 55% to 553 tonnes (from 356 tonnes) and lead sold rising by 15% to 244 tonnes (from 211 tonnes). However, zinc sold declined by 47% to 1,980 tonnes, compared to 3,767 tonnes in the prior year period. Despite this decline in zinc sold, the overall increase in metals sold was driven by the sale of other metals, particularly gold and silver.

In addition to higher sales volumes, realized prices for gold, silver, zinc, copper, and lead also improved during the period. Gold prices increased by 18% to $2,315.12 per ounce (from $1,968.09 per ounce), silver prices rose by 20% to $28.57 per ounce (from $23.88 per ounce), zinc prices increased by 19% to $2,812.65 per tonne (from $2,372.04 per tonne), copper prices rose by 18% to $9,619.32 per tonne (from $8,179.98 per tonne), and lead prices saw an increase of 1% to $2,148.46 per tonne (from $2,119.94 per tonne).

Provisional pricing adjustments for prior period sales also contributed positively to revenues by $164, compared to a negative impact of $114 in the comparable period of 2023.

Cost of sales

Cost of sales is comprised of production cost, including mining, processing, maintenance and site general administration net of inventory changes, and depreciation and depletion. The Company is currently only depreciating and depleting Campo Morado as Tahuehueto is near completed construction. Production cost per tonne increased $34 or 58% to $93 in the period ended June 30, 2024, from $59 in the same period of 2023, mainly due to due to the Company's focus on improving recoveries under the CMIP project at Campo Morado, which led to a reduction in tonnes milled and higher costs per tonne in the short term. In addition, Royalties of $220 were charged in relation to the Tahuehueto operations (June 30, 2023 - $nil).

General and administration

For the three months ended June 30, 2024, general and administrative expenses decreased by $47, or 3% compared to the three months ended June 30, 2024. This decrease is due to a decrease in legal and professional fees of $118, and travel, and promotion fees of $191 due to the timing of promotional events. This is partially offset by an increase of $233, or 28% in wages, consulting fees and director fees as the Company strengthened its executive team and employees.

Share-based compensation

For the three months ended June 30, 2024, share-based compensation expense decreased by $269, or 73%, compared to the same period in 2023. The decrease is driven by the timing of stock option grants and the corresponding vesting periods. During this period, the Company granted 400,000 stock options, with 51% of their fair value vesting. In comparison, the Company granted 5,479,778 stock options during the same period in 2023, where 51% of their fair value vested.

Interest and finance costs

For the three months ended June 30, 2024, interest and finance costs remained relatively consistent, increasing by 7% to $692 from $649 in the comparable prior year period. This increase is primarily attributed to higher loan interest expenses due to additional borrowings with Trafigura at Tahuehueto.

Gain on disposal of a Company

On May 30, 2024, the Company sold its 99.98% interest in Prestadora de Servicios Arcelia, S.A. de C.V. ("PSA") to arm's length third party in Mexico for $49,999 Mexican Pesos. The results of PSA's operations are reflected in the consolidated financial statements through the date of sale, May 30, 2024. This transaction generated a gain of $2,087 recognized in the income statement in the three months ended June 30, 2024, (Three months ended June 30, 2023 $nil).

Six months ended June 30, 2024 (compared to the six months ended June 30, 2023)

Revenues

For the six months ended June 30, 2024, revenues totaled $34,504, net of metal deductions, treatment and refining charges, and provisional pricing adjustments, representing an increase of $8,601 or 33%, compared to $25,903 in the same period of 2023. This growth was primarily driven by higher sales volumes across key metals, particularly a 56% increase in gold sold to 7,208 ounces (from 4,618 ounces in the prior period) and a 6% increase in silver sold to 281,828 ounces (from 265,904 ounces).

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Copper also experienced strong growth, with copper sold increasing by 35% to 1,084 tonnes (from 803 tonnes). Lead and zinc sold declined by 12% and 42% respectively to 420 tonnes (from 480) and 4,046 tonnes (from 6,977 tonnes) compared to the prior year period. Despite this decline in lead and zinc metals sold, the overall increase in sales was driven by the sale of other metals, particularly gold and silver.

In addition to higher sales volumes, realized prices for gold, silver, zinc, copper, and lead also improved during the period. Gold prices increased by 13% to $2,186.62 per ounce (from $1,942.16 per ounce), silver prices rose by 10% to $25.60 per ounce (from $23.33 per ounce), zinc prices increased by 3% to $2,604.58 per tonne (from $2,534.48 per tonne), copper prices rose by 8% to $9,064.98 per tonne (from $8,414.22 per tonne), and lead prices saw an increase of 1% to $2,102.25 per tonne (from $2,088.51 per tonne).

Provisional pricing adjustments for prior period sales also contributed positively to revenues by $1,093, compared to a negative impact of $547 in the comparable period of 2023.

<u>Cost of sales</u>

Cost of sales is comprised of production cost, including mining, processing, maintenance and site general administration net of inventory changes, and depreciation and depletion. The Company is currently only depreciating and depleting Campo Morado as Tahuehueto is near completed construction. Production cost per tonne increased $25 or 43% to $85 in the period ended June 30, 2024, from $60 in the same period of 2023, mainly due to 19% decrease in tonnes processed. In addition, Royalties of $220 were charged in relation to the Tahuehueto operations (Six months June 30, 2023 - $nil).

<u>General and administration</u>

General and administrative expenses increased by $663, or 21% for the period ended June 30, 2024, compared to the same period prior year. This increase is due to $608 increase in consulting fees and director fees as the Company grew significantly resulting in additions to the executive team and employees in both the Canada and Mexico operations; $150 increase in office expenses; partly offset by $95 decrease in travel expenses.

<u>Share-based compensation</u>

For the six months ended June 30, 2024, share-based compensation decreased by $526, or 72%, compared to the same period in 2023. Similar to the three-month results, this reduction is attributable to the timing of option grants and their respective vesting periods. In the six months ended June 30, 2024, 800,000 stock options were granted, with 77% of their fair value vesting. In comparison, we granted 5,597,778 stock options during the same period in 2023, where 77% of the fair value vested. Additionally, during the six months ended June 30, 2024, a total of 6,325,278 options were partially vested, compared to 5,479,778 options partially vested during the corresponding period in 2023.

<u>Interest and finance costs</u>

For the six months ended June 30, 2024, interest and finance costs decreased by 29% to $1,345, down from $1,907 in the prior year period. This reduction is primarily due to the amortization of deferred financing costs related to borrowings that were fully extinguished in the comparable prior year period. This decrease was partially offset by higher loan interest expenses due to increased borrowings with Trafigura at Tahuehueto.

<u>Gain on disposal of a Company</u>

On May 30, 2024, the Company sold its 99.98% interest in Prestadora de Servicios Arcelia, S.A. de C.V. ("PSA") to arm's length third party in Mexico for $49,999 Mexican Pesos. The results of PSA's operations are reflected in the consolidated financial statements through the date of sale, May 30, 2024. This transaction generated a gain of $2,087 recognized in the income statement in the six months ended June 30, 2024, (Six months ended June 30, 2023 $nil). This gain represents the difference between the sale price and the carrying amounts of the assets and liabilities that were derecognized.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to generate sufficient amounts of cash, both in the short term and the long term, to maintain existing capacity and to fund ongoing development and exploration, is dependent upon the ability of the Company to generate positive cash flows from operations and/or obtain the financing necessary to generate and sustain profitable operations. Refer to going concern section above.

The Company will evaluate, from time to time, sales of its common shares to improve the Company's liquidity and working capital position. To the extent that cash generated by operations during 2023 is less than anticipated or in the event the Company determines it will undertake other projects that are currently not part of its plans, or if the Company undertakes another acquisition, additional capital may be required. Sources of capital include accessing the private and public capital markets for debt and equity over the next 12 months. Adverse movement in metal prices and unforeseen impacts to the Company's operation may increase the need to raise new external sources of capital, and the inability to access sources of capital could adversely impact the Company's liquidity and require the Company to curtail capital and exploration program and other discretionary expenditures.

	Three months ended			Six Months ended		
	June 30, 2024	June 30, 2023	% Change	June 30, 2024	June 30, 2023	% Change
Cash Flow	**$**	**$**		**$**	**$**	
Cash provided by operating activities	739	6,459	(89%)	35	8,771	(100%)
Cash used in investing activities	(1,611)	(4,747)	(66%)	(2,021)	(5,704)	(65%)
Cash provided by financing activities	(304)	7,059	(104%)	1,327	7,502	(82%)
Effect of exchange rate changes on cash	(50)	(241)	(79%)	(53)	(217)	76%
Change in cash and cash equivalents	(1,226)	8,530	(114%)	(712)	10,352	(107%)
Cash and cash equivalents, beginning of period	2,572	2,672	(4%)	2,058	850	142%
Cash and cash equivalents, end of period	**1,346**	**11,202**	**(88%)**	**1,346**	**11,202**	**(88%)**

As at June 30, 2024, the Company had cash of $1,346 and negative working capital of $27,848 compared with cash of $2,058 and negative working capital of $38,542 at December 31, 2023.

Operating activities

Cash generated by operating activities was $35 during the six months ended June 30, 2024 (June 30, 2023 – cash generated of $8,771). The significant non-cash adjustments to the net earnings of $9,975 in the second quarter of 2024 (June 30, 2023, loss of – $4,915) were accretion, depreciation and amortization of $3,968 (June 30, 2023– $4,003), share-based compensation of $271 (June 30, 2023– $889), gain on disposal of subsidiary of $2,087 (June 30, 2023 – $nil), and a decrease in non-cash working capital of $6,906 (June 30, 2023 – increase of $3,388). The net change in non-cash working capital was primarily due to an increase in amounts receivable and prepaid expenses and deposits offset by a decrease in accounts payable and accrued liabilities and inventories.

Investing activities

Investing activities used cash of $2,021 in the six months ended June 30, 2024, compared with the use of cash of $5,704 in the comparable 2023 period. Most of the cash used in investing activities during the six months ending June 30, 2024, was $1,633 invested into plant and equipment, and $388 invested in mineral properties.

Financing activities

Cash generated from financing activities for the six months ended June 30, 2024, was $1,327 mainly related to proceeds from Trafigura loan of $2,500 and proceeds from warrants and/or stock options exercised of $351, offset by lease and loan payments of $1,524. (Six months ended June 30, 2023 – $7,502)

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 TSXV.

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.

Additionally, 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.

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 ration, 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 ration, 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.

	June 30 2024	December 31 2023
	$	$
Current assets	21,413	18,122
Current liabilities	49,261	56,664
Working capital	**(27,848)**	**(38,542)**

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					
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
Net revenues	18,163	16,341	13,406	11,270	12,156	13,747
Production cost	14,288	12,348	10,200	11,349	10,921	12,139
Royalties	1,988	852	707	470	316	391
Inventory changes	(1,454)	(897)	781	(775)	428	(334)
Mine operating cash flows before taxes	**3,340**	**4,038**	**1,718**	**225**	**491**	**1,551**

	Cumulative as at the end of each period					
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
Net revenues	34,504	16,341	50,579	37,173	25,903	13,747
Production cost	26,637	12,348	44,609	34,409	23,060	12,139
Royalties	2,840	852	1,885	1,177	707	391
Inventory changes	(2,351)	(897)	100	(681)	94	(334)
Mine operating cash flows before taxes	**7,378**	**4,038**	**3,985**	**2,267**	**2,042**	**1,551**

EBITDA

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

- 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 enterprise value of a Company. EBITDA is intended 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					
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
	$	$	$	$	$	$
Net gain (loss) per financial statements	4,674	5,301	(2,751)	(3,442)	(3,979)	(936)
Depreciation and depletion – cost of sales	673	432	651	774	916	644
Depreciation and depletion – general and administration	83	126	90	89	69	76
Interest and finance costs (income), net	692	653	485	649	649	1,258
EBITDA	**6,122**	**6,512**	**(1,523)**	**(1,930)**	**(2,335)**	**1,042**
Share based compensation	100	102	262	344	369	359
Loss (gain) on derivatives	-	-	-	-	-	-
Gain on settlement of debt and modification of loans	-	(4,542)	29	10	-	-
Gain on disposition of subsidiary	(2,087)	-	-	-	-	-
Adjusted EBITDA	**4,135**	**2,072**	**(1,232)**	**(1,575)**	**(1,966)**	**1,401**

	For the period ended					
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
	$	$	$	$	$	$
Net gain (loss) per financial statements	9,975	5,301	(11,107)	(8,357)	(4,915)	(936)
Depreciation and depletion – cost of sales	1,105	432	2,985	2,334	1,560	644
Depreciation and depletion – general and administration	209	126	334	244	155	76
Interest and finance costs (income), net	1,345	653	3,042	2,556	1,907	1,258
EBITDA	12,634	6,512	(4,746)	(3,223)	(1,293)	1,042
Share based compensation	202	102	1,335	1,072	728	359
Loss (gain) on derivatives	-	-	-	-	-	-
Gain on settlement of debt and modification of loans	(4,542)	(4,542)	40	10	-	-
Gain on disposition of subsidiary	(2,087)	-	-	-	-	-
Adjusted EBITDA	6,207	2,072	(3,371)	(2,140)	(565)	1,401

Realized Price per Ounce and Realized Price per Tonne

Realized price per ounce or per tonne 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.

Operating Cash Flow before Working Capital Changes

Operating cash flow before working capital changes per share 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. Operating cash flow per share is calculated by dividing cash from operating activities by the basic weighted average shares outstanding. Operating cash flow per share is used by management to assess operating performance on a per share basis, irrespective of working capital changes and is provided to investors as a measure of the Company's operating performance.

	Three months ended					
CONSOLIDATED	**30-Jun 2024**	**31-Mar 2024**	**31-Dec 2023**	**30-Sep 2023**	**30-Jun 2023**	**31-Mar 2023**
	$	**$**	**$**	**$**	**$**	**$**
Cash (used in) provided by operating activities per financial statements	739	(704)	(6,746)	(2,500)	6,459	2,312
Net changes in non-cash working capital per financial statements	(2,643)	(4,262)	(1,330)	1,195	3,183	205
Operating cash flow before working capital changes	3,382	3,557	(5,416)	(3,695)	3,276	2,107
Operating cash flow before working capital changes per share ($)	0.02	0.02	(0.04)	(0.03)	0.05	0.06
Basic weighted average shares outstanding ('000)	165,875	161,566	148,108	141,713	64,382	35,456

	For the period ended					
CONSOLIDATED	**30-Jun 2024**	**31-Mar 2024**	**31-Dec 2023**	**30-Sep 2023**	**30-Jun 2023**	**31-Mar 2023**
	$	**$**	**$**	**$**	**$**	**$**
Cash (used in) provided by operating activities per financial statements	35	(704)	(475)	6,271	8,771	2,312
Net changes in non-cash working capital per financial statements	(6,906)	(4,262)	3,253	4,583	3,388	205
Operating cash flow before working capital changes	6,941	3,558	(3,728)	1,688	5,383	2,107
Operating cash flow before working capital changes per share ($)	0.04	0.02	(0.04)	0.02	0.08	0.06
Basic weighted average shares outstanding ('000)	163,730	161,566	103,557	90,394	64,309	35,456

Cash Cost per AuEq Ounce, All-In Sustaining Cost per AuEq Ounce, All-In Cost per AuEq Ounce and Production Cost per Tonne

Cash costs per gold equivalent oz and production costs per tonne are measures developed by precious metals companies in an effort 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 and total production cost per tonne are non-IFRS performance measures used by the Company to manage and evaluate operating performance at its operating mining unit, in conjunction with the related IFRS amounts. They are widely reported in the silver mining industry as a benchmark for performance, but do not have a standardized meaning and are disclosed in addition to IFRS measures. Production costs include mining, milling, and direct overhead at the operation sites**.** Cash costs include all direct costs plus royalties and special mining duty. Total production costs include all cash costs plus amortization and depletion, changes in amortization and depletion in finished goods inventory and site share-based compensation. Cash costs per gold equivalent ounce is calculated by dividing cash costs and total production costs by the payable gold equivalent ounces produced. Production costs per tonne are calculated by dividing production costs by the number of processed tonnes. The following tables provide a detailed reconciliation of these measures to the Company's direct production costs, as reported in its consolidated financial statements.

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 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 producing gold equivalent ounces 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 production 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 and reclamation cost accretion. The Company believes this measure represents the total sustainable costs of producing silver and gold concentrate 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 from the zinc and lead concentrate production from current operations, new projects capital at current operation is not included. Certain other cash expenditures, including share-based payments, tax payments, dividends and financing costs are also not included.

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

		For the three months ended June 30, 2024			For the three months ended June 30, 2023		
		Campo Morado	Tahuehueto[5]	Consolidated	Campo Morado	Tahuehueto[5]	Consolidated
Cost of sales		**9,560**	**5,936**	**15,496**	**9,617**	**2,964**	**12,581**
Royalties		(273)	(220)	(493)	(316)	-	(316)
Empress streaming		-	(1,496)	(1,496)	-	-	-
Inventory changes		585	869	1,454	(1,019)	591	(428)
Depreciation		(673)	-	(673)	(916)	-	(916)
Production cost [4]		**9,199**	**5,089**	**14,288**	**7,366**	**3,555**	**10,922**
Add:							
Treatment and selling costs		4,991	1,005	5,996	6,542	684	7,226
Royalties		273	220	493	316	-	316
Total cash cost [2]		**14,463**	**6,314**	**20,777**	**14,224**	**4,239**	**18,464**
General and administrative - corporate		545	489	1,823	230	16	1,870
SBC Compensation		-	-	100	-	-	369
Lease payments		58	68	126	124	-	124
Accretion relating to reclamation and rehabilitation		109	61	170	87	59	146
Sustaining capital expenditures		1,416	225	1,641	1,167	3,483	4,650
Total All-in sustaining cost [3]		**16,591**	**7,157**	**24,637**	**15,832**	**7,797**	**25,623**
Loan payments		-	-	-	310	-	310
Interest paid		175	617	792	126	845	971
All-in cost per AuEq ounce produced [1][3]		**16,766**	**7,774**	**25,429**	**16,268**	**8,642**	**26,904**
Tonnes milled	**D**	118,104	35,572	153,676	166,796	19,157	185,953
Gold equivalent ounces produced [1]	**E**	9,680	4,267	13,947	11,798	2,906	14,703
Production cost [4]	**A**	**9,200**	**5,089**	**14,288**	**7,366**	**3,555**	**10,922**
Total cash cost [2]	**B**	**14,463**	**6,314**	**20,777**	**14,224**	**4,239**	**18,464**
Total All-in sustaining cost [3]	**C**	**16,591**	**7,157**	**24,637**	**15,832**	**7,797**	**25,623**
Production cost per tonne [4]	**A/D**	**78**	**143**	**93**	**44**	**186**	**59**
Cash cost per AuEq ounce produced [1][2]	**B/E**	**1,494**	**1,480**	**1,490**	**1,206**	**1,459**	**1,256**
All-in sustaining cost per AuEq ounce produced [1][3]	**C/E**	**1,714**	**1,677**	**1,766**	**1,342**	**2,683**	**1,743**
Loan payments		-	-	-	13	-	17
Interest paid		9	78	(3)	5	126	(22)
All-in cost per AuEq ounce produced [1][3]		**1,723**	**1,755**	**1,763**	**1,360**	**2,809**	**1,737**
Mining cost per tonne		28	64	36	14	50	18
Milling cost per tonne		35	67	42	20	69	25
Indirect cost per tonne		15	12	14	10	67	16
Production cost per tonne [4]		**78**	**143**	**93**	**44**	**186**	**59**
Mining		3,303	2,284	5,587	2,389	959	3,348
Milling		4,142	2,384	6,526	3,358	1,319	4,677
Indirect		1,754	421	2,176	1,619	1,277	2,897
Production Cost [4]		**9,199**	**5,089**	**14,288**	**7,366**	**3,555**	**10,922**

1. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024; 81.80:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023.
2. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs.
3. AISC per AuEq oz 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.
5. Tahuehueto is currently pre-production as construction of the plant to 1,000 tonnes per day is near completion.

		For the six months ended June 30, 2024			For the six months ended June 30, 2023		
		Campo Morado	Tahuehueto[5]	Consolidated	Campo Morado	Tahuehueto[5]	Consolidated
Cost of sales		**18,154**	**10,077**	**28,231**	**19,225**	**6,196**	**25,421**
Royalties		(637)	(220)	(857)	(707)	-	(707)
Empress streaming		-	(1,983)	(1,983)	-	-	-
Inventory changes		1,011	1,340	2,351	(685)	591	(94)
Depreciation		(1,105)	-	(1,105)	(1,560)	-	(1,560)
Production cost [4]		**17,423**	**9,214**	**26,637**	**16,273**	**6,787**	**23,060**
Add:							
Treatment and selling costs		9,771	1,766	11,537	12,882	1,494	14,376
Royalties		637	220	857	707	-	707
Total cash cost [2]		**27,831**	**11,200**	**39,031**	**29,862**	**8,281**	**38,143**
General and administrative - corporate		768	778	3,893	402	244	3,230
SBC Compensation		-	-	202	-	-	728
Lease payments		115	194	362	124	-	151
Accretion relating to reclamation and rehabilitation		210	122	332	154	114	268
Sustaining capital expenditures		1,663	388	2,051	1,443	3,591	5,034
Total All-in sustaining cost [3]		**30,587**	**12,682**	**45,871**	**31,985**	**12,230**	**47,555**
Loan payments		-	-	-	310	-	517
Interest paid		175	617	876	126	845	1,138
All-in cost per AuEq ounce produced [1][3]		**30,762**	**13,299**	**46,747**	**32,421**	**13,075**	**49,210**
Tonnes milled	D	243,210	68,891	312,101	344,089	43,101	387,190
Gold equivalent ounces produced [1]	E	20,171	7,924	28,095	24,385	6,713	31,098
Production cost [4]	A	**17,423**	**9,214**	**26,637**	**16,273**	**6,787**	**23,060**
Total cash cost [2]	B	**27,831**	**11,200**	**39,031**	**29,862**	**8,281**	**38,143**
Total All-in sustaining cost [3]	C	**30,587**	**12,682**	**45,871**	**31,985**	**12,230**	**47,555**
Production cost per tonne [4]	A/D	**72**	**134**	**85**	**47**	**157**	**60**
Cash cost per AuEq ounce produced [1][2]	B/E	**1,380**	**1,413**	**1,389**	**1,225**	**1,234**	**1,227**
All-in sustaining cost per AuEq ounce produced [1][3]	C/E	**1,516**	**1,600**	**1,633**	**1,312**	**1,822**	**1,529**
Loan payments		-	-	-	13	-	17
Interest paid		9	78	31	5	126	37
All-in cost per AuEq ounce produced [1][3]		**1,525**	**1,678**	**1,664**	**1,330**	**1,948**	**1,582**
Mining cost per tonne		27	56	34	18	49	22
Milling cost per tonne		33	63	40	21	68	26
Indirect cost per tonne		11	15	12	8	41	12
Production cost per tonne [4]		**72**	**134**	**85**	**47**	**157**	**60**
Mining		6,608	3,854	10,462	6,249	2,097	8,346
Milling		8,091	4,314	12,405	7,244	2,933	10,177
Indirect		2,724	1,046	3,770	2,780	1,757	4,537
Production Cost [4]		**17,423**	**9,214**	**26,637**	**16,273**	**6,787**	**23,060**

1. Gold equivalents are calculated using an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 83.02:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023, respectively.
2. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs.
3. AISC per AuEq oz 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.
5. Tahuehueto is currently pre-production as construction of the plant to 1,000 tonnes per day is near completion.

Mining Corp.

The following table is a summary of these measures to cost of sales by quarter and year to date.

	Consolidated three months ended						Consolidated six months ended	
	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023	30-Jun 2024	30-Jun 2023
Cost of sales	**15,496**	**12,735**	**12,340**	**11,819**	**12,581**	**12,839**	**28,231**	**25,421**
Royalties	(493)	(364)	(65)	(290)	(316)	(391)	(857)	(707)
Empress streaming	(1,496)	(487)	(642)	(180)	-	-	(1,983)	-
Inventory changes	1,454	897	(781)	775	(428)	334	2,351	(94)
Depreciation	(673)	(432)	(651)	(774)	(916)	(644)	(1,105)	(1,560)
Production cost (4)	**14,288**	**12,349**	**10,200**	**11,349**	**10,921**	**12,139**	**26,637**	**23,060**
Add:	-	-			-	-	-	-
Treatment and selling costs	5,996	5,541	4,489	5,592	7,226	7,150	11,537	14,376
Royalties	492	364	65	290	316	391	857	707
Total cash cost (2)	**20,777**	**18,254**	**14,754**	**17,232**	**18,463**	**19,680**	**39,031**	**38,143**
General and administrative - corporate	1,823	2,070	1,763	1,506	1,870	1,360	3,893	3,230
SBC Compensation	100	102	262	344	369	359	202	728
Lease payments	126	205	367	367	124	90	362	151
Accretion relating to reclamation and rehabilitation	170	162	220	25	146	122	332	268
Sustaining capital expenditures	1,641	410	151	2,035	4,650	384	2,051	5,034
Total All-in sustaining cost (3)	**24,637**	**21,203**	**17,518**	**21,510**	**25,622**	**21,996**	**45,871**	**47,555**
Loan payments	-	-	358	1,086	310	-	-	517
Interest paid	792	490	687	808	971	840	876	1,138
All-in cost per AuEq ounce produced (3)	**25,429**	**21,693**	**18,563**	**23,404**	**26,903**	**22,836**	**46,747**	**49,210**
Tonnes milled	153,676	158,424	130,211	147,732	185,953	201,237	312,101	387,190
Gold equivalent ounces produced (1)	13,947	14,148	11,808	12,813	14,703	16,394	28,095	31,098
Production cost (4)	**14,288**	**12,348**	**10,200**	**11,349**	**10,921**	**12,138**	**26,637**	**23,060**
Total cash cost (3)	**20,777**	**18,254**	**14,754**	**17,232**	**18,463**	**19,679**	**39,031**	**38,143**
Total All-in sustaining cost (3)	**24,637**	**21,203**	**17,518**	**21,510**	**25,622**	**21,995**	**45,871**	**47,555**
Production cost per tonne (4)	**93**	**78**	**78**	**77**	**59**	**60**	**85**	**60**
Cash cost per AuEq ounce produced (1)(2)	**1,490**	**1,290**	**1,249**	**1,345**	**1,256**	**1,200**	**1,389**	**1,227**
All-in sustaining cost per AuEq ounce produced (1)(3)	**1,766**	**1,499**	**1,484**	**1,679**	**1,743**	**1,342**	**1,633**	**1,529**
Loan payments	-	-	30	85	17	-	-	17
Interest paid	(3)	35	58	63	(22)	59	31	37
All-in cost per AuEq ounce produced (1)(3)	**1,763**	**1,533**	**1,572**	**1,827**	**1,737**	**1,401**	**1,664**	**1,582**
Mining cost per tonne	36	31	27	27	18	25	34	22
Milling cost per tonne	42	37	37	34	25	27	40	26
Indirect cost per tonne	14	10	14	16	16	8	12	12
Production cost per tonne (4)	**93**	**78**	**78**	**77**	**59**	**60**	**85**	**60**
Mining	5,587	4,875	3,478	4,042	3,348	4,998	10,462	8,346
Milling	6,526	5,879	4,846	4,986	4,677	5,500	12,405	10,177
Indirect	2,175	1,594	1,876	2,321	2,897	1,640	3,770	4,537
Production Cost (4)	**14,288**	**12,349**	**10,200**	**11,349**	**10,921**	**12,139**	**26,637**	**23,060**

1. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024, an 88.72:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q1 2024; 85.07:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q4, 2023; 81.84:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q3 2023; 81.80:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023; 83.71:1 (Ag/Au), 0.0008:1 (Au/Zn), 0.002:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q1 2023, an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 83.02:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023
2. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs.
3. AISC per AuEq oz 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.
5. 1.3488, 1.3617, 1.3412, 1.3433 and 1.3520 average FX rate for Q1 2024, Q1, Q2, Q3 and Q4 2023, respectively, used to translate CAD$ to USD$.

SUMMARY OF QUARTERLY RESULTS

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

	2024		2023				2022	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
	$	$	$	$	$	$	$	$
Net revenue	18,163	16,341	13,406	11,270	12,156	13,747	13,057	11,358
Production costs	(14,288)	(12,348)	(10,200)	(11,349)	(10,921)	(12,139)	(12,498)	(9,569)
Royalties	(492)	(364)	(65)	(290)	(316)	(391)	(377)	(407)
Empress streaming	(1,495)	(488)	(642)	(180)	-	-	-	-
Inventory changes	1,454	897	(781)	775	(428)	334	(49)	(234)
Mine operating cashflows before taxes	**3,340**	**4,038**	**1,718**	**225**	**491**	**1,551**	**133**	**1,148**
Depreciation	(673)	(432)	(651)	(774)	(916)	(644)	(1,092)	(259)
Mine operating earnings (loss)	2,667	3,606	1,067	(549)	(425)	907	(959)	889
Net earnings (loss)	4,674	5,301	(2,751)	(3,442)	(3,979)	(936)	(2,802)	(4,283)
EBITDA	6,122	6,512	(1,523)	(1,930)	(2,335)	1,042	(886)	(3,090)
Adjusted EBITDA	4,135	2,072	(1,232)	(1,575)	(1,966)	1,401	(868)	(3,085)
Basic and diluted (gain) loss per share	0.03	0.03	(0.02)	(0.02)	(0.06)	(0.04)	(0.08)	(0.12)
Basic weighted average shares outstanding ('000)	165,875	161,566	148,108	141,713	64,382	35,456	34,868	34,777

For the quarter ended June 30, 2024, revenues totaled $18,163, net of metal deductions, treatment and refining charges, and provisional pricing adjustments, representing an increase of $6,007 or 49%, compared to $12,156 in the same period of 2023. This growth was primarily driven by higher sales volumes across key metals, particularly a 65% increase in gold sold to 3,629 ounces (from 2,200 ounces in the prior period) and a 9% increase in silver sold to 131,736 ounces (from 121,072 ounces).

Copper and lead sold also experienced strong growth, with copper sold increasing by 55% to 553 tonnes (from 356 tonnes) and lead sold rising by 15% to 244 tonnes (from 211 tonnes). However, zinc sold declined by 47% to 1,980 tonnes, compared to 3,767 tonnes in the prior year period. Despite this decline in zinc sold, the overall increase in metals sold was driven by the sale of other metals, particularly gold and silver.

The Company generated revenues of $16,341 net of treatment and refining costs in Q1 2024, which was a 19% increase compared to Q1 2023, mainly due to sales of 3,579 ounces of gold and 150,092 ounces of silver a 48% and 4% increase respectively. Additionally, the Company sold 2,066 tonnes of zinc at a realized price of $2,405, 531 tonnes of copper at a realized price of $8,479 and 177 tonnes of lead at a realized price of $2,038. During the quarter realized gold and silver price per ounce sold averaged $2,056 and $22.99 a 7% and a 0% increase respectively, compared to $1,919 and 22.88 per ounce in Q1 2023.

The Company generated revenues of $13,406 net of treatment and refining costs in Q4 2023, which was a 19% increase compared to Q3 2023, mainly due to sales of 2,857 ounces of gold and 112,373 ounces of silver a 15% increase and a 4% decrease respectively. Additionally, the Company sold 2,037 tonnes of zinc at a realized price of $2,476, 471 tonnes of copper at a realized price of $8,358 and 179 tonnes of lead at a realized price of $2,093. During the quarter realized gold and silver price per ounce sold averaged $2,018 and $23.79 an 5% and a 3% increase respectively, compared to $1,917 and 23.06 per ounce in Q3 2023.

The Company generated revenues of $11,270 net of treatment and refining costs, during the three months ended September 30, 2023, a 7% decrease compared to the three months ended June 30, 2023, from the sales of 2,476 ounces of gold at a realized price of $1,917 and 117,250 ounces of silver at a realized price of $23.06 a 3% decrease and 3% decrease in ounces respectively, as compared to Q2 2023. In addition, the Company sold 2,134 tonnes of zinc at a realized price of $2,482, 424 tonnes of copper at a realized price of $8,396 and 144 tonnes of lead at a realized price of $2,143.

In the second quarter of 2023, the Company sold 2,200 ounces of gold at a realized price of $1,968 per ounce and 121,072 ounces of silver at realized price of $23.88 per ounce, resulting in revenues of $12,158 net of treatment and refining cost. A decrease of 9% and 16% in ounces of gold and silver sold respectively from Q1 2023. In addition, the Company sold 3,767 tonnes of zinc at a realized price of $2,372, 356 tonnes of copper at a realized price of $8,180 and 211 tonnes of lead at a realized price of $2,120 in Q2 2023. The Company generated $423 of mine operating losses in the second quarter of 2023 compared with $907 in income in the first quarter of 2023.

Revenue increased by 5% in the first quarter of 2023 to $13,747 compared to $13,057 in Q4 2022 due primarily to higher gold (70%) and silver (29%) ounces sold to 2,418 and 144,831 respectively. Sales of zinc, copper, and lead tonnes were 3,210, 446, and 268 respectively, in Q1 2023, an increase of 4%, 43% and 62%, respectively over the Q4 2022 tonnes. The Company generated a mine operating profit in Q1 2024 of $907, a swing of 195% over Q4 2022 mine operating loss of $959 due primarily to the increase in ounces sold.

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

	2024		2023				2022	
PRODUCTION	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**
Processed tonnes	**153,676**	**158,424**	**130,210**	**147,732**	**185,953**	**201,237**	**209,898**	**206,320**
Campo Morado	118,104	125,105	106,765	128,287	166,796	177,293	186,028	194,690
Tahuehueto	35,572	33,319	23,446	19,445	19,157	23,944	23,871	11,629
Gold Ounces	**4,278**	**4,297**	**3,155**	**3,437**	**2,716**	**2,524**	**2,579**	**1,564**
Campo Morado	1,517	1,929	1,164	1,869	1,155	707	931	1,143
Tahuehueto	2,761	2,368	1,991	1,568	1,561	1,817	1,648	421
Gold Grade	**1.84**	**1.70**	**1.40**	**1.81**	**1.23**	**0.89**	**0.92**	**0.84**
Campo Morado	1.58	1.46	1.02	1.62	1.03	0.62	0.73	0.82
Tahuehueto	2.74	2.64	3.13	3.05	2.97	2.84	2.42	1.18
Gold Recovery	**46.94**	**49.52**	**53.80**	**40.09**	**36.80**	**44.08**	**41.44**	**28.07**
Campo Morado	25.36	32.96	33.18	28.03	20.82	19.96	21.32	22.28
Tahuehueto	88.16	83.83	84.46	82.28	85.21	83.16	88.75	95.52
Silver Ounces	**188,267**	**207,504**	**155,763**	**169,162**	**178,583**	**184,617**	**192,310**	**181,395**
Campo Morado	158,762	180,108	133,872	152,213	158,792	163,356	175,747	172,436
Tahuehueto	29,505	27,396	21,891	16,949	19,791	21,261	16,562	8,959
Silver Grade	**79.46**	**95.71**	**75.63**	**91.95**	**75.30**	**63.37**	**65.07**	**66.94**
Campo Morado	94.47	112.69	84.72	100.91	79.70	67.32	70.06	68.97
Tahuehueto	29.65	31.95	34.24	32.79	37.01	34.15	26.19	32.97
Silver Recovery	**47.95**	**42.56**	**49.19**	**38.74**	**39.67**	**45.03**	**43.79**	**40.85**
Campo Morado	44.26	39.73	46.03	36.57	37.15	42.57	41.94	39.94
Tahuehueto	87.01	80.05	84.83	82.69	86.83	80.86	82.41	72.67
Zinc tonnes Produced	**3,125**	**3,068**	**2,730**	**3,028**	**4,850**	**4,635**	**4,337**	**4,844**
Campo Morado	2,586	2,600	2,302	2,519	4,285	3,887	3,790	4,611
Tahuehueto	539	468	428	509	564	748	547	232
Zinc Grade	**2.49**	**2.38**	**2.49**	**2.61**	**3.23**	**2.91**	**2.73**	**3.07**
Campo Morado	2.65	2.51	2.53	2.51	3.19	2.74	2.72	3.11
Tahuehueto	1.95	1.90	2.35	3.27	3.54	4.13	2.83	2.38
Zinc Recovery	**81.63**	**81.42**	**84.06**	**78.56**	**80.75**	**79.18**	**75.65**	**76.53**
Campo Morado	82.54	82.91	85.35	78.27	80.45	79.92	74.92	76.18
Tahuehueto	77.50	73.99	77.74	80.04	83.16	75.57	81.18	84.10
Copper tonnes	**706**	**791**	**671**	**640**	**666**	**642**	**611**	**849**
Campo Morado	654	748	639	616	640	612	586	834
Tahuehueto	53	43	32	23	25	30	25	15
Copper Grade	**0.58**	**0.66**	**0.64**	**0.69**	**0.56**	**0.52**	**0.47**	**0.64**
Campo Morado	0.70	0.79	0.75	0.77	0.61	0.56	0.52	0.66
Tahuehueto	0.18	0.18	0.17	0.14	0.16	0.15	0.13	0.16
Copper Recovery	**78.83**	**75.29**	**80.16**	**63.18**	**63.62**	**61.93**	**61.44**	**64.69**
Campo Morado	78.55	75.44	80.13	62.60	63.00	61.13	60.81	64.46
Tahuehueto	82.36	72.72	80.84	83.58	84.32	84.42	80.66	80.42
Lead tonnes	**667**	**661**	**558**	**645**	**652**	**834**	**717**	**577**
Campo Morado	373	410	345	424	410	522	501	491
Tahuehueto	295	251	213	221	242	312	216	86
Lead Grade	**0.78**	**0.77**	**0.68**	**0.82**	**0.71**	**0.76**	**0.69**	**0.60**
Campo Morado	0.71	0.71	0.60	0.74	0.63	0.66	0.64	0.58
Tahuehueto	1.00	0.99	1.08	1.34	1.46	1.52	1.08	0.97
Lead Recovery	**55.79**	**54.00**	**62.59**	**53.52**	**49.18**	**54.49**	**49.59**	**46.73**
Campo Morado	44.37	45.90	54.16	44.92	39.17	44.80	42.13	43.74
Tahuehueto	62.73	75.92	83.78	84.59	86.68	85.47	84.08	76.61

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:

	June 30, 2024			August 28, 2024		
	#	Weighted average exercise Price [1]	Weighted average life (years)	#	Weighted average exercise Price [1]	Weighted average life (years)
Common shares	166,840,173			171,567,081		
Warrants	48,759,434	0.53	0.91	44,077,526	0.53	0.74
Stock options	7,272,500	0.45	3.62	15,592,403	0.51	4.26
Restricted share units	-	-	-	800,000	-	-
Convertible debenture[2]	-	-	-	22,323,371	0.35	-
Fully diluted	**222,872,107**			**254,360,381**		

MANAGEMENT OF CAPITAL

The Company considers the items included in the consolidated statement of shareholder's equity as capital. The Company's objectives when managing capital are:

- To maintain and safeguard its accumulated capital in order to provide an adequate return to shareholders by maintaining a sufficient level of funds, to support continued evaluation and maintenance at the Company's existing properties, and to acquire, explore, and develop other precious and base metal deposits.
- To invest cash on hand in highly liquid and highly rated financial instruments with high credit quality issuers, thereby minimizing the risk and loss of principal; and
- To obtain the necessary financing to complete mine refurbishment and exploration and development of its properties, when it is required.

The properties in which the Company currently holds interests in are in the production, pre-production and exploration stages and the Company is dependent on external financing to fund its activities in order to carry out planned activities and pay for administrative costs. Management reviews its capital management approach on an ongoing basis and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets, and believes that this approach, given the relative size of the Company, is reasonable.

In order to maintain or adjust the capital structure, the Company may issue new equity, incur additional debt, option its exploration and evaluation assets for cash and/or expenditure commitments from optionees, enter into joint venture arrangements, or dispose of certain assets. When applicable, the Company's investment policy is to hold cash in interest bearing accounts at high credit quality financial institutions to maximize liquidity. In order to maximize ongoing development efforts, the Company does not pay dividends.

The Company is not subject to externally imposed capital requirement.

OFF BALANCE SHEET ARRANGEMENTS

On August 6, 2024, the company engaged Cominvi, S.A. de C.V. ("Cominvi") to carry out core mining operations at the Campo Morado copper-zinc-gold mine. On the same day, an advance payment of $1,160 and an insurance fee of $88 were made to Cominvi. The remaining advance of $2,320 will be disbursed in two equal installments scheduled for October 2024 and December 2024.

[1] Amounts are in CAD.

[2] The outstanding balance of USD$5.8 million of the convertible debenture is converted at the USD/CAD August 28, 2024 spot rate of 1.3471.

LUCA Mining Corp.

TRANSACTIONS WITH RELATED PARTIES

Compensation of key management personnel

Key management personnel include persons having the authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. Compensation provided to key management personnel is as follows:

	Three months ended		Six months ended	
	June 30 2024	June 30 2023	June 30 2024	June 30 2023
	$	$	$	$
Salaries, bonus and benefits	291	341	520	625
Consulting fees	163	154	364	385
Share-based compensation	88	416	198	427
Total	**542**	**911**	**1,082**	**1,437**

Related party balances

As at June 30, 2024, directors and officers or their related companies were owed $82 (December 31, 2023 - $297) included in accounts payable and accrued liabilities mainly in respect to directors' fees payable and reimbursement of labour obligations. These amounts are unsecured, non-interest bearing and have no specific terms of settlement.

Estrategica Corporativa en Finanzas, S.A.P.I de C.V. ("Escorfin")

Escorfin is a private equity fund to which the Company had a long-term loan obligation of $4,001 at December 31, 2022. The Company and Escorfin have directors in common. On February 28, 2023, the principal and interest owning of $4,242 was settled with the issuance of 12,721,310 common shares of the Company. During the three and six months ended June 30, 2024, the Company incurred interest of $nil and $nil (June 30, 2023 - $nil and $153).

Bursametrica Casa de Bolsa, S.A. de C.V. ("Bursametrica")

The Company has a service agreement with Bursametrica whereby the financial institution provides foreign exchange services primarily for the exchange of funds denominated in US dollars for funds denominated in the Mexican Peso. A director of the Company was deemed to have economic influence in the financial institution. During the three and six months ended June 30, 2024, the amount exchanged for currency denominated in the Mexican Peso at exchange rates at the time of the conversion was $nil and $615, respectively (June 30, 2023 - $4,014 and $9,723). As at June 30, 2024, the amount owed to Bursametrica was $nil (December 31, 2023 - $nil).

Cozen O'Connor LLP ("Cozen")

Cozen O'Connor is an Amlaw 100 international law firm to which the Company has legal services. A director of the Company was deemed to have economic influence in the law firm. During the three and six months ended June 30, 2024, the Company incurred legal expenses of $nil and $56, respectively (June 30, 2023 - $154 and $224).

CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

a) Commitments

As of June 30, 2024, the Company has commitments of $3,568 of contracted mining services which are expected to be expended within one year.

b) Contingencies

In the normal course of business, the Company is aware of certain claims and potential claims. The outcome of these claims and potential claims is not determinable at this time, although the Company does not believe these claims and potential claims will have a material adverse effect on the Company's results of operations or financial position.

As at June 30, 2024, the Company has estimated an accrual of $3,977 (December 31, 2023 - $6,820) in contingent liabilities, mainly as follows:

Servicio de Administracion Tributaria Vs Minas de Campo S.A. de C.V

During the 2019 fiscal year, the Servicio de Administracion Tributaria ("SAT") performed an audit on the Company's subsidiary, Minas de Campo Morado, S. A. de C. V. ("MCM"), in relation to value added tax ("VAT") and Impuesto Sobre la Renta ("ISR") claimed for the years

2014 and 2015. As a result of the audit, the SAT determined a difference in taxes payable of approximately $870 (MXN$16,000) and possible reduction of accumulated tax losses for $5,660 (MXN$104,000), which the Company is challenging through a legal process. As at December 31, 2023, Minas de Campo Morado, S.A. de C.V. has non-capital losses available for future periods in excess of the claimed amount, thus no additional accrual has been recorded on a contingent basis.
For the six months ending June 30, 2024, the Mexican court issued a favorable resolution granting MCM 90% of the 2014 and 2015 tax credits, affirming that the deducted expenses complied with income tax regulations. In May 2024, MCM filed an appeal to seek the remaining 10% of the tax credit. This appeal was accepted, leading the upper court to instruct the tax court to issue a new judgment. As of the date of these financial statements, the company is still awaiting the tax court's new resolution.

Reynaldo D. Mac Allister Vs Minas de Campo Morado, S.A. de C.V. and Prestadora de Servicios Arcelia, S.A. de C.V.

In July of 2013, Reynaldo D. Mac Allister ("Reynaldo") commenced a legal procedure against Minas de Campo Morado, S.A. de C.V. and Prestadora de Servicios Arcelia, S.A. de C.V. claiming Reynaldo was dismissed without cause. Reynaldo is suing for damages caused by the dismissal and other related labour obligations owing to him for a total amount of approximately $82 (MXN$1,500).

Size Solutions, S.A. de C.V.

In March 2020, the Company terminated its business relationship with Size Solutions S.A. de C.V. ("Size"), a payroll service provider for Minas de Campo Morado, S.A. de C.V., and corporate offices in Mexico City. The Company received notice from Size of outstanding amounts payable by the Company as at December 31, 2019 in the amount of $3,374 (MXN$62,000).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fair value measurement and valuation techniques

Financial instruments included in the consolidated statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in an arm's-length transaction between knowledgeable and willing parties.

The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (interest rate, yield curves), or inputs that are derived principally from or corroborated observable market data or other means.
- Level 3 inputs are unobservable (supported by little or no market activity).

The table below summarizes the valuation methods used to determine the fair value of each financial instrument:

Financial asset or liability	Methods and assumptions used to estimate fair value
Trade receivables	Trade receivables arising from the sales of metal concentrates are subject to provisional pricing, and the final selling price is adjusted at the end of a quotational period. These are marked to market at each reporting date based on the forward price corresponding to the expected settlement date.

The carrying value of cash, accounts payable and accrued liabilities, loans payable and other receivables, all of which are carried at amortized cost, approximate their fair value given their short-term nature. Trade receivables and related derivatives and advance payment are classified within Level 2 of the fair value hierarchy.

June 30, 2024	Fair value through profit or loss	Amortized cost	Total	Level 1	Level 2	Carrying value approximates Fair Value
	$	$	$	$	$	$
Financial assets measured at Fair Value						
Trade receivables from sale of concentrate	2,150	-	2,150	-	2,150	-
	2,150	**-**	**2,150**	**-**	**2,150**	**-**
Financial assets not measured at Fair Value						
Cash	-	1,346	1,346	-	-	1,346
Other receivables	-	6,677	6,677	-	-	6,677
	-	**8,023**	**8,023**	**-**	**-**	**8,023**
Financial liabilities not measured at Fair Value						
Accounts payable and accrued liabilities	-	(22,105)	(22,105)	-	-	(22,105)
Loans payable	-	(18,398)	(18,398)	-	-	(18,398)
	-	**(40,503)**	**(40,503)**	**-**	**-**	**(40,503)**

December 31, 2023	Fair value through profit or loss	Amortized cost	Total	Level1	Level2	Carrying value approximates Fair Value
	$	$	$	$	$	$
Financial assets measured at Fair Value						
Trade receivables from sale of concentrate	562		562		562	-
	562	**-**	**562**	**-**	**562**	**-**
Financial assets not measured at Fair Value						
Cash	-	2,058	2,058	-	-	2,058
Other receivables	-	6,981	6,981	-	-	6,981
	-	**9,039**	**9,039**	**-**	**-**	**9,039**
Financial liabilities not measured at Fair Value						
Accounts payable and accrued liabilities	-	(24,528)	(24,528)	-	-	(24,528)
Loans payable	-	(23,518)	(23,518)	-	-	(23,518)
	-	**(48,046)**	**(48,046)**	**-**	**-**	**(48,046)**

During the three months ended June 30, 2024 and 2023, there were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy.

LUCA
Mining Corp.

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 receivables of a 10% change in metal prices from the realized prices used at June 30, 2024:

Metal	Change	Effect on Sales $
Gold	+/- 10%	451
Silver	+/- 10%	1,050
Zinc	+/- 10%	224
Copper	+/- 10%	195
Lead	+/- 10%	66

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	June 30 2024	December 31 2023
	$	$
Cash	1,346	2,058
Trade receivables	2,150	562
VAT recoverable	5,822	6,737
Other receivables	855	244
	10,173	**9,601**

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 rise 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 June 30, 2024:

	Expected payments, by year, as at June 31, 2024			
	Less than 1 year	**1 -3 years**	**After 5 years**	**Total**
	$	**$**	**$**	**$**
Accounts payable and accrued liabilities	22,105	-	-	22,105
Lease liabilities	1,915	5,621	6,934	14,470
Empress Royalty streaming	7,690	-	-	7,690
Loans payable	18,398	-	-	18,398
Provision for reclamation and rehabilitation	-	-	6,560	6,560
Total contractual obligations	**50,108**	**5,621**	**13,494**	**69,223**

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 June 30, 2024 and December 31, 2023, the Company's loans payable are 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 $167 (June 30, 2023 – $149).

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 June 30, 2024, are as follows:

	June 30, 2024		December 31, 2023	
Denominated (000's)	CAD Dollars	Mexican Peso	CAD Dollars	Mexican Peso
	$	$	$	$
Financial assets, foreign currency	715	57,470	1,407	227,382
Financial liabilities, foreign currency	(1,038)	(408,651)	(831)	(793,391)
Net financial assets (liabilities)	**(323)**	**(351,181)**	**576**	**(566,009)**

Of the financial assets listed above, CAD$332 (December 31, 2023 – CAD$1,071) represents cash held in CAD dollars and MXN$9,224 (December 31, 2023 - MXN$6,284) 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%	76
Mexican pesos	+/- 10%	2,224

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 arise 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 material accounting policies applied in the Company's condensed consolidated interim financial statements for the three and six months ended June 30, 2024 are the same as those applied in the Company's annual audited consolidated financial statements as at and for the year ended December 31, 2023, except as described below.

In preparing these Interim Financial Statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Annual Financial Statements for the year ended December 31, 2023 and should be read in conjunction with the Company's Annual Financial Statements for the year ended December 31, 2023.

The accounting policies below have been applied consistently to all years presented and by all subsidiaries in the group except for new accounting standards adopted during the year, which were adopted either on a prospective basis or on a modified retrospective basis, without restatement of comparative periods as described below.

a. Adoption of new accounting standards, interpretation or amendments

Classification of liabilities as current or non-current (amendments to IAS 1)

The amendments to IAS 1, clarifies the presentation of liabilities. The Classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refer to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendment issued in October 2022 also clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. Covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller- lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application.
The amendments were applied effective January 1, 2024 and did not have a material impact on the Company

b. New accounting standards issued but not yet effective.

At the date of authorization of these Interim Financial Statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Lack of Exchangeability (Amendments to IAS 21)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. In addition, the amendments require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, although earlier application is permitted. This amendment is not expected to have a material impact on the Company's consolidated financial statements.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in financial Statements. IFRS 18 replaces *IAS 1 Presentation of Financial Statements* while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings or loss, ii) provide disclosures on management-defined performance measures ("MPMs") in the nates to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* and *IFRS 7 Financial Instruments: Disclosures*. The IASB also made minor amendments to *IAS 7 Statement of Cash Flows* and *IAS 33 Earnings per Share* in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions. The Company is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027 with early adoption permitted. The Company is currently evaluating the impact of IFRS 18 on its 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.

Zinc flotation cell at Campo Morado