



Mining Corp.

Management's Discussion and Analysis

For the three and nine months ended September 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 nine months ended September 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 November 25, 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. Paul D. Graey, P.Geo., a Qualified Person within the meaning of National Instrument 43-101, "Standards for Disclosure of Mineral Projects."

FORWARD-LOOKING STATEMENTS

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

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

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

The forward-looking statements contained herein are based on a number of assumptions that the Company believes are reasonable but may prove to be incorrect. These assumptions include, but are not limited to, assumptions about: no material deterioration in general business and economic conditions; favorable equity and debt capital markets; the ability to raise any necessary additional capital on reasonable terms to advance the production, development and exploration of the Company's properties and assets; future prices of gold, silver, copper, zinc, lead and other metal prices; the timing and results of exploration and drilling programs; the accuracy of any mineral reserve and mineral resource estimates; the geology of Tahuehueto and Campo Morado being as described in the respective technical report for each property; production costs; the accuracy of budgeted exploration, development and construction costs and expenditures; the price of other commodities such as fuel; future currency exchange rates and interest rates; operating conditions being favorable such that the Company is able to operate in a safe, efficient and effective manner; work force continuing to remain healthy in the face of prevailing epidemics, pandemics or other health risks (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 November 25, 2024.



Underground Mine Entrance at Campo Morado

TABLE OF CONTENTS

OPERATING AND FINANCIAL HIGHLIGHTS..... 5

COMPANY HISTORY, OVERVIEW & STRATEGY 8

HEALTH & SAFETY, ENVIRONMENTAL, SOCIAL AND GOVERNANCE..... 9

MINING OPERATIONS 10

FINANCIAL PERFORMANCE 22

LIQUIDITY AND CAPITAL RESOURCES..... 24

NON-IFRS FINANCIAL MEASURES..... 26

SUMMARY OF QUARTERLY RESULTS 33

OTHER FINANCIAL INFORMATION..... 35

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS 37

RISKS AND UNCERTAINTIES 39

MATERIAL ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS 43

MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS 44

MANAGEMENT’S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES..... 44



Underground drilling at Tahuehueto



Mining Corp.

OPERATING AND FINANCIAL HIGHLIGHTS

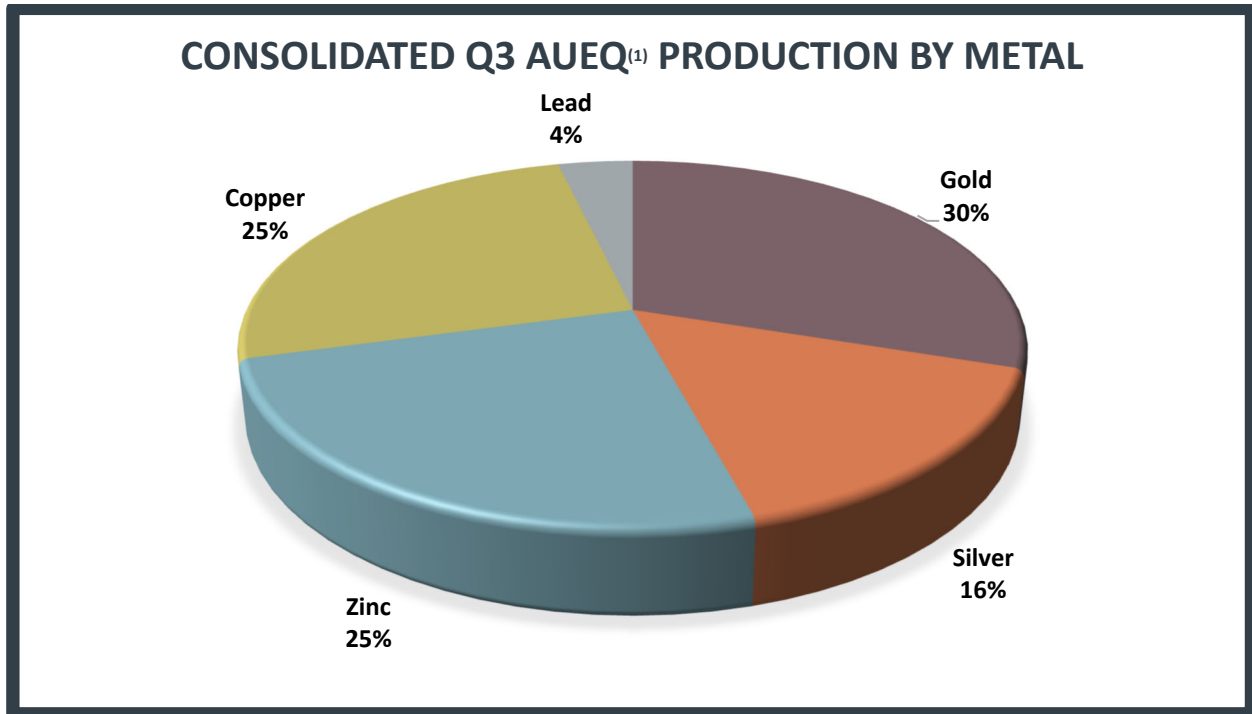
The results outlined below provide a summary of the operating performance of Campo Morado mine and the commissioning results from the Tahuehueto project.

Consolidated	Three months ended			Nine Months ended		
	Sep 30 2024	Sep 30 2023	% Change	Sep 30 2024	Sep 30 2023	% Change
Operating						
Tonnes mined	153,010	138,123	11%	447,367	428,219	4%
Tonnes milled	151,221	147,732	2%	463,322	534,922	(13%)
Gold ("Au") ounces produced	3,604	3,437	5%	12,179	8,677	40%
Silver ("Ag") ounces produced	158,778	169,163	(6%)	554,551	532,363	4%
Zinc ("Zn") produced (lbs)	5,876,385	6,675,763	(12%)	19,529,281	27,585,884	(29%)
Copper ("Cu") produced (lbs)	1,817,924	1,410,806	29%	5,119,970	4,293,898	19%
Lead ("Pb") produced (lbs)	1,141,934	1,421,212	(20%)	4,069,737	4,696,291	(13%)
AuEq produced ("oz")⁽¹⁾	11,988	12,813	(6%)	40,083	43,911	(9%)
Gold ounces sold	3,124	2,476	26%	10,332	7,094	46%
Silver ounces sold	127,650	117,250	9%	409,479	383,154	7%
Zinc sold (lbs)	4,837,234	4,705,480	3%	13,757,193	20,087,518	(32%)
Copper sold (lbs)	1,366,899	934,124	46%	3,756,956	2,703,595	39%
Lead sold (lbs)	340,036	317,774	7%	1,267,059	1,375,236	(8%)
AuEq ounces sold⁽¹⁾	9,569	8,593	11%	29,808	30,756	(3%)
Production cost per tonne (\$) ⁽⁵⁾⁽⁹⁾	95	73	29%	88	63	40%
Cash cost per AuEq ounce (\$) ⁽¹⁾⁽²⁾⁽⁵⁾	1,877	1,305	44%	1,534	1,249	23%
AISC per AuEq ounce (\$) ⁽¹⁾⁽³⁾⁽⁵⁾	2,337	1,724	36%	1,843	1,594	16%
All-in cost per AuEq (\$) ⁽¹⁾⁽³⁾⁽⁵⁾⁽⁸⁾	2,364	1,908	24%	1,874	1,683	11%
Financial						
Net Revenue	\$ 18,095	\$ 11,275	60%	\$ 52,599	\$ 37,178	41%
Cost of Sales	16,347	12,018	36%	44,578	37,439	19%
Mine operating gain (loss)	1,748	(743)	335%	8,021	(261)	3,167%
Mine operating cash flow before taxes ⁽⁷⁾	2,384	30	7,978%	9,762	2,072	371%
Net gain (loss)	(2,509)	(3,727)	33%	7,466	(8,642)	186%
EBITDA ⁽⁴⁾⁽⁵⁾	(1,051)	(2,397)	56%	11,374	(3,845)	396%
Adjusted EBITDA ⁽⁴⁾⁽⁵⁾	(76)	(2,140)	96%	5,922	(2,860)	307%
Realized gold price per ounce (\$) ⁽⁵⁾⁽⁶⁾	2,442.13	1,917.21	27%	2,266.34	1,932.53	17%
Realized silver price per ounce (\$) ⁽⁵⁾⁽⁶⁾	29.36	23.06	27%	26.80	23.24	15%
Realized zinc price per lb (\$) ⁽⁵⁾⁽⁶⁾	1.26	1.10	14%	1.21	1.14	6%
Realized copper price per lb (\$) ⁽⁵⁾⁽⁶⁾	3.73	2.79	34%	3.96	3.81	4%
Realized lead price per lb (\$) ⁽⁵⁾⁽⁶⁾	0.93	0.73	27%	0.95	0.95	(1%)
Working capital ⁽⁵⁾	(8,850)	(12,469)	29%	(8,850)	(12,469)	29%
Shareholders						
Gain (loss) per share – basic and diluted	(0.01)	(0.03)	(44%)	0.04	(0.10)	(146%)
Weighted Average Shares Outstanding	171,431,193	141,712,507	21%	166,315,506	90,393,714	84%

- Gold equivalents ("AuEq") are calculated using an 84.15:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0017:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024; an 81.83:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q3 2023, an 82.59:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 81.82:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023, respectively.
- Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See Reconciliation to IFRS on page 29.
- AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, reclamation, and sustaining capital on page 29.
- See Reconciliation of earnings before interest, taxes, depreciation, and amortization on page 27.
- See "Non-IFRS Financial Measures" on page 26.
- Based on provisional sales before final price adjustments, treatment, and refining charges.
- 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 26.
- All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
- Production costs include mining, milling, and direct overhead cost at the operation sites. See reconciliation on page 29.

Quarter Production Summary	Three months ended Sep 30, 2024			Nine Months ended Sep 30, 2024		
	Campo Morado	Tahuehueto	Consolidated	Campo Morado	Tahuehueto	Consolidated
Production						
Tonnes milled	122,195	29,027	151,221	365,404	97,918	463,322
Gold ounces produced	1,347	2,258	3,604	4,793	7,386	12,179
Silver ounces produced	138,065	20,713	158,778	476,937	77,614	554,551
Zinc produced (lbs)	5,162,000	714,385	5,876,385	16,595,273	2,934,008	19,529,281
Copper produced (lbs)	1,714,874	103,050	1,817,924	4,805,864	314,106	5,119,970
Lead produced (lbs)	736,470	405,464	1,141,934	2,461,936	1,607,800	4,069,737
AuEq produced (oz) ⁽¹⁾	8,784	3,204	11,988	28,955	11,128	40,083
Sales						
Gold ounces sold	857	2,267	3,124	3,026	7,306	10,332
Silver ounces sold	109,586	18,064	127,650	345,972	63,507	409,479
Zinc sold (lbs)	4,361,510	475,724	4,837,234	12,234,604	1,522,589	13,757,193
Copper sold (lbs)	1,366,899	-	1,366,899	3,756,956	-	3,756,956
Lead sold (lbs)	-	340,036	340,036	-	1,267,059	1,267,059
AuEq ounces sold ⁽¹⁾	6,710	2,859	9,569	20,401	9,407	29,808
Cost						
Production cost per tonne (\$) ⁽⁶⁾	74.38	179.77	94.61	72.56	147.39	88.37
Cash cost per AuEq ounce (\$) ⁽¹⁾⁽²⁾⁽⁴⁾	1,850.30	1,949.44	1,876.79	1,522.50	1,555.54	1,533.57
AISC per AuEq ounce (\$) ⁽¹⁾⁽³⁾⁽⁴⁾	1,945.01	2,486.27	2,337.17	1,646.42	1,843.28	1,842.80
All-in cost per AuEq (\$) ⁽¹⁾⁽⁴⁾⁽⁵⁾	1,952.98	2,565.23	2,364.11	1,654.88	1,921.46	1,873.76

1. Gold equivalents are calculated using an 84.15:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0017:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024, and an 82.59:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024, respectively.
2. Cash cost per 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 "Non-IFRS Financial Measures" on page 26.
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.



	September 30 2024	December 31 2023
	\$	\$
Cash	9,456	2,058
Total assets	129,081	110,851
Non-current liabilities	28,437	13,034
Shareholders' equity	63,844	41,153

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



Flotation at Campo Morado



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 commissioning the gold, silver, zinc, copper 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 Map of the Company's mines

Going Concern

For the nine months ended September 30, 2024, the Company generated mine operating earnings of \$8,021, net earnings of \$7,466 and positive cash flows from operating activities of \$1,178, has an accumulated deficit of \$71,238 and current liabilities that exceed its current assets by \$8,850 as at September 30, 2024. While the Company's financial stability is improving, the working capital deficit gives rise to material uncertainty 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.



Mining Corp.

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 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 uphold high ethical and compliance standards, as well as ensure transparent and integrity-driven operations.

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

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

Luca’s mission is clear: to build profitable mining operations while creating lasting economic and social benefits for all stakeholders. Central to this mission is the Company’s unwavering dedication to honor and protect 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	Environmental Stewardship	Community	Governance
<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.

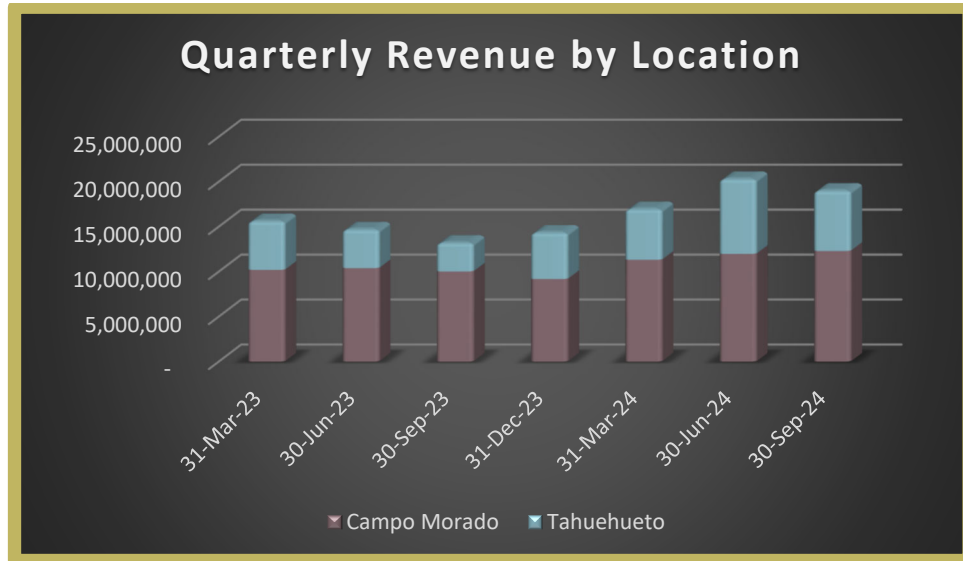
MINING OPERATIONS

CONSOLIDATED OPERATIONS

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

	Three months ended						
	30-Sep 2024	30-Jun 2024	31-Mar 2024	31-Dec 2023	30-Sep 2023	30-Jun 2023	31-Mar 2023
Production							
Tonnes mined	153,010	159,096	135,262	104,326	138,123	146,428	143,668
Tonnes milled	151,221	153,676	158,424	130,210	147,732	185,953	201,237
Average tonnes milled per day ⁽⁸⁾	1,758	1,808	1,864	1,514	1,718	2,188	2,396
Head Grade							
Average gold grade (g/t)	1.63	1.84	1.70	1.40	1.81	1.23	0.89
Average silver grade (g/t)	72.22	79.46	95.71	75.63	91.95	75.30	63.37
Average zinc grade (%)	2.18	2.49	2.38	2.49	2.61	3.23	2.91
Average copper grade (%)	0.69	0.58	0.66	0.64	0.69	0.56	0.52
Average lead grade (%)	0.66	0.78	0.77	0.68	0.82	0.71	0.76
Recovery							
Average gold recovery (%)	45.5	46.9	49.5	53.8	40.1	36.8	44.1
Average silver recovery (%)	45.2	48.0	42.6	49.2	38.7	39.7	45.0
Average zinc recovery (%)	80.8	81.6	81.4	84.1	78.6	80.8	79.2
Average copper recovery (%)	78.6	78.8	75.3	80.2	63.2	63.6	61.9
Average lead recovery (%)	52.3	55.8	54.0	62.6	53.5	49.2	54.5
Gold produced (oz)	3,604	4,278	4,297	3,155	3,437	2,716	2,524
Silver produced (oz)	158,778	188,267	207,505	155,763	169,163	178,583	184,617
Zinc produced (lbs)	5,876,385	6,889,575	6,763,320	6,018,969	6,675,763	10,691,403	10,218,717
Copper produced (lbs)	1,817,924	1,557,367	1,744,679	1,478,472	1,410,806	1,467,268	1,415,824
Lead produced (lbs)	1,141,934	1,471,506	1,456,297	1,230,654	1,421,212	1,436,927	1,838,152
AuEq produced (oz)	11,988	13,947	14,148	11,808	12,813	14,704	16,394
Sales							
Gold sold (oz)	3,124	3,629	3,579	2,857	2,476	2,200	2,418
Silver sold (oz)	127,650	131,736	150,092	112,373	117,250	121,072	144,831
Zinc sold (lbs)	4,837,234	4,364,913	4,555,046	4,490,111	4,705,480	8,304,928	7,077,109
Copper sold (lbs)	1,366,899	1,219,655	1,170,402	1,037,905	934,124	785,772	983,699
Lead sold (lbs)	340,036	537,648	389,375	393,657	317,774	466,053	591,409
AuEq sold (oz)	9,569	10,186	10,053	8,890	8,593	10,280	11,883
Realized gold price per ounce (\$) ⁽⁶⁾	2,442.13	2,315.12	2,055.98	2,018.05	1,917.21	1,968.09	1,918.59
Realized silver price per ounce (\$) ⁽⁶⁾	29.36	28.57	22.99	23.79	23.06	23.88	22.88
Realized zinc price per pound (\$) ⁽⁶⁾	1.26	1.28	1.09	1.12	1.10	1.08	1.24
Realized copper price per pound (\$) ⁽⁶⁾	3.73	4.38	3.80	3.78	2.79	3.69	3.93
Realized lead price per pound (\$) ⁽⁶⁾	0.93	0.98	0.92	0.94	0.73	0.96	0.94
Costs							
Production cost per tonne (\$) ⁽²⁾⁽⁵⁾	95	93	78	78	73	59	60
Cash cost per AuEq ounce (\$) ⁽³⁾⁽⁵⁾	1,877	1,490	1,290	1,249	1,305	1,256	1,200
AISC per AuEq ounce (\$) ⁽⁴⁾⁽⁵⁾	2,337	1,766	1,499	1,484	1,724	1,743	1,342
All-in cost per AuEq (\$) ⁽⁷⁾⁽⁵⁾	2,364	1,763	1,533	1,572	1,908	1,737	1,401
Capital expenditures							
Sustaining (\$)	1,837	1,641	410	151	3,369	4,650	384

- Gold equivalents are calculated using an 84.15:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0017:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024, 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.
- Production costs include mining, milling, and direct overhead cost at the operation sites. See reconciliation on page 29.
- Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See reconciliation on page 29.
- AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation, and sustaining capital. See Reconciliation to IFRS on page 29.
- See "Non-IFRS Financial Measures" on page 26.
- Based on provisional sales before final price adjustments, treatment, and refining charges.
- All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
- Average tonnes milled per day assumes the actual days in the month less 2 planned monthly down days.



Production

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

In the third quarter, the total production amounted to 11,988 ounces of gold equivalent, which is comprised of 3,124 ounces of gold, 127,650 ounces of silver, 4,837,234 pounds of zinc, 1,366,899 pounds of copper and 340,036 pounds of lead. This represents a 6% decrease in gold equivalent ounces compared to Q3 2023. Out of the total production for the three months ended September 30, 2024, Campo Morado accounted for 8,784 gold equivalent ounces, which is approximately 73% of the total production. Tahuehueto contributed 3,204 ounces of equivalent gold, representing 27% of the total production.

In this quarter, the Company’s two plants processed a consolidated 151,221 tonnes of ore with average grades of 1.63 grams per tonne (“g/t”) for gold, 72.22 g/t for silver, 2.18%, 0.69% and 0.66% per tonne for zinc, copper, and lead respectively. This represents a 2% increase in tonnes compared to Q3 2023 of 147,732, but a decrease on average grades of gold by 10%, silver by 21%, copper, lead and zinc by 1%, 20% and 16% respectively. Metallurgical recoveries for gold, silver, zinc and copper increased in the third quarter of 2024 compared to the same period of 2023, averaging at 45.5% for gold, 45.2% for silver, 80.8% for zinc, 78.6% for copper and 52.3% for lead in the same comparable period, representing a 14%, 17%, 3% and 24% increase for gold, silver, zinc and copper and a 2% decrease in lead respectively.

The 6% decrease in consolidated gold equivalent production in Q3 2024 over Q3 2023 is mainly because of the decline in average grades of the processed ore for gold, silver, copper, lead, and zinc metals. Despite the increase in metallurgical recoveries for most metals (notably gold, silver, zinc, and copper), the lower ore grades—especially for gold (down 10%) and silver (down 21%) had a greater impact on production efficiency and output. Additionally, the decrease in lead recovery (down 2%) and a decline in lead grades (down 16%) contributed to the overall drop in gold equivalent production. While the tonnage processed increased slightly (up 2%), it was affected by operational issues and was not enough to offset the impact of the reduced average grades on total gold equivalent output.

Operationally, the mines and the process plants were impacted by weather events, mechanical breakdowns and changes in major contractor. At Campo Morado, the operation faced two major storm events that halted operation for 12 days, impacting road access, flooding of surface facilities and lower levels of the mine. The weather events also impacted Cominvi, S.A. de C.V.’s (“Cominvi”, the new underground mine contractor) ability to mobilize equipment to site. In addition, Cominvi arrived at site with limited equipment impacted the mines ability to provide adequate feed to the mill.

Tahuehueto underwent the final installation of a third filter press, the crucial enhancement to enable the Company to increase its average production to a 1,000 tonne per day nameplate processing capacity. The construction was complete on July 25, 2024 (see news release July 25, 2024). In addition, the water supply system at Tahuehueto experienced a catastrophic failure, resulting in a water shortage that disrupted both mining and processing operations. The final construction process and the water supply disrupted the operations for approximately six weeks.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

In the period of nine months, the total production amounted to 40,083 ounces of gold equivalent, which is comprised of 12,179 ounces of gold, 554,550 ounces of silver, 19,529,281 pounds of zinc, 5,119,970 pounds of copper and 4,069,737 pounds of lead. This represents a 9% decrease in gold equivalent ounces compared to the same period of 2023. Out of the total production for the nine months ended September 30, 2024, Campo Morado accounted for 28,955 gold equivalent ounces, which is approximately 72% of the total production. Tahuehueto contributed 11,128 ounces of equivalent gold, representing 28% of the total production.

In the nine months ended September 30, 2024, the Company's two plants processed a consolidated 463,322 tonnes, representing a 13% decrease compared to the same period in 2023. This reduction in throughput contributed to a 9% decrease in consolidated gold equivalent production for 2024. The decline was primarily due to ongoing mine equipment constraints and delays in Cominvi's arrival at Campo Morado site with sufficient equipment, as the Company transitions to contract mining, which further impacted production capacity during the period. In addition, Tahuehueto's construction process and the water supply breakdown disrupted the operations for approximately six weeks. During the construction period, operations at Tahuehueto were sustained using stockpiled materials and limited mining production, mitigating some of the impact but still affecting overall efficiency.

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

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

Production costs per tonne for the three months ended September 30, 2024, increased by \$26, or 37%, compared to the same period in 2023, driven by a combination of adverse weather conditions and operational disruptions. Campo Morado faced operational challenges due to two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days. The mine contractor, Cominvi, arrived at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints. Meanwhile, Tahuehueto, despite increasing tonnes milled by 49%, experienced a six-week disruption in mining and processing operations due to a malfunction in its water supply system. These challenges, coupled with a modest 2% rise in total tonnes milled to 151,221, significantly impacted operational efficiency, resulting in higher mining costs by 51%, or \$15. The net increase in milling cost by \$15 per tonne is primarily attributed to Tahuehueto due to major repair cost on the water pump system including critical spare parts and external specialized maintenance fees for \$680 plus higher consumption of energy because of several shutdowns and re-starts of the plant to testing the water system repairs of \$142, this increase was offset by \$424 reduction in administration cost and overall higher tonnes milled.

For the three months ended September 30, 2024, consolidated cash costs increased 35% to \$22,499 from \$16,634 in the three months ended September 30, 2023, mainly attributable to increased production costs as discussed in the paragraph above, plus a 34% increase in treatment and selling costs from \$5,597 to \$7,515. These factors combined with a 6% decrease in the gold equivalent ounces produced (a decrease of 825 AuEq) resulted in a 50% increase in cash cost per equivalent ounce of gold to \$1,877 per AuEq from \$1,255 AuEq in the comparable 2023 period.

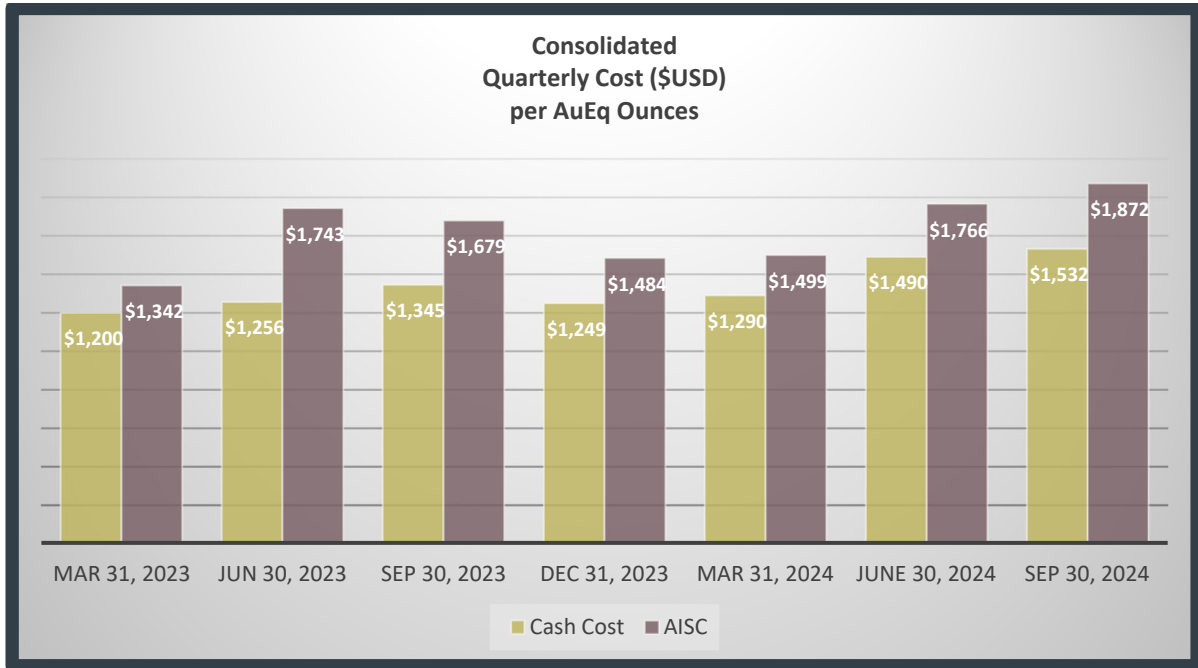
For the three months ended September 30, 2024, total all-in sustaining costs per gold equivalent ounce produced increased to \$2,364 per ounce from \$1,908 per ounce in the comparable period or 24%. This is due to the increase in cash cost and a 2% decrease in gold equivalent ounces produced, offset by the decrease in total sustaining capital expenditures of 45%. In Campo Morado, sustaining capital expenditures decreased to \$280 from \$629 in the comparable prior period, or 55% and a decrease in sustaining capital expenditures in Tahuehueto, to \$1,557 from \$2,740 in the comparable prior period, or negative 45% as Tahuehueto completed construction of the project.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

For the nine months ended September 30, 2024, production costs per tonne increased by \$26, or 42%, compared to the same period in 2023, driven by a combination of strategic initiatives, adverse weather conditions, and operational disruptions. A key factor was the Company's strategic shift toward contracted mine operations and its efforts to enhance metallurgical recoveries under the Campo Morado Improvement Project ("CMIP"). These initiatives, while aimed at long-term efficiency, resulted in higher costs during the transition period. Additionally, Campo Morado faced operational challenges due to two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days in Q3. The mine contractor, Cominvi, arrived at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints. Tahuehueto, despite a 57% increase in tonnes milled, also experienced significant setbacks due to a six-week disruption in mining and processing caused by a malfunction in its water supply system. These combined factors led to a 13% decrease in total tonnes milled during the period, from 534,922 tonnes in 2023 to 463,322 tonnes in 2024, reflecting a 23% reduction in milled tonnes at Campo Morado that outweighed the increase at Tahuehueto. Milling costs per tonne rose by \$10 overall, with a \$9 increase at Campo Morado, driven primarily by higher reagent costs associated with the CMIP project and lower throughput, partially offset by an \$8 decrease at Tahuehueto. Consequently, rising production costs were influenced by lower overall processing volumes, and the ongoing challenges of implementing strategic improvements.

For the nine months ended September 30, 2024, consolidated cash costs increased 13% to \$61,470 from \$54,860, mainly attributable to increased production costs as discussed in the paragraph above, offset by a 5% decrease in treatment and selling costs from \$19,973 to \$19,052. These factors combined with a 9% decrease in the gold equivalent ounces produced (a decrease of 3,828 AuEq) resulted in a 24% increase in cash cost per equivalent ounce of gold to \$1,532 per AuEq from \$1,235 AuEq in the comparable 2023 period.

For the nine months ended September 30, 2024, total all-in sustaining costs per gold equivalent ounce produced increased to \$1,841 per ounce from \$1,600 per ounce in the comparable period or 15%. 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 \$1,943 from \$846 in the comparable prior period, or 130% due to tailings dam construction costs. This increase was offset by the decrease in sustaining capital expenditures in Tahuehueto, to \$1,945 from \$8,419 in the comparable prior period, or negative 77% as Tahuehueto has completed construction.



Feeding Secondary Crusher at Campo Morado

CAMPO MORADO MINE

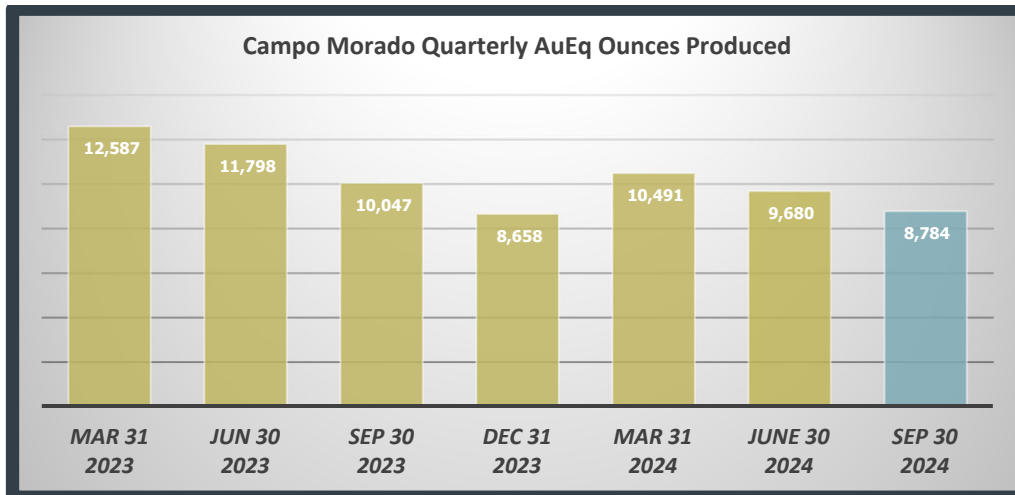
Campo Morado is an underground polymetallic mine located in the state of Guerrero, Mexico, producing gold, silver, zinc, copper and lead. The mine is situated on 12,090 hectares (121 square kilometers), consisting of six mining concessions. The flotation circuit mill at Campo Morado has a maximum capacity of approximately 2,400 tonnes per day as per its nameplate specifications.

OPERATIONS

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

	Three months ended			Nine months ended		
	Sep 30 2024	Sep 30 2023	% Change	Sep 30 2024	Sep 30 2023	% Change
Production						
Tonnes mined	123,122	121,420	1%	355,637	373,286	(5%)
Tonnes milled	122,195	128,287	(5%)	365,404	472,376	(23%)
Average tonnes milled per day ⁽⁸⁾	1,421	1,492	(5%)	1,427	1,852	(23%)
Head Grade						
Average gold grade (g/t)	1.35	1.62	(16%)	1.46	1.04	41%
Average silver grade (g/t)	83.30	100.91	(17%)	96.97	80.82	20%
Average zinc grade (%)	2.36	2.51	(6%)	2.50	2.84	(12%)
Average copper grade (%)	0.81	0.77	6%	0.77	0.64	21%
Average lead grade (%)	0.62	0.74	(16%)	0.68	0.67	2%
Average gold recovery (%)	25.35	28.03	(10%)	27.95	23.68	18%
Average silver recovery (%)	42.19	36.57	15%	41.86	38.65	8%
Average zinc recovery (%)	81.26	78.27	4%	82.27	79.73	3%
Average copper recovery (%)	78.35	62.60	25%	77.39	62.25	24%
Average lead recovery (%)	44.20	44.92	(2%)	44.87	42.97	4%
Production (oz)						
Gold produced (oz)	1,347	1,869	(28%)	4,793	3,731	28%
Silver produced (oz)	138,065	152,213	(9%)	476,937	474,361	1%
Zinc produced (tonnes)	5,162,000	5,552,531	(7%)	16,595,273	23,570,083	(30%)
Copper produced (tonnes)	1,714,874	1,359,019	26%	4,805,864	4,119,542	17%
Lead produced (tonnes)	736,470	934,117	(21%)	2,461,936	2,988,259	(18%)
AuEq produced (oz)⁽¹⁾	8,784	10,046	(13%)	28,955	34,431	(16%)
Sales						
Gold sold (oz)	857	1,218	(30%)	3,026	1,945	56%
Silver sold (oz)	109,586	106,898	3%	345,972	339,959	2%
Zinc sold (tonnes)	4,361,510	4,167,478	5%	12,234,604	18,308,787	(33%)
Copper sold (tonnes)	1,366,899	934,124	46%	3,756,956	2,703,595	39%
Lead sold (tonnes)	-	-	-	-	-	-
AuEq sold (oz)⁽¹⁾	6,710	6,739	(0%)	20,401	23,230	(12%)
Realized gold price per ounce (\$) ⁽⁵⁾⁽⁶⁾	2,446.29	1,916.72	28%	2,239.36	1,927.71	16%
Realized silver price per ounce (\$) ⁽⁵⁾⁽⁶⁾	29.37	23.04	27%	26.75	23.23	15%
Realized zinc price per tonne (\$) ⁽⁵⁾⁽⁶⁾	1.26	1.13	12%	1.21	1.14	6%
Realized copper price per tonne (\$) ⁽⁵⁾⁽⁶⁾	3.73	3.77	(1%)	3.96	3.81	4%
Costs						
Production cost per tonne (\$) ⁽²⁾⁽⁵⁾	74.38	58.55	27%	72.56	50.35	44%
Cash cost per AuEq ounce (\$) ⁽¹⁾⁽³⁾⁽⁵⁾	1,850.30	1,275.03	45%	1,522.50	1,239.32	23%
AISC per AuEq ounce (\$) ⁽¹⁾⁽⁴⁾⁽⁵⁾	1,945.01	1,334.05	46%	1,646.42	1,318.20	25%
All-in cost per AuEq (\$) ⁽¹⁾⁽⁵⁾⁽⁷⁾	1,952.98	1,389.10	41%	1,654.88	1,346.93	23%
Capital expenditures						
Sustaining (\$)	280	629	(55%)	1,943	2,072	(6%)

- Gold equivalents are calculated using an 84.15:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0017:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024; an 81.83:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q3 2023, an 82.59:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 81.82:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023, respectively.
- Production costs include mining, milling, and direct overhead at the operation sites See reconciliation on page 29.
- Cash cost per gold equivalent ounce include mining, processing and direct overhead costs. See reconciliation on page 29.
- AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. See Reconciliation to IFRS on page 29.
- See "Non-IFRS Financial Measures" on page 26.
- Based on provisional sales before final price adjustments, treatment, and refining charges.
- All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
- Average tonnes milled per day assumes the actual days in the month less 2 planned monthly down days.



Production

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

In the third quarter of 2024, the total production of gold equivalent ounces amounted to 8,784, marking a 13% decrease from the 10,046 recorded in the third quarter of 2023. This decrease can be attributed to several factors. First, there was a 5% decline in plant throughput from 128,287 tonnes in Q3 2023 to 122,195 tonnes in Q3 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 faced operational challenges during this period due to two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days. The mine contractor, Cominvi, arrived at the Campo Morado site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints.

In addition to lower tonnes milled, there was a decrease in average head grades of 16%, 17% 6% and 16% in gold grade from 1.62 g/t to 1.35 g/t, silver grade from 100.91 g/t to 83.30 g/t, zinc grade from 2.51% to 2.36% and lead grade from 0.74% to 0.62%, respectively, offset by a 6% increase in copper grade from 0.77% to 0.81%.

The overall improved recoveries contributed to offsetting the decrease in throughput and head grades, with silver recoveries increased by 15% (from 36.5% to 42.2%), zinc and copper recoveries increasing 4% (78.3% to 81.3%) and 25% (62.6% to 78.3%), respectively from Q2 2023 to Q2 2024.

The Company anticipates an increase in throughput at Campo Morado during the last quarter of 2024 and the first quarter of 2025, as it will have full equipment availability from Cominvi, other contractors, and its own fleet. This enhanced equipment capacity is expected to support the ramp-up of production to 2,000 tonnes per day, significantly improving operational performance.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

In the nine months ended September 30, 2024, the total production of gold equivalent ounces amounted to 28,955, or a 16% decrease from the 34,431 recorded in the comparable 2023 period. This decrease can be attributed to lower tonnes milled by 23% or 106,972 tonnes offset by an increase in the improved metallurgical recoveries by 18%, 8%, 3%, 24% and 4% 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 and faced two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days, additionally Cominvi, arrived at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints, which reduced mining output and resulted in 45.8 (non-consecutive) days of downtime in the plant in the second quarter but started recovering production with the inclusion of Cominvi in this quarter. During the downtime maintenance to the flotation boxes and flotation cells, improvements to the flotation tanks and maintenance to the filters were performed.

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

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

For the three months ended September 30, 2024, at Campo Morado, production cost increased 28% or \$16 per tonne, mainly due to mining costs increasing to \$36 per tonne, or 69% from \$21 per tonne in the prior period, due to the 5% decrease in tonnes milled and the two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days. The delay of Cominvi's arrival at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints.

Milling costs per tonne remained at \$27 per tonne. Indirect costs also slightly increased by 17% to \$12 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 fourth quarter of the year as it improves mobile equipment availability using contract mining, thereby increasing throughput and reducing production unit costs.

Cash costs per gold equivalent ounce for the three months ended September 30, 2024, increased by 46% or \$583 from \$1,267 to \$1,850, mainly due to higher production costs and a decrease in equivalent ounces of gold produced by 13% 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 September 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.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

Production costs increased 45% to \$73 per tonne in the nine months period ended September 30, 2024, from \$50 per tonne in the same period of 2023. Production costs increased largely due to 23% decrease in tonnes milled, engaging with contracted mining services from DMG and VERSA and two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days, additionally Cominvi, arrived at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints.

Cash costs per gold equivalent ounce for the nine months ended September 30, 2024, increased 23% to \$1,523 compared to the same period in 2023, of \$1,239 mainly due to 16% lower gold equivalent ounces produced. AISC per ounce increased 25% to \$1,646 per ounce in the period from \$1,318 per ounce in the same comparable period in 2023, mainly due to higher cash costs and general and admin expenses as the Company continues to optimize the operations.

DEVELOPMENT

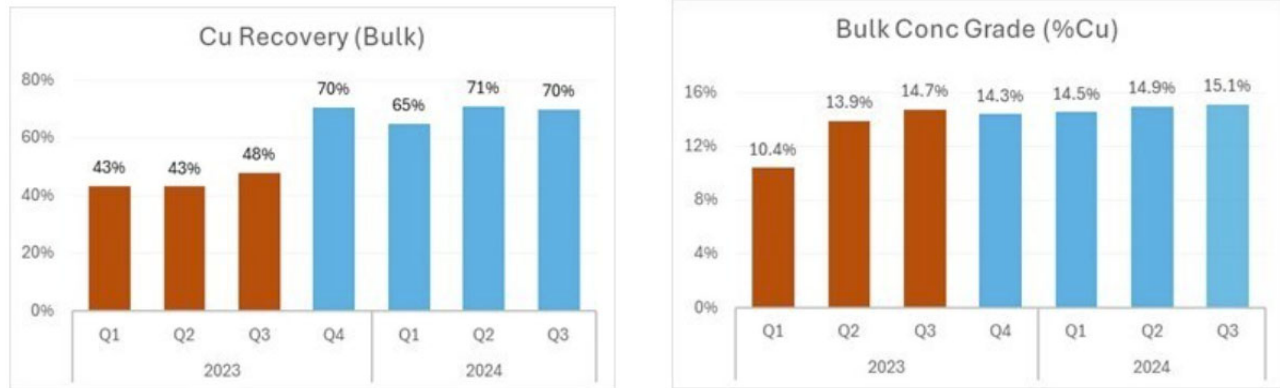
The Company continues to work on improving the performance of the Campo Morado mine and mill. The Company engaged international engineering consultants, Ausenco México, S. de R.L. de C.V. ("Ausenco"), in the last quarter of 2022 to undertake a detailed review of the Campo Morado processing plant with the goal of improvement of overall metallurgical performance. The external review provided the Company's operations with a roadmap to improve recoveries and concentrate grades which has been progressively implemented since Q3 2023 with positive results to date. These improvements have been achieved by beginning with a geometallurgy program at 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 initiated the optimization project, internally called CMIP. The metallurgy program with the external lab, ALS Global ("ALS") provided a training 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 term and long term planning and was utilized towards development of an integrated mine-to-mill production plan. Moreover, new procedures for ore blending and optimized reagent dosing for improved recoveries were implemented at site. Commiserate with this work 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 production of clean high-grade zinc, copper and lead concentrates; importantly, with higher recoveries, more efficient operational processes and increased sales margins. All 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, identification of grinding target size and prediction of flotation performance. The separation results in the lab have been positive with improved grades of gold and silver in the copper concentrate. Open circuit, bulk rougher results returned copper recovery of between 80% and 93%.

The CMIP has already delivered significant financial benefits to the Campo Morado operation with only minor adjustments to the process plant. These benefits have mostly come from higher copper recovery which has improved by 53% over the same period in 2023. Copper recovery to the bulk concentrate year-to-date (YTD) is 68.5% compared to 44.7% during the same period in 2023. Figure 1 below shows bulk concentrate copper grade and Figure 2 shows copper recovery over the last 21 months. This program has resulted in an estimated 10% increase of revenue per milled tonne over the same period year-on-year assuming constant metals prices.



Work has begun on Stage 3 of the CMIP project which consists of modest but important modifications to the processing plant, including:

- Revised metallurgical sampling systems.
- Modernization of reagent dosing systems.
- New flotation cell air flow monitoring and control.
- Installation of next generation pH/ORP probes.
- New bulk rougher concentrate surge tank. Modifications to the bulk regrind circuit to operate with 2-stage regrinding.

Completion of Stage 3 will increase the degree of liberation of the copper and lead minerals, allowing for collection in two separate concentrates through a sequential flotation process. In conjunction with the refurbishment of equipment and a new mine-to-mill strategy, it is anticipated that the CMIP will deliver more robust revenues for the Campo Morado operation. The Company expects to test the copper-lead separation process by the end of the year, with full project completion by Q2 2025.

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 Circuit and Plant at Campo Morado



Mining Corp.

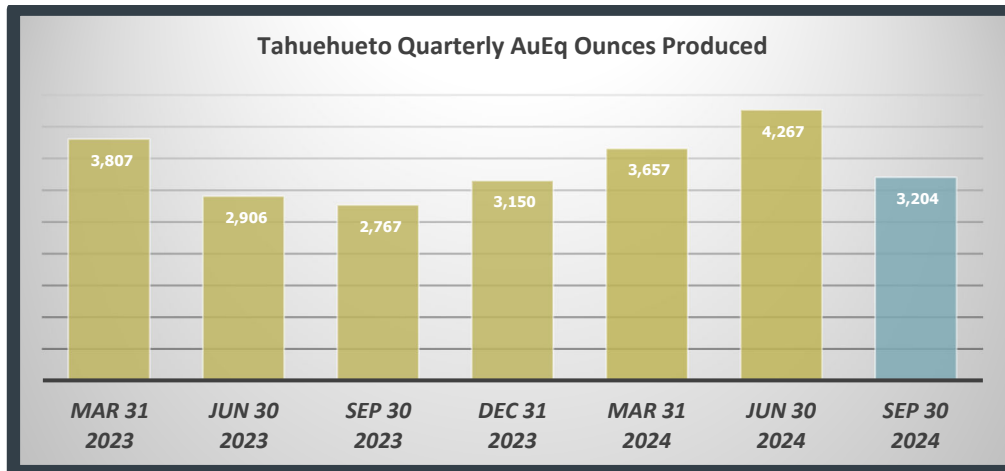
TAHUEHUETO MINE PROJECT

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 nine months ended September 30, 2024, and 2023 were as follows:

	Three months ended			Nine Months ended		
	Sep 30 2024	Sep 30 2023	% Change	Sept 30 2024	Sep 30 2023	% Change
Production						
Tonnes mined	29,888	16,703	79%	91,730	54,933	67%
Tonnes milled	29,027	19,445	49%	97,918	62,546	57%
Average tonnes milled per day ⁽⁸⁾	338	226	49%	382	245	56%
<i>Head Grade</i>						
Average gold grade (g/t)	2.79	3.05	(8%)	2.72	2.95	(8%)
Average silver grade (g/t)	25.57	32.79	(22%)	29.22	34.60	(16%)
Average zinc grade (%)	1.44	3.27	(56%)	1.78	3.68	(52%)
Average copper grade (%)	0.19	0.14	33%	0.18	0.15	22%
Average lead grade (%)	0.81	1.34	(40%)	0.94	1.45	(35%)
Average gold recovery (%)	86.72	82.28	5%	86.29	83.51	3%
Average silver recovery (%)	86.79	82.69	5%	84.37	83.35	1%
Average zinc recovery (%)	77.41	80.04	(3%)	76.21	79.04	(4%)
Average copper recovery (%)	83.70	83.58	0%	79.58	84.14	(5%)
Average lead recovery (%)	78.07	84.59	(8%)	79.10	85.59	(8%)
Gold produced (oz)	2,258	1,568	44%	7,386	4,946	49%
Silver produced (oz)	20,713	16,950	22%	77,614	58,001	34%
Zinc produced (lbs)	714,385	1,123,232	(36%)	2,934,008	4,015,800	(27%)
Copper produced (lbs)	103,050	51,787	99%	314,106	174,356	80%
Lead produced (lbs)	405,464	487,095	(17%)	1,607,800	1,708,032	(6%)
AgEq (oz)	3,204	2,767	16%	11,128	9,480	17%
Sales						
Gold sold (oz)	2,267	1,258	80%	7,306	5,149	42%
Silver sold (oz)	18,064	10,352	74%	63,507	43,195	47%
Zinc sold (tonnes)	475,724	538,003	(12%)	1,522,589	1,778,730	(14%)
Copper sold (lbs)	-	-	-	-	-	-
Lead sold (tonnes)	340,036	317,774	7%	1,267,059	1,375,236	(8%)
AuEq sold(oz)	2,859	1,854	54%	9,407	7,525	25%
Realized gold price per ounce	2,440.55	1,917.69	27%	2,277.51	1,934.35	18%
Realized silver price per ounce	29.27	23.16	26%	27.06	23.33	16%
Realized zinc price per pound	1.24	1.12	11%	1.21	1.16	4%
Realized lead price per pound	0.93	0.97	(4%)	0.95	0.95	(1%)
Costs						
Production cost per tonne (\$) ⁽²⁾⁽⁵⁾	179.77	168.94	6%	147.39	161.03	(8%)
Cash cost per AuEq ounce (\$) ⁽³⁾⁽⁵⁾	1,949.44	1,412.36	38%	1,555.54	1,285.76	21%
AISC per AuEq ounce (\$) ⁽⁴⁾⁽⁵⁾	2,486.27	2,587.24	(4%)	1,843.28	2,045.22	(10%)
All-in cost per AuEq (US\$) ⁽⁵⁾⁽⁷⁾	2,565.23	3,237.41	(21%)	1,921.46	2,324.13	(17%)
Capital expenditures						
Sustaining (\$)	1,557	2,740	(43%)	1,945	6,331	(69%)

- Gold equivalents are calculated using an 84.15:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0017:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q3 2024; an 81.83:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q3 2023, an 82.59:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0018:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 81.82:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023, respectively.
- Production costs include mining, milling, and direct overhead at the operation sites See reconciliation on page 29.
- Cash cost per gold equivalent ounce includes mining, processing and direct overhead costs. See reconciliation on page 29.
- AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, on-site exploration, reclamation and sustaining capital. See Reconciliation to IFRS on page 29.
- See "Non-IFRS Financial Measures" on page 26.
- Based on provisional sales before final price adjustments, treatment, and refining charges.
- All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29.
- Average tonnes milled per day assumes the actual days in the month less 2 planned monthly down days.



Production

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

During the three months ended September 30, 2024, the Company produced 3,204 gold equivalent ounces, a 16% increase compared to 2,767 gold equivalent produced in the second quarter of 2023, consisting of 2,258 ounces of gold (44% increase from 1,568 in Q3 2023), 20,713 ounces of silver (22% increase from 16,949 in Q2 2023), 714,385 pounds of zinc (36% decrease from 1,123,232 in Q3 2023), 103,050 pounds of copper (99% increase from 51,787 pounds in Q3 2023) and 405,464 pounds of lead (17% decrease from 487,095 in Q3 2023). Total mineralized material processed amounted to 29,027 tonnes, an increase of 49% over the same quarter prior year of 19,445 tonnes processed.

Gold grades averaged 2.79 g/t, 8% lower than 3.05 g/t from the prior comparable period, silver grades averaged 25.57 g/t, 22% lower than 32.79 g/t from the prior comparable period, zinc grades averaged 1.44%, copper grade averaged 0.19%, and lead grades averaged 0.81%, a 56% decrease, a 33% increase and 40% decrease, respectively compared to the prior comparable period.

Tahuehueto underwent the final installation of a third filter press, the crucial enhancement to enable the Company to increase its average production to a 1,000 tonne per day nameplate processing capacity. The construction was complete on July 25, 2024 (see news release July 25, 2024). In addition, the water supply system at Tahuehueto experienced a catastrophic failure, resulting in a water shortage that disrupted both mining and processing operations. The final construction process and the water supply disrupted the operations for approximately six weeks.

Now with the construction of its operations complete, the Company anticipates the Tahuehueto processing rates to increase during the last quarter of 2024 and the first quarter of 2025 to commercial run-rate levels of approximately 800 tpd or 25,000 tonnes of ore per month.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

During the nine months ended September 30, 2024, the Company produced 11,128 gold equivalent ounces, an 17% increase compared to 9,480 gold equivalent produced in the third quarter of 2023, consisting of 7,386 ounces of gold (49% increase from 4,946 in Q3 2023), 77,614 ounces of silver (34% increase from 58,001 in Q3 2023), 2,934,008 pounds of zinc (27% decrease from 4,015,800 in Q3 2023), 314,106 pounds of copper (80% increase from 174,356 pounds in Q3 2023) and 1,607,800 pounds of lead (6% decrease from 1,708,032 in Q3 2023). Total mineralized material processed amounted to 97,918 tonnes, an increase of 57% over the same quarter prior year of 62,546 tonnes processed.

Gold grades averaged 2.72 g/t, 7% lower than 2.95 g/t from the third quarter of 2023, silver grades averaged 29.22 g/t, 16% lower than 34.60 g/t from same quarter prior year, zinc grades averaged 1.78%, copper grades averaged 0.18% and lead grades averaged 0.94%, a 52% decrease, a 22% increase and 35% decrease, respectively compared to Q3, 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 September 30, 2024 (compared to the three months ended September 30, 2023)

For the three months ended September 30, 2024, production costs increased to \$5,218 from \$3,319 in the comparable period, or 57% largely due to a 45% increase in mine cost, 23% increase in processing cost and by 424% increase in indirect cost. This notable increase was primarily attributed to the continuing ramping up of production to 29,097 tonnes in this period from 19,445 in the same period the prior year. 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.

In addition, during this period, there was a significant setback due to a six-week disruption in mining and processing caused by a malfunction in the water supply system. This disruption was the result of simultaneous failures in both the primary water pump and the backup water pump. The delay was prolonged due to irregular voltage during the startup of the backup pump, which led to a mechanical failure after it restarted. The issue has since been resolved by implementing an additional level of backup systems to prevent similar incidents in the future. The increase in indirect costs is attributable to higher professional fees, legal fees, and management and administrative fees.

Cash cost per AuEq ounce increased to \$1,949, a \$537 or 38% increase compared to \$1,412 in the same quarter of prior year. The change in cash cost per AuEq is attributable to an increase in treatment and selling cost by 32% due to a 6% increase in concentrate tonnes delivered compared to prior period (Q3 2024 – 1,163 vs Q3 2023 – 1,098) and higher gold and silver refining charges due to 90% and 75% increase in metal content respectively, in the lead concentrate. Additionally, new royalty payments of \$115 and empress stream payments of \$136 further contributed to the cost increase, compared to no such payments in the prior year's quarter.

All-In Sustaining cost for the three months ended September 30, 2024, was \$2,486 compared to \$2,587 in the same period in 2023. The 4% or \$101 improvement in AISC was mainly due to a 43% decrease in sustaining capital expenses associated with the construction of the Tahuehueto plant, which was completed in this quarter of 2024, and a higher AuEq ounces produced in this period compared to same period prior year.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

For the nine months ended September 30, 2024, production costs increased to \$9,214 from \$6,787 in the comparable period, or 43% largely due to an 68% increase in mine cost, 38% increase in processing cost and 8% increase in indirect cost. This notable increase was primarily attributed to the continuing ramping up of production to 97,918 tonnes in this period from 62,546 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 nine months ended September 30, 2024, was \$1,556 a \$270 or 21% increase compared to \$1,286 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 nine months ended September 30, 2024, was \$1,843 compared to \$2,045 in the same period in 2023. The 10% or \$202 decrease in AISC was mainly due to an 69% decrease in sustaining capital expenses associated with the construction of the Tahuehueto plant, which was completed at the beginning of this quarter of 2024, and due to a higher AuEq ounces produced in this period compared to same period prior year.

DEVELOPMENT

Construction Completed

The Company completed the construction of Tahuehueto Gold Mine on July 25, 2024 (see news release dated July 25, 2024, "Luca Mining Completes Construction of Tahuehueto Gold Mine").

The Mine now has two ball mills with a 1,000 tonne per day nameplate processing capacity. The mine was completed within budget and has been producing on a pre-production basis.

The three tailings filter presses have been installed on-site, with a total maximum capacity of approximately 1,250 tpd each.

Additionally, the Company replaced the tailings thickener mechanism, which has since been commissioned and is now fully operational, further de-risking the operation.

The Company expects that the processing rates will rise to commercial levels, considered to be an average of approximately 800 tpd or 25,000 tonnes of ore per month in Q4 2024 and Q1 2025.

The Company will continue to capitalize all direct costs related to the development of the project until commercial production is achieved.

	Nine months ended Sep 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. (See news release dated July 25, 2024, "Luca Mining Completes Construction of Tahuehueto Gold Mine").

Exploration

Tahuehueto is a large epithermal gold/silver vein system with associated breccias rich in Pb-Zn-Cu. The property comprises 75 square kilometres (7,492 hectares) located in the state of Durango in north-central Mexico within the Sierra Madre mineral belt.

Tahuehueto, has significant exploration potential. It is estimated that less than 10% of the concession area has been adequately explored.

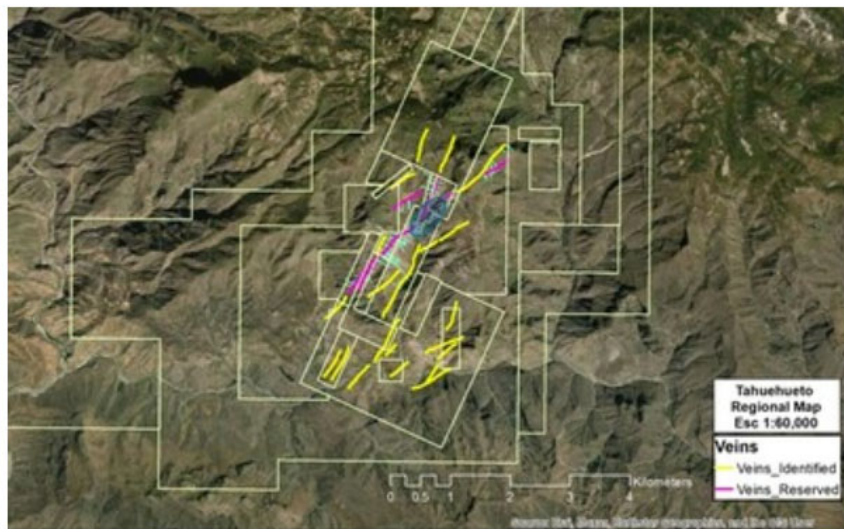
Tahuehueto is comparable in concession area and mineralization style (epithermal) to the Tayoltita mine of the San Dimas district to the south. It is estimated that the San Dimas district has produced over 11 million ounces of gold to date (Source: Technical Report on Mineral Resource and Reserve Update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

In October 2024 the Company commenced the exploration drilling campaign at the Tahuehueto gold mine (see news release dated Oct 23, 2024). This campaign is the first significant exploration drill program on the property in over 10 years. The Company expects the current campaign to include up to 5,000 metres of diamond core drilling in 26 holes from underground over the next 4-6 months. The drill plan takes advantage of recently developed areas to potentially extend the resource along the modeled veins.

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

Recent mining in Level 23 encountered higher grade mineralization averaging 3.30 g/t Au over vein widths up to 20 metres (with values up to 65.04 g/t Au) in ore shoots branching off the main Creston vein (see news release dated May 29, 2024).

In addition to the four veins that comprise the mineralized resource, there are at least 14 additional prospective veins or splays in the current concession area that show a potential to host low-sulphidation epithermal mineralization. In some cases, the prospective veins and splays may be extensions or continuations of currently defined mineral resources. The Company estimates that there are more than 11 km of prospective vein structures (measured along strike), compared to 4.5 km of mineralized veins that support current resource models. Figure 1 below shows the relative location of prospective veins (yellow) and veins modeled for mineral resources and reserves (pink) within the Company's concession area (white).



Tahuehueto regional map



Mining Corp.

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.

CONSOLIDATED	Three Months Ended			Nine Months Ended		
	Sep 30, 2024	Sep 30, 2023	% Change	Sep 30, 2024	Sep 30, 2023	% Change
Financial Results						
Revenue	\$	\$		\$	\$	
Gold	7,630	4,747	61%	23,416	13,710	71%
Silver	3,747	2,703	39%	10,972	8,904	23%
Zinc	6,080	5,298	15%	16,634	22,982	(28%)
Copper	5,105	3,519	45%	14,895	10,288	45%
Lead	315	309	2%	1,201	1,311	(8%)
Income from stream	135	(71)	291%	842	136	519%
Treatment and selling costs	(7,515)	(5,597)	34%	(19,052)	(19,973)	5%
Provisional pricing adjustments	2,597	368	606%	3,690	(179)	(2,161%)
Net Revenues	18,095	11,275	60%	52,599	37,178	41%
Production Costs	14,307	10,199	40%	40,944	33,259	23%
Royalties	541	-	100%	1,398	-	100%
Empress stream	136	469	(71%)	2,119	1,176	80%
Inventory changes	727	577	26%	(1,624)	671	(342%)
Cost of Sales	16,347	12,018	36%	44,578	37,439	19%
Mine operating cashflow before taxes	2,384	30	7,978%	9,762	2,072	371%
Depreciation and depletion	636	773	(18%)	1,741	2,333	(25%)
Mine operating earnings (loss)	1,748	(743)	335%	8,021	(261)	3,167%
General and Administration	(2,294)	(1,600)	43%	(6,187)	(4,830)	28%
SBC Compensation	(975)	(257)	279%	(1,177)	(985)	19%
Foreign exchange gain (loss)	19	(481)	104%	2,461	(628)	492%
Other operating income (expenses)	(185)	(89)	(108%)	(114)	(85)	34%
Interest and finance costs, net	(822)	(557)	48%	(2,167)	(2,464)	(12%)
Gain on settlement of debt	-	-	100%	4,542	-	100%
Gain on disposal of a Company	-	-	-	2,087	-	100%
Change in fair value of financial instruments	-	-	-	-	611	100%
Current income tax (expense) recovery	-	-	-	-	-	-
Deferred income tax (expense) recovery	-	-	-	-	-	-
Net (loss) earnings	(2,509)	(3,727)	33%	7,466	(8,642)	186%
(Loss) earnings per share - basic and diluted	(0.01)	(0.03)	67%	0.04	(0.10)	(140%)
EBITDA ^{(1) (5)}	\$(1,051)	\$(2,397)	(56%)	\$11,374	\$(3,845)	396%
Adjusted EBITDA ^{(2) (5)}	\$(76)	\$(2,140)	(96%)	\$5,922	\$(2,860)	307%
Cash cost AuEq per ounce ^{(3) (5)}	\$1,877	\$1,305	44%	\$1,534	\$1,249	23%
AISC cost per AuEq ounce ^{(4) (5)}	\$2,337	\$1,724	36%	\$1,843	\$1,594	16%
All-in cost per AuEq (\$) ^{(5) (8)}	\$2,364	\$1,908	24%	\$1,874	\$1,683	11%
Realized gold price per ounce (\$) ⁽⁶⁾	\$2,442.13	\$1,917.21	27%	\$2,266.34	\$1,932.53	17%
Realized silver price per ounce (\$) ⁽⁶⁾	\$29.36	\$23.06	27%	\$26.80	\$23.24	15%
Realized zinc price per tonne (\$) ⁽⁶⁾	\$1.26	\$1.10	14%	\$1.21	\$1.14	6%
Realized copper price per tonne (\$) ⁽⁶⁾	\$3.73	\$2.79	34%	\$3.96	\$3.81	4%
Realized lead price per tonne (\$) ⁽⁶⁾	\$0.93	\$0.73	27%	\$0.95	\$0.95	1%

1. See Reconciliation of Earnings before interest, taxes, depreciation, and amortization on page 27.

2. See reconciliation of Adjusted EBITDA on page 27.

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 26.

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.

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

Revenues

For the three months ended September 30, 2024, revenues totaled \$18,095, net of metal deductions, treatment and refining charges, and provisional pricing adjustments, representing an increase of \$6,820 or 60%, compared to \$11,275 in the same period of 2023. This growth was primarily driven by higher sales volumes across key metals, particularly a 61% increase in gold sold to 3,124 ounces (from 2,476 ounces in the prior period) and a 9% increase in silver sold to 127,650 ounces (from 117,250 ounces). Copper sold also experienced strong growth, with copper sold increasing by 46% to 1,366,899 pounds (from 934,124 pounds) and lead sold rising by 7% to 340,036 pounds (from 317,774 pounds). Zinc sold increased by 15%.

In addition to higher sales volumes, realized prices for gold, silver, zinc, copper, and lead also improved during the period. Gold prices increased by 27% to \$2,442.13 per ounce (from \$1,917.21 per ounce), silver prices rose by 27% to \$29.36 per ounce (from \$23.06 per ounce), zinc prices increased by 14% to \$1.26 per pound (from \$1.10 per pound), copper prices rose by 34% to \$3.73 per pound (from \$2.79 per pound), and lead prices saw an increase of 27% to \$0.93 per pound (from \$0.73 per pound in the third quarter of 2023).

Provisional pricing adjustments for prior period sales also contributed positively to revenues by \$2,597, compared to a small impact of \$368 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 ramping up its production. Production cost per tonne increased \$22 or 30% to \$95 in the period ended September 30, 2024, from \$73 in the same period of 2023, mainly driven by a combination of adverse weather conditions and operational disruptions. Campo Morado faced operational challenges due to two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days. The mine contractor, Cominvi, arrived at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints. Meanwhile, Tahuehueto, despite increasing tonnes milled by 49%, experienced a six-week disruption in mining and processing operations due to a malfunction in its water supply system. In addition, Royalties of \$469 were charged in relation to the Tahuehueto operations (September 30, 2023 - \$nil).

General and administration

For the three months ended September 30, 2024, general and administrative expenses increased by \$694, or 43% compared to the three months ended September 30, 2023. This increase is due to an increase in legal and professional fees of \$339 of success fees paid in relation to ENESTAS case, travel, and promotion fees of \$90 due to the timing of promotional events, \$75 on insurance cost, slightly offset by a \$110 reduction in other administration cost and an increase of \$272, or 42% in wages, consulting fees and director fees as the Company strengthened its executive team and employees in Canada and Mexico.

Share-based compensation

For the three months ended September 30, 2024, share-based compensation expense increased by \$718, or 279%, compared to the same period in 2023. The increase is driven by the timing of stock option grants and the corresponding vesting periods. During this period, the Company granted 8,409,833 stock options, with 47% of their fair value vesting. In comparison, the Company granted 135,000 stock options during the same period in 2023, where 37% of their fair value vested.

Interest and finance costs

For the three months ended September 30, 2024, interest and finance costs remained relatively consistent, increasing by 48% to \$822 from \$557 in the comparable prior year period. This increase is primarily attributed to higher loan interest expenses due to additional borrowings with Trafigura at Tahuehueto.

Nine months ended September 30, 2024 (compared to the nine months ended September 30, 2023)

Revenues

For the nine months ended September 30, 2024, revenues totaled \$52,599, net of metal deductions, treatment and refining charges, and provisional pricing adjustments, representing an increase of \$15,421 or 41%, compared to \$37,178 in the same period of 2023. This growth was primarily driven by higher sales volumes across key metals, particularly a 71% increase in gold sold to 10,332 ounces (from 7,094 ounces in the prior period) and a 7% increase in silver sold to 409,479 ounces (from 383,154 ounces).

Copper also experienced strong growth, with copper sold increasing by 39% to 3,756,956 pounds (from 2,703,595 pounds). Lead and zinc sold declined by 8% and 32% respectively to 1,267,059 pounds (from 1,375,236 pounds) and 13,757,193 pounds (from 20,087,518) 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 and copper also improved during the period. Gold prices increased by 17% to \$2,266.34 per ounce (from \$1,932.53 per ounce), silver prices rose by 15% to \$26.80 per ounce (from \$23.24 per ounce), zinc prices increased by 6% to \$1.21 per pound (from \$1.14 per pound), copper prices rose by 4% to \$3.96 per pound (from \$3.81 per pound).

Provisional pricing adjustments for prior period sales also contributed positively to revenues by \$3,690, compared to a negative impact of \$179 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 continues ramping up its operation. Production cost per tonne increased \$25 or 40% to \$88 in the period ended September 30, 2024, from \$63 in the same period of 2023, mainly driven by a combination of adverse weather conditions and operational disruptions. Campo Morado faced operational challenges due to two major storms that caused extensive flooding, affecting access to the mine and halting operations for 12 days. The mine contractor, Cominvi, arrived at the site at the end of August with limited equipment, partly due to storm-damaged roads and site conditions and partly due to their own equipment constraints. Meanwhile, Tahuehueto, despite increasing tonnes milled by 49%, experienced a six-week disruption in mining and processing operations due to a malfunction in its water supply system. In addition, Royalties of \$1,398 were charged in relation to the Tahuehueto operations (Nine months September 30, 2023 - \$nil).

General and administration

General and administrative expenses increased by \$1,357, or 28% for the period ended September 30, 2024, compared to the same period the previous year. This increase is due to \$108 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; \$259 in professional fees due to success fees paid in relation to ENESTAS offset by legal fees reduction at the corporate office, \$367 increase in corporate and admin expenses for insurance and success fees in relation to VAT recovery.

Share-based compensation

For the nine months ended September 30, 2024, share-based compensation increased by \$192, or 19%, compared to the same period in 2023. Consistent with the three-month results, this increase is due to the timing of option grants and their respective vesting period. In the nine months ended September 30, 2024, 9,209,833 stock options were granted, with 49% of their fair value vesting. By contrast, we granted 6,052,778 stock options during the same period in 2023, with 64% of their fair value vested. Additionally, during the nine months ended September 30, 2024, a total of 14,615,111 options partially vested, compared to 5,875,278 options partially vested during the corresponding period in 2023.

Interest and finance costs

For the nine months ended September 30, 2024, interest and finance costs decreased by 12% to \$2,167, down from \$2,464 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.

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 nine months ended September 30, 2024, (Nine months ended September 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			Nine Months Ended		
	Sep 30, 2024	Sep 30, 2023	% Change	Sep 30, 2024	Sep 30, 2023	% Change
Cash Flow	\$	\$		\$	\$	
Cash (used in) provided by operating activities	1,143	(1,620)	(171%)	1,178	7,151	(84%)
Cash (used in) provided by investing activities	(1,882)	(3,562)	47%	(3,903)	(9,266)	(58%)
Cash (used in) provided by financing activities	9,000	(2,022)	545%	10,327	5,480	88%
Effect of exchange rate changes on cash	(152)	199	(176%)	(205)	(18)	(1,039%)
Change in cash	8,110	(7,005)	216%	7,398	3,347	121%
Cash, beginning of period	1,346	11,202	(88%)	2,058	850	142%
Cash, end of period	9,456	4,197	125%	9,456	4,197	125%

As at September 30, 2024, the Company had cash of \$9,456 and negative working capital of \$8,850 compared with cash of \$2,058 and negative working capital of \$38,542 at December 31, 2023.

Operating activities

Cash used in operating activities was \$1,178 during the nine months ended September 30, 2024 (September 30, 2023 – cash generated of \$7,151). The significant non-cash adjustments to the net earnings of \$7,466 in the third quarter of 2024 (September 30, 2023, loss of – \$8,642) were accretion, depreciation and amortization of \$4,197 (September 30, 2023– \$4,771), share-based compensation of \$1,440 (September 30, 2023– \$1,226), gain on disposal of subsidiary of \$2,087 (September 30, 2023 – \$nil), and a decrease in non-cash working capital of \$6,248 (September 30, 2023 – increase of \$6,503). 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 \$3,903 in the nine months ended September 30, 2024, compared with the use of cash of \$9,266 in the comparable 2023 period. Most of the cash used in investing activities during the nine months ending September 30, 2024, was \$2,890 invested into plant and equipment, and \$1,012 invested in mineral properties.

Financing activities

Cash generated from financing activities for the nine months ended September 30, 2024, was \$9,000 (2023 – (\$2,022) mainly related to proceeds from a life offering and private placement of \$7,800 (2023 -\$7,468 net), a loan of \$2,500 (2023 - \$nil) and proceeds from warrants and/or stock options exercised of \$2,578 (2023 - \$nil), offset by lease and loan payments of \$1,310 (2023 - \$1,988).

On January 11, 2024, the Company received an additional loan from Trafigura for \$2,500 under the Trafi Campo loan agreement, converted \$5,800 of the Trafi Tah loan into a non-interest-bearing convertible debenture and concurrently amended the terms of the Trafigura Loans. The Trafi Campo loan's maturity date was extended to June 30, 2025, with repayments of \$260 plus interest commencing on April 30, 2024. The Trafi Tah loan's maturity date was extended to January 3, 2026, with repayments of \$200 plus interest commencing on March 31, 2024. After six months, the repayments on the Trafi Tah loan will increase to \$345 plus interest.

Trafigura conditionally assigned the convertible debenture to its affiliate Urion Holdings ("Malta") Limited ("Urion"), such assignment to be perfected upon Urion being included in the existing security arrangements between the Company and Trafigura (the "Condition"). The convertible debenture was originally signed and placed in escrow, but was released on August 22, 2024, as the Condition is met. The convertible debenture matures three years from the date it is released from escrow and made effective but may be repaid prior to that date upon providing 60 days written notice and that the Trafigura Loans and the Breakwater Loan have been repaid in full. Trafigura may elect to convert in whole or in part, the convertible debenture principal at any time prior to the maturity date at the conversion price of \$0.35 per common share. Any Shares issued under the convertible debenture will be subject to a four month plus one day hold period under applicable Canadian securities laws. The convertible debenture is subject to the receipt of final approval from the TSX-V.

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

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

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

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

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.

	September 30 2024	December 31 2023
	\$	\$
Current assets	27,950	18,122
Current liabilities	36,800	56,664
Working capital	(8,850)	(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						
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023
Net revenues	18,095	18,163	16,341	13,406	11,275	12,156	13,747
Production cost	14,307	14,289	12,348	10,200	10,796	10,921	12,139
Royalties	541	1,988	852	707	504	316	391
Inventory changes	727	(1,454)	(897)	781	(55)	428	(334)
Mine operating cash flows before taxes	2,520	3,340	4,038	1,718	30	491	1,551

	Cumulative as at the end of each period						
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023
Net revenues	52,599	34,504	16,341	50,584	37,178	25,903	13,747
Production cost	40,944	26,637	12,348	44,056	33,856	23,060	12,139
Royalties	1,398	2,840	852	1,918	1,211	707	391
Inventory changes	(1,624)	(2,351)	(897)	820	39	94	(334)
Mine operating cash flows before taxes	11,881	7,378	4,038	3,790	2,072	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						
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023
Net gain (loss) per financial statements	\$ (2,509)	\$ 4,674	\$ 5,301	\$ (2,751)	\$ (3,727)	\$ (3,979)	\$ (936)
Depreciation and depletion – cost of sales	636	673	432	651	773	916	644
Depreciation and depletion – general and administration	-	114	-	90	-	-	103
Interest and finance costs (income), net	822	692	653	485	557	649	1,258
EBITDA	(1,051)	6,153	6,386	(1,523)	(2,397)	(2,414)	1,069
Share based compensation	975	100	102	262	257	369	359
Loss (gain) on derivatives	-	-	-	-	-	-	-
Gain on settlement of debt and modification of loans	-	-	(4,542)	29	-	-	-
Gain on disposition of subsidiary	-	(2,087)	-	-	-	-	-
Adjusted EBITDA	(76)	4,166	1,946	(1,232)	(2,410)	(2,045)	1,428

	For the period ended						
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023
	\$	\$	\$	\$	\$	\$	\$
Net gain (loss) per financial statements	7,466	9,975	5,301	(11,393)	(8,642)	(4,915)	(936)
Depreciation and depletion – cost of sales	1,741	1,105	432	2,984	2,333	1,560	644
Depreciation and depletion – general and administration	-	-	-	193	103	-	103
Interest and finance costs (income), net	2,167	1,345	653	2,949	2,464	1,907	1,258
EBITDA	11,374	12,425	6,386	(5,266)	(3,742)	(1,448)	1,069
Share based compensation	1,177	202	102	1,247	985	728	359
Loss (gain) on derivatives	-	-	-	-	-	-	-
Gain on settlement of debt and modification of loans	(4,542)	(4,542)	(4,542)	29	-	-	-
Gain on disposition of subsidiary	(2,087)	(2,087)	-	-	-	-	-
Adjusted EBITDA	5,922	5,998	1,946	(3,989)	(2,757)	(720)	1,428

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.

CONSOLIDATED	Three months ended						
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023
		\$	\$	\$	\$	\$	\$
Cash (used in) provided by operating activities per financial statements	1,143	739	(704)	(6,746)	(2,500)	6,459	2,312
Net changes in non-cash working capital per financial statements	1,456	(2,643)	(4,262)	(1,330)	1,195	3,183	205
Operating cash flow before working capital changes	(313)	3,382	3,558	(5,416)	(3,695)	3,276	2,107
Operating cash flow before working capital changes per share (\$)	0.00	0.02	0.02	(0.04)	(0.03)	0.05	0.06
Basic weighted average shares outstanding ('000)	171,431	165,875	161,566	148,108	141,713	64,382	35,456

CONSOLIDATED	For the period ended						
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023
		\$	\$	\$	\$	\$	\$
Cash (used in) provided by operating activities per financial statements	1,178	35	(704)	(475)	6,271	8,771	2,312
Net changes in non-cash working capital per financial statements	(5,449)	(6,906)	(4,262)	3,253	4,583	3,388	205
Operating cash flow before working capital changes	6,628	6,941	3,558	(3,728)	1,688	5,383	2,107
Operating cash flow before working capital changes per share (\$)	0.04	0.04	0.02	(0.04)	0.02	0.08	0.06
Basic weighted average shares outstanding ('000)	166,316	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 September 30, 2024			For the three months ended September 30, 2023			
	Campo Morado	Tahuehueto ⁽⁵⁾	Consolidated	Campo Morado	Tahuehueto ⁽⁵⁾	Consolidated	
Cost of sales	10,558	5,789	16,347	8,477	3,541	12,018	
Royalties	(426)	(115)	(541)	(289)	(35)	(324)	
Empress streaming	-	(136)	(136)	-	(180)	(180)	
Inventory changes	(407)	(320)	(727)	96	(41)	55	
Depreciation	(636)	-	(636)	(773)	-	(773)	
Production cost⁽⁴⁾	9,089	5,218	14,307	7,511	3,285	10,796	
Add:							
Treatment and selling costs	6,738	777	7,515	5,009	588	5,597	
Royalties	426	115	541	289	35	324	
Empress streaming	-	136	136	-	-	-	
Total cash cost⁽²⁾	16,253	6,246	22,499	12,809	3,908	16,717	
General and administrative - corporate	482	(180)	2,294	205	124	1,602	
SBC Compensation	-	-	975	-	-	257	
Lease payments	(10)	288	278	(87)	501	414	
Accretion relating to reclamation and rehabilitation	80	55	135	(154)	(114)	(268)	
Sustaining capital expenditures	280	1,557	1,837	629	2,740	3,369	
Total All-in sustaining cost⁽³⁾	17,085	7,966	28,018	13,402	7,159	22,091	
Loan payments	-	-	-	464	1,034	1,498	
Interest paid	70	253	323	89	765	854	
Total All-in cost⁽³⁾	17,155	8,219	28,341	13,955	8,958	24,443	
Tonnes milled	D	122,195	29,027	151,221	128,287	19,445	147,732
Gold equivalent ounces produced ⁽¹⁾	E	8,784	3,204	11,988	10,046	2,767	12,813
Production cost⁽⁴⁾	A	9,089	5,218	14,307	7,511	3,285	10,796
Total cash cost⁽²⁾	B	16,253	6,246	22,499	12,809	3,908	16,717
Total All-in sustaining cost⁽³⁾	C	17,085	7,966	28,018	13,402	7,159	22,091
Production cost per tonne⁽⁴⁾	A/D	74	180	95	59	169	73
Cash cost per AuEq ounce produced⁽²⁾	B/E	1,850	1,949	1,877	1,275	1,412	1,305
All-in sustaining cost per AuEq ounce produced⁽³⁾	C/E	1,945	2,486	2,337	1,334	2,587	1,724
Loan payments		-	-	-	46	374	117
Interest paid		8	79	27	9	276	67
All-in cost per AuEq ounce produced⁽³⁾		1,953	2,565	2,364	1,389	3,237	1,908
Mining cost per tonne		36	75	43	21	77	29
Milling cost per tonne		27	68	35	27	83	34
Indirect cost per tonne		12	37	16	11	9	10
Production cost per tonne⁽⁴⁾		74	180	95	59	169	73
Mining		4,387	2,174	6,561	2,732	1,500	4,232
Milling		3,273	1,980	5,253	3,411	1,616	5,027
Indirect		1,429	1,064	2,493	1,368	169	1,537
Production Cost		9,089	5,218	14,307	7,511	3,285	10,796

- 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.
- Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs.
- AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, reclamation and sustaining capital.
- Production costs include mining, milling, and direct overhead at the operation sites.
- Tahuehueto is currently in commissioning and has not reached commercial production.

	For the nine months ended September 30, 2024			For the nine months ended September 30, 2023			
	Campo Morado	Tahuehueto ⁽⁵⁾	Consolidated	Campo Morado	Tahuehueto ⁽⁵⁾	Consolidated	
Cost of sales	28,712	15,866	44,578	27,702	9,737	37,439	
Royalties	(1,063)	(335)	(1,398)	(996)	(35)	(1,031)	
Empress streaming	-	(2,119)	(2,119)	-	(180)	(180)	
Inventory changes	604	1,020	1,624	(589)	550	(39)	
Depreciation	(1,741)	-	(1,741)	(2,333)	-	(2,333)	
Production cost⁽⁴⁾	26,512	14,432	40,944	23,784	10,072	33,856	
Add:							
Treatment and selling costs	16,509	2,543	19,052	17,891	2,082	19,973	
Royalties	1,063	335	1,398	996	35	1,031	
Empress streaming	-	76	76	-	-	-	
Total cash cost⁽²⁾	44,084	17,310	61,470	42,671	12,189	54,860	
General and administrative - corporate	1,250	598	6,187	607	368	4,832	
SBC Compensation	-	-	1,177	-	-	985	
Lease payments	105	482	676	37	501	547	
Accretion relating to reclamation and rehabilitation	290	177	467	-	-	386	
Sustaining capital expenditures	1,943	1,945	3,888	2,072	6,331	8,403	
Total All-in sustaining cost⁽³⁾	47,672	20,512	73,865	45,387	19,389	70,013	
Loan payments	-	-	-	774	1,034	1,808	
Interest paid	245	870	1,241	215	1,610	2,094	
All-in cost per AuEq ounce produced⁽³⁾	47,917	21,382	75,106	46,376	22,033	73,915	
Tonnes milled	D	365,404	97,918	463,322	472,376	62,546	534,922
Gold equivalent ounces produced ⁽¹⁾	E	28,955	11,128	40,083	34,431	9,480	43,911
Production cost⁽⁴⁾	A	26,512	14,432	40,944	23,784	10,072	33,856
Total cash cost⁽²⁾ in	B	44,084	17,310	61,470	42,671	12,189	54,860
Total All-in sustaining cost⁽³⁾	C	47,672	20,512	73,865	45,387	19,389	70,013
Production cost per tonne⁽⁴⁾	A/D	73	147	88	50	161	63
Cash cost per AuEq ounce produced⁽²⁾	B/E	1,523	1,556	1,534	1,239	1,286	1,249
All-in sustaining cost per AuEq ounce produced⁽³⁾	C/E	1,646	1,843	1,843	1,318	2,045	1,594
Loan payments		-	-	-	22	109	41
Interest paid		8	78	31	6	170	48
All-in cost per AuEq ounce produced⁽³⁾		1,655	1,921	1,874	1,347	2,324	1,683
Mining cost per tonne		30	62	37	19	58	24
Milling cost per tonne		31	64	38	23	73	28
Indirect cost per tonne		11	22	14	9	31	11
Production cost per tonne⁽⁴⁾		73	147	88	50	161	63
Mining		10,995	6,028	17,023	8,981	3,597	12,578
Milling		11,364	6,294	17,658	10,655	4,549	15,204
Indirect		4,153	2,110	6,263	4,148	1,926	6,074
Production Cost		26,512	14,432	40,944	23,784	10,072	33,856

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 in commissioning and has not reached commercial production.

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

	Consolidated three months ended								Consolidated year ended	
	Sep 30 2024	June 30 2024	March 31 2024	Dec 31 2023	Sep 30 2023	June 30 2023	March 31 2023	Sep 30 2024	Sep 30 2023	
Cost of sales	16,347	15,496	12,735	12,340	12,018	12,581	12,840	44,578	37,439	
Royalties	(541)	(493)	(364)	(65)	(324)	(316)	(391)	(1,398)	(1,031)	
Empress streaming	(136)	(1,496)	(487)	(642)	(180)	-	-	(2,119)	(180)	
Inventory changes	(727)	1,454	897	(781)	55	(428)	334	1,624	(39)	
Depreciation	(636)	(673)	(432)	(651)	(773)	(916)	(644)	(1,741)	(2,333)	
Production cost⁽⁴⁾	14,307	14,288	12,349	10,200	10,796	10,921	12,139	40,944	33,856	
Add:										
Treatment and selling costs	7,515	5,996	5,541	4,489	5,597	7,226	7,150	19,052	19,973	
Royalties	541	493	364	65	324	316	391	1,398	1,031	
Empress streaming	136	-	-	-	-	-	-	-	-	
Total cash cost⁽²⁾	22,499	20,777	18,254	14,754	16,717	18,463	19,680	61,394	54,860	
General and administrative - corporate	2,294	1,823	2,070	1,763	1,602	1,870	1,360	6,187	4,832	
SBC Compensation	975	100	102	262	257	369	359	1,177	985	
Lease payments	278	126	205	367	414	124	90	676	547	
Accretion relating to reclamation and rehabilitation	135	170	162	220	(268)	146	122	467	386	
Sustaining capital expenditures	1,837	1,641	410	151	3,369	4,650	384	3,888	8,403	
Total All-in sustaining cost⁽³⁾	28,018	24,637	21,203	17,518	22,091	25,622	21,996	73,789	70,013	
Loan payments	-	-	-	358	1,498	310	-	-	1,808	
Interest paid	323	386	490	687	854	971	840	1,241	2,094	
All-in cost per AuEq ounce produced⁽³⁾	28,341	25,023	21,693	18,563	24,443	26,903	22,836	75,030	73,915	
Tonnes milled	D 151,221	153,676	158,424	130,211	147,732	185,953	201,237	463,322	534,922	
Gold equivalent ounces produced ⁽¹⁾	E 11,988	13,947	14,148	11,808	12,813	14,704	16,394	40,083	43,911	
Production cost⁽⁴⁾	A 14,307	14,288	12,349	10,200	10,796	10,921	12,139	40,944	33,856	
Total cash cost⁽²⁾	B 22,499	20,777	18,254	14,754	16,717	18,463	19,680	61,394	54,860	
Total All-in sustaining cost⁽³⁾	C 28,018	24,637	21,203	17,518	22,091	25,622	21,996	73,789	70,013	
Production cost per tonne⁽⁴⁾	A/D 95	93	78	78	73	59	60	88	63	
Cash cost per AuEq ounce produced⁽²⁾	B/E 1,877	1,490	1,290	1,249	1,305	1,256	1,200	1,532	1,249	
All-in sustaining cost per AuEq ounce produced⁽³⁾	C/E 2,337	1,766	1,499	1,484	1,724	1,743	1,342	1,841	1,594	
Loan payments	-	-	-	30	117	17	-	-	41	
Interest paid	27	(3)	35	58	67	(22)	59	31	48	
All-in cost per AuEq ounce produced⁽³⁾	2,364	1,763	1,533	1,572	1,908	1,737	1,401	1,872	1,683	
Mining cost per tonne	43	36	31	27	29	18	25	37	24	
Milling cost per tonne	35	42	37	37	34	25	27	38	28	
Indirect cost per tonne	16	14	10	14	10	16	8	14	11	
Production cost per tonne⁽⁴⁾	95	93	78	78	73	59	60	88	63	
Mining	6,561	5,587	4,875	3,478	4,232	3,348	4,998	17,023	12,578	
Milling	5,253	6,526	5,879	4,846	5,027	4,677	5,500	17,658	15,204	
Indirect	2,493	2,175	1,595	1,876	1,537	2,896	1,641	6,263	6,074	
Production Cost⁽⁴⁾	14,307	14,288	12,349	10,200	10,796	10,921	12,139	40,944	33,856	

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.

SUMMARY OF QUARTERLY RESULTS

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

	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
	\$	\$	\$	\$	\$	\$	\$
Net revenue	18,095	18,163	16,341	13,406	11,275	12,156	13,747
Production costs	(14,307)	(14,289)	(12,348)	(10,200)	(10,796)	(10,921)	(12,139)
Royalties	(541)	(493)	(364)	(65)	(324)	(316)	(391)
Empress streaming	(136)	(1,495)	(488)	(642)	(180)	-	-
Inventory changes	(727)	1,454	897	(781)	55	(428)	334
Mine operating cashflows before taxes	2,384	3,340	4,038	1,718	30	491	1,551
Depreciation	(636)	(673)	(432)	(651)	(773)	(916)	(644)
Mine operating income (loss)	1,748	2,667	3,606	1,067	(743)	(425)	907
Net income (loss)	(2,509)	4,674	5,301	(2,751)	(3,727)	(3,979)	(936)
EBITDA	(1,051)	6,153	6,386	(1,523)	(2,397)	(2,414)	1,069
Adjusted EBITDA	(76)	4,166	1,946	(1,937)	(2,140)	(2,045)	1,428
Basic and diluted (gain) loss per share	(0.01)	0.03	0.03	(0.02)	(0.03)	(0.06)	(0.04)
Weighted Average shares outstanding ('000)	171,431	165,875	161,566	148,108	141,713	64,382	35,456

For the three months ended September 30, 2024, revenues totaled \$18,095, net of metal deductions, treatment and refining charges, and provisional pricing adjustments, representing an increase of \$6,820 or 60%, compared to \$11,275 in the same period of 2023. This growth was primarily driven by higher sales volumes across key metals, particularly a 61% increase in gold sold to 3,124 ounces (from 2,476 ounces in the prior period) and a 9% increase in silver sold to 127,650 ounces (from 117,250 ounces). Copper sold also experienced strong growth, with copper sold increasing by 46% to 1,366,899 pounds (from 934,124 pounds) and lead sold rising by 7% to 340,036 pounds (from 317,774 pounds). Zinc sold increased by 15%.

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:

PRODUCTION	2024			2023			
	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Processed tonnes	151,221	153,676	158,424	130,210	147,732	185,953	201,237
Campo Morado	122,195	118,104	125,105	106,765	128,287	166,796	177,293
Tahuehueto	29,027	35,572	33,319	23,446	19,445	19,157	23,944
Gold Ounces	3,604	4,278	4,297	3,155	3,437	2,716	2,524
Campo Morado	1,347	1,517	1,929	1,164	1,869	1,155	707
Tahuehueto	2,258	2,761	2,368	1,991	1,568	1,561	1,817
Gold Grade	1.63	1.84	1.70	1.40	1.81	1.23	0.89
Campo Morado	1.35	1.58	1.46	1.02	1.62	1.03	0.62
Tahuehueto	2.79	2.74	2.64	3.13	3.05	2.97	2.84
Gold Recovery	45.53	46.94	49.52	53.80	40.09	36.80	44.08
Campo Morado	25.35	25.36	32.96	33.18	28.03	20.82	19.96
Tahuehueto	86.72	88.16	83.83	84.46	82.28	85.21	83.16
Silver Ounces	158,778	188,267	207,504	155,763	169,162	178,583	184,617
Campo Morado	138,065	158,762	180,108	133,872	152,213	158,792	163,356
Tahuehueto	20,713	29,505	27,396	21,891	16,949	19,791	21,261
Silver Grade	72.22	79.46	95.71	75.63	91.95	75.30	63.37
Campo Morado	83.30	94.47	112.69	84.72	100.91	79.70	67.32
Tahuehueto	25.57	29.65	31.95	34.24	32.79	37.01	34.15
Silver Recovery	45.22	47.95	42.56	49.19	38.74	39.67	45.03
Campo Morado	42.19	44.26	39.73	46.03	36.57	37.15	42.57
Tahuehueto	86.79	87.01	80.05	84.83	82.69	86.83	80.86
Zinc Pounds Produced	5,876,385	6,889,575	6,763,320	6,018,969	6,675,763	10,691,403	10,218,717
Campo Morado	5,162,000	5,701,467	5,731,806	5,074,841	5,552,531	9,447,680	8,569,872
Tahuehueto	714,385	1,188,109	1,031,514	944,128	1,123,232	1,243,723	1,648,845
Zinc Grade	2.18	2.49	2.38	2.49	2.61	3.23	2.91
Campo Morado	2.36	2.65	2.51	2.53	2.51	3.19	2.74
Tahuehueto	1.44	1.95	1.90	2.35	3.27	3.54	4.13
Zinc Recovery	80.77	81.63	81.42	84.06	78.56	80.75	79.18
Campo Morado	81.26	82.54	82.91	85.35	78.27	80.45	79.92
Tahuehueto	77.41	77.50	73.99	77.74	80.04	83.16	75.57
Copper Pounds Produced	1,817,924	1,557,367	1,744,679	1,478,472	1,410,806	1,467,268	1,415,824
Campo Morado	1,714,874	1,441,433	1,649,557	1,407,968	1,359,019	1,411,178	1,349,345
Tahuehueto	103,050	115,934	95,122	70,503	51,787	56,090	66,479
Copper Grade	0.69	0.58	0.66	0.64	0.69	0.56	0.52
Campo Morado	0.81	0.70	0.79	0.75	0.77	0.61	0.56
Tahuehueto	0.19	0.18	0.18	0.17	0.14	0.16	0.15
Copper Recovery	78.64	78.83	75.29	80.16	63.18	63.62	61.93
Campo Morado	78.35	78.55	75.44	80.13	62.60	63.00	61.13
Tahuehueto	83.70	82.36	72.72	80.84	83.58	84.32	84.42
Lead Pounds Produced	1,141,934	1,471,506	1,456,297	1,230,654	1,421,212	1,436,927	1,838,152
Campo Morado	736,470	821,723	903,744	761,657	934,117	903,205	1,150,937
Tahuehueto	405,464	649,783	552,553	468,997	487,095	533,722	687,215
Lead Grade	0.66	0.78	0.77	0.68	0.82	0.71	0.76
Campo Morado	0.62	0.71	0.71	0.60	0.74	0.63	0.66
Tahuehueto	0.81	1.00	0.99	1.08	1.34	1.46	1.52
Lead Recovery	52.25	55.79	54.00	62.59	53.52	49.18	54.49
Campo Morado	44.20	44.37	45.90	54.16	44.92	39.17	44.80
Tahuehueto	78.07	82.73	75.92	83.78	84.59	86.68	85.47

OTHER FINANCIAL INFORMATION

SHARE CAPITAL

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

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

	September 30, 2024			November 25, 2024		
	Number of units	Weighted average exercise Price ⁽¹⁾	Weighted average life (years)	Number of units	Weighted average exercise Price ⁽¹⁾	Weighted average life (years)
Common shares	166,840,173			198,383,448		
Warrants	56,420,409	0.53	0.91	56,090,409	0.55	0.75
Stock options	15,472,403	0.41	4.17	15,388,028	0.51	4.07
Restricted share units	800,000	-	-	800,000	-	-
Convertible debenture ²	16,658,340	0.47	-	13,944,000	0.58	-
Fully diluted	256,191,325			284,605,885		

1. Amounts are in CAD.

2. The outstanding balance of USD\$5.8 million of the convertible debentures was converted at the USD/CAD August 28, 2024, spot rate of 1.3471.

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 the 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 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.

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	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
	\$	\$	\$	\$
Salaries, bonus and benefits	284	267	805	893
Consulting fees	127	221	491	606
Share-based compensation	669	256	867	683
Total	1,080	744	2,163	2,182

Related party balances

As at September 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 (note 11). The Company and Escorfin have directors in common. On February 28, 2024, the principal and interest owing of \$4,242 was settled with the issuance of 12,721,310 common shares of the Company. During the three and nine months ended September 30, 2024, the Company incurred interest of \$nil and \$nil (September 30, 2023 - \$328 and \$934).

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 nine months ended September 30, 2023, the amount exchanged for currency denominated in the Mexican Peso at exchange rates at the time of the conversion was \$nil and \$615, respectively (September 30, 2023 - \$5,089 and \$14,812). As at September 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 nine months ended September 30, 2024, the Company incurred legal expenses of \$nil and \$56, respectively (September 30, 2023 - \$85 and \$308).

CONTINGENCIES AND CONTRACTUAL OBLIGATIONS

a) Commitments

As of September 30, 2024, the Company has commitments of \$2,593 of contracted mining services which are expected to be expended within one year. Including in this, there are \$2,320 outstanding advance payments in connection to the agreement signed with Cominvi to carry out core mining operations at the Campo Morado copper-zinc-gold mine.

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 September 30, 2024, the Company has estimated an accrual of \$3,979 (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 \$810 (MXN\$16,000) and possible reduction of accumulated tax losses for \$5,290 (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 nine months ending September 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. On 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.

September 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	1,590	-	1,590	-	1,590	-
	1,590	-	1,590	-	1,590	-
Financial assets not measured at Fair Value						
Cash	-	9,456	9,456	-	-	9,456
Other receivables	-	5,479	5,479	-	-	5,479
	-	14,935	14,935	-	-	14,935
Financial liabilities not measured at Fair Value						
Accounts payable and accrued liabilities	-	(21,439)	(21,439)	-	-	(21,439)
Loans payable	-	(18,426)	(18,426)	-	-	(18,426)
	-	(39,865)	(39,865)	-	-	(39,865)
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 September 30, 2024, and the year ended December 31, 2023, there were no transfers between Level 1, Level 2, and Level 3 of the fair value hierarchy.

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 September 30, 2024:

Metal	Change	Effect on Sales \$
Gold	+/- 10%	752
Silver	+/- 10%	1,606
Zinc	+/- 10%	379
Copper	+/- 10%	313
Lead	+/- 10%	23

Credit risk

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

As of	September 30 2024	December 31 2023
	\$	\$
Cash	9,456	2,058
Trade receivables	1,295	562
VAT recoverable	5,006	6,737
Other receivables	768	244
	\$16,525	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 September 30, 2024:

	Expected payments, by year, as at September 31, 2024			
	Less than 1 year	1 -3 years	After 5 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	21,439	-	-	21,439
Lease liabilities	1,209	10,005	3,317	14,531
Empress Royalty streaming	401	3,878	3,920	8,199
Loans payable	13,751	4,675	-	18,426
Provision for reclamation and rehabilitation	-	-	6,270	6,270
Total contractual obligations	36,800	18,558	13,507	68,865

Interest rate risk

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

As at September 30, 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 \$164 (September 30, 2023 – \$139).

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

Foreign currency risk

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

The US dollar equivalents of financial assets and liabilities denominated in currencies other than the US dollar as at September 30, 2024, are as follows:

Denominated (000's)	September 30, 2024		December 31, 2023	
	CAD Dollars	Mexican Peso	CAD Dollars	Mexican Peso
	\$	\$	\$	\$
Financial assets, foreign currency	9,752	77,774	1,407	227,382
Financial liabilities, foreign currency	(761)	(415,798)	(831)	(793,391)
Net financial assets (liabilities)	8,991	(338,024)	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%	571
Mexican pesos	+/- 10%	1,562

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;



Mining Corp.

- 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 nine months ended September 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 notes 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.



Loading concentrate for shipment at Campo Morado