



**Mining Corp.**

**Forced Labour and Child Labour Report**

**2024**



INTRODUCTION

Luca Mining Corp. ("Luca") remains steadfast in its commitment to upholding human rights and ethical business practices across all operations and supply chains. In alignment with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, we continue to refine our policies and procedures to identify and mitigate risks associated with forced labour and child labour ("Modern Slavery").

This report serves as an update to our 2023 Forced Labour and Child Labour Report, detailing key developments in 2024 and outlining our commitments for 2025.

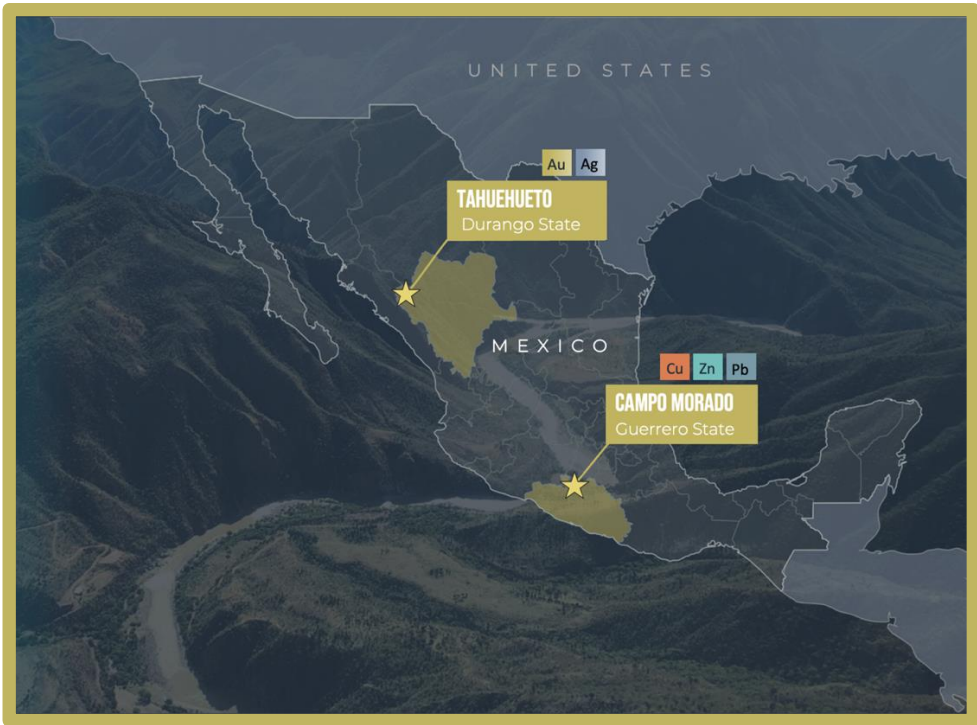
REPORTING CONTEXT

This report is a joint report filed by Luca Mining Corp. on behalf of itself and the following subsidiaries: Real de la Bufo, S.A. de C.V. and Minas de Campo Morado, S.A. de C.V. (the "Report")

ORGANIZATIONAL STRUCTURE, ACTIVITES AND SUPPLY CHAIN

Corporate Structure and Business Activities

Luca is the sole parent company of the subsidiaries covered in this Report and is headquartered in Vancouver, British Columbia and has approximately 500 employees. Luca is a polymetallic producer and owns two operating mines: Campo Morado mine in the state of Guerrero produces copper, zinc, lead, silver and gold, and Tahuehueto mine in the state of Durango produces gold, silver, zinc and lead.



Luca sells its products to a large global commodities trading group operating in Mexico, with company headquarters in Singapore. This group subsequently distributes Luca's products worldwide.

Luca 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".



## Supply Chain

Luca relies on a diverse pool of suppliers to provide goods and services to support the Company's development, construction, mining, processing, transportation, and sustainability activities. Our supply chain includes suppliers of traded and non-traded goods and services. Our relationships with suppliers vary from one-off engagements through to long-term contractual agreements. Luca procures a range of goods and services, such as mobile equipment, machinery, fuel and lubricants, explosives, and a variety of other products and services that support large-scale mining operations. Luca's direct suppliers are closely aligned with the location of Luca's operations in Mexico and in 2024, 90% of procurement was sourced in Mexico with 55% of the procurement spend with local suppliers in the areas of Mexico where the Company's mines operate.

Luca outsources selected operational activities to third parties in Mexico, such as exploration, mining, heavy equipment maintenance, transport and logistics, mechanical, electrical and construction work, and technical, engineering, permitting and legal consultancy.

## OUR POLICIES AND DUE DILIGENCE PROCESSES

Luca's policies set out our commitment to act lawfully, ethically and responsibly and define the Company's expectations of acceptable business practices. Together, the following policies form a framework of standards required of our Board of Directors, officers, employees, contractors and suppliers to ensure human rights are respected, and to identify and appropriately address Modern Slavery Risks in our operations and supply chains:

Code of Conduct – requires directors, officers, employees and contractors of Luca to act honestly, with integrity and in compliance with all applicable laws and regulations in fulfilling their duties and responsibilities.

Whistleblower Policy – requires reporting of actual or suspected material violations of the Code of Conduct or material legal or regulatory obligations and protects reporters from reprisal.

While no new corporate governance policies were implemented in 2024, we are actively developing a comprehensive suite of policies and controls for 2025, including:

- Anti-Bribery and Anti-Corruption Policy
- Workplace Discrimination, Violence and Harassment Policy
- Sanctions and Anti-Money Laundering Compliance Policy
- Supplier Code of Conduct

These policies aim to reinforce our commitment to ethical conduct and strengthen supplier expectations related to labour rights.

## POTENTIAL MODERN SLAVERY RISKS

The Modern Slavery Act defines modern slavery to include forced labour, slavery, forced marriage, human trafficking, debt bondage, servitude, deceptive recruiting for labour or services and the worst forms of child labour.

Luca recognizes that the risk of forced labour and child labour is greater within off-site supply chains compared with our own on-site operational activities. Furthermore, certain individuals, sectors, and geographic locations within our supply chains may be at a higher risk of forced labour and child labour.

Our review in 2024 reaffirmed that the highest potential risks in our supply chain pertain to:

- equipment and associated inputs which may be sourced from a variety of jurisdictions and suppliers;
- other goods manufactured in regions considered high-risk of forced labour or child labour; and
- clothing and personal protective equipment.

The measures Luca takes to mitigate the risk of forced labour and child labour in our operations include our policies and procedures outlined above, in addition to other risk management strategies. In 2025, we plan to adopt a phased approach to evaluate suppliers more systematically by region and product category.

## REMEDIATION MEASURES

Our Code of Conduct and Whistleblower Policy offer a reporting mechanism for our employees and suppliers to report ethical or legal violations, among other concerns. In accordance with our policies, if a situation of non-compliance is identified, Luca will work to develop and implement a corrective plan to improve and remedy the situation. To date, Luca has not identified any material risk of the presence of forced labour or child labour used in its activities or supply chain and therefore has not undertaken any measures to remediate forced labour or child labour in its activities and supply chain or remediate loss of income that results from any measure taken to eliminate the use of forced labour or child labour in its activities and supply chain. Luca is in the early stages of developing a formal remediation protocol for adoption in 2025. This will outline our response measures should a confirmed incident arise, including mitigation of income loss and engagement with local authorities.



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## TRAINING

Luca is committed to ensuring that its employees, directors, and officers have access to training pertaining to our Code of Conduct. Luca continues to develop consistent training modules for our employees with the aim to provide participants with a deeper understanding of forced labour and child labour, international standards, common indicators of risk, how to identify forced labour and child labour, and what to do if they suspect an issue or a violation. These programs are slated for roll out during 2025 and 2026.

## ASSESSING EFFECTIVENESS

In 2025, Luca will continue to develop its program to prevent child labour and forced labour. Luca is dedicated to ensuring that neither forced labour nor child labour is present within our operations or our supply chains. To evaluate the impact of our due diligence program, we are preparing to implement the following key performance indicators in 2025:

- percentage of suppliers screened for human rights risks;
- percentage of employees trained on modern slavery topics; and
- number of reported incidents or concerns related to labour practices.

## Longer Term

Detecting and eradicating forced labor and child labor within the global supply chain presents a multifaceted challenge spanning social, economic, and governance domains. Addressing this issue effectively necessitates collaborative efforts among industries, suppliers, governments, and non-profit organizations. Collaboration stands as a cornerstone of our values, with our supply chain partners playing a pivotal role in crafting collective solutions. To achieve this, we must foster deeper bonds with our partners, fortify contractual agreements, and collectively strive for heightened transparency throughout our supply chain. Together, we aim to devise joint strategies that generate value across various dimensions.

In our continuous pursuit of improvement, we are committed to remaining vigilant in identifying emerging risks. Furthermore, Luca is dedicated to refining and implementing additional due diligence policies and procedures aimed at detecting, addressing, and prohibiting the utilization of forced labor and child labor in both our operations and supply chain.

In 2025, we aim to:

- Finalize and roll out new governance and compliance policies
- Launch company-wide modern slavery training
- Implement a supplier risk assessment framework
- Establish a remediation protocol
- Strengthen contractual clauses related to modern slavery in supplier agreements

## ATTESTATION AND APPROVAL

This Report was approved by the Board of Directors of Luca Mining Corp. on May 27, 2025.

In my capacity as an Officer of Luca Mining Corp. and not in my personal capacity, I make this attestation in accordance with the requirements of the Act.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity or entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purpose of the Act, for the reporting year listed above.

I have authority to bind Luca Mining Corp.

Signed by:

*Dan Barnholden*

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**Dan Barnholden**

CEO

Luca Mining Corp.

May 27, 2025