



**Mining Corp.**

**Report under the Fighting Against Forced Labour  
and Child Labour in Supply Chains Act**

**For the year ended December 31, 2025**



Mining Corp.

**INTRODUCTION**

Luca Mining Corp. ("Luca") remains committed to upholding human rights and ethical business practices across all of its operations and supply chains. This report is a joint report filed by Luca Mining Corp. on behalf of itself and the following subsidiaries: Real de la Bufa, S.A. de C.V. and Minas de Campo Morado, S.A. de C.V. (the "Report") and is filed in accordance with Canada's *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, (the "Act").

For the purposes of this report, the term "modern slavery" refers to forced labour and child labour, as defined under the Act. The Report reflects Luca's commitment to human rights and outlines the policies and actions the Company has implemented or is developing to mitigate Modern Slavery risks across its operations and within its supply chain.

Oversight of Luca's modern slavery compliance program is shared between management and the Board of Directors. Operational implementation is coordinated through the Legal Department and Human Resources, with periodic reporting to the Board regarding policy implementation, supplier due diligence, and training progress.

**ORGANIZATIONAL STRUCTURE, ACTIVITIES AND SUPPLY CHAIN**

**Corporate Structure and Business Activities**

Luca is a polymetallic producer headquartered in Vancouver, British Columbia, Canada and is publicly traded 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".

Luca owns and operates two producing mines in Mexico:

- Campo Morado mine, located in the state of Guerrero, produces copper, zinc, lead, silver and gold
- Tahuehueto mine, located in the state of Durango, produces gold, silver, zinc and lead.

As of December 31, 2025, there were approximately 580 employees and contractor personnel directly involved with or supporting mining, processing, exploration and capital project activities across its wholly owned Mexican subsidiaries. Additionally, the Company has approximately 12 people at its Canadian corporate office.



Luca sells its concentrates to Trafigura Mexico, S.A de C.V., a Mexican subsidiary of Trafigura Group Pte. Ltd., large global commodities trading group headquartered in Singapore ("Trafigura"). Trafigura distributes Luca's products worldwide. Trafigura publishes an annual Modern Slavery statement under the Canadian Act and other jurisdictions and reported that it did not identify any instances of forced or child labour in its supply chain for the year ended December 31, 2025.



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## Supply Chain

Luca's supply chain supports development, construction, mining, processing, transportation and sustainability activities across both mine sites. In 2025, total consolidated procurement across both operations was approximately US\$144.5 million with domestic procurement from Mexican suppliers accounting for virtually 100% of the spend. Total international procurement accounted for less than 1% with the largest foreign source being the USA at US\$0.39 million, followed by Great Britain, the Netherlands, Canada and Peru. While the country of purchase is now well understood, determining the precise country of manufacture for goods sourced through Mexican distributors remains a gap which has been identified for action in 2026, except for PPE and clothing purchases which are manufactured in Mexico.

Luca's business involves the exploration of mineral concessions; the production of silver, gold, and base metals concentrates; the transportation of products from the mine; and the sale of such products. Luca's primary procurement categories at each mine site include:

- Mobile equipment, machinery and associated parts and inputs
- Fuel (diesel represents a significant portion of operating costs) and lubricants
- Explosives, reagents and chemicals
- Grinding media
- Personal protective equipment and clothing ("PPE"). Luca's PPE suppliers are Mexican companies, and Luca has confirmed that these goods are sourced from domestic suppliers
- Outsourced operational services: exploration, heavy equipment maintenance, transportation, mechanical, electrical and construction work, engineering, permitting and legal consultancy.

Luca maintains supplier information across two systems. The legal department in Mexico maintains a centralized database of active contracts, classified by contract term, operational importance, and commercial significance, which has been used to identify priority relationships for the incorporation of Modern Slavery contractual provisions through the renewal process. Separately, a supplier master data is maintained in Luca's Microsoft Business Central ERP system across both mine sites, which provides visibility into active supplier relationships by category and spend. Together these systems formed the basis of Luca's supplier prioritization work in 2025, supporting the mapping exercise that identified approximately 83% of frequently used suppliers and flagged internationally linked suppliers for further due diligence. Luca acknowledges that formal supplier screening tools and self-assessment questionnaires are not yet integrated into either system, and has identified this as a priority for 2026.

## 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. This commitment is guided by applicable laws and regulations in the jurisdictions where the Company operates along with the Company's governance policies. In 2025, Luca developed or substantially revised six of its governance policies to further strengthen this commitment. These policies apply to all directors, officers, employees, consultants, and contractors, and outline clear expectations for ethical conduct and the upholding of human rights both within Luca's operations and throughout its supply chain.

The following new and revised policies, all approved by the Board of Directors in 2026, help the Company to identify and address risks related to human rights, including forced labour and child labour

### Updated Policies

- **Code of Conduct and Business Ethics** – Luca's Code of Conduct was substantially revised in 2025. The policy previously applied only to internal personnel with no reference to suppliers or human rights. The policy now applies to all business partners, integrates with Luca's new policy suite, requires annual acknowledgement by all of Luca's directors, officers, employees, consultants, contractors, temporary agency workers on long term assignment and third party business partners ("Team Members") and expands coverage of conflicts of interest, anti-bribery, and insider trading obligations.
- **Whistleblower Policy** – Luca's Whistleblower Policy was significantly strengthened in 2025. The 2021 policy had no independent reporting channel and could not maintain email anonymity. The revised policy introduces a third-party Trust Line for confidential anonymous reporting, expands coverage to all Team Members and enables reporting in English or Spanish. Further, the policy explicitly covers human rights violations and forced labour indicators.



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### **New Policies Developed in 2025 (Approved in 2026)**

- **Human Rights Policy** – Formalizes Luca’s commitment to human rights across its operations and supply chain. The Policy is aligned with the UN Guiding Principles on Business and Human Rights<sup>(1)</sup>, ILO Core Conventions<sup>(2)</sup>, and the Voluntary Principles on Security and Human Rights<sup>(3)</sup>. It expressly prohibits child, forced and compulsory labour and commits to confidential grievance mechanisms for all stakeholders including indigenous peoples.
- **Anti-Bribery and Anti-Corruption Policy** – Sets out Luca’s zero-tolerance approach to bribery and corruption. Requires compliance with Canada’s Corruption of Foreign Public Officials Act and equivalent Mexican legislation, applying the most stringent standard regardless of local law. Covers facilitating payments, kickbacks, political contributions, and gifts above a nominal threshold.
- **Diversity Policy** - Commits Luca to a merit-based, diverse and inclusive workplace at all levels including the Board. Diversity is defined broadly across gender, age, ethnic and indigenous origin, religion, and sexual orientation. Sets a Board target of at least one female director and requires diversity consideration in senior management succession planning.
- **Supplier Code of Conduct** - Sets out Luca’s expectations of all suppliers, contractors, consultants and other third parties providing goods or services to the Company. Compliance with the Supplier Code is a condition of doing business with Luca. Expressly prohibits child labour, forced labour, bonded labour, and human trafficking, and requires suppliers to identify and address modern slavery risks in their own supply chains. Requires flow-down to subcontractors and reporting of violations through Luca’s Whistleblower Policy channels.

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

### **Due Diligence and Supplier Assessment**

In 2025, Luca took initial steps toward implementing a structured supplier due diligence program. Key actions included:

- **Supplier database and categorization:** The Legal Department maintains a centralized database of active contracts, classified by supplier category, contract term, and operational significance. This enables a risk-based approach to supplier engagement.
- **Risk-based prioritization:** Luca identified the highest-risk procurement categories as: (i) equipment and associated inputs, which may be sourced from multiple international jurisdictions; (ii) goods manufactured in regions associated with elevated forced labour and child labour risk; and (iii) personal protective equipment and clothing. Luca confirmed that its PPE purchases are manufactured in Mexico.
- **Contract renewal mechanism:** The Legal Department uses contract renewals and amendment agreements as a mechanism to progressively incorporate modern slavery representations, audit rights, and remediation provisions into supplier contracts. This phased approach allows Luca to strengthen its contractual framework without operational disruption.
- **Mexican legal framework as baseline:** Forced labour and child labour are expressly prohibited under the Mexican Constitution, the Federal Labor Law (Ley Federal del Trabajo), and applicable criminal legislation. Certain existing supplier contracts already include general representations regarding compliance with applicable Mexican law. These provisions constitute a verifiable contractual baseline upon which Luca is building more specific modern slavery protections.

Luca acknowledges that formal supplier self-assessments and third-party screening tools are not yet in place. These are identified as priorities for 2026 as part of Luca’s phased approach to supply chain due diligence.

### **Desktop Review of Supplier Modern Slavery Disclosures**

As an initial step in its supplier due diligence program, Luca conducted a desktop review of its key suppliers to determine whether they are subject to modern slavery reporting obligations in any jurisdiction and whether they publish modern slavery statements or equivalent disclosures. This review focused on suppliers identified through the 2025 supplier mapping exercise as carrying higher inherent risk due to their international affiliations or manufacturing origins. The findings are summarized below.

- **Trafigura** – Luca’s primary offtake counterparty publishes an annual joint modern slavery statement under the Canadian Act, UK Modern Slavery Act, Australian Modern Slavery Act, and Swiss Act. Trafigura’s 2025 statement confirms no instances of forced or child labour were identified in their supply chain during the reporting period, and that Luca’s concentrates flow through a supply chain subject to Trafigura’s Responsible Sourcing Programme, which includes independent desk-based reviews and site visits of metals and minerals suppliers.

1. The UN Guiding Principles on Business and Human Rights (UNGPs) were endorsed by the UN Human Rights Council in 2011. They establish the global standard for preventing and addressing the risk of adverse human rights impacts linked to business activity, structured around three pillars: the state duty to protect human rights; the corporate responsibility to respect human rights; and the need for access to remedy for victims of business-related human rights abuses.

2. The ILO Core Conventions (now called Fundamental Conventions) are ten conventions of the International Labour Organization covering freedom of association, the right to collective bargaining, the elimination of forced labour, the abolition of child labour, and non-discrimination in employment. They represent the minimum labour standards baseline recognized under international law and are incorporated into Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act by reference.

3. The Voluntary Principles on Security and Human Rights (VPs) are a multi-stakeholder initiative specific to the extractive industry (mining, oil and gas) that provides guidance on how companies can maintain the safety and security of their operations while ensuring respect for human rights. They address interactions between company security arrangements, public security forces (police and military), and local communities. The VPs are particularly relevant to Luca’s operations given the security context in Guerrero and Durango states.



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- **Sandvik AB** – Parent of Sandvik Mining and Construction de Mexico, which supplies equipment and parts to both mine sites. Sandvik AB is a Swedish-listed multinational that publishes modern slavery statements under the UK Modern Slavery Act and complies with Germany's Supply Chain Due Diligence Act (LKSG). Sandvik maintains a zero-tolerance policy for forced and compulsory labour, a Supplier Code of Conduct binding on its own suppliers and conducts audits of identified high-risk suppliers. Sandvik's existing program significantly reduces the risk that goods supplied to Luca do not originate from higher-risk upstream supply chains.
- **SNF Group** – Parent of SNF Floerger de Mexico, a reagent supplier at Campo Morado. SNF Group is a French multinational and is subject to France's Duty of Vigilance Law (Loi de Vigilance), which imposes mandatory human rights and environmental due diligence obligations on large French companies. SNF publishes an annual ESG Report covering human rights and labour practices. No standalone modern slavery statement was identified, but the French regulatory framework provides a level of mandatory oversight equivalent in substance to modern slavery reporting.
- **Austin Powder (Implementos Mineros)** – Explosives supplier at Tahuehueto. Austin Powder is a US-based industrial explosives company that published a 2024 Sustainability Report referencing human rights compliance, transparency frameworks, and international trade obligations. No standalone modern slavery statement was identified; however, the company operates within a robust compliance framework that emphasizes respect for human rights and fair labour practices.
- **King's Beads Ltd** – Ceramic grinding media supplier at Campo Morado, manufactured in China. No modern slavery statement or equivalent disclosure was identified. King's Beads holds an EcoVadis Silver Medal for sustainability, but this does not constitute a modern slavery program. China is identified as a higher-risk jurisdiction in the Global Slavery Index. Luca has identified requesting a formal supplier self-assessment from King's Beads as a 2026 priority and will consider alternative sourcing arrangements if engagement on this matter is unsatisfactory.
- **Mexican Small and Medium Enterprise ("SME") Suppliers** – The majority of Luca's suppliers across all categories, including local fuel, lubricant, reagent, PPE, clothing, and service providers, are Mexican SMEs that are not subject to modern slavery reporting obligations in any jurisdiction and do not publish such disclosures. This is consistent with their size and operational profile and is not itself indicative of elevated risk, given that these suppliers operate under Mexico's mandatory labour law framework. For this tier of the supply chain, Luca's primary due diligence mechanisms will be the Supplier Code of Conduct and contractual representations. The Company will implement the supplier Code of Conduct over the course of 2026 and new contractual representations through the contract renewal process.

#### POTENTIAL MODERN SLAVERY RISKS

The Act defines modern slavery to include forced labour, slavery, forced marriage, human trafficking, debt bondage, servitude, deceptive recruiting for labour or services and all 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. The mining sector presents specific risk factors, including the use of outsourced labour in remote locations, complex multi-tier supply chains, and procurement of goods from jurisdictions with less robust labour protections.

Mexico, where all of Luca's operations are located, carries an inherent modern slavery risk profile that Luca recognizes and actively considers in its risk management. The 2023 Global Slavery Index (Walk Free Foundation) estimates that approximately 6.6 in every 1,000 people in Mexico were living in modern slavery in 2021, ranking Mexico 13th out of 25 countries in the Americas region. The Index identifies electronics, garments, and textiles as the industries most at risk of forced and child labour in Mexico. Notably, mining is not among the highest-risk sectors within Mexico at the national level. The domestic mining industry benefits from significant mitigating factors: it is one of the most highly regulated sectors, subject to mandatory federal labour law protections, IMSS registration requirements, and union oversight, and the use of child labour in mining is not culturally accepted given the inherent physical hazards of the work. Luca's own directly managed operations benefit from these factors. However, the Global Slavery Index also identifies the garments and textiles industry globally as the second and fifth highest-risk product categories for forced labour, a risk that is directly relevant to Luca's procurement of PPE, workwear, and uniforms, particularly where those goods may be manufactured in higher-risk jurisdictions regardless of the nationality of Luca's immediate supplier. This country-level and sector-level context helps Luca to assess where risks are most likely to arise in its supply chain, particularly in the garments and textiles category and among less-regulated upstream suppliers.

Luca's assessment in 2025 of the highest potential risks in its supply chain reaffirmed the following primary risk areas:

- **Equipment and Associated Inputs** - Certain equipment components and industrial inputs used at the mine sites may originate from multiple international jurisdictions where Luca has limited visibility into upstream labour practices. Luca's highest-spend categories include diesel, explosives, reagents and grinding media.



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- Goods manufactured in higher-risk regions** - While virtually all of Luca's procurement by value is sourced from Mexican suppliers, a portion of those goods may be manufactured outside Mexico. Two suppliers identified through the 2025 supplier mapping exercise warrant particular attention. King's Beads Ltd, which supplies ceramic grinding media to Campo Morado, is a Chinese manufacturer — the largest ceramic grinding media producer in Asia — with manufacturing facilities in China, which the Global Slavery Index identifies as a higher-risk jurisdiction. King's Beads holds an EcoVadis Silver Medal for sustainability but does not appear to publish a modern slavery statement. Luca has identified requesting a supplier self-assessment from King's Beads as a 2026 priority. Sandvik Mining and Construction de Mexico, a subsidiary of the Swedish multinational Sandvik AB, supplies equipment and parts that may originate from global supply chains; however, Sandvik AB publishes modern slavery statements under the UK Modern Slavery Act and the German Supply Chain Due Diligence Act, maintains a zero-tolerance policy for forced and compulsory labour, and audits identified high-risk suppliers. Sandvik's existing program reduces but does not eliminate the risk in this category.
- Personal protective equipment and clothing** - Luca has confirmed that all PPE and clothing purchases at both mine sites are manufactured in Mexico by Mexican suppliers. This is a meaningful mitigant given that garments and textiles are among the highest-risk product categories globally for forced labour. Mexican manufacturing reduces but does not entirely eliminate risk in this category, as labour conditions among individual manufacturers can vary; however, Mexican suppliers are subject to mandatory labour law protections under the Federal Labor Law and IMSS registration requirements. Luca will incorporate PPE and clothing suppliers into its broader supplier assessment framework as it is developed in 2026.
- Outsourced labour in Mexico** - Certain operational activities, including exploration, heavy equipment maintenance, transport and logistics, and construction, are outsourced to third-party contractors in Mexico. Luca's direct oversight of labour practices in these arrangements is limited. Mexico's 2021 subcontracting reform (Reforma en Materia de Subcontratación) strengthened regulatory requirements in this area, and Luca relies on applicable Mexican labour law as a mandatory compliance baseline for these relationships.

The Mexican legal framework mitigates the risk of Modern Slavery in Mexico. Forced labour and child labour are expressly prohibited under Mexican law. Key provisions directly applicable to Luca's operations include: Article 75 of the Federal Labor Law (Ley Federal del Trabajo), which prohibits the employment of persons under 18 years of age in mining operations; Article 132, which requires employers to implement a protocol to eradicate forced and child labour; and Article 15, which requires all contractors to be registered with the Registry of Contractors and Specialized Services (REPSE). These provisions apply to Luca and its Mexican subsidiaries and their contractors and constitute a mandatory compliance baseline that supplements Luca's own governance policies.

All employees at Campo Morado and Tahuehueto are required to present both a INE Identification Card and a CURP (Clave Única de Registro de Población) at the time of hiring. Luca uses government-issued identity documentation, including CURP and INE documentation, as part of its age verification procedures. To access either operating site, all contractors and third-party workers must provide their IMSS (Mexican Social Security Institute) registration and INE (Instituto Nacional Electoral) identification card. These requirements apply uniformly at both sites. Luca has not identified any instance of employment of minors at its operations or through its service providers.

To date, Luca has not identified any confirmed instance of forced labour or child labour in its operations or supply chain.

## REMEDIATION MEASURES

Luca's revised Whistleblower Policy provides multiple reporting channels for employees, contractors, consultants and suppliers to raise concerns including those related to labour practices and forced labour indicators. Reports may be submitted in English or Spanish through a supervisor, senior management, Human Resources, or an independent third-party Trust Line that provides genuinely confidential and anonymous reporting. The Policy prohibits retaliation and covers all Team Members and third-party work partners.

In 2025, Luca received three reports through its then existing whistleblower channel was available in Spanish via email and was accessible to all employees, contractors, and third-party workers at both Campo Morado and Tahuehueto. No reports related to modern slavery, forced labour, or child labour were received during the reporting year.

No instances of forced labour or child labour were identified in Luca's operations or supply chain during the reporting year. No remediation measures were required under section 11(3)(d) or section 11(3)(e) of the Act. Luca will report any future incidents and remediation measures in the disclosure for the relevant reporting year.

Luca notes that its primary offtake counterparty, Trafigura, conducts independent multi-level due diligence on its metals and minerals suppliers. In FY2025, Trafigura conducted 161 desk-based reviews and 225 counterparty site visits and confirmed in its own 2025 Modern Slavery and Child Labour Statement that it identified no instances of forced or child labour. As a supplier to Trafigura, Luca is subject to this independent oversight, which provides additional assurance complementary to Luca's own due diligence activities.

Luca is developing a formal remediation protocol which will define response procedures if forced labour or child labour is identified, including supplier engagement, corrective action planning, remediation of income loss for affected workers, and engagement with relevant authorities.



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## TRAINING

Luca is committed to ensuring that all employees, directors, officers, and key contractors understand their obligations and responsibilities in relation to forced labour and child labour. Recognizing that awareness needs vary significantly across the organization, Luca is developing a tiered training approach calibrated to three audience groups: governance-level training for directors and officers covering the Act's requirements and attestation obligations; management-level training for procurement, HR, and site supervisors covering risk identification, reporting obligations, and supplier engagement; and an operational module for frontline workers and contractors at the mine sites, to be delivered in Spanish

Training is targeted for rollout in 2026 and 2027. Given that the majority of Luca's employees are based at the Mexican mine sites, the practical focus of training delivery is the site-level workforce at Campo Morado and Tahuehueto. Training will be delivered in Spanish at both sites. The Canadian corporate employees, including directors and officers, will receive governance-level training covering the Act's requirements and Luca's attestation obligations. Luca will extend training to key contractor personnel in addition to direct employees.

The rollout of the revised Code of Conduct and Business Ethics, which requires annual acknowledgment by all Team Members, will serve as a natural delivery vehicle for the first wave of awareness training across the consolidated workforce.

## ASSESSING EFFECTIVENESS

Luca is developing a structured approach to evaluating the effectiveness of its modern slavery due diligence program. In 2025, the Company identified four KPIs; however, no baseline data was collected in 2025 as the underlying processes were not yet sufficiently established. Luca is committed to reporting quantitative results against all four KPIs in its 2026 disclosure, with specific targets set out in the Commitments for 2026 section.

The following four KPIs will be tracked and reported against specific targets from 2026 onwards:

- Percentage of active suppliers (by spend) that have been screened for human rights and modern slavery risks
- Percentage of employees (including contractors) trained on modern slavery topics
- Number of reports received through the whistleblower mechanism related to labour practices, with a breakdown by category and outcome
- Number of supplier contracts amended or renewed to include modern slavery representations, audit rights, and remediation provisions

Luca acknowledges that its program is at an early but progressing stage of maturity and recognizes that the absence of whistleblower reports related to labour practices reflects this early stage rather than a confirmed absence of risk. Building awareness of the Trust Line at the site level in Mexico is therefore a priority alongside training delivery.

## COMMITMENTS FOR 2026

Building on progress made in 2025, Luca has identified the following priorities for the coming year:

- Deliver modern slavery and Code of Conduct training to 100% of Canadian corporate employees and directors by December 31, 2026, and to a minimum of 60% of Mexican site employees at Campo Morado and Tahuehueto by the same date, with training delivered in Spanish at site level
- Implement a formal supplier risk assessment framework, incorporating self-assessment questionnaires for priority suppliers
- Finalize and adopt a remediation protocol governing Luca's response to identified or suspected incidents of forced or child labour
- Continue incorporating modern slavery representations, audit rights, and supplier code of conduct obligations into contracts through the renewal process
- Establish a process to identify country of manufacture for goods procured through domestic Mexican distributors in higher-risk categories, specifically equipment inputs, reagents, and chemicals (PPE and clothing have been confirmed as manufactured in Mexico)
- Collect and report baseline data against all four KPIs for the 2026 reporting year

## FORWARD-LOOKING INFORMATION

Certain statements in this Report constitute forward-looking information, including statements relating to Luca's planned policies, training programs, supplier assessment frameworks, KPI targets, and other future commitments. Forward-looking information is based on management's current expectations and assumptions and involves known and unknown risks and uncertainties. Actual outcomes may differ materially from those expressed or implied. Luca does not undertake any obligation to update forward-looking information except as required by applicable securities laws.



**ATTESTATION AND APPROVAL**

This Report was approved by the Board of Directors of Luca Mining Corp. on May 21, 2026.

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:

A handwritten signature in black ink that reads "Dan Barnholden".

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**Dan Barnholden**

**CEO**

**Luca Mining Corp.**

**May 21, 2026**