Luca Reports Record Net Quarterly Revenue In Q2 2024 Of Us$18.2 Million, Up 49% Year-over-year

29.08.2024 | CNW

VANCOUVER, Aug. 29, 2024 - Luca Mining Corp. ("Luca" or the "Company") (TSXV: LUCA) (OTCQX: LUCMF) (Frankfurt: Z68) is pleased to announce its financial results for the six months ended June 30, 2024.

Highlights

- Record Net Quarterly Revenue for Q2 2024 of US$18.2 million, up 49% from Q2 2023. Total Net Revenue for the six months ended June 30, 2024, of US$34.5 million, an increase of 33% over the same 2023 period.
- Positive Net Earnings of US$4.7 million for Q2 2024, an increase of 217% over Q2 2023. Q2 Earnings per share ("EPS") increased 130% over the same 2023 period at US$0.03 per share. Total Net Earnings for the six months ended June 30, 2024, were US$10.0 million, a 303% increase over the same 2023 period with EPS increasing 175% to US$0.06.
- Cash flow from Operations: US$739,000 in positive cash flow from operations, with cash flow from operations before working capital changes at US$3.4 million.
- Positive EBITDA and Adjusted EBITDA: US$6.1 million in positive EBITDA and US$4.1 million in positive Adjusted EBITDA for Q2
- Production of 13,947 troy oz of gold equivalent: being comprised of 4,278 ounces of gold, 188,267 ounces of silver, 3,125 tonnes of zinc, 706 tons of copper and 667 tonnes of lead.
- Operating Costs: All-in Sustaining costs per AuEq oz produced ("AISC") was US$1,714 at Campo Morado and US$1,677 at Tahuehueto resulting in a consolidated AISC of US$1,766. AISC increased in Q2 due to a reduction in tonnes milled over Q1, offset by reduced overall sustaining capital expenditure as Tahuehueto construction completed. AISC is expected to decrease at both Tahuehueto and at Campo Morado as production ramps up in the second half of 2024.
- Tahuehueto Construction Completed: The installation of the third filter press in August 2024 marked the completion of major construction at Tahuehueto. The Company is now commissioning the plant and anticipates ramping up to full production by Q4 2024.
- Campo Morado Improvement Project ("CMIP"): Progress continues on refurbishment of float cells, thickeners and filters to ensure reliable plant operation. The focus remains on two key objectives: increasing mill throughput, and sustaining plant performance. The copper-lead separation stage of the project is advancing and is expected to be completed by Q4 2024.

Dan Barnholden, CEO stated, "I am very pleased with our Q2 2024 results. We have achieved positive net income, positive EBITDA and positive Adjusted EBITDA for the second quarter in a row, as well as positive cash flow from operations. I fully expect this trend to continue as Campo Morado and Tahuehueto continue to ramp up to full capacity. We have engaged a leading mine contractor, Cominvi, S.A. de C.V., for our Campo Morado operations which will improve our mobile equipment availability as well as provide enhanced efficiencies going forward. These improvements, along with the ongoing Campo Morado Improvement Project and Tahuehueto achieving commercial production in the near future, sets the stage for exciting growth in the second half and substantial cash flows in 2025."

"Lisa Dea, CFO, commented, "It has been gratifying to witness the transformation of the Company over the past several months. The numbers show that the Company has truly turned a corner, and I look forward to further growth ahead."

Production and Financial Overview

1. Gold equivalents are calculated using an 81.00:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for Q2 2024; 81.80:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for Q2 2023, an 84.46:1 (Ag/Au), 0.0005:1 (Au/Zn), 0.0019:1 (Au/Cu) and 0.0004:1 (Au/Pb) ratio for YTD 2024; and an 83.02:1 (Ag/Au), 0.0006:1 (Au/Zn), 0.0020:1 (Au/Cu) and 0.0005:1 (Au/Pb) ratio for YTD 2023, respectively.

2. Cash cost per gold equivalent ounce includes mining, processing, and direct overhead costs. See Reconciliation to IFRS on page 29 of the June 30, 2024 MD&A.

3. AISC per AuEq oz includes mining, processing, direct overhead, corporate general and administration expenses, reclamation, and sustaining capital on page 29 of the June 30, 2024 MD&A.

4. See Reconciliation of earnings before interest, taxes, depreciation, and amortization on page 26 of the June 30, 2024 MD&A.

5. See "Non-IFRS Financial Measures" on page 25 of the June 30, 2024 MD&A.

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 of the June 30, 2024 MD&A.

8. All-in cost per AuEq oz includes AISC plus interest paid and loan payments. See page 29 of the June 30, 2024 MD&A.

About Luca Mining Corp.

9. Production costs include mining, milling, and direct overhead cost at the operation sites. See reconciliation on page 29 of the June 30, 2024 MD&A.

Luca Mining (TSX-V: LUCA, OTCQX: LUCMF, Frankfurt: Z68) is a diversified Canadian mining company with two 100%-owned producing mines in Mexico. The Company produces gold, silver, zinc, copper and lead from these mines that each have considerable development and resource upside.

The Campo Morado mine, is an underground operation located in Guerrero State, a prolific mining region in Mexico. It produces copper-zinc-lead concentrates with precious metals credits. It is currently undergoing an optimisation program which is already generating significant improvements in recoveries and grades, efficiencies, and cashflows.

The Tahuehueto Gold, Silver Mine is a new underground operation in Durango State, Mexico, within the Sierra Madre Mineral Belt which hosts numerous producing and historic mines along its trend. The Company has completed the installation of major equipment and is commissioning its mill capacity to 1,000 tonnes per day, with key test work and production ramp-up underway, to achieve full production by Q4 2024.

The Company expects its operations to start generating positive cash flows in 2024. Luca Mining is focused on growth with the aim of maximizing shareholder returns.

For more information, please visit: www.lucamining.com.

On Behalf of the Board of Directors

(signed) "Dan Barnholden"

Dan Barnholden, CEO

Qualified Persons

The technical information contained in this News Release has been reviewed and approved by Mr. Chris Richings, Vice-President Technical at Luca Mining as the Qualified Person for the Company as defined in

National Instrument 43-101.

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

It should be noted that Luca declared commercial production at Campo Morado prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Luca's production decision has been made without a comprehensive feasibility study of established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study were completed and relied upon to make a production decision. Luca has completed a preliminary economic assessment ("PEA") mining study on the Campo Morado mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (see news releases dated November 8, 2017, and April 4, 2018).

Positive operating cash flow is defined as excluding capital, debt repayment and Trafigura financing.

Statements contained in this news release that are not historical facts are "forward-looking information" or "forward-looking statements" (collectively, "Forward-Looking Information") within the meaning of applicable Canadian securities laws. Forward Looking Information includes, but is not limited to, disclosure regarding the planned program to improve mining operations at Campo Morado; and other possible events, conditions or financial performance that are based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company's properties, such as production rates and increases; success of exploration, development and bulk sample processing activities, and timing for processing at its own mineral processing facility on the Tahuehueto project site. In certain cases, Forward-Looking Information can be identified using words and phrases such as "plans," "expects," "scheduled," "estimates," "forecasts," "intends," "anticipates" or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Campo Morado Mine and the Tahuehueto Project can be achieved; that the program to improve mining operations at Campo Morado will proceed as planned; the continuity of the price of gold and other metals, economic and political conditions, and operations. Forward-Looking Information involves 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 Information. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.

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.

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.

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.

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.

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

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

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

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

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Contact

For further information about Luca Mining Corp., please contact: Sophia Shane, Director of Corporate Development, sshane@lucamining.com or Glen Sandwell, Corporate Communications Manager, ir@lucamining.com, Tel: +1 (604) 684-8071