

## **MINERAL AND FINANCIAL INVESTMENTS LIMITED**

### **New Investment: Luca Mining Corporation**

#### **HIGHLIGHTS**

- **M&F has acquired 5,715,000 units, or 6.53% of the common equity of Luca Mining Corp.**
- **Each Luca Mining unit is priced at C\$0.35 and is comprised of one common share and ½ wt.**
- **Each whole warrant is exercisable at C\$0.50 for two years from the date of closing**
- **Luca has two producing polymetallic mines in Mexico - Campo Morado and Tahuehueto**
- **Completion of financing addresses Luca's under-capitalization and will fund expansion**

**Camana Bay, Cayman Islands - 28 April 2023** - Mineral and Financial Investments Limited (LSE-AIM: MAFL) ("M&F" "MAFL" or the "Company") is pleased to announce that it has added Luca Mining Corp. ("Luca"), a listed mining company with two operating mines in Mexico, to its strategic portfolio. Having acquired 5,715,000 units of Luca being one common share of Luca (a "Share") and half a warrant (each whole, a "Warrant") together a ("Unit") at C\$0.35 per Unit representing £1.178M or C\$2,000,250.

#### **KEY TERMS AND OVERVIEW OF THE TRANSACTION**

M&F acquired 5,715,000 units of Luca ("Unit") at C\$0.35 per Unit representing £1.178M or C\$2,000,250, from Luca who sold Units pursuant to a private fundraising. The investment is being funded entirely from the Group's existing cash resources. Each Unit consists of one common share of the Company (a "Share") and one half of one transferable share purchase warrant (each whole, a "Warrant"). Each Warrant is exercisable at C\$0.50 for two years (April 25, 2025) from the date of closing. The Warrants have an acceleration clause. If the closing price of the Shares on the TSX Venture Exchange (the "TSXV") or such other stock exchange as Luca is listed on exceeds CAD \$0.90 for 15 consecutive trading days, Luca will earn the right, providing notice to the warrant holders to accelerate the Expiry Date of the Warrants to 16:00 (Vancouver time) on the 30<sup>th</sup> day from the date of the acceleration notice. If the Company provides acceleration notice, all Warrants that are not exercised by the accelerated expiry date will expire. All securities issued in connection with this placing are subject to a four month plus one day hold period under applicable Canadian securities laws. The Company has acquired 6.53% of Luca's common equity. This investment will represent 13.7% of the Company's H1-2023 NAV.

The M&F's Board believe that this investment will generate attractive returns for the Company's shareholders. Luca's management issued public statements estimating that total corporate consolidated cash flow will total C\$41M in 2024. Luca's management, in public presentations, show that Luca's shares are currently trading at 1.26x (post-financing) market cap, while other comparable junior producers trade at 2.7x 2024 P/CF, while intermediate producers trade at a 4.9x to 2024 P/CF1. Luca's common shares, post-financing, are trading at C\$0.45, reflecting of the improved capitalization of the company, the new management team's improved business plan as well as the current stable and satisfactory metal price levels.

#### **OVERVIEW OF LUCA MINING CORP.**

Luca Mining Corp. (TSX-V: LUCA; OTCQX: LUCMF; Frankfurt: TSGA) is a listed mining company with two operating mines in Mexico and is offering production guidance for 2023 of 65,000 ounces of gold equivalent (AuEq) production. Each mine of the two mines have a mine lives of more than 10 years each. For the financial year December 31, 2021, being the last audited full year results, Luca generated revenues of C\$98.452 million, net income of C\$36.625 million and had assets of C\$108.8 million.

The first mine is the 100% owned Campo Morado mine, located in Guerrero State, operating at 2400 tonnes per day ("TPD"). The VMS mineralization located in 7 zones, has a Measured and Indicated resource totalling 16.6Mt, with grades of: 1.70 g/t of gold; 123 g/t of silver; 0.80% copper; 0.93% of lead, and 4.01% of zinc. As with many VMS deposits numerous large scale geological anomalies exist within 12,090-hectare (ha) land package. In 2023 Luca management is expecting that Copper will represent 25% of the Campo Morado's revenues. Luca's management publicly stated that it estimates that Campo Morado will generate C\$17M of cash flow in 2024.

The second mine, 100% owned Tahuehueto, located in Durango State, is a gold & silver mine which is ramping up to

full production in 2023. Tahuehueto has a NI 43-101 compliant Measured and Indicated Resource of 6.3M tonnes grading: 2.11g/t gold; 46.97 g/t of silver; 0.27% of copper; 0.90% lead, and 1.98% zinc. Tahuehueto is completing its milling operations in 2 stages which is ramping up from a current 350 TPD to 500TPD by midyear and should achieve rates of 1000 TPD by year-end. Tahuehueto's exploration potential is one of its most noteworthy attractions. Only 10% of its 7,495ha land package has been explored. Luca's management issued public statements estimating that Tahuehueto will generate C\$24M of cash flow in 2024.

**FOR MORE INFORMATION:**

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*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (MAR) as in force in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service (RIS), this inside information is now considered to be in the public domain.*

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