



Lumina Gold Corp.

(LUM-V)
SECTOR: Mining

STOCK PRICE \$0.61
RATING **BUY**
TARGET PRICE \$1.75
(From Under Review)

TRANSFERRING COVERAGE

Approaching Inflection Point with Delivery of FS on Cangrejos and Permits on the Horizon

Investment Brief: We are transferring coverage of Lumina Gold Corp., with a Buy rating and a \$1.75 target price. Lumina is a Vancouver-based precious and base metals development company focused on their 100%-owned Cangrejos Gold-Copper project located in the El Oro province of southwestern Ecuador. Cangrejos offers substantial scale and leverage to a strengthening gold price as a 2023 PEA demonstrated an after-tax IRR of 17.2% and an after-tax NPV_{5%} of US\$2.24B, assuming increasingly conservative metal prices of US\$1,650/oz gold and US\$3.75/lb copper. Under more up-to-date pricing of \$2,900/oz and \$4.25/lb of copper, this NPV_{5%} jumps to an impressive US\$5.4B and IRR of 33.0%, emphasizing its strong leverage to higher gold prices. Next steps to de-risk this project include the completion of a FS in Q2 2025, and construction permits in Q1 2026, setting the stage for the commencement of a 2.5-year construction period.

KEY HIGHLIGHTS

- ◆ **Deposit size and mine life remain second to none, making Cangrejos an attractive target.** Cangrejos remains to be the largest primary gold deposit in Ecuador, maintaining an Indicated resource of 16.8Moz of gold and 2.2Blbs of copper, as well as 3.7Moz of gold and 500Mlbs of copper in the Inferred category. In turn, the aforementioned economics are underpinned by a long-life, low-cost operation, with production slated to average 371koz of gold and 41Mlbs of copper per annum over its 26-year mine life from an open-pit operation. That said, substantial expansion potential remains. From a cost perspective, the AISC is expected to come in at US\$602/oz and US\$671/oz net of copper, based on the 2023 PFS, ranking the asset competitively on a global scale. Given the world-class nature of the deposit and highly competitive economics, we believe Cangrejos remains suitable as a take-out target for larger producers, especially upon receipt of construction permits. Lastly, we highlight that recent comparative acquisitions of development projects have ranged between 0.3 – 0.8x on a P/NAV basis, as we expect Lumina to fetch a multiple within the higher range of this threshold, given the scale of Cangrejos.
- ◆ **Nearby infrastructure offers logistically simplified path to production.** Cangrejos is situated at low elevation and within 40km of the deep-water port of Puerto Bolivar, lending to a simplified construction plan and streamlined logistics. Ecuador also has abundant low-cost hydroelectricity, as the 2023 PFS assumes US\$0.068/kWh, based on long-term projections by CENACE for the life of mine. That said, the project recently received approval of the definitive feasibility level design for connection to the national grid in mid-January, with the Corporación Eléctrica del Ecuador committing to reserve the necessary land needed to construct the transmission infrastructure at the La Avanzada substation.
- ◆ **Competitive strip and metallurgy help offset lower-grade project.** The Cangrejos project has seen approximately ~105km of drilling, yielding a reserve grade of 0.55 g/t gold and 0.10% copper, which although lower-grade in nature, is offset by an impressive 1.26:1 strip ratio, underpinning the strong project economics. The operation is slated to produce gold doré as well as a gold-copper concentrate, which could provide further financial leverage through potential offtake agreements. Additionally, gold and copper recoveries are expected to come in at 85% and 79%, respectively, as we expect the publication of a FS to further solidify these estimates.

RECOMMENDED ACTION

We recommend investors accumulate shares at current levels

- ◆ **Buy Rating and \$1.75 Target Price.** Lumina Gold Corp. has been actively working with the Ecuadorian Government to advance its long-life, low-cost Cangrejos Au-Cu project and is currently working toward a FS in Q2 2025, as well as finalizing its construction permits.

CATALYSTS

1. **Q2 2025** – Completion of Feasibility Study
2. **Q1 2026** – Finalization of Construction Permits

PROJECTED RETURN

187%

RISK FACTOR

Very High

SCENARIO ANALYSIS

| Downside Scenario | Current Price | Price Target |
|-------------------|---------------|--------------|
| \$0.35 | \$0.61 | \$1.75 |
| ↓ 43% | | ↑ 187% |

KEY STATISTICS AND METRICS

| | |
|---------------------------|------------------|
| 52-Week High/Low | \$0.70/\$0.43 |
| YTD Performance | +30% |
| Dividend Yield | 0% |
| Shares O/S (basic) | 416M |
| Shares O/S (F/F) | 452M |
| Market Capitalization | \$254M |
| Cash | US\$5.3M |
| Long-term Debt | \$0M |
| Enterprise Value | \$246M |
| Daily Volume (3 mon avg.) | 194,490 |
| Currency | C\$ unless noted |

HAYWOOD ESTIMATES (USD)

| | 2024E | 2025E | 2026E |
|---------------------|-------|-------|-------|
| Revenue (\$M) | 0 | 0 | 0 |
| Op. Cash Flow (\$M) | -3 | -3 | -3 |
| CFPS (\$) | -0.01 | -0.01 | -0.01 |
| FCF (\$M) | -3 | -3 | -3 |
| Capex (\$M) | 0 | 0 | 0 |

VALUATION

Our \$1.75 target is based on a fully diluted, after-tax basis considering a 0.25x multiple to our corporate net asset value NAV_{8%} of \$7.25 per share.

Lumina Gold Corp. trades at a P/NAV of 0.13x NAV, versus peers at 0.36x NAV.

INVESTMENT THESIS

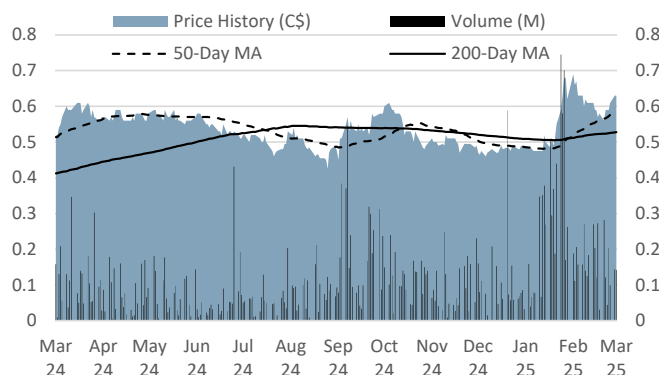
- ◆ **The Cangrejos Project is the sole project within Lumina Gold** – The Cangrejos Gold-Copper Project is located in southwest Ecuador, and hosts 2P Reserves of 659Mt grading 0.55 g/t gold and 0.10% copper, containing 11.6Moz of gold and 1.42Blbs of copper. Indicated resources total 1,080Mt grading 0.48 g/t gold and 0.09% copper, and Inferred resources include 296Mt grading 0.39 g/t gold and 0.07% copper.
- ◆ **Long-life, low-cost asset** – We are modelling copper-gold production for Lumina Gold at their flagship Cangrejos asset from open-pit mining operations starting in 2030 at 29ktpd and ramping to 80ktpd by 2037 to deliver a LOM average annual production of 379koz of Au and 44Mlbs of Cu at an AISC of US\$1,052/oz Au. We integrate the expansion phase of the operation (80ktpd) with additional capex of US\$588M to be spent starting in 2031 through to 2036. We model initial CapEx of US\$1,411M.
- ◆ **Multiple avenues for near-term re-rating.** Over the course of the next 12 months, we view the pending FS for Cangrejos as a significant catalyst for the stock as this represents a key step in proving up the asset's operating and economic potential amid updated detailed costing at the Feasibility level. In turn, we expect this study to further confirm Cangrejos' strong economics and attractiveness to larger mining groups in the market for a long-life gold-dominant operation with a meaningful copper component. In addition to the near-term FS, Lumina continues to guide toward receiving its environmental license in early 2026, as the Company continues to make strong progress on this front with the submission of the Environmental Impact Study (EIS) expected to occur in mid-2025, once again representing a substantial de-risking milestone and further opportunity to re-rate. Should this permitting timeline remain intact, we note that Cangrejos could see production commence within the decade, although we take a slightly more conservative stance and assume a 2030 operational start.

KEY RISKS

- **Gold and Copper Prices:** LUM's future cash flow generating potential and market value are expected to be highly correlated with gold and copper prices. Commodity prices are uncertain and sometimes volatile. A sustained or significant deterioration in the gold and copper price will negatively impact the value of LUM shares.
- **Political:** Ecuador is a jurisdiction that historically has experienced elevated geopolitical risk. Ecuador ranked 75th of 86 jurisdictions in the Policy Perception Index, and 64th in the Investment Attractiveness Index in the Fraser Institute's Annual Survey of the Mining Industry (published in 2023).
- **Financial:** Given the scale of Cangrejos, Lumina will not be able to finance this project into production. The company will need to finalize either a majority interest or complete sale of the asset to a much larger producer.

SCENARIO ANALYSIS

Lumina Gold Corp. (LUM-V)



Source: Capital IQ, and Haywood Securities

TARGET PRICE

Our **\$1.75 target price** is based on a 0.25x NAV multiple.

DOWNSIDE CASE

Our **downside case** utilizes a discount to our long-term metal price assumptions. At US\$1,850/oz gold, US\$2.95/lb copper, and applying a 0.25x NAV multiple, our target price drops to \$0.35 per share.

Our downside scenario price is a theoretical case based on notional valuation metrics and market assumptions. The downside price is solely intended for demonstrative purposes and is not to be regarded as a reflection of all market possibilities. It is not a guarantee that this company's share price will not drop below this price level and hence should not be taken as such.

Lumina Gold Corp., headquartered in Vancouver, Canada, is exclusively focused on its flagship Cangrejos Gold-Copper project, located in El Oro Province, Southwest Ecuador.

Website

www.luminagold.com

Key Management

CEO – Marshall Koval



Lumina Gold Corp. (LUM-V)



Lumina Gold (LUM-V, \$0.61)
Rating: BUY
Risk: Very High
Target Price Metric: 0.25x NAV

Target Price (C\$) \$1.75
Return (%) 187%
52 Week High/Low (C\$) \$0.70/\$0.43
Daily Volume (3-month avg) 194,490,000

Basic Mkt. Cap, C\$M \$253.9
Company CEO Marshall Koval
Website www.luminagold.com
Shares Outstanding (million) 416.3
Fully Financed Shares (million) 451.6

Balance Sheet and Capitalization

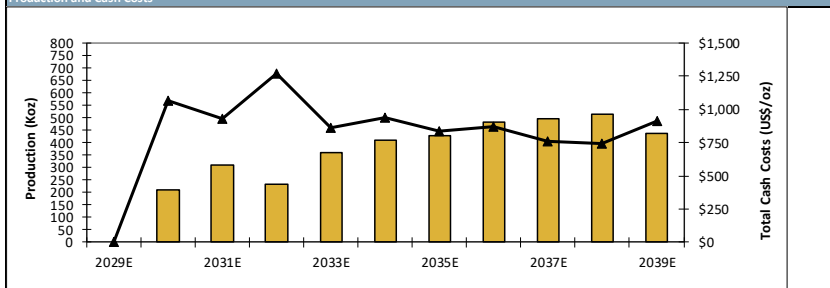
| | US\$M | US\$ / O/S Share | C\$M | C\$ / O/S Share |
|-----------------------|--------|------------------|--------|-----------------|
| Market Capitalization | \$177 | \$0.43 | \$254 | \$0.61 |
| Current Cash | \$5 | \$0.01 | \$8 | \$0.02 |
| F/D Cash Adds | \$0 | \$0.00 | \$0 | \$0.00 |
| Working Capital | (\$54) | (\$0.13) | (\$76) | (\$0.18) |
| Debt | \$0 | \$0.00 | \$0 | \$0.00 |
| Book Value | (\$21) | (\$0.05) | (\$29) | (\$0.07) |
| Enterprise Value (EV) | \$231 | \$0.55 | \$330 | \$0.79 |

EV = Market Capitalization - Working Capital + Long-Term Debt
 Spot C\$/US\$ FX Rate: 1.433

Capital Structure

| | Shares Million |
|----------------------|----------------|
| Shares Outstanding | 416.3 |
| Options | 31.8 |
| Warrants | 0.0 |
| Fully Diluted Shares | 451.6 |

Production and Cash Costs



Recent Financings

December 2, 2024 - US\$6.0M Wheaton Precious Metals draw
 May 31, 2024 - US\$10.2M Wheaton Precious Metals draw
 November 27, 2023 - US\$17M Wheaton Precious Metals draw
 May 16, 2023 - Entered into a Gold Stream with Wheaton Precious Metals in exchange for US\$48M of pre-construction funding, and US\$252M of construction funding. Initial Gold Stream sells 6.6% of payable gold from the Cangrejos Project until 700 koz of gold have been delivered, afterwards the Gold Stream will be reduced to 4.4% of payable gold. WPM will pay 18% of the spot price of gold, until the uncredited deposit is reduced to nil and 22% of spot gold thereafter. There is an initial 20 year term on the Stream, but it can be renewed for successive 10-year periods until WPM terminates the agreement.
 December 13, 2022 - Company amended Standby Loan with Ross Beatty to C\$15M with a 10% coupon. Amended Standby Loan + accrued interest was convertible to common shares at C\$0.42/share for a total of up to 36,484,605 common shares.
 July 5, 2022 - Entered into an agreement with Ross Beatty to establish a C\$10M unsecured credit facility with 10% coupon.
 LUM granted Mr. Beatty 3,000,000 warrants to acquire an equivalent number of common shares at C\$0.38/share.

Financial Summary (US\$min)

| | 2024E | 2025E | 2026E | 2027E | 2028E | 2029E |
|-----------------------------------|---------|---------|---------|---------|---------|---------|
| Year-End December 31st | | | | | | |
| Gold (US\$/oz) | \$2,387 | \$2,875 | \$3,000 | \$2,800 | \$2,800 | \$2,800 |
| Copper (US\$/bs) | \$4.23 | \$4.30 | \$4.40 | \$4.50 | \$4.50 | \$4.50 |
| Silver (US\$/oz) | \$28.25 | \$35.95 | \$37.50 | \$35.00 | \$35.00 | \$35.00 |
| Exchange Rate (Cdn\$/US\$) | 1.37 | 1.42 | 1.37 | 1.36 | 1.34 | 1.34 |
| Shares Outstanding, mln | 416.0 | 416.3 | 416.3 | 416.3 | 416.3 | 416.3 |
| EPS | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.16) |
| CFPS | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) | (0.01) |
| P/CF | - | - | - | - | - | - |
| Income Statement (US\$min) | | | | | | |
| Revenue | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Operating Expenses | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Depreciation | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| General & Admin | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Expensed Exploration | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net Income | (2.5) | (2.5) | (2.5) | (2.5) | (2.5) | (67.3) |
| Balance Sheet (US\$min) | | | | | | |
| Cash & Equivalents | 30.4 | 27.9 | 25.4 | 194.3 | 781.6 | 30.5 |
| Debt | 0.0 | 0.0 | 0.0 | 0.0 | 720.0 | 720.0 |
| Cash Flow (US\$min) | | | | | | |
| Op. CF (before W/C) | (2.5) | (2.5) | (2.5) | (2.5) | (2.5) | (2.5) |
| Financing CF | 19.3 | 0.0 | 0.0 | 252.0 | 1128.0 | (64.8) |
| Investing CF | 0.0 | 0.0 | 0.0 | (80.6) | (538.2) | (683.8) |
| Change in Cash | 16.8 | (2.5) | (2.5) | 168.9 | 587.3 | (751.1) |

Production Summary

| | 2027E | 2028E | 2029E | 2030E | 2031E | 2032E |
|----------------------------|-------|-------|-------|---------|---------|---------|
| Tonnes of Ore Mined (000s) | - | - | - | 10,667 | 14,667 | 14,667 |
| Grade (Au g/t) | - | - | - | 0.76 | 0.81 | 0.61 |
| Recovery (%) | - | - | - | 68.6% | 68.9% | 67.9% |
| Mining Cost (US\$/t) | - | - | - | \$23 | \$23 | \$23 |
| Gold Production, 000oz | - | - | - | 215 | 317 | 236 |
| Cash Costs, US\$/oz | - | - | - | \$1,069 | \$932 | \$1,267 |
| AISC, US\$/oz | - | - | - | \$1,420 | \$1,049 | \$1,643 |
| Capex Spending, US\$M | \$81 | \$538 | \$684 | \$27 | \$44 | \$13 |

| | Tonnes (Mlt) | Grade (g/t Au) | Au (Moz) | Mine Life (years) |
|--|--------------|----------------|----------|-------------------|
| Reserves + Gran Bestia (as of June 2023) | | | | |
| Company Reported P&P Reserves | 659 | 0.55 | 12 | 26.0 |
| Haywood Modelled Mineable Resources | 655 | 0.55 | 12 | 26.0 |

NPV Sensitivity, US\$M

| | Pre-Tax NPV Discount Rate | | | |
|--------------------------------|-----------------------------|---------|---------|---------|
| | 5% | 8% | 10% | 15% |
| Haywood Base Case, US\$2800/oz | \$6,009 | \$3,752 | \$2,761 | \$1,278 |
| Spot Gold Price, US\$3040/oz | \$6,821 | \$4,309 | \$3,204 | \$1,546 |
| | After-Tax NPV Discount Rate | | | |
| | 5% | 8% | 10% | 15% |
| Haywood Base Case, US\$2800/oz | \$4,561 | \$2,613 | \$1,816 | \$725 |
| Spot Gold Price, US\$3040/oz | \$5,147 | \$2,985 | \$2,097 | \$876 |

Corporate NAV Summary and Sensitivity

| | Base Case | \$1,850 | \$2,000 | \$2,150 | Spot |
|-----------------------------------|-----------|---------|---------|---------|---------|
| C\$/US\$ FX Rate | \$2,800 | \$2,950 | \$3,200 | \$3,450 | \$5,000 |
| Long-Term Gold Price, US\$/oz | \$4.50 | \$2.95 | \$3.20 | \$3.45 | \$5.00 |
| Long-Term Copper Price, US\$/lbs | \$2.29 | \$432 | \$769 | \$1,323 | \$2,746 |
| Cangrejos Project (NPV 8%), US\$M | \$2,613 | \$640 | \$993 | \$1,565 | \$3,088 |
| Other Projects, US\$M | - | - | - | - | - |
| Exploration Credit, US\$M | - | - | - | - | - |
| Corporate Adjustments, US\$M | (\$314) | (\$208) | (\$225) | (\$241) | (\$341) |
| Corporate NAV, US\$M | \$2,299 | \$432 | \$769 | \$1,323 | \$2,746 |
| Corporate NAV, C\$ / F/D share | \$7.25 | \$1.36 | \$2.41 | \$4.15 | \$8.62 |
| Current Price / Corporate NAV | 0.08x | 0.45x | 0.25x | 0.15x | 0.07x |
| Target Price / Corporate NAV | 0.24x | 1.29x | 0.72x | 0.42x | 0.20x |
| Target Price at 0.25x NAV | \$1.75 | \$0.35 | \$0.60 | \$1.00 | \$2.05 |
| Target Price at 0.50x NAV | \$3.65 | \$0.70 | \$1.20 | \$2.10 | \$4.30 |
| Target Price at 0.75x NAV | \$5.45 | \$1.00 | \$1.80 | \$3.10 | \$6.45 |

Base case gold price assumption of US\$2875/oz in 2025 US\$3000/oz in 2026 and US\$2800/oz in 2027+
 Fully Diluted Shares, millions: 451.6

Comparables

| Company | Ticker | Price C\$ | MC US\$M | EV US\$M | Total Resources (Moz) | EV/oz US\$/oz | P/NAV |
|--------------------------|----------|-----------|----------|----------|-----------------------|---------------|-------|
| Liberty Gold Corp. | TSX:LGD | \$0.34 | \$90 | \$73 | 3.1 | \$24 | 0.10x |
| NovaGold Resources Inc. | TSX:NG | \$4.87 | \$1,137 | \$1,191 | 45.0 | \$26 | 0.47x |
| Perpetua Resources Corp. | TSX:PPTA | \$15.98 | \$783 | \$771 | 4.0 | \$193 | 0.61x |
| Seabridge Gold Inc. | TSX:SEA | \$17.46 | \$1,221 | \$1,570 | 180.0 | \$9 | 0.21x |
| Skeena Resources Limited | TSX:SKE | \$15.86 | \$1,277 | \$1,246 | 4.6 | \$271 | 0.70x |
| Snowline Gold Corp. | TSXV:SGD | \$8.28 | \$916 | \$888 | 7.3 | \$121 | 0.45x |
| Solaris Resources Inc. | TSX:SLS | \$5.13 | \$582 | \$587 | 3.3 | \$178 | 0.25x |
| SoiGold Plc | TSX:SOLG | \$0.14 | \$0 | \$190 | 31.3 | \$6 | 0.09x |
| Selected Company Average | | | | | | \$103 | 0.36x |
| Lumina Gold Corp. | TSXV:LUM | \$0.61 | \$178 | \$232 | 11.6 | \$20 | 0.13x |



CFPS and NAV sourced from Capital IQ.

Haywood Model

- Prod. start 2030, 26-year mine life
- 379Koz Au/year + 44 Mlbs Cu/year at TCC US\$972/oz and AISC US\$1,052/oz
- LOM grade 0.55 g/t Au and 0.10% Cu grade
- 78% Au recovery and 79% Cu recovery
- Initial Capex US\$1.41B

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Source: Bloomberg, Capital IQ, Company Reports, and Haywood Securities



Cangrejos Gold-Copper Project

As previously discussed, Lumina remains focused on the advancement of its Cangrejos and Gran Bestia deposits, which form the greater Cangrejos Gold-Copper Project. The Cangrejos Project consists of six mineral concessions covering a total area of 5,682 hectares, and within the area of these concessions, Lumina Gold currently owns 2,444 hectares of surface rights. The Cangrejos Gold-Copper Project is in southwestern Ecuador, 223 km from Guayaquil and 30 km southeast of the provincial capital of Machala. It is the largest primary gold deposit in Ecuador, hosting an Indicated resource (inclusive of mineral reserves) of 16.8Moz of gold and 2.2Blbs of copper, and an Inferred resource of 3.7Moz of gold and 500Mlbs of copper.

In the first half of 2023, the Company completed a Preliminary Feasibility Study (PFS) at the Cangrejos Project, and highlighted a long-life, low-cost asset with life of mine average annual payable production of 371Koz of gold, and payable by-product production of 41Mlbs of copper per year. The PFS forecasts an initial 26-year LOM, with 30,000 tpd of processing over the first three years of production, with expansion to 60,000 tpd in year four, and 80,000 tpd in year seven. The economics from the PFS are attractive, with an after-tax IRR of 17.2% and an after-tax NPV_{5%} of US\$2.24B, assuming US\$1,650/oz gold and US\$3.75/lb copper, **although we once again reiterate its high leverage to current precious metal pricing, returning an after-tax NPV_{5%} of US\$5.4B utilizing US\$2,900/oz of gold and US\$4.25/lb of copper.** Initial capital costs of US\$925M include working capital and exclude refundable VAT, as this figure is likely to include modest price inflation under the pending Feasibility Study, which we account for in our model.

Targeting an FS in Q2 2025. The Company is currently finishing a FS for the Cangrejos Gold-Copper Project, which is progressing on schedule and is set to be completed by the second quarter of 2025. The Company has appointed Ausenco Engineering to lead the FS. Recommendations from the ongoing FS include: **(1)** increasing the initial processing plant throughput to 40,000 tpd, up from 30,000 tpd as previously set out in the PFS, **(2)** resequencing the mine plan to mine out the higher grade Cangrejos deposit first, before starting to mine out Gran Bestia, **(3)** using the Cangrejos pit for a portion of the 300Mt of the Gran Bestia waste rock once mining is completed at the deposit to reduce the land requirement for waste rock storage, and to reduce hauling distances and costs, **(4)** relocating waste rock storage facilities to land already owned by Lumina to create further distance between the Project and nearby communities, and **(5)** rerouting access roads to avoid local population centres.

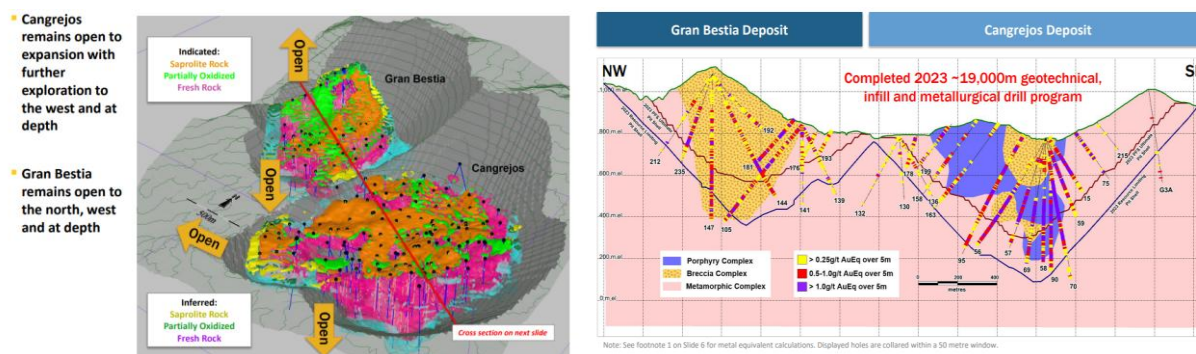
Figure 1: Resource (top) and Reserve (bottom) Estimates for Cangrejos & Gran Bestia Deposits (Inclusive of Mineral Reserves)

| Category | Million Tonnes | Average Grade | | | | Contained Metals | | | |
|-----------|----------------|---------------|------|----------|----------|------------------|-----------|----------|-----------|
| | | Au (g/t) | Cu % | Ag (g/t) | Mo (ppm) | Au (Moz) | Cu (Mlbs) | Ag (Moz) | Mo (Mlbs) |
| Indicated | 1,079.90 | 0.48 | 0.09 | 0.7 | 17.8 | 16.8 | 2,166 | 24.3 | 42.4 |
| Inferred | 296.3 | 0.39 | 0.07 | 0.7 | 11.7 | 3.7 | 483 | 7 | 7.6 |

| Proven & Probable | Million Tonnes | NSR (\$/t) | Average Grade | | | Contained Metals | | |
|-------------------------------|----------------|--------------|---------------|-------------|-------------|------------------|--------------|--------------|
| | | | Au (g/t) | Cu % | Ag (g/t) | Au (Moz) | Cu (Mlbs) | Ag (Moz) |
| Saprolite & Saprock | - | - | - | - | - | - | - | - |
| Partially Oxidized | 18 | 23.07 | 0.57 | 0.09 | 0.8 | 0.32 | 36 | 0.48 |
| Fresh Rock | 639 | 24.8 | 0.55 | 0.10 | 0.68 | 11.22 | 1,384 | 13.90 |
| Total Mineral Reserves | 659 | 24.76 | 0.55 | 0.10 | 0.69 | 11.56 | 1,421 | 14.38 |

Source: Lumina Gold Corp.

Figure 2: LHS – Both Deposits Remain Open, RHS – Cangrejos and Gran Bestia PFS Cross Section

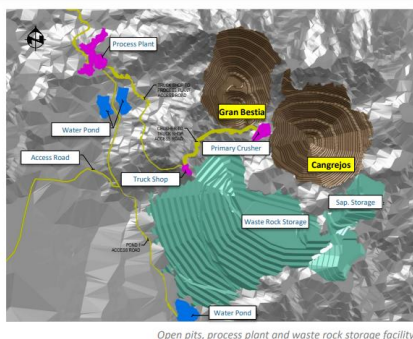


Source: Lumina Gold Corp.

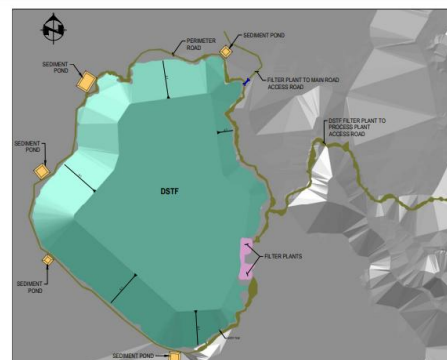


Figure 3: 2023 PFS Project Details and Site Plan

- Open pit mining using a 100% owner operated equipment fleet
- The process flow sheet consists of:
 - Primary crusher adjacent to the pit
 - A cable conveyor from the primary crusher to the plant
 - HPGR and two ball mills
 - Copper concentration circuits
 - Carbon-in-leach circuit
 - Thickening tailings and slurry pipeline to Filter Plant
- Waste Rock Storage Facility will hold nearly 834 Mt of waste rock
- Two water supply ponds for dry season operations
- Dry Stack Tailings Facility ("DSTF") will hold ~659 Mt of tailings
- Filter plants located east of DSTF will be constructed in two phases
- Tailings will be pumped from the Process Plant to the Filter Plant
- Water from the filtration process will be pumped back to Process Plant for reuse
- Filter tailings will be placed by conveyors and stacking systems along with spreading and compacting tailings using dozers and compactors



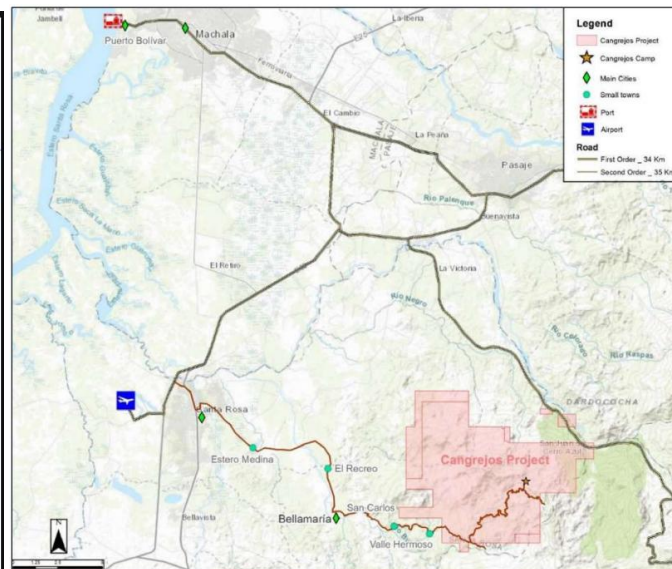
Open pits, process plant and waste rock storage facility



Dry Stack Tailings Facility

Source: Lumina Gold Corp.

Figure 4: Cangrejos Project Location (Left) and Cangrejos Project in Relationship to the Local Area (Right)



Source: Lumina Gold Corp.

Figure 5: Low-Strip Large-Scale Comps and Market Re-Rating Opportunity

| Company | Lumina Gold Corp. | Montage Gold (MAU-V, Not Rated) | Artemis Gold Inc. (ARTG-V, Not Rated) |
|-----------------------------|----------------------|---------------------------------|---------------------------------------|
| Asset | Cangrejos | Kone | Blackwater |
| Jurisdiction | Ecuador | Ivory Coast | Canada |
| Avg. Annual Production | 371koz of Au | 223koz Au | 438koz Au |
| Mine Life | 26 years | 16 years | 17 years |
| AISC | \$671/oz | \$1,013/oz | \$781/oz |
| Upfront + Expansion Capital | US\$925M + US\$453M | US\$712M | C\$800M + C\$1,497M |
| Grade & Strip Ratio | 0.71 g/t AuEq & 1.26 | 0.72 g/t Au & 1.18 | 0.82 g/t Au and 2.01 |
| Strip Adj. Grade | 0.56 | 0.61 | 0.41 |
| Key Partners & Stakeholders | Ross Beatty/Wheaton | Lundin Family/Wheaton & Zijin | Beedie Capital/Wheaton |
| Market Cap. | C\$288 | C\$834M | C\$3.6B |

Source: Lumina Gold Corp.



Sitting government remains supportive of extractive industries with near-term election run-off in April. At present, the serving President of Ecuador (Daniel Noboa) continues to be supportive of mining development within the country, as there has been a significant increase in mining exports since 2018, as seen in the figure below. Ultimately, the country has seen two new operating mines come online (Fruta del Norte and Mirador), as well as various approved mine expansions. In turn, mining exports have moved dramatically within the last several years, with revenues expected to come in at just over \$9.0B per year by 2029E across the Ecuadorian mining sector. Ultimately, with this trend in mind, we highlight that the country is currently undergoing an election process with a run-off between the incumbent Daniel Noboa and Luisa González, the latter of which, although left-leaning has shown support for extractive industries in Ecuador, most notably with her opposition of a 2023 referendum to shut down oil operation in the Yasuni National Park. That said, we do still believe that President Noboa remains more market-centric in his policies, however, we believe there is a path forward in either outcome for new mine builds.

Figure 6: Ecuadorian Mining Exports 2018 – 2023



Source: S&P Global



We continue to rely on the PFS for modelling purposes but have made several changes to estimates provided in the technical report. We have raised the capital cost estimates in the technical report by 30% and the operating costs by 25% for the LOM, while utilizing an 8% discount rate for our NAV and employ both a higher long-term gold and long-term copper price. The net effect of these changes produces an after-tax NPV_{8%} of US\$2.6B for the Cangrejos Gold-Copper Project, as opposed to the after-tax NPV_{5%} of US\$2.2B illustrated in the PFS, at the base case metal prices in the PFS of US\$1,650 per ounce for gold and US\$3.75 per pound for copper. The table below highlights our estimates versus the 2023 PFS.

Figure 7: 2023 PFS versus Haywood Model

| | 2023 PFS | Haywood Estimates |
|--|----------|-------------------|
| Mine Life | 26 | 26 |
| Strip Ratio | 1.26 | 1.30 |
| LOM Gold Grade, g/t | 0.55 | 0.55 |
| LOM Silver Grade, g/t | 0.68 | 0.68 |
| LOM Copper Grade, % | 0.10% | 0.10% |
| Recovery Rates | | |
| Au-Cu Concentrate Gold, % | 77.6% | 77.6% |
| Au-Cu Concentrate Silver, % | 52.7% | 50.7% |
| Au-Cu Concentrate Copper, % | 78.9% | 79.0% |
| Metal Prices | | |
| Gold Price, US\$/oz | \$1,650 | \$2,800 |
| Silver Price, US\$/oz | \$20.00 | \$35.00 |
| Copper Price, US\$/lbs | \$3.75 | \$4.50 |
| Average Annual Production Rates | | |
| Gold, 000 oz | 371 | 379 |
| Copper, Mlbs | 41 | 44 |
| Capital Costs | | |
| Initial Capital Cost, US\$M | \$925 | \$1,411 |
| Expansion Capital Cost, US\$M | \$453 | \$588 |
| Sustaining Capital Cost, US\$M | \$598 | \$779 |
| Operating Costs | | |
| Mining, US\$/tonne mined | \$2.16 | \$2.70 |
| Processing, US\$/ore tonne | \$7.59 | \$9.49 |
| G&A, US\$/ore tonne | \$0.80 | \$1.00 |
| Total Annual Unit Operating Cost, | \$13.27 | \$16.70 |
| NPV | | |
| Pre-Tax NPV, US\$M | \$3,511 | \$3,752 |
| Post-Tax NPV, US\$M | \$2,238 | \$2,613 |
| Post-Tax IRR (%) | 17.2% | 27.3% |

Source: Lumina Gold Corp. and Haywood Securities



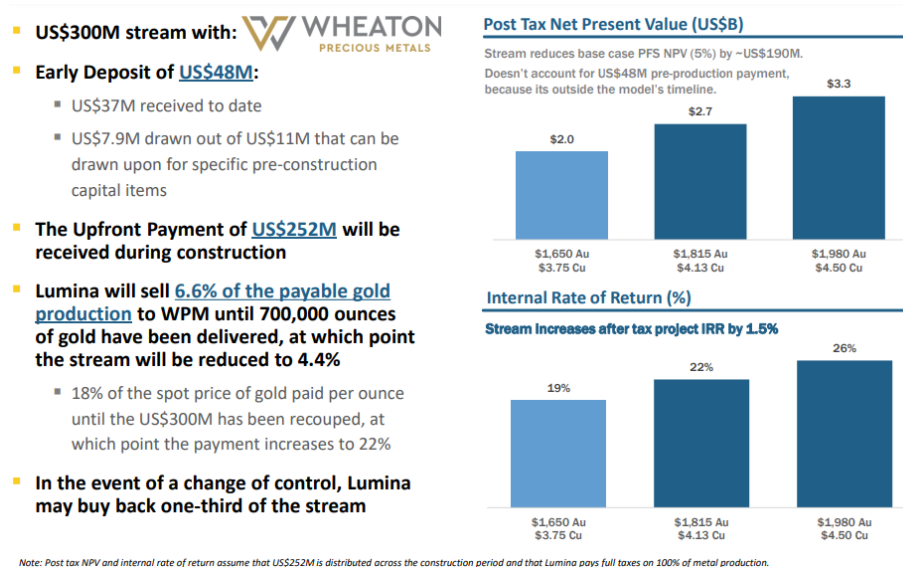
Investment Protection Agreements, Permitting and Environmental Social Impact Assessment

In the second half of 2023, Lumina Gold began negotiating terms for the Mining Exploitation Contract with the Ecuadorian Government, which will enable the Company to eventually request the change of phase of the Project, allowing for construction and exploitation. In turn, Lumina received an extension of the Exploration Investment Protection Agreement to include spending from 2010, up until the end of 2024, increasing the amount of investment protected by the agreement to US\$79M. Ultimately, this enhanced investment protection demonstrates strong government support for Cangrejos, with the extension of Cangrejos concession by 25 years, as the next steps include the completion of the Complimentary Investment Protection Agreement (CIPA) to cover the potential construction period for Cangrejos (2025 – 2031), which we view as a significant de-risking step for the asset going forward. In turn, Lumina is planning to execute a CIPA in H1 2025, which will commit the Company to investing US\$721M in the project between 2025 and 2031, and investment amounts surpassing this committed investment will also be protected under the agreement. The CIPA covers activities related to the construction and pre-production period for the Cangrejos mining concession. Finally, Lumina continues to work toward finalizing the site infrastructure layout for the project, at which point, the Company will begin working with the Ecuadorian Government to obtain necessary permits. Lumina expects the permitting process to take ~18 months to complete, as this work commenced in H2 2024.

Stream Financing to Provide Staged Liquidity and Project Validation

Lumina maintains a US\$300M Gold Stream agreement with a wholly owned subsidiary of Wheaton Precious Metals (WPM:TSX, not rated) to finance the construction of the Cangrejos Project, which we view as not only important in addressing the project's larger CapEx requirement, but also as a stamp of approval for Cangrejos' operational validity. In exchange for US\$48M of pre-construction funding and US\$252M of construction funding, Lumina has agreed to sell 6.6% of the payable gold from the project until 700,000oz of gold has been delivered. Subsequently, the stream will be reduced to 4.4% of the payable gold, as Wheaton will pay for the delivered ounces at 18% of the prevailing spot price of gold until the uncredited deposit has been repaid and 22% of the spot price of gold thereafter. The stream has an initial term of 20 years that can be renewed for successive 10-year terms until Wheaton elects to terminate the contract. In the event of a change of control, Lumina may buy back one-third of the Gold Stream with cash, until the earlier of January 1, 2030, and 12 months after first production. We highlight the structure of this stream in the Figure below, including amounts received to date and future payments, with the next payment of substance being US\$252M during construction.

Figure 8: US\$300M Gold Stream with Wheaton Precious Metals



Source: Lumina Gold Corp.



Appendix A – Senior Management & Board of Directors

Marshall Koval (President and CEO)

Mr. Koval is Currently a Director at Equinox Gold (EQX-T, Under Review), and previously the President and CEO of Anfield Gold, CEO of Luminex Resources, Former VP Corporate Development of Lumina Copper, and President of Pincock, Allen and Holt.

Ron Halas (Chief Operating Officer)

Mr. Halas is the Former COO of Global Atomic Corp (GLO-T, Not Rated) and Spanish Mountain Gold (SPA-V, Not Rated). Previously worked with a basket of major mining companies including Kinross (K-T, Not Rated), IAMGOLD (IMG-T, Not Rated), Vale (VALE-NYSE, Not Rated), PT Freeport Indonesia, Placer Dome, and Cominco.

Leo Hathaway (Senior Vice President)

Mr. Hathaway is currently serving as SVP of Lumina Gold and Executive Charman of Golden Shield Resources (GSRI-CN, Not Rated). Formerly served as Chief Geological Officer at Anfield Gold and Lumina Copper.

Diego Benalcazar (Senior Vice President)

Mr. Benalcazar served as the former President and Director of the Ecuadorian Chamber of Mines, as well as former General Manager and Director at Swiss Holderbank Cement Group.

Lyle Braaten (Vice President, Legal Counsel)

Currently, Mr. Braaten is the acting CEO of Miedzi Copper and Exgold, as well as former Secretary and Legal Counsel of Magma Energy.

Scott Hicks (Vice President, Corporate Development and Communications)

Mr. Hicks is currently the EVP of Corporate Development at Lumina, and Director of Strategic Resources. Former VP Corp. Dev. At Anfield Gold and Luminex, as well as a former Investment banker with RBC Capital Markets and BMO (BMO-T, Not Rated).

Martin Rip (CFO)

In addition to his position at Lumina, Mr. Rip is the acting CFO for Fuerte Metals (FMT-TSXV, Not Rated), and former CFO of Anfield Gold and Lumina Copper.

John Youle (Vice President, Corporate Affairs)

Mr. Youle previously served as the VP of Corporate Affairs with Luminex Resources, Anfield Gold, and Lumina Copper.

Board of Directors

Lyle Braaten – Over 25 years experience practicing law in Vancouver, and current CEO of Miedzi Copper, as well as CEO of ExGold and Director of Ero Copper

Heye Daun – Over 20 years experience as a mining engineer with a variety of top-tier mining companies. Executive Chairman of Koryx Copper (KRY-V, Not Rated), and previous CEO of Osino Resources.

Marshall Koval – Over 35 years of experience in executive and corporate development, finance, engineering, geology, and environmental expertise.

Donald Shumka – Over 40 years of experience in corporate finance and business. Harvard University Business Administration graduate and former President and Managing Director of Walden Management.

Michael Steinmann – Over 20 years of experience as a geologist in the exploration and mining industry with a PhD from the Swiss Federal Institute of Technology. Currently serving as the President and CEO of Pan American Silver (PAAS-T, Not Rated)

Stephen Stow – Over 20 years of experience in the gold mining sector. Formerly served as Director of Corporate Finance, Asia for the National Westminster Bank, Hong Kong Division.



Valuation

Our \$1.75 target price is based on a fully diluted, after-tax basis and a 0.25x multiple to our corporate net asset value (NAV_{8%}) of \$7.25 per share. Lumina Gold Corp. currently trades at a P/NAV of 0.13x NAV, versus peers at 0.36x NAV. We reach our NAV by utilizing a DCF analysis to value the Company's Cangrejos project, plus corporate adjustments (net cash, general and administrative expense, and cash from options and warrants). Our analysis is based on our fully diluted assumptions.

Figure 9: Target-Price Sensitivity to Gold and Copper Prices

| Corporate NAV Summary and Sensitivity | | | | | Spot |
|---------------------------------------|-----------|---------|---------|---------|---------|
| C\$/US\$ FX Rate | Base Case | | | | 1.433 |
| Long-Term Gold Price, US\$/oz | \$2,800 | \$1,850 | \$2,000 | \$2,150 | \$3,040 |
| Long-Term Copper Price, US\$/lbs | \$4.50 | \$2.95 | \$3.20 | \$3.45 | \$5.00 |
| Cangrejos Project (NPV 8%), US\$M | \$2,613 | \$640 | \$993 | \$1,565 | \$3,088 |
| Other Projects, US\$M | - | - | - | - | - |
| Exploration Credit, US\$M | - | - | - | - | - |
| Corporate Adjustments, US\$M | (\$314) | (\$208) | (\$225) | (\$241) | (\$341) |
| Corporate NAV, US\$M | \$2,299 | \$432 | \$769 | \$1,323 | \$2,746 |
| Corporate NAV, C\$ / F/D share | \$7.25 | \$1.36 | \$2.41 | \$4.15 | \$8.62 |
| Current Price / Corporate NAV | 0.08x | 0.45x | 0.25x | 0.15x | 0.07x |
| Target Price / Corporate NAV | 0.24x | 1.29x | 0.72x | 0.42x | 0.20x |
| Target Price at 0.25x NAV | \$1.75 | \$0.35 | \$0.60 | \$1.00 | \$2.05 |
| Target Price at 0.50x NAV | \$3.65 | \$0.70 | \$1.20 | \$2.10 | \$4.30 |
| Target Price at 0.75x NAV | \$5.45 | \$1.00 | \$1.80 | \$3.10 | \$6.45 |

Source: Haywood Securities

Figure 10: Peer Group Comparables

| Comparables | | | | | | | |
|--------------------------|----------|-----------|----------|----------|-----------------------|---------------|-------|
| Company | Ticker | Price C\$ | MC US\$M | EV US\$M | Total Resources (Moz) | EV/oz US\$/oz | P/NAV |
| Liberty Gold Corp. | TSX:LGD | \$0.34 | \$90 | \$73 | 3.1 | \$24 | 0.10x |
| NovaGold Resources Inc. | TSX:NG | \$4.87 | \$1,137 | \$1,191 | 45.0 | \$26 | 0.47x |
| Perpetua Resources Corp. | TSX:PPTA | \$15.98 | \$783 | \$771 | 4.0 | \$193 | 0.61x |
| Seabridge Gold Inc. | TSX:SEA | \$17.46 | \$1,221 | \$1,570 | 180.0 | \$9 | 0.21x |
| Skeena Resources Limited | TSX:SKE | \$15.86 | \$1,277 | \$1,246 | 4.6 | \$271 | 0.70x |
| Snowline Gold Corp. | TSXV:SGD | \$8.28 | \$916 | \$888 | 7.3 | \$121 | 0.45x |
| Solaris Resources Inc. | TSX:SLS | \$5.13 | \$582 | \$587 | 3.3 | \$178 | 0.25x |
| SolGold Plc | TSX:SOLG | \$0.14 | \$0 | \$190 | 31.3 | \$6 | 0.09x |
| Selected Company Average | | | | | | \$103 | 0.36x |
| Lumina Gold Corp. | TSXV:LUM | \$0.61 | \$178 | \$232 | 11.6 | \$20 | 0.13x |

Source: Capital IQ



Significant Investment Risks

The investment to which this report relates carries various risks, which are reflected in our Overall Risk Rating. We consider the following to be the most significant of these investment risks:

- ◆ **Overall Risk – Very High:** We assign an overall Very High-risk rating to Lumina Gold Corp., given the status of the Company's assets. We note that despite permitting progress to date, there is no guarantee Cangrejos will progress to the stage of commercial production or that operating, and capital costs will ultimately be realized according to our forecasts. Furthermore, we recognize the risk related to Lumina's relatively small market capitalization in the context of projected financing requirement to meet the capital funding required to facilitate operating cash flows.
- ◆ **Valuation Risk – High:** Valuation Risk is high as the potential for fluctuations in market sentiment and changes to project development timelines and CapEx/OpEx estimates is difficult to accurately quantify. Our estimates and forecasts are based on management guidance, comparable projects, technical reports if available, and our own expertise and research.
- ◆ **Forecast Risk – High:** Our formal valuation is based on a long-term gold price of US\$2,800/oz gold. Volatility in gold pricing is a reality of the present global economic environment, and the price of gold tends to be less predictable than that of other commodities, where supply/demand fundamentals are more influential. A significant decrease in gold prices could impair the Company's ability to generate a reasonable rate of return and/or enough cash flow from operations to meet financial obligations. Many of the Company's projects are not in production and have seen limited historical production and only limited exploration and technical programs.
- ◆ **Political Risk – High:** Lumina's assets are in Ecuador, a jurisdiction that historically has experienced elevated geopolitical risk. In addition, Lumina is exposed to risk uncertainty about the prevailing fiscal and tax regimes that the Ecuadorian Government may implement for mining operations. Ecuador ranked 75th of 86 jurisdictions in the Policy Perception Index, and 64th in the Investment Attractiveness Index in the Fraser Institute's Annual Survey of the Mining Industry (published in 2023).
- ◆ **Permitting Risk – High:** As discussed, Lumina is navigating the final stages of the permitting process with construction permits expected in early 2026. With that said, we acknowledge the inherent risk associated with potentially not receiving approval, or delays to this approval process itself.



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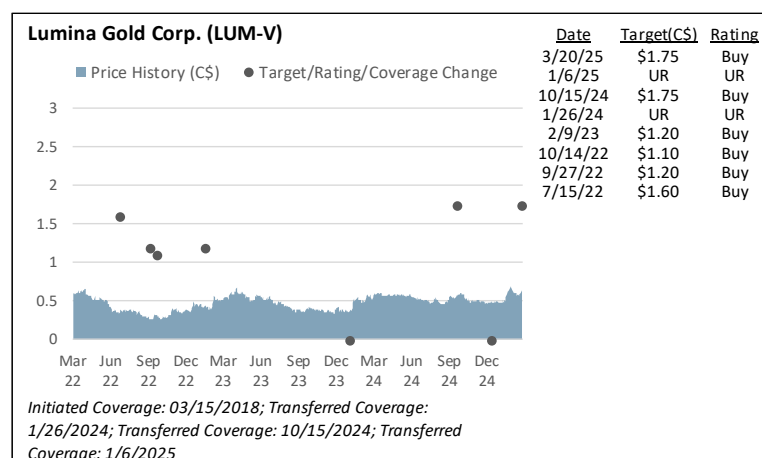
| Ticker | Company | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----------|--|---|---|---|---|---|---|---|---|
| TSXV:LUM | Lumina Gold Corp. | | | X | | | | | |
| TSX:LGD | Liberty Gold Corp. | | | X | | | | | |
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| | % | # | IB Clients (TTM) |
|---------------|-------|----|------------------|
| Buy | 69.0% | 60 | 76.2% |
| Hold | 2.3% | 2 | 0.0% |
| Sell | 0.0% | 0 | 0.0% |
| Tender | 1.1% | 1 | 0.0% |
| UR | 11.5% | 10 | 9.5% |
| Dropped (TTM) | 16.1% | 14 | 14.3% |

Price Chart, Rating and Target Price History (as of March 20, 2025)



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