

## CAUTIVO MINING

Emerging Gold Producer | Northern Peru

RTO Transaction: Florence One Capital Inc. (FONC.P - TSX-V)

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### THE OPPORTUNITY: CASH-FLOW POSITIVE GOLD PRODUCTION WITH DISTRICT-SCALE UPSIDE

**Current Production:** 300 oz/month (9+ kg) from Las Lomas processing plant

- Operating since April 2024 with consistent grade stabilization at ~10 g/t Au
- 70 tpd current capacity with near-term expansion to 100 tpd, mid-term to 350 tpd
- **Scalable toll processing model** with 35 signed royalty agreements

### 32,000 Hectare Consolidated Land Package

- Prime location: Piura region bordering Ecuador's prolific gold-copper systems
  - Multiple mineralization styles: High-sulfidation epithermal Au/Ag veins + Cu-Au-Mo porphyries
  - Seven distinct target areas ranging from producing medium-scale operations to large-scale exploration
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### INVESTMENT THESIS: DE-RISKED PRODUCER WITH EXPLORATION OPTIONALITY

#### 1. IMMEDIATE CASH GENERATION

- **Producing asset** generating monthly revenues from owned operations + toll processing fees
- Plant built and commissioned (USD \$5-6M, 4 years sunk cost avoided)
- Growing production profile: April 2024 (304 MT @ 3.67 g/t) → July 2025 (872 MT @ 9.65 g/t)

#### 2. PROVEN METALLURGY & RECOVERY

- Gold recovery rates up to **93.27%** confirmed through metallurgical testing
- Processing both oxide and sulfide ore types through established flowsheet

- Hans XX system: Demonstrated 6.88 g/t Au intercepts (2020 drilling)

### 3. RESOURCE GROWTH POTENTIAL

**Hans XX-Ato Miranda System** (Medium-scale, near-term):

- Target: 1,000 Kt @ 10 g/t Au across 7-8 of 20 identified veins
- Ato-Miranda single vein: >220 Kt @ 12.28 g/t Au
- Underground development advancing on Ato Miranda

**Angolos-Chiqueros-Algodonal** (Large-scale exploration):

- Current M&I estimate: 55,000 AuOz (internal)
- Only 4 km from Titan Minerals' Linderos Project (acquired by Hancock Prospecting for **USD \$120M** at 80% interest)
- 1,434 exploration samples: 28% grading 3-635 g/t Au
- Mineralization open in multiple directions

### 4. STRATEGIC DISTRICT POSITION

- Consolidated land position in emerging Peru gold district
- Extension of Ecuadorian gold-copper metallogenic belt
- Surrounded by major operators and recent M&A activity
- **12-year social license:** Community agreements, permits, surface rights secured

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### TRANSACTION ECONOMICS

**Vend-In Valuation:** USD \$10.0M (CAD \$13.8M)

- Reflects replacement cost of plant + strategic land consolidation
- Immediate cash flow offsets capex requirements

**Concurrent Financing:** CAD \$4.5M @ \$0.23/share (subscription receipts)

- \$2.5M: Retire trade financing, expand plant capacity to ~110tpd, begin exploration and targeting porphyry drilling
- \$1.0M: Operations optimization (1 year)
- \$1.0M: Corporate development

**Post-RTO Share Count:** ~89.1M shares (fully diluted, target raise); lockups TBD

**Follow-On Financing:** CAD \$10M targeted (stream/royalty/hybrid)

- Fund plant expansion to 350tpd
  - 10,000M+ drill program across priority targets
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## **NEAR-TERM CATALYSTS**

**Q1 2026:** RTO completion, TSXV listing

**Q1 2026:** 10,000M drill program commences (Angolos & Hans systems)

**Q2 2026:** 100 tpd plant expansion commissioned

**2026-27:** Resource estimate (43-101 compliant) on priority targets

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## **WHY CAUTIVO WINS**

- ✓ **Cash flow TODAY** - Not a story, not a dream
  - ✓ **Plant scalability** - Clear path to 7x today's production capacity
  - ✓ **Drill-ready targets** - Systematic exploration on producing district
  - ✓ **Experienced team** - ARCM-backed, proven mining executives
  - ✓ **District consolidation** - 32,000 ha in emerging Peruvian gold camp
  - ✓ **M&A validation** - Hancock paid \$120M for adjacent Linderos project
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## **RISK MITIGATION**

- **Operational:** Plant already operational with proven metallurgy
  - **Social License:** 12 years of community relations, permits in place
  - **Geological:** Multiple mineralization styles across 7 target areas
  - **Market:** Producing asset provides downside protection vs. pure explorers
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## **THE ASK**

**Join us as we scale from 300 oz/month to a mid-tier Peruvian gold producer**

This is a rare combination: Immediate production cash flow funding exploration of district-scale targets in a proven metallogenic belt, backed by experienced mining

operators who have already done the heavy lifting on permits, plant construction, and community relations.