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## **INDUSTRIAS PEÑOLES, S.A.B. DE C.V. EARNINGS REPORT FOR THE FIRST QUARTER 2024.**

Mexico City, April 29, 2024 - Industrias Peñoles, S.A.B. de C.V. ("Peñoles" or the "Company") (BMV: PE&OLES), a mining group with integrated operations for the smelting and refining of non-ferrous metals and the production of chemical products, reports its consolidated results for the first quarter of 2024 (1Q24) and the main changes compared to the same period of 2023 (1Q23).

### **EXECUTIVE SUMMARY**

In the first quarter of 2024, the average prices of the metals that the Company produces and sells had mixed behavior compared to those recorded in the same quarter of the previous year: being higher for gold (+9.5%) and silver (+3.7%), due to the uncertainty of geopolitical conflicts and expectations of interest rate reductions; and lower for zinc (-21.6%), copper (-5.5%) and lead (-3.0%), due to the global economic slowdown and, in the case of zinc, reports of high inventories.

In the mining division, the volume of ore processed remained relatively stable, with a minimal variation of -0.5%. This was mainly due to the increase in the volume of ore processing at the Juanicipio mine. During the first quarter of 2023, its beneficiation plant was in the process of commissioning and reached its nameplate capacity as of the third quarter same year. However, this increase was offset by a decrease in the volume processed at Capela due to a temporary suspension of the explosives permit for forty days as a result of an unfortunate fatal accident, and at Sabinas due to a twenty-three-day technical stoppage, initiated in mid-March, with the objective of modifying the mining method in the narrower veins to reduce high dilution and improve its productivity. In addition, a lower beneficiated volume was recorded at Fresnillo and San Julián (DOB) mines. The volume of ore deposited decreased 47.1%, mainly at Herradura, because heavy rains during March required additional pumping and affected the mining process, and at Noche Buena, a unit that concluded pit mining in May 2023 due to depletion of its reserves. These reductions were offset by increased ore deposits at the Milpillas copper mine.

Gold production decreased 17.3%, affected by the lower volume of ore processed by Herradura and the lower ore grade, as well as the lower production at Noche Buena, this unit will continue the extraction of gold content from ore deposited in leaching patios. These deficits were mitigated by the contribution of Juanicipio. Silver production increased 7.7% also due to the contribution of Juanicipio, in addition to the better ore grade and higher ore processing at San Julián (Veins) and Ciénega, the higher volume processed by Saucito, a unit that has improved its performance, as well as the processing of tailings at the concentrate flotation plant at Fresnillo (Pyrites II). Lead production increased 12.6%, thanks to higher ore processing with better grades and recoveries at Juanicipio, better ore grade and recovery at Saucito, higher milling at Saucito and better ore grade at Velardeña. Zinc production increased 2.6%, favored by the ramp up at Juanicipio, and the higher ore processing with better recoveries at Tizapa, Saucito and Velardeña, while copper in concentrate production decreased 4.9%, due to the technical stoppage at Sabinas and the lower ore beneficiation at Capela. Copper in cathodes

produced by Milpillas, on the other hand, grew 10.2%, due to the higher volume of ore deposited in leaching patios.

In the metallurgical operations, refined gold production decreased 17.2%, mainly due to lower production at Herradura and Noche Buena. Silver and lead production increased 4.5% and 2.0%, respectively, due to the higher volume of concentrates and other materials treated in the smelter-refinery circuit. At the zinc plant, refined zinc production decreased 8.7%, since, as reported, production capacity was temporarily reduced from 350,000 to 270,000 tons per year in order to make the necessary repairs to equipment and correct design flaws in the expansion, which resulted in the suspension of electrolysis module 2.

The chemical business recorded a lower production of sodium sulfate (-7.1%) due to continued logistical problems in railroad distribution. Magnesium oxide production decreased (-13.5%) due to the slowdown in demand, while magnesium sulfate contracted (-10.0%) affected by lower demand from the domestic agricultural sector and strong competition from Chinese products. For the ammonium sulfate by-product, volume decreased (-26.6%) because the high cost of ammonia and the fall in the price of this fertilizer have affected profitability margins, so strategies have been implemented to reduce its production and the plant's capacity has been channeled to more profitable by-products.

In the financial results, 1Q24 sales revenues decreased marginally, as lower base metal prices (especially zinc) offset the benefit of higher gold and silver prices and higher volumes sold of zinc, concentrates, silver and copper, mainly. Cost of sales increased due to higher inventory turnover charges sold in the United States by our subsidiary Bal Holdings, coupled with the unfavorable effect of the appreciation of the peso against the US dollar on costs incurred in pesos (approximately 50% of production costs) and the increase in costs related to the continued operation of the Juanicipio mine's beneficiation plant while the previous year was in start-up process. Operating and financial expenses, on the other hand, were lower than those recorded in the same quarter of the previous year, while the provision for income taxes was lower. The latter resulted from lower taxable income in the period and a favorable adjustment in deferred taxes, mainly due to the effect of inflation in Mexico, which resulted in a benefit of certain assets for tax purposes.

Due to the factors described above, the financial results obtained by Peñoles in 1Q24 and their variation with respect to 1Q23 were as follows (figures in millions): Net Sales US\$1,396.5 (-1.2%), Gross Profit US\$171.1 (-32.3%), EBITDA US\$196.6 (-21.8%), Operating Income US\$5.9 (-92.9%) and Net Loss from Controlling Interest -US\$39.0, unfavorable compared to the Net Income of US\$3.4 recorded in 1Q23.

## I. FINANCIAL RESULTS

The consolidated financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The analysis of the consolidated financial statements is presented in millions of U.S. dollars (US\$), which is Peñoles' functional currency, and 1Q24 figures are compared to 1Q23 figures, except where otherwise indicated.

### FINANCIAL HIGHLIGHTS:

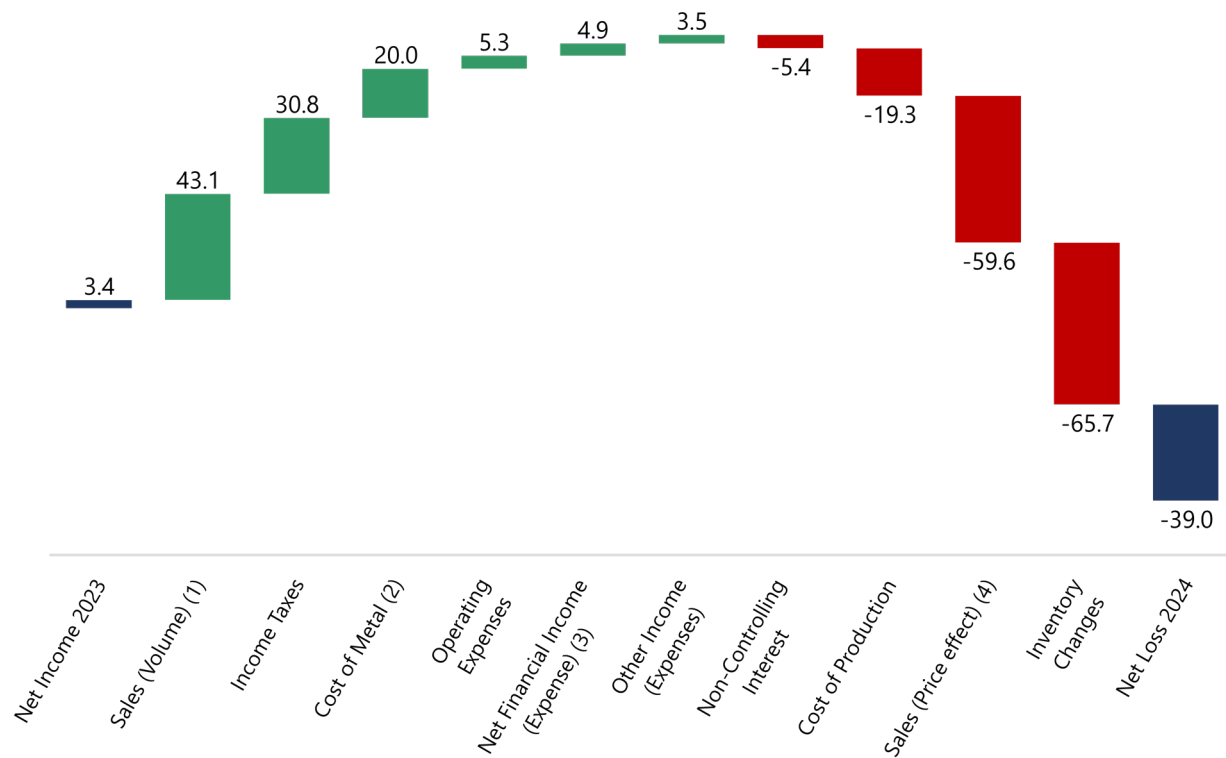
(Millions of dollars)	1Q24	1Q23	% Chg
<b>Sales Invoiced</b>	1,396.3	1,413.1	-1.2
<b>Net sales (1)</b>	1,396.5	1,413.0	-1.2
<b>Gross Profit</b>	171.1	252.6	-32.3
<i>% of sales</i>	12.2%	17.9%	
<b>EBITDA (2)(3)</b>	196.6	251.3	-21.8
<i>% of sales</i>	14.1%	17.8%	
<b>Operating income (3)</b>	5.9	82.1	-92.9
<i>% of sales</i>	0.4%	5.8%	
<b>Other (Expenses) Income (4)</b>	2.6	-0.9	<i>n.a</i>
<b>Interest Income (Expense), Net</b>	-40.5	-45.4	10.9
<b>Net (Loss) Income of Controlling Interest</b>	-39.0	3.4	<i>n.a</i>
<i>% of sales</i>	-2.8%	0.2%	

- (1) Includes results from metal hedges.
- (2) Income before financial expenses, taxes, depreciation and amortization.
- (3) Does not include Other Income (Expenses).
- (4) Includes impairment of fixed assets.

### INCOME STATEMENT:

The following chart shows the variation of each income statement line item and its influence on the change in net income in 1Q24 compared to 1Q23:

■ Favorable  
■ Unfavorable



(1) Includes variation from the sale of other products and services.

(2) Metal cost is presented net of treatment fee, profit on inventories and other items.

(3) Includes financial expenses and foreign exchange result.

(4) Includes variation in hedging results.

The variations are explained below:

**Net Sales** for 1Q24 totaled US\$1,396.5, representing a marginal contraction of 1.2% (-US\$16.6), derived from:

- Lower prices of base metals (mainly zinc) and chemicals, mitigated by higher gold and silver prices (-US\$ 59.8).
- Higher volumes sold of zinc, concentrates, silver, copper matte and sodium sulfate, which together offset the decrease in gold and copper volumes (+US\$42.1).
- Revenues from the sale of other products and services marginally higher (+US\$1.0).
- This was accompanied by a marginal variation in the result of metal hedging (+US\$0.2).

**Cost of Sales** amounted to US\$1,225.4, 5.6% higher than that recorded during 1Q23. The increase of +US\$65.0 was due to the following:

- **Inventory Movement** charge of +US\$23.7 which contrasts with the credit in 1Q23 of -US\$42.0 (+US\$65.7), mainly because in the period our subsidiary Bal Holdings sold gold, silver and zinc inventories, while in the previous year it accumulated zinc inventories to meet the needs of our customers in the United States.

- Higher **Production Cost** by +US\$19.3, for the following reasons: (i) the adverse effect of the appreciation of the peso against the US dollar which makes peso-denominated costs more expensive (approximately 50% of production costs are dollar-denominated) and (ii) higher costs associated with the full quarter operation of the Juanicipio beneficiation plant while in 1Q23 it was on the commissioning phase. The above factors offset the benefits of (i) lower electricity consumption and prices due to the temporary reduction in capacity with a module in the electrolysis area of the zinc plant turned off, as well as the migration of some operations to the Wholesale Electricity Market, which has allowed access to more competitive prices; and (ii) the termination of mining at Noche Buena, which began its closure process in the second quarter of 2023.

The variations by cost item are detailed below:

- Human Capital (+US\$ 10.5, +9.8%) due to the effect of the appreciation of the peso against the dollar.
  - Maintenance and Repairs (+US\$8.1, +6.7%) mainly due to major repairs at the Herradura mine, which offset the reduction in maintenance costs at the zinc plant, since in 1Q23 we continued with the anode and cathode replacement program, and we also faced the shutdown of three roasters due to operational and equipment failures.
  - Low value leases (+US\$1.6, +7.3%) due to higher machinery and equipment leases, mainly in the mining units of Fresnillo plc.
  - Contractors (+US\$0.8, +0.6%), derived from the increase in the support of works within the mines (mainly Milpillas and Velardeña), which were offset by lower costs at Met-Mex for works at the zinc plant.
  - Operating Materials (-US\$6.6, -5.5%) due to the completion of the anode and cathode replacement program at the zinc plant.
  - Energy (-US\$ 11.8, -9.0%) mainly due to lower consumption and price of electricity, for the reasons mentioned above, and to a lesser extent, due to lower consumption and price of natural gas in the chemical business.
  - Other items (+US\$16.7, +8.3%) mainly due to higher depreciation derived from the start-up of Juanicipio at the end of 2022 and its effect on 1Q24; which was offset by lower ammonia consumption due to lower ammonium sulfate production at Fertirey.
- Lower **Cost of Metal Sold** (-US\$20.0) credited to cost of sales, due to lower metallurgical production of gold and zinc, and the fall in the price of zinc. These factors offset the lower treatment revenues (credited to metal cost), due to lower treatment charges in the smelter-refinery business and the lower volume of concentrates processed in the zinc plant.

As a result, **Gross Profit** decreased 32.3%, from US\$252.6 in 1Q23 to US\$171.1 in 1Q24.

**Operating Expenses (General Expenses)** totaled US\$165.2, a reduction of -US\$5.3 (-3.1%) due to the following items:

- Lower **Exploration and Geological Expenses** (-US\$7.6, -14.9%) due to the slower pace of exploration activities in the period.
- Lower **Administrative and General Expenses** (-US\$1.9, -2.4%), in Human Capital because during 1Q23 there was an administrative restructuring that increased personnel separation expenses in that period, as well as lower communication and IT expenses, offset by higher expenses in low value leases

and higher travel expenses.

- Higher **Selling Expenses** (+US\$4.2, +10.9%) mainly due to higher inland freight costs.

Quarterly **EBITDA** of US\$196.6 decreased (-US\$54.7, -21.8%) compared to US\$251.3 in 1Q23, while **Operating Income** of US\$5.9 obtained in 1Q24 fell (-US\$76.3, 92.9%) when compared to US\$82.1 in the same quarter of the previous year.

**Other income, net** obtained during 1Q24 was US\$2.6, favorable compared to other expenses, net of -US\$0.9 in 1Q23 (+US\$3.5), explained as follows:

- Other income of US\$ 15.0, higher than US\$ 12.6, mainly due to higher income from the sale of other products and services (+US\$ 2.4).
- Other expenses of US\$ 12.4, slightly lower than US\$ 13.5, derived from the loss recorded in 1Q23 from the sale of concentrates -US\$ 4.1, together with lower remediation expenses in closed mining units -US\$ 0.9; which offset higher donations granted +US\$ 1.8 and loss from insurance claims +US\$ 1.0, among others.

The **Financial and Exchange Result, net** had a favorable variation (+US\$4.9), as the expense for the period of US\$40.5 was lower than the US\$45.4 expense of the same quarter of the previous year, as a result of:

- **Financial income** of US\$19.2, down from US\$25.0 (-US\$5.8) mainly due to the fair value of derivative financial instruments that represented an income in 1Q23 (US\$ 4.3), while in 1Q24 it is an expense. In addition to lower interest earned on investments and clients (-US\$3.2); which together were offset by higher financial income from tax refunds (+US\$1.7).
- **Financial expenses** of US\$56.3 vs US\$55.7 (+US\$0.6); the marginal variation comes from the decrease in interest accrued on financial debt (-US\$1.8), offset by the increase in other items (+US\$2.3) -including bank commissions and the fair value of derivative financial instruments-
- **Exchange rate fluctuation.** In terms of translation, the result was favorable by +US\$11.3, since in 1Q24 there was an exchange loss of -US\$3.3, compared to a loss of -US\$14.6 in 1Q23. This item comes from the translation at the balance sheet date exchange rate of monetary assets and liabilities in currencies other than the U.S. dollar, including the Mexican peso.

The **Provision for Income Taxes** was favorable in +US\$30.8. In 1Q24 the provision of -US\$14.7 is made up of current taxes of US\$35.0 and deferred taxes of -US\$49.7, while in 1Q23 the same concepts registered US\$79.9 and -US\$63.8 respectively. Current taxes were lower due to the lower quarterly results, while in the case of deferred taxes, in both periods, the main reason for the adjustment came from the favorable effect of the appreciation of the peso against the US dollar and inflation in Mexico on the Company's tax assets.

**Non-controlling interest** in the quarterly results was an income of US\$ 21.6, +US\$ 6.0 versus the income of US\$ 15.6, due to the better results of the subsidiaries with minority interest, Fresnillo plc and Tizapa. On the other hand, the **Equity in the results of associates** and joint ventures had a variation of +US\$ 0.6.

Due to the factors described above, in 1Q24 the **Net Loss from Controlling Interest** of -US\$39.0 was unfavorable at -US\$42.4 compared to the US\$3.4 income obtained during 1Q23.

## **CASH FLOW:**

At the end of 1Q24, the Company had **Cash and cash equivalents** of US\$1,089.9, an increase of +US\$49.7 with respect to the balance of US\$1,040.2 at the end of 4Q23 (net of exchange rate fluctuation and translation effect of -US\$1.7).

The most relevant concepts are discussed below:

- 1) **Net cash flows from operating activities** of +US\$120.9 This line item consists of items directly related to operating activities without considering those that do not have an impact on cash (such as depreciation) and includes working capital, as well as income taxes, employee profit sharing and equity in the results of associates and joint ventures.
- 2) **Net cash flows from investing activities** of -US\$ 68.7, comprising:
  - a) Investments in property, plant and equipment for -US\$ 86.0, highlighting the development of depreciable mining works, the construction and strengthening of tailings deposits, the Herradura stripping, as well as the purchase of equipment for the operating units.
  - b) Interest collected +US\$15.6.
  - c) Amount received from the sale of fixed assets +\$0.7.
  - d) Collection of loans to third parties, net +US\$1.0.
- 3) **Net cash flows from financing activities** of -US\$0.8, derived from:
  - a) Short-term loans used to finance working capital needs +US\$73.2.
  - b) Interest paid on financial debt -US\$52.7.
  - c) Payment of lease liabilities -US\$5.6.
  - d) Other items -US\$15.7.

## **II. ECONOMIC ENVIRONMENT AND METAL PRICES**

The main economic variables that had a significant impact on the Company's results include the following.

	1T24	1T23	% Chg
<b>NCPI inflation for the period (%)*:</b>	1.28	1.51	
<b>Exchange rate (peso-dollar):</b>			
<b>Closing</b>	16.6780	18.1052	-7.9
<b>Average</b>	16.9977	18.7020	-9.1

Period	Gold (US\$/Oz)	Silver (US\$/Oz)	Lead (UScts/lb)	Zinc (UScts/lb)	Copper (UScts/lb)
1Q23	1,889.92	22.51	97.09	141.71	404.92
4T'23	1,939.69	23.23	96.31	113.31	370.07
1Q24	2,069.80	23.34	94.20	111.15	382.76
%Var Q1'24 vs. Q1'23	9.5	3.7	-3.0	-21.6	-5.5
%Var Q1'24 vs. Q4'23	6.7	0.5	-2.2	-1.9	3.4

\*National Consumer Price Index

The price of gold reached an all-time high, driven mainly by the outlook for U.S. monetary policy and central bank purchases. However, the geopolitical risk derived from the wars in Ukraine and the Middle East has also influenced its price, also benefiting silver. This uncertainty is amplified by the elections scheduled for 2024, especially those in the United States, which continue to support precious metals.

Regarding base metals, the Chinese government's stimulus measures during the first quarter of 2024, along with an improvement in manufacturing output and supply concerns, supported industrial metals, especially copper. However, slowing global growth and high interest rates continue to put pressure on prices of these metals. Zinc continues to lag early 2023 levels due to reports of high inventories, even though mine production is facing pressure in some regions of the world. On the other hand, lead has been affected by the slow start in vehicle demand during the first quarter of the year.

### III. OPERATING RESULTS

The main aspects that affected the variations in operating results in 1Q24 compared to 1Q23 are discussed below.



## **MINING OPERATIONS:**

<b>Production</b>	<b>1Q24</b>	<b>1Q23</b>	<b>% Chg</b>
<b>Milled Ore (Mton)</b>	5,352	5,382	-0.5
<b>Ore Deposited(*) (Mton)</b>	3,802	7,186	-47.1
<b>Ore Processed (Mton)</b>	9,155	12,568	-27.2
<b>Gold (oz)</b>	154,817	187,091	-17.3
<b>Silver (koz)</b>	17,314	16,075	7.7
<b>Lead (ton)</b>	21,433	19,041	12.6
<b>Zinc (ton)</b>	66,981	65,275	2.6
<b>Copper (ton)</b>	2,244	2,361	-4.9
<b>Cathodic Copper (ton)</b>	3,194	2,898	10.2

**\*Includes Noche Buena, Herradura and Milpillas.**

**Includes 100% of payable production of Fresnillo plc and Juanicipio.**

**Mton: thousand tons; oz: troy ounces; koz: thousand troy ounces; ton: metric tons.**

**Gold (-17.3%):** Quarterly gold production decreased compared to 1Q23, mainly due to the lower volume of ore processing with lower ore grade at Herradura, as a result of heavy rains in March that required additional pumping and affected the mining process. Also, the decline was because Noche Buena concluded the mining of the pit and began its closure process in May 2023, so gold is currently being produced from the leach pads. These declines were mitigated by higher production at Juanicipio due to higher volume of ore processing with better grade and recovery, and to a lesser extent by higher volumes and better ore grades from Ciénega and San Julián (Veins), as well as better ore grade at Fresnillo.

**Silver (+7.7%):** The increase in contained silver production is attributable to higher milling with better grades and metallurgical recoveries at Juanicipio, which reached its nameplate capacity in the third quarter of 2023, while during the first quarter of that year its beneficiation plant was in the start-up process. San Julián (Veins) also contributed with higher ore grade and volume of ore processed, Saucito with higher beneficiated volume, and Ciénega with higher volume and better grade and the ore flotation plant at Fresnillo (Pyrites II). All of them compensated for the lower production due to lower beneficiated volumes, grades and recoveries at San Julián (DOB), Fresnillo, and Sabinas. At the latter, a technical stoppage was carried out in mid-March due to a change in the mining method to reduce dilution, due to the narrowing of the veins, and activities were restarted in the second week of April 2024. Additionally, at Capela there was lower contained silver production due to a lower volume of ore processed at lower ore grades.

**Lead (+12.6%):** Lead produced in concentrates increased due to higher ore processing with better grades and recoveries at Juanicipio; better ore grade and recovery at Fresnillo; higher milling at Saucito and better ore grade at Velardeña. These units compensated for the lower production at Sabinas, due to the technical stoppage mentioned in the previous paragraph, as well as the lower volumes processed with lower ore grades and recoveries at San Julian (DOB) and Capela.

**Zinc (+2.6%):** The growth in zinc production was due to higher ore milling and processing, with better ore grade and metallurgical recovery at Juanicipio; higher ore processing with better recoveries at Tizapa, Saucito and Velardeña, which offset the lower production at Capela, due to lower volume of ore processing, Sabinas, Fresnillo and San Julián (DOB), due to lower beneficiated volumes and lower recoveries, the last one also due to lower ore grade.

**Copper (-4.9%):** The decrease in copper in concentrates was caused mainly by the technical stoppage at Sabinas mentioned above and the lower ore beneficiation at Capela, whose deficits were offset by production at Tizapa due to higher milling, grade and recovery.

**Cathode copper (+10.2%):** The growth in cathode copper production is mainly due to the higher volume of ore deposited in leaching patios at Milpillas.

### **METALLURGICAL OPERATIONS:**

Production	1Q24	1Q23	% Chg
Gold (oz)	217,284	262,298	-17.2
Silver (koz)	17,944	17,177	4.5
Lead (ton)	25,157	24,667	2.0
Zinc (ton)	58,877	64,458	-8.7

The lead-silver circuit recorded lower gold production, mainly due to lower production at Herradura and Noche Buena. On the other hand, silver and lead increased production, due to a higher volume of concentrates treated at the Smelter, since during 1Q23 there were unscheduled stoppages in the furnaces due to low melting speed caused by an imbalance in the copper, lead and iron contents in the formation of mixtures, while there was better operational continuity in 1Q24.

Production of refined zinc was lower compared to 1Q23 because, as reported, it was decided to limit capacity in the zinc circuit temporarily starting in the third quarter of 2023 and the operation of electrolysis module 2 was suspended to correct the failures in the expansion of the direct concentrate leaching plant.

### **CHEMICAL OPERATIONS:**

Production	1Q24	1Q23	% Chg
Sodium sulfate (ton)	180,176	193,854	-7.1
Magnesium oxide (ton)	14,569	16,849	-13.5
Ammonium sulfate (ton)*	26,184	35,659	-26.6
Magnesium sulfate (ton)	14,419	16,025	-10.0

\*It does not include maquila.

Quarterly sodium sulfate production was lower due to continued logistical problems and inconsistent availability of railroad hoppers for the distribution of this product to our customers. The slowdown in demand from the steel and cement sectors resulted in lower

magnesium oxide production to adjust volumes according to market requirements. Likewise, ammonium sulfate output decreased with respect to 1Q23, because the high cost of ammonia has affected profit margins, so strategies are being implemented to reduce its production, and to channel plant capacity towards more profitable by-products in substitution. Magnesium sulfate has been affected by imports of Chinese products, which has reduced the price and demand for domestic products.

## **IV. PROJECTS**

### **Exploration of Peñoles**

Exploration in the first quarter focused on 5 priority projects, with drilling in two projects in Mexico and one in Chile, for a total of 5,540 meters. Geological studies and exploratory work were carried out on 9 of our own prospects and 6 outside prospects to generate new drill targets and/or evaluate potential and justify direct exploration or acquisition. The main results are:

#### **Flobar (Sonora).**

Early copper and polymetallic project near La Caridad mine. The 2024 exploration program contemplates following up on a 2023 target and working on 5 new priority targets defined in the last quarter of that year. In 1Q24, preparations advanced to start drilling in early May, with the objective of locating high grade copper mineralization for underground mining.

#### **Reina del Cobre (Durango).**

Copper-zinc project located 20 km east of the Velardeña mine in which inferred resources of 19 million tons of ore have been defined. Drilling is being carried out with the objective of converting the resources to indicated above the 1200 level, while the preliminary economic study is progressing. During the quarter, diamond infill drilling was carried out for 2,745 meters in 9 drill holes, 5 of them finished and 3 with good results (wider than expected and good grade).

### **International Projects**

For the **Racaycocha** copper-molybdenum project in Peru, the Preliminary Economic Study is progressing and is expected to be completed by the end of May. Geological mapping and detailed sampling began in the NW of Racaycocha and in the adjacent Atanauca area. Geophysics will continue in targets defined by the geological studies to start drilling in September. Likewise, the logistics of contracts, permits and access for drilling of the nearby Pucapampa - Santa Rosa project are being prepared to start work in July.

In Chile, drilling continues at the **Yastai** project, with an accumulated advance of 2,261 m, with good findings in some drill holes. In the immediate area of influence of the project, work is being carried out to define 5 new targets with attractive potential, and 3 at district level. This, to determine the best sites and prepare them to test with drilling. The collection of information continues to carry out a preliminary economic configuration test of the project.

### **Mining Units.**

In the area of influence of the **Tizapa** mine, detailed geology and geophysics is in progress to confirm 7 new potential targets and select the 4 most immediate ones. Initial

cumulative drilling development was 528 m, and drilling is expected to resume at the end of April.

### **Fresnillo plc**

Fresnillo plc, a subsidiary listed independently on the London Stock Exchange and the Mexican Stock Exchange, in which Peñoles holds a 74.99% interest, continued to advance in its exploration activities and the development of precious metals projects.

For more information about the development of Fresnillo plc's projects, please visit [www.fresnilloplc.com](http://www.fresnilloplc.com).

## **V. ANNOUNCEMENTS**

On April 4, 2024, the Company published a relevant event to inform the investor public that in reference to the communiqué issued by the Office of the United States Trade Representative requesting the Mexican Government to review an alleged denial of workers' rights at our subsidiary Minera Tizapa, Industrias Peñoles reiterates that it has always respected and will continue to respect the freedom of union association and collective bargaining of its workers; therefore, we will actively contribute with the Mexican authorities to carry out the corresponding investigations with said work center and we fully trust in the procedures established by the USMCA to obtain a prompt solution to the case.

On April 29, 2024, the Company held its Annual Ordinary Stockholders' Meeting, the Notice of which was published on April 4. The documents related to the Meeting and the resolutions derived from it are available at our webpage [www.penoles.com.mx](http://www.penoles.com.mx).

## **ABOUT PEÑOLES**

Peñoles, founded in 1887, is a mining group with integrated operations for the smelting and refining of non-ferrous metals and the production of chemical products. It is currently the world's largest producer of refined silver; it is Latin America's leading producer of refined gold and lead; and it is among the world's leading producers of refined zinc and sodium sulfate.

Peñoles shares have been listed on the Mexican Stock Exchange since 1968 under the ticker symbol PE&OLES and are part of the Mexican Stock Price Index.

### **Analyst**

Peñoles has analysis coverage from Morgan Stanley and Scotiabank.

