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INDUSTRIAS PEÑOLES, S.A.B. DE C.V. THIRD QUARTER 2024 EARNINGS REPORT.

Mexico City, October 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 third quarter of 2024 (3Q24) and the main variations compared to the same period of 2023 (3Q23).

EXECUTIVE SUMMARY

In the third quarter of 2024, the average prices of the metals that the Company produces and sells registered significant increases compared to those of the same quarter of the previous year for gold (+28.3%), silver (+24.7%), zinc (+14.4%), and copper (+10.2%); lead being the only metal in our portfolio whose price was lower (-5.8%) than in 3Q23. Precious metals were favored by the US Federal Reserve's interest rate reduction, as well as by the uncertainty generated by geopolitical conflicts and the proximity of the US elections, while industrial metals found support in the stimulus measures announced by China to reactivate its economy.

In the mining division, the volume of ore deposited in leaching yards increased 50.7%, mainly at Herradura, a unit that in the same quarter of the previous year reduced ore deposition due to an electrical failure. The volume of ore milled and processed increased 5.3%, driven by higher processing at the Herradura dynamic leaching plant, and to a lesser extent at the Saucito and Juanicipio beneficiation plants. These operations were able to offset the lower ore milling at Tizapa, where, as reported by the Company, a strike was declared on August 30. There were also decreases at other units, such as Fresnillo, San Julián (DOB) and Sabinas. In the latter, content production was lower, except in the case of lead, which improved due to higher recovery. This decrease in production at the Sabinas mine was due to lower ore extraction, caused by the unavailability of backfill equipment in the APZ body (which has better silver grades) and stability problems in a stope of La Noria body, also with better grades. In addition, personnel absenteeism and lack of equipment due to maintenance failures, have caused delays in the implementation of the semi-vertical mining system, which is intended to replace the horizontal system, in an attempt to reduce dilution.

Quarterly gold production increased 12.6% due to the higher volume of ore deposited and processed at Herradura, and to a lesser extent, higher head grades and recoveries at Fresnillo and Saucito and higher ore processing at the latter. These units offset lower production at Noche Buena, which suspended mining in May 2023 due to the expected depletion of its ore reserves and is in the process of closing.

Quarterly silver production decreased 3.2%, mainly due to lower ore grades and a decrease in the volume of ore processed at San Julian (DOB) as it nears the end of its mine life, as well as a lack of production at Tizapa, and a reduction in head grades and volume of ore processed by Fresnillo. Also, Capela and Sabinas processed lower volumes of ore, with lower grades and recoveries. This was partially mitigated by higher grades and volumes of ore processed by Saucito and the San Julian veins.

Lead in concentrates increased 6.5% due to higher ore grades obtained by Fresnillo and Velardeña, higher volumes of ore processed with better grades and recoveries from Juanicipio and Saucito, as well as higher recoveries from Sabinas, which offset lower production from Tizapa, San Julián (DOB) and Capela, which recorded lower volumes of ore processed with lower grades and recoveries.

Zinc, on the other hand, decreased 4.6%, due to lower production at Tizapa and lower volumes of ore processing, with lower grades and recoveries at Capela and Sabinas along with the lower ore grade at Saucito; whose deficits were mitigated by the better grades and recoveries obtained at Velardeña and San Julián (DOB), the higher volume of ore processed with better grades and recoveries at Juanicipio and the better ore grade at Fresnillo.

Copper in concentrates increased production (+26.0%), driven by the better ore grade and metallurgical recovery at Capela. Finally, copper in cathodes produced by Milpillas remained practically unchanged (+0.4%).

In metallurgical operations, there were several failures in the smelter furnaces, resulting in unscheduled shutdowns that affected both the volume of concentrates treated and the production of refined metals. As a result of these interruptions, together with a reduction in the volumes of rich materials acquired from third party shippers, gold and silver production fell by -7.7% and -9.1%, respectively, compared to the same quarter of the previous year; lead, on the other hand, decreased by -13.3%. In contrast, the zinc plant increased refined zinc production of +13.9%, thanks to a higher volume of concentrates treated, as the annual maintenance shutdown took place in the same quarter of 2023.

The chemical business recorded higher production of sodium sulfate (+11.3%), as during the same period of the previous year we faced logistical problems in the railroads that limited the distribution of this product to our customers; although these logistical difficulties persist this year, they have impacted to a lesser extent the distribution of this product. Magnesium oxide production also showed a recovery (+4.9%), driven by a rebound in demand for its various varieties. On the other hand, the volume of magnesium sulfate grew (+12.9%), thanks to demand from the domestic agricultural sector. In contrast, the by-product ammonium sulfate output decreased (-33.9%), as we continue to implement strategies to replace its production and redirect the plant's capacity toward more profitable products, due to the high cost of ammonia and the price drop of this fertilizer, which have affected profitability margins.

In financial results, 3Q24 sales revenues increased due to higher silver, gold, zinc and copper prices, as well as better realization price on concentrate sales. This offset lower volumes sold of some products, mainly copper matte, and refined gold and silver due to lower production. Cost of sales decreased, due to cost of metal as lower volume of concentrates and materials were acquired from third party shippers, combined with lower production costs, mainly in the energy items, due to the migration of some loads to the Wholesale Power Market (WPM), which has reduced the cost of electricity, maintenance costs, repairs and operating materials, in addition to the benefit of the depreciation of the peso against the US dollar in the portion of costs incurred in pesos (approximately 50% of production costs). Operating expenses and financial expenses were also lower than those recorded in the same quarter of the previous year, while other income was reported in contrast to other expenses in the same period of the previous year.

With respect to income taxes, there was an increase in the current tax provision due to higher taxable income for the period, combined with an unfavorable deferred tax provision, which contrasts with the favorable provision in 3Q23. This was due to the depreciation of the peso against the dollar in 3Q24, contrary to the appreciation in 3Q23,

which originated a reduction in the value, in dollar terms, of certain of the Company's assets for tax purposes.

Due to the factors described above, Peñoles' financial results for 3Q24 and their variation with respect to 3Q23 were as follows (in millions): Net Sales US\$1,732.2 (+14.9%), Gross Profit US\$523.4 (+308.7%), EBITDA US\$569.9 (+379.8%), Operating Income US\$349.8, favorable compared to the Operating Loss of -US\$57.1 and Net Income from Controlling Interest US\$40.1 (+156.3%).

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 3Q24 figures are compared to 3Q23, except where otherwise indicated.

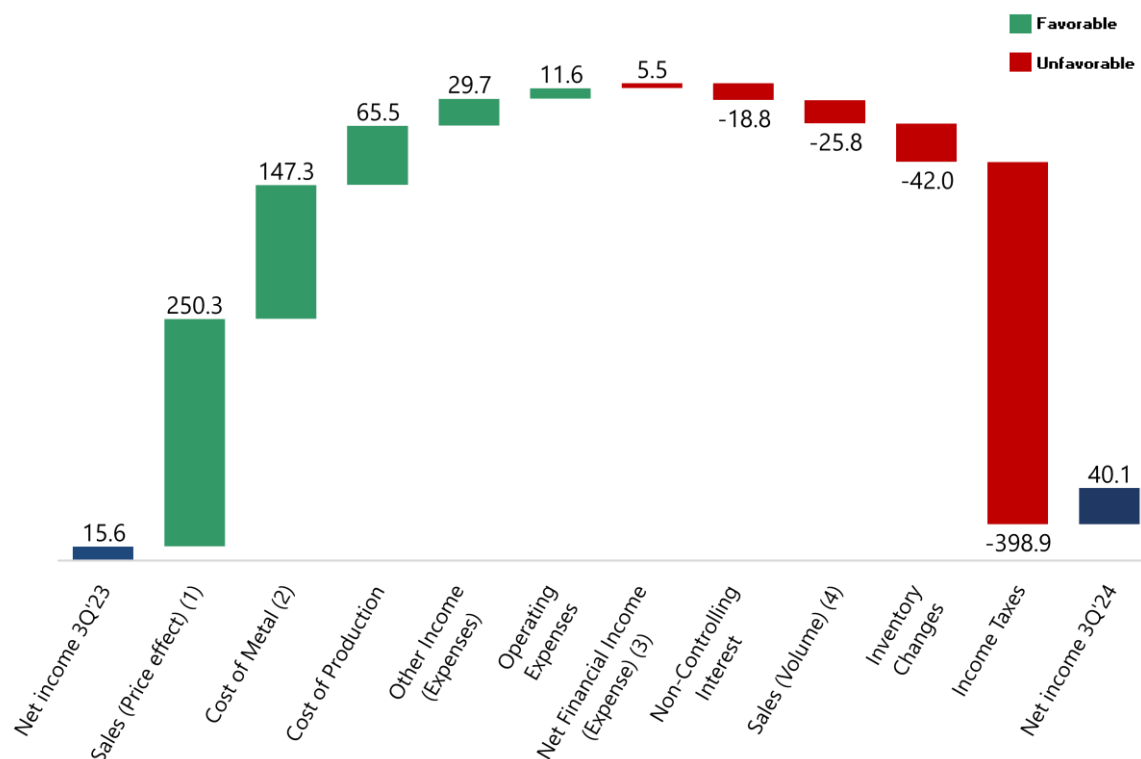
FINANCIAL HIGHLIGHTS:

(Millions of dollars)	3Q24	3Q23	% Chg	YTD 2024	YTD 2023	% Chg
Sales Invoiced	1,732.2	1,505.9	15.0	4,762.9	4,454.7	6.9
Net sales (1)	1,732.2	1,507.7	14.9	4,763.1	4,457.7	6.9
Gross Profit	523.4	128.1	308.7	1,100.8	605.4	81.8
<i>% of sales</i>	30.2%	8.6%		23.1%	13.7%	
EBITDA (2)(3)	569.9	118.8	379.8	1,187.5	563.4	110.8
<i>% of sales</i>	32.9%	8.0%		24.9%	12.7%	
Operating income (3)	349.8	-57.1	n.a	579.2	55.6	941.1
<i>% of sales</i>	20.2%	-3.9%		12.2%	1.3%	
Other (Expenses) Income (4)	16.9	-12.8	n.a	31.1	-47.1	n.a
Interest Income (Expense), Net	-32.6	-38.0	14.4	-114.8	-127.6	10.0
Net Income (Loss) of Controlling Interest	40.1	15.6	156.3	-22.1	41.3	n.a
<i>% of sales</i>	2.3%	1.1%		-0.5%	0.9%	

- (1) Include results from metal hedges.
- (2) Income before financial expenses, taxes, depreciation and amortization.
- (3) Does not include Other (Expenses) and Income.
- (4) Include impairment of long-lived 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 3Q24 compared to 3Q23:



(1) Includes variation in hedging results.

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

(3) Includes financial expenses and foreign exchange result.

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

The variations are explained below:

Net Sales for 3Q24 totaled US\$1,732.2, an increase of 14.9% (+US\$ 224.5), derived from:

- Higher realization prices for silver, gold, zinc, copper and concentrates that offset the decrease in those for lead and chemicals (+US\$ 252.0).
- Lower volumes sold of copper matte, refined gold and silver, mitigated by higher sale volumes of zinc, lead, concentrates and sodium sulfate (-US\$23.0).
- Lower revenues from the sale of other products and services (-US\$2.8).
- This was accompanied by a marginal variation in the result of sales hedges (-US\$1.7).

Cost of Sales of US\$1,208.8, was 12.4% lower than that recorded during 3Q23. The decrease of -US\$170.8 is due to the following:

- Lower **Cost of Metal** Sold (-US\$147.3), mainly due to lower volumes of concentrates and other materials purchased from third party shippers for processing at the metallurgical complex.
- Lower **Production Cost** by -US\$65.5, with the variations by item as follows:
 - Contractors (-US\$26.5, -19.3%), due to lower development and support works at Fresnillo plc mines (mainly Ciénega, Saucito, and San Julián), as

well as at Milpillas, in addition to the favorable effect of the higher exchange rate of the peso versus de dollar.

- Energy (-US\$26.1, -19.4%) mainly in electricity due to lower prices after the migration of some operations to the WPM, -which in 3Q23 were in the process of migration and during that period temporarily consumed more energy from the Federal Electricity Commission (CFE), with a higher cost than the Company's portfolio-, additionally the exchange rate depreciation favored the peso component of this item. Likewise, there was a lower cost in diesel, fuels and lubricants, and coke.
 - Maintenance and Repairs (-US\$24.4, -17.3%) mainly due to major repairs performed at Herradura during 3Q23. In addition, at the metallurgical complex, a maintenance shutdown was carried out and various repairs were made at the zinc plant during that quarter. As a result, it was decided to temporarily shut down electrolysis module 2 starting in the last quarter of 2023.
 - Operating Materials (-US\$14.6, -11.9%) mainly due to lower consumption of reagents, alloy materials, tires and tubes, among others.
 - Human Capital (-US\$3.0, -2.5%) due to the lower unionized personnel base, as well as the benefit of a higher average exchange rate of the peso against the dollar.
 - Other items (-US\$15.1, -25.4%) include lower costs for low value leases of machinery and equipment, water rights, ammonia costs and freight, offsetting higher charges for the transfer of by-products.
 - Depreciation, amortization and depletion (+US\$44.2, +25.5%), mainly due to a higher charge for San Julián (DOB), where mining activities are expected to cease during the last quarter of 2024, as it nears the end of its productive life.
- Higher charge for **Inventory Movement** by +US\$42.0 compared to that recorded during 3Q23, mainly due to the sale of zinc and gold inventories of our subsidiary Bal Holdings; as well as the consumption of inventories of Herradura, which during the same quarter of 2023 accumulated inventories due to lower production.

As a result, **Gross Profit** increased 308.7%, from US\$128.1 in 3Q23 to US\$523.4 in 3Q24.

Operating Expenses (General Expenses) totaled US\$173.6, a reduction of -US\$11.6 (-6.3%) due to the following items:

- Lower **Exploration and Geological Expenses** (-US\$ 6.3, -10.2%) due to a decrease in exploration activities during the period.
- Lower **Administrative and General Expenses** (-US\$3.9, -4.9%), favorable due to the exchange rate effect, highlighting decreases in fees, travel expenses and IT, mainly.
- Lower **Selling Expenses** (-US\$1.3, -3.1%) mainly due to lower energy transmission costs, lower customs expenses, freight and royalties, offsetting higher costs for extraordinary mining rights, maritime freight and insurance and bonds.

Quarterly **EBITDA** amounted to US\$569.9, favorable (+US\$451.2, +379.8%) compared to US\$118.8 in 3Q23, while **Operating Income** of US\$349.8, contrasts with the Operating Loss recorded in 3Q23 of -US\$57.1 (+US\$406.9).

Other income, net obtained during 3Q24 was US\$16.9, favorably compares to other expenses, net of -US\$12.8 in 3Q23 (+US\$29.7), explained as follows:

- Other income of US\$24.9, above other income of US\$0.1 (+US\$24.8), coming mainly from higher income on the sale of other products and services (+US\$23.4), and to a lesser extent from income on the sale of fixed assets +US\$0.6 and leasing +US\$0.5 (items that in 3Q23 represented other expenses).
- Other expenses of US\$ 8.0, lower than other expenses of US\$12.9 (-US\$4.9), due to lower remediation expenses of closed units -US\$2.3, loss on sale of other products and services -US\$2.7, which in the current period recorded a profit, lower donations -US\$1.0, loss on sale of fixed assets -US\$0.7, offsetting claims for losses +US\$2.4, mainly.

The **Financial and Exchange Result, net** had a favorable variation (+US\$5.5, +14.4%), as the expense for the period of US\$32.6 was lower than the US\$38.0 expense of the same quarter of the previous year, because of:

- **Financial income** of US\$21.0, down from US\$25.2 (-US\$4.2) mainly due to changes in the fair value of derivative financial instruments -US\$3.5, as well as lower interest earned on investments and customers -US\$1.7; offset by higher income from tax restatement +US\$1.0.
- **Financial expenses** of US\$51.7 vs US\$64.0 (-US\$12.3); whose variation comes from lower interest accrued on financial debt (-US\$9.4), as well as the lower discount for provisions (-US\$3.4) -mainly for ecological reserve-, among others.
- **Exchange rate fluctuation.** In terms of translation, the result was unfavorable by -US\$2.6, since in 3Q23 there was an exchange gain of +US\$0.7 compared to a loss of -US\$1.9 in 3Q24. This item arises from the translation at the balance sheet date exchange rate of monetary assets and liabilities in currencies other than the US dollar, including the Mexican peso.

The **Provision for Income Taxes** was unfavorable in -US\$398.9. In 3Q24 the provision of US\$251.1 is comprised of current taxes of US\$63.0 and deferred taxes of US\$188.1, while in 3Q23 the same concepts registered US\$80.7 and -US\$228.5 respectively. The main reason for the increase in the deferred tax provision lies in the depreciation of the peso against the US dollar during 3Q24; which, on the contrary, generated a favorable adjustment due to the appreciation of the peso in 3Q23. This resulted in a reduction, in U.S. dollar terms, of the Company's assets for tax purposes in 3Q24, while in 3Q23 the appreciation of the peso against the dollar represented a higher dollar value of the tax values of the Company's assets.

Non-controlling interest in the quarterly results reported a profit of US\$ 46.8, higher by +US\$ 23.1 versus the profit of US\$ 23.7, due to the better results of the subsidiaries with minority partners, Fresnillo plc and Tizapa. On the other hand, the **Equity in the results of associates** and joint ventures had a variation of +US\$4.3.

Due to the factors described above, in 3Q24 the **Net Income from Controlling Interest** of US\$40.1 was favorable by +US\$24.4 compared to the US\$15.6 Income obtained during 3Q23.

CASH FLOW:

At the end of 3Q24, the Company had **Cash and cash equivalents** of US\$1,501.9, an increase of +US\$256.1 with respect to the balance of US\$1,245.9 at the end of 2Q24 (net of exchange rate fluctuation and translation effect of -US\$5.5).

The most relevant concepts are discussed below:

- 1) **Net cash flows from operating activities** of +US\$497.1 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\$82.7, comprising:
 - a) Investments in property, plant and equipment for -US\$98.2, highlighting the development of depreciable mining works, the construction and strengthening of tailings deposits, the stripping at Herradura, as well as the purchase of equipment for the operating units.
 - b) Interest collected +US\$25.5.
 - c) Acquisition of equity instruments -\$1.5.
 - d) Loans to third parties, net -US\$9.3.
 - e) Proceeds from sale of property, plant and equipment +US\$0.8.
- 3) **Net cash flows from financing activities** of -US\$152.9, derived from:
 - a) Short-term loans, net used to finance working capital needs and liquidation of current portion of long-term loans -US\$64.9.
 - b) Interest paid on financial debt -US\$50.7.
 - c) Dividend payment to non-controlling interests -US\$10.6.
 - d) Payment of lease liabilities -US\$5.5.
 - e) Other items -US\$21.2, mainly due to the amortization of loans from Juanicipio's partners.

II. ECONOMIC ENVIRONMENT AND METAL PRICES

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

	3Q24	3Q23	% Chg	YTD 2024	YTD 2023	% Chg
Inflation for the period (%) NCPI:	1.10	1.49		2.80	2.88	
Exchange rate (peso-dollar):						
Closing	19.6290	17.6195	11.4			
Average	18.9229	17.0601	10.9	17.7099	17.8282	-0.7

NCPI: National Consumer Prices Index

Period	Gold (US\$/Oz)	Silver (US\$/Oz)	Lead (UScts/lb)	Zinc (UScts/lb)	Copper (UScts/lb)
1Q'23	1,889.92	22.51	97.09	141.71	404.92
2Q'23	1,943.54	24.24	94.47	112.70	383.92
3Q'23	1,928.48	23.59	98.44	110.14	379.02
YTD 2023	1,920.28	23.45	96.70	121.66	389.40
1Q'24	2,069.80	23.34	94.20	111.15	382.76
2Q'24	2,338.18	28.80	98.27	128.52	442.38
3Q'24	2,474.29	29.41	92.70	126.04	417.75
YTD 2024	2,295.75	27.24	95.01	121.91	414.18
% Chg 3Q'24 vs. 3Q'23	28.3	24.7	-5.8	14.4	10.2
% Chg 3Q'24 vs. 2Q'24	5.8	2.1	-5.7	-1.9	-5.6
% Chg 2024 vs 2023	19.6	16.2	-1.7	0.2	6.4

In the third quarter of 2024, the US Federal Reserve reduced its interest rate by 50 basis points, marking the first cut since the emergency measures implemented in 2020. This decision, coupled with escalating tensions in the Middle East and the approaching U.S. elections, led to an increase in safe-haven demand for gold. In addition, gold demand was boosted by the lower import tax and the October festival and wedding season in India, and central banks have increased their gold purchases. These factors led the price of the golden metal to reach new all-time highs. For its part, the price of silver reached its highest level in a decade, driven by the gold boom and expectations of greater demand to produce solar panels.

Regarding industrial metals, the market focused on two key pieces of news: the beginning of interest rate cuts by the U.S. Federal Reserve and the stimulus measures implemented by the Central Bank of China to reactivate its economy. The rate cuts led investors to speculate on a possible increase in global industrial sector activity, driven by less restrictive monetary policies, which strengthened the confidence of base metals consumers. However, the dollar's strength limited purchases by traders in currencies other than dollars.

III. OPERATING RESULTS

The main aspects that affected the variations in operating results in 3Q24 compared to 3Q23 are discussed below.

MINING OPERATIONS:

Production	3Q24	3Q23	% Chg	YTD 2024	YTD 2023	% Chg
Milled Ore (Mton)(*)	5,610	5,328	5.3	16,544	15,905	4.0
Deposited Ore (**)(Mton)	5,217	3,461	50.7	13,747	16,088	-14.6
Ore Processed (Mton)	10,827	8,789	23.2	30,291	31,993	-5.3
Gold (oz)	168,194	149,416	12.6	470,392	505,977	-7.0
Silver (koz)	18,112	18,703	-3.2	54,263	54,007	0.5
Lead (ton)	23,490	22,059	6.5	68,376	62,133	10.0
Zinc (ton)	71,234	74,703	-4.6	209,692	205,414	2.1
Copper (ton)	2,925	2,322	26.0	7,778	6,958	11.8
Cathodic Copper (ton)	3,721	3,706	0.4	10,105	9,719	4.0

***Includes ore processed at the Herradura dynamic leaching plant.**

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

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

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

Gold (+12.6%): The higher gold production came mainly from Herradura, because in the comparison period it reduced the volume of ore deposited and processed due to an electrical failure. Fresnillo and Saucito also contributed to the increase, thanks to better ore grades and recoveries, and in the case of Saucito also to a higher volume of ore processed, followed by San Julián (Veins) with higher volume and better grade and Juanicipio with a better recovery. These mines offset the lower production at Noche Buena, an operation that suspended mining in May 2023 and has begun its closure process, while continues to recover gold from the leach pads, as well as the lower grades at Capela and the lower ore processed at Tizapa due to a strike at the unit.

Silver (-3.2%): The decrease in silver production is mainly attributed to a lower volume of ore processed, as well as a reduction in grade and recovery at San Julián (DOB), which is nearing the end of its operating life. In addition, the lack of production at Tizapa due to a strike and lower production at Fresnillo, caused by a lower volume of ore processed and a reduction in ore grade, have contributed to this situation. Production declines were also observed at Capela and Sabinas, both due to lower volumes processed, grades and recoveries. At Sabinas, a deficit in ore processing was due to lower extraction caused by the unavailability of backfill equipment in the APZ body (which has better silver grades) and stability problems in a stope in La Noria ore body. Additionally, there was personnel absenteeism and insufficient equipment at the mine due to maintenance failures. The latter has caused delays in the implementation of the new semi-vertical mining system, which is intended to replace the horizontal system, in an effort to reduce dilution in this mine. However, these deficits were offset by increased production at San Julián Veins and Saucito, thanks to higher volumes of ore beneficiated, as well as better grades and metallurgical recoveries. There was also an increase in production at the Pyrites Fresnillo and Saucito plants, an improvement in the ore grade at Ciénega, and an increase in the volume of ore processed and recovery at Juanicipio, as well as better grades and recoveries at Velardeña.

Lead (+6.5%): Lead produced in concentrates increased due to higher ore grades at Fresnillo and Velardeña, higher volumes, grades and recoveries at Juanicipio and Saucito, and better recoveries at Sabinas. These mining units compensated for lower production at Tizapa, San Julián (DOB) and Capela due to lower volumes of ore processed, lower grades and recoveries.

Zinc (-4.6%): The decrease in zinc production was mainly due to the lack of production at Tizapa due to a strike at the unit, and lower volumes of ore processed, with lower grades and recoveries at Capela and Sabinas, along with the lower ore grade at Saucito. All of these were mitigated by higher grades and recoveries at Velardeña and San Julián (DOB), higher volume processed with higher grades and recoveries at Juanicipio and better grades at Fresnillo.

Copper (+26.0%): The favorable variation in copper production in concentrates came mainly from Capela, due to better ore grade and metallurgical recovery, compensating Sabinas and Velardeña for lower volumes of ore processed, lower grades and recoveries.

Copper cathodes (+0.4%): Copper cathode production at the Milpillas unit registered a marginally favorable variation, due to the higher volume of ore deposited with better grade in leaching pads, which has mitigated the lower recovery rate.

METALLURGICAL OPERATIONS:

Production	3Q24	3Q23	% Chg	YTD 2024	YTD 2023	% Chg
Gold (oz)	206,032	223,337	-7.7	631,172	735,600	-14.2
Silver (koz)	18,344	20,172	-9.1	55,724	56,923	-2.1
Lead (ton)	27,277	31,471	-13.3	82,598	86,504	-4.5
Zinc (ton)	59,803	52,516	13.9	181,721	184,934	-1.7

The volume of concentrates treated at the smelter during 3Q24 was lower than in the same period of the previous year. This was due to various failures in the blast furnaces at the smelter, which caused unscheduled shutdowns and, as a result, lower bullion production and treatment at the silver refinery. In addition, a lower volume of rich material was purchased from third party shippers for treatment at the refinery, which also negatively impacted production. As a result, there was a decrease in quarterly production of refined gold, silver and lead compared to the previous year.

On the other hand, the volume of concentrates treated, and the quarterly production of refined zinc were higher compared to 3Q23, since the annual maintenance shutdown took place in August 2023, and during that quarter there were also several operational failures in the roasters and the electrolysis area, which negatively affected the tonnage of concentrates treated and refined zinc production.

CHEMICAL OPERATIONS:

Production	3Q24	3Q23	% Chg	YTD 2024	YTD 2023	% Chg
Sodium sulfate (ton)	189,354	170,156	11.3	544,728	537,411	1.4
Magnesium oxide (ton)	17,971	17,129	4.9	50,064	45,493	10.0
Ammonium sulfate (ton)*	27,519	41,654	-33.9	80,397	119,156	-32.5
Magnesium sulfate (ton)	17,530	15,532	12.9	49,143	49,784	-1.3

***Does not include maquila.**

The quarterly output of sodium sulfate was higher than that obtained in the third quarter of 2023 due to logistical problems in that period due to inconsistencies in the arrival of railroad hoppers for the distribution of the product to our customers. Although these problems persist to date, they intensified during such period, impacting production. In addition, there was lower seasonal demand in the detergent sector. Magnesium oxide volumes also increased, due to the recovery in demand for the different varieties of this product, particularly the refractory grade used by the steel and cement industries. Likewise, production volume of magnesium sulfate increased due to higher consumption by the domestic agricultural sector, which, however, has been limited by imports of Chinese products.

As for the by-product ammonium sulfate, which reported a contraction in quarterly volume, strategies continue to replace its production with more profitable products in view of the high cost of ammonia and the low price at which this fertilizer is marketed.

IV. PROJECTS

In 3Q24, Peñoles' exploration progressed in the 5 priority projects, drilling work was carried out in three projects in Mexico, one in Chile and one in Peru, with a total of 32,830 meters (m) drilled to date. Likewise, evaluation and geological studies continued in 11 of our own prospects and 11 outside prospects for the generation of possible drilling targets or the estimation of a potential opportunity that justifies test drilling or acquisition, respectively. The main results are:

Reina del Cobre (Durango)

Advanced priority copper-zinc project located 20 km east of the Velardeña mining unit. Inferred resources of 19 million tons of ore have been defined with drilling. Diamond drilling continues with both infill and extension drilling, with accumulated progress of 16,448 m in 28 drill holes, 26 with results that indicate good width intercepts and grades in average of the deposit. The objective is to convert resources to indicated and increase these resources.

Flobar (Sonora)

Early copper and polymetallic project near La Caridad mine. The 2024 exploration strategy is focused on high grade targets for underground mining. Drilling continued with cumulative progress of 4,258 m in 10 completed holes and two in progress, in 5 priority targets that show disseminated mineralization of good width and copper grade. Detailed geology and geophysics continue on other potential targets to confirm and test them.

International Projects

In Peru, at the advanced **Racaycocha** copper-gold project, actions are being implemented with the engineering and land, based on the results of the preliminary economic study PEA carried out. In the Santa Rosa zone, drilling continues with 5 drill holes completed and one in progress, accumulating 2,108 m drilled, while geological and geophysical work continues in other potential drill targets to increase the mineral resource. The Santa Cruz zone is expected to receive the environmental permit to start drilling in November 2024.

In the early **Yastai** project, in Chile, drilling resumed with an accumulated advance of 5,469 m, 8 drill holes have been completed and one is in progress. Environmental permits are in process for test drilling in new targets, in preparation, located around the Yastai body. The mineral resource update is in process.

Mining Units.

In the area of influence of the **Tizapa** mine in brownfield exploration, 5 drill holes have been completed to date with a cumulative total of 4,546 m, with promising results in four zones near the operating mine. Drilling is on hold and will resume as soon as environmental authorization is obtained, both to extend these zones and to test other potential zones. Geology and geological-geophysical studies are continuing to confirm drill targets.

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 information about the development of Fresnillo plc's projects, please visit

www.fresnilloplc.com.

V. ANNOUNCEMENTS

On July 30, 2024, the Company informed the investor public about a cybersecurity incident in which we noticed unauthorized access to certain computer equipment and information, and immediately activated the protection protocols and response mechanisms established in cybersecurity matters. The Company's IT areas, together with external specialists, conducted investigations to assess the scope of the incident, with a priority focus on the integrity, confidentiality and availability of our systems and the information contained therein. The Company's business units operated normally through the use of alternate and backup systems, and there was no material adverse effect on the Company's operations, results or financial position as a result of this incident.

On August 30, 2024, Peñoles announced an indefinite work stoppage at its business unit Minera Tizapa, S.A. de C.V., 51% owned by the Company, due to the strike call issued by the National Union of Mine, Metal, Steel and Similar Workers of the Mexican Republic - holder of the Collective Bargaining Agreement of said business unit since April 18, 2024 - alleging violations to the collective bargaining agreement, including the distribution of employees profit sharing (PTU) in an amount higher than the amount established in the current legislation. The Company reiterates that it fully complies with the obligations of the collective bargaining agreement, as well as with all obligations derived from the Federal Labor Law and applicable regulations and will adhere to the corresponding legal and administrative procedures to resolve this conflict.

ABOUT INDUSTRIAS PEÑOLES, S.A.B. DE C.V.

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 Market Index.

Analyst

Peñoles has analysis coverage from Morgan Stanley and Scotiabank.

