



For more information:  
[Investor\\_Relations@penoles.com.mx](mailto:Investor_Relations@penoles.com.mx)  
Luis Carlos Navarro: (52) 55 52 79 32 19  
Celia Ortega: (52) 55 52 79 32 94

---

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

Mexico City, March 4, 2025 - Industrias Peñoles, S.A.B. de C.V. ("Peñoles" or the "Company") (MSE: 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 fourth quarter of 2024 (4Q24) and the main variations compared to the same period of 2023 (4Q23).

### **EXECUTIVE SUMMARY**

In the last quarter of 2024, the average prices of precious metals experienced a significant increase: gold rose by 37.3% and silver by 35.2% compared to the same quarter of 2023. This increase is attributed to the global uncertainty generated by ongoing geopolitical conflicts and the electoral process in the United States, where the president-elect announced the implementation of new tariff policies. Among industrial metals, zinc stood out with a 22.1% increase in its average price, followed by copper, with a 12.7% increase, both driven by the announcement of economic stimulus measures by the Chinese government. On the other hand, lead was the only metal in our portfolio whose average price decreased by 5.5%, due to lower demand from the automotive sector.

In their annual comparison, average metal prices in 2024 compared to 2023 had the following behavior: gold (+23.5%), silver (+21.0%), lead (-1.8%), zinc (+9.8%) and copper (-0.2%).

In the mining division, the volume of ore processed increased 8.2%, mainly due to higher volumes deposited in leach yards and processed in the Herradura dynamic leaching plants, and to a lesser extent, higher volumes processed at San Julián (Veins) and Saucito. These mines offset the lower volumes of ore processed at San Julián (DOB) because, as planned, mining was suspended in this area in November 2024 due to the depletion of its ore reserves, at Tizapa, due to a strike at the unit (as reported by the Company through an Announcement), and to a lesser extent, by Fresnillo, Milpillas Ciénega and Velardeña.

The increase in ore processing, together with an improvement in the recovery rate at Herradura, favored gold production, with a 23.8% increase. This result was also driven by the higher ore grades obtained at Fresnillo and Saucito, as well as by the increase in the volume beneficiated at Saucito. In contrast, silver production decreased by 11.2%, mainly due to the suspension of the mining process at San Julián (DOB), the lack of production at Tizapa and lower volumes of ore with lower grades at Juanicipio and Fresnillo. This was compounded by lower metallurgical recovery at Capela and lower ore grade at Sabinas, where stopes continue to be upgraded to increase extraction through semi-vertical mining and equipment has been incorporated for more selective mining to control ore dilution.

On the other hand, the volume of lead in concentrates decreased by 8.7%, due to the lack of production at Tizapa, the lower recovery and ore grade at Capela, as well as the reduction in milling at San Julián (DOB) and the lower amount of ore with lower grades and recoveries at Sabinas. Zinc production also recorded a 20.2% decrease, largely affected by the lack of operation at Tizapa, followed by the lower grade and recovery at Capela and the lower volume of ore processed by San Julián (DOB), as well as the lower ore grade at Saucito.

On the other hand, the volume of copper in concentrate grew 26.3%, which is attributed to an improvement in the metallurgical recovery and ore grade by Capela and, to a lesser extent, the contribution of Velardeña. Finally, copper in cathodes produced by Milpillas decreased by 30.2%, because the ore deposited in leaching yards had a lower grade, which in turn resulted in a lower grade in the electrolysis area.

Mining production in 2024 compared to 2023 remained stable for gold (+0.7%), decreased for silver (-2.5%), zinc (-4.0%) and copper cathodes (-5.9%), while it was higher for lead (+4.9%) and copper concentrates (+15.4%).

In the metallurgical operations, refined gold production increased 3.7%, mainly due to the higher mine production mentioned above. Silver and lead production decreased 1.5% and 2.9%, respectively, due to lower grades in the concentrate mixtures treated at the Smelter. On the other hand, refined zinc production was 11.0% lower, which was due to the lower volume of concentrates treated because of lower mining production and various operational failures in roasters and the electrolysis area.

Annual production of refined metals in 2024 compared to 2023 was lower: gold (-9.8%), silver (-2.0%) lead (-4.1%) and zinc (-4.2%).

The chemical business recorded an 11.9% increase in the sodium sulfate output, mainly because in 4Q23 there were distribution problems due to limitations in the availability of railroad hoppers, in addition to corrective maintenance carried out during that period. Magnesium oxide production decreased (-11.3%) due to lower demand, mainly in the steel and cement industries, as well as competition from imported products, while magnesium sulfate increased (+19.0%) due to demand from the domestic agricultural sector in its fall-winter season. For the ammonium sulfate by-product, the volume decreased (-35.9%) as the strategy to reduce its production continues due to the high cost of ammonia and to channel the smelter's residual sulfuric acid to more profitable products.

In the annual production of chemical products, volumes increased as follows, with respect to the previous year: sodium sulfate (+3.8%), magnesium oxide (+5.2%) and magnesium sulfate (+3.2%). In contrast, the by-product ammonium sulfate contracted (-33.4%), for the reasons explained in the previous paragraph.

In the financial results, the Company's revenues increased due to higher prices for silver, gold, zinc and copper, and higher volumes sold of gold, zinc, lead, concentrates and chemicals, which offset lower prices for lead and chemicals. Cost of sales decreased due to lower production costs, favored by the appreciation of the peso against the US dollar (since approximately 50% of production costs are denominated or incurred in pesos), as well as the suspension of mining operations at San Julián (DOB), the lack of production at Tizapa, and lower maintenance and repair work, mainly.

Cost of metal experienced a marginal variation, while a higher charge for inventory movements was recorded at Bal Holdings and Herradura, the latter due to the consumption of gold inventory in the leaching yards, in addition to idle costs at the Tizapa mine. Operating expenses were lower compared to the same quarter of the previous year. Financial expenses increased due to an unfavorable foreign exchange result, and other expenses were negative compared to the extraordinary income obtained in the same quarter of the previous year (due to the cancellation of accounting reserves on the cost of energy transmission and the recovery of investments in retirement funds). The provision for income taxes for the period was significantly higher, mainly because of the depreciation of the peso against the U.S. dollar on the Company's tax assets and liabilities, which implied a significant adjustment to deferred taxes.

Due to the aforementioned factors, the financial results obtained by Peñoles in 4Q24 and their variation with respect to 4Q23 were as follows (in millions): Net Sales US\$1,886.9 (+28.2%), Gross Profit US\$655.7 (+223.2%), EBITDA US\$653.6 (+219.1%), Operating Income US\$475.2 (+2,063.1%) and Net Income from Controlling Interest US\$95.4, 9.8% lower compared to the Net Income of US\$105.8 recorded in 4Q23.

The financial results obtained in fiscal year 2024 compare to those of fiscal year 2023 as follows: Net Sales US\$6,650.1 (+12.2%), Gross Profit US\$1,756.5 (+117.3%), EBITDA US\$1,841.1 (+139.7%), Operating Income US\$1,054.4 (+1,258.7%) and Net Income from Controlling Interest US\$73.3 (-50.2%).

## 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 4Q24 figures are compared to 4Q23, except where otherwise indicated.

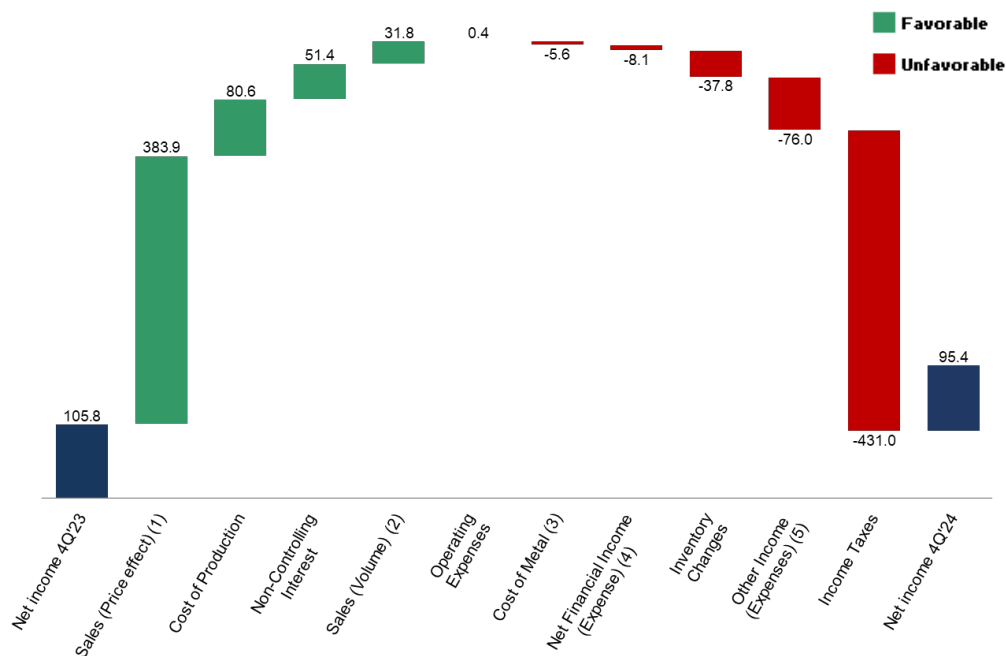
### **FINANCIAL HIGHLIGHTS:**

(Millions of dollars)	4Q'24	4Q'23	% Chg	2024	2023	% Chg
<b>Sales Invoiced</b>	1,887.2	1,469.8	28.4	6,650.1	5,924.6	12.2
<b>Net sales (1)</b>	1,886.9	1,471.3	28.2	6,650.1	5,929.0	12.2
<b>Gross Profit</b>	655.7	202.8	223.2	1,756.5	808.2	117.3
<i>% of sales</i>	34.7%	13.8%		26.4%	13.6%	
<b>EBITDA (2)(3)</b>	653.6	204.8	219.1	1,841.1	768.2	139.7
<i>% of sales</i>	34.6%	13.9%		27.7%	13.0%	
<b>Operating income (3)</b>	475.2	22.0	2063.1	1,054.4	77.6	1,258.7
<i>% of sales</i>	25.2%	1.5%		15.9%	1.3%	
<b>Other (Expenses) Income (4)</b>	-11.0	65.0	<i>n.a</i>	20.1	17.8	12.7
<b>Interest Income (Expense), Net</b>	-30.3	-22.2	-36.3	-145.1	-149.8	3.2
<b>Net (Loss) Income (Loss) of Controlling Interest</b>	95.4	105.8	-9.8	73.3	147.1	-50.2
<i>% of sales</i>	5.1%	7.2%		1.1%	2.5%	

- (1) Include hedging results.
- (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 4Q24 compared to 4Q23:



- (1) Includes variation in hedging results.
- (2) Includes variation from the sale of other products and services.
- (3) Metal cost is presented net of treatment revenues, profit on inventories and other items.
- (4) Includes financial expenses and foreign exchange result.
- (5) Include impairment of long-lived assets.

The variations are explained below:

**Net Sales** for 4Q24 totaled US\$1,886.9, representing an increase of 28.4% (+US\$417.4) compared to 4Q23, derived from:

- Higher realization prices for silver, gold, zinc, copper and concentrates offset the decrease in those for lead and chemicals (+US\$385.6).
- Higher volumes sold of gold, zinc, lead, concentrates and chemicals, which offset the decrease in volumes of silver, copper and matte copper (+US\$34.4).
- Lower revenues from the sale of other products and services (-US\$2.7).
- This was accompanied by a marginal variation in the result of sales hedges (-US\$1.7).

**Cost of Sales** of US\$1,231.3, was 2.9% lower than that recorded during 4Q23. The decrease of -US\$37.2 is due to the following:

- Lower **Production Cost** by -US\$80.6, mainly due to: i) the cessation of mining activities at San Julián (DOB) in November 2024 as planned, due to depletion; ii) the depreciation of the peso against the US dollar, which lowers costs denominated in pesos (approximately 50% of production costs are denominated in dollars); iii) the lack of production at Tizapa due to the strike at the mining unit since August 30, 2024; and iv) lower maintenance and repair costs.

The variations by cost item are detailed below:

- Contractors (-US\$31.5, -22.3%), due to lower development and support works at Fresnillo plc mines (mainly San Julián (DOB), Saucito and Juanicipio) and at base metal mines (Capela, Milpillas, Sabinas and Tizapa).
  - Maintenance and Repairs (-US\$20.4, -15.3%) mainly due to the reduction in major repairs in the metallurgical business, which intensified during 4Q23, due to the replacement of anodes in the electrolysis area.
  - Operating Materials (-US\$10.6, -9.5%) derived from lower consumption of reagents, cement, anchors and mill balls in the mining units, which offset the higher consumption of materials for electrolysis in the metallurgical business.
  - Human Capital (-US\$10.1, -8.8%). The decrease was largely due to the costs associated with the dismissal of personnel in the metallurgical complex during 4Q23 due to the suspension of operations of one of the electrolysis modules in the zinc plant, combined with the favorable effect of the exchange rate depreciation.
  - Low value leases (-US\$8.6, -42.4%) derived from lower machinery and equipment leases to third parties during 4Q24 and the capitalization a portion (US\$2.9) of Herradura stripping.
  - Other (-US\$0.7, -0.2%) which includes lower charges for depreciation, amortization and depletion, raw materials (mainly ammonia) and freight, offsetting higher charges for the transfer of by-products and payment of water rights.
- Higher charge for **Inventory Movement** by +US\$37.8, mainly due to the consumption of refined metal inventories in the USA, as well as idle costs derived from the Tizapa strike, and in 2023 Herradura recorded a credit for the recognition of gold inventories in leaching yards, while in the period a charge was recorded for the consumption of its gold inventory.
  - The **Cost of Metal Sold** had a marginal variation (-US\$5.6, -1.4%), as the higher cost of materials purchased from third parties (mainly due to the increase in metal prices) was offset by higher revenues from treatment charges.

As a result, **Gross Profit** increased 223.2%, from US\$202.8 in 4Q23 to US\$655.7 in 4Q24.

**Operating Expenses (General Expenses)** had a marginal variation of -US\$0.4, -0.2%, due to the following items:

- Lower **Administrative and General Expenses** (-US\$7.6, -8.6%), favorable in fees, human capital and travel expenses, mainly.
- Higher **Exploration and Geological Expenses** (+US\$6.8, +13.2%) due to the increase in exploration activities during the period.
- **Selling Expenses** registered a slight variation (+US\$0.4, +1.0%) as the higher

cost of extraordinary mining rights was offset by lower freight and royalty expenses.

Quarterly **EBITDA** amounted to US\$653.6, favorable (+US\$448.8, +219.1%) compared to US\$204.8 obtained in 4Q23. Similarly, **Operating Income** of US\$475.2, significantly surpassed the US\$22.0 profit recorded in 4Q23 (+US\$453.2).

**Other expenses, net** obtained during 4Q24 were -US\$11.0, unfavorable compared to **other income, net of** US\$65.0 obtained in 4Q23 (-US\$76.0), which is explained as follows:

- Other income of US\$51.2, lower compared to other income of US\$90.1 (-US\$38.9), mainly because during 4Q23 there was extraordinary income from the cancellation of accumulated reserves on the cost of energy transmission for a total of US\$75.6, while in the current period there was a cancellation of reserves for the same concept of US\$14.5 (which implied a lower income of -US\$61.2). Additionally, in 4Q23 excess resources in retirement funds were recovered for US\$21.1, and income from the sale of other products and services of US\$6.7 was obtained, while in 4Q24 income from a contract for the assignment of rights of a project was recognized US\$ 24.1 and there was a decrease in the provision for remediation of closed units of US\$8.2.
- Other expenses of US\$62.2, higher than other expenses of US\$25.1 (+ US\$37.1) mainly because during 4Q24 an impairment of property, plant and equipment of the Capela unit was recorded for US\$17.0. Likewise, there was a higher loss in the sale of other products and services of US\$30.7. This was mitigated by lower losses on the sale of fixed assets in -US\$10.5 and on claims in -US\$3.5, compared to 4Q23.

The **Financial and Exchange Result, net** had an unfavorable variation (-US\$8.1, +36.3%), as the expense for the period of US\$30.3 was higher than the US\$22.2 expense of the same quarter of the previous year, resulting from:

- **Financial income** of US\$21.3, down US\$26.8 (-US\$5.5) due to changes in the fair value of derivative financial instruments -US\$8.1 and lower financial income from other items -US\$0.5, offset by higher interest income on investments +US\$3.1.
- **Financial expenses** of US\$60.2 vs. US\$62.9 (-US\$2.7); whose variation comes from lower interest accrued on financial debt (-US\$6.8), as well as the lower financial cost of leases (-US\$1.6), offset by a higher discount of provisions of + US\$5.6.
- **Exchange rate fluctuation.** In terms of translation, the result was unfavorable by -US\$5.3, since in 4Q23 the foreign exchange gain of US\$13.9 was higher than the gain of US\$8.7 in 4Q24. 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 unfavorable in -US\$431.0. In 4Q24 the provision of US\$320.9 is made up of current taxes of US\$162.9 and deferred taxes of US\$158.0, while in 4Q23 the same concepts registered US\$0.2 and -US\$110.2 respectively. The main reason for the increase in the deferred tax provision lies in the depreciation of the peso against the US dollar during 2024, which, on the contrary, generated a favorable adjustment for the appreciation of the peso in 2023. This causes the reduction, in U.S. dollar terms, of the Company's assets for tax purposes during the year, while in 2023

the appreciation of the peso against the U.S. dollar represented a higher dollar value of the tax values of the Company's assets.

**Non-controlling interest** in the quarterly results reported an Income of US\$17.6, lower by -US\$49.5 compared to the Income of US\$67.1, due to the results of the subsidiaries with minority interest, Fresnillo plc and Tizapa. On the other hand, the **Participation in the Results of associated companies** and joint ventures had a variation of +US\$1.9.

Due to the factors described above, 4Q24 **Controlling Interest Net Income** amounted to US\$95.4, -US\$10.4 (9.8%) below the US\$105.8 Income recorded during 4Q23.

## **CASH FLOW:**

At the end of 4Q24, the Company had **Cash and cash equivalents** of US\$1,679.4 an increase of +US\$177.4 compared to the balance of US\$1,501.9 at the end of 3Q24 (net of exchange rate fluctuation and translation effect of -US\$4.7).

The most relevant concepts are discussed below:

- 1) **Net cash flows from operating activities** of +US\$392.5 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\$320.6, comprising:
  - a) Investments in property, plant and equipment for -US\$162.9, 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) Short-term investment -US\$187.4.
  - c) Interest collected +US\$21.1.
  - d) Proceeds from sale of equity instruments, net +US\$ 5.1.
  - e) Loans collected from third parties, net+ US\$2.7.
  - f) Other items from the sale of property, plant and equipment and purchase of intangible assets +US\$0.7.
- 3) **Net cash flows from financing activities** of+ US\$110.2, derived from:
  - a) Obtaining and liquidating short-term loans used to finance working capital needs, and repayment of current portion of long-term debt + US\$215.0.
  - b) Dividend payment to non-controlling interests -US\$46.0.
  - c) Interest paid on financial debt -US\$25.2.
  - d) Payment of lease liabilities -US\$5.3.
  - e) Other items -US\$28.3, mainly due to the amortization of loans from non-controlling interests.

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

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

	4Q'24	4Q'23	% Chgr	2024	2023	% Chgr
<b>Inflation for the period (CPI) (%):</b>	1.37	1.73		4.21	4.66	
<b>Exchange rate (peso-dollar)</b>						
<b>Close</b>	20.2683	16.8935	20.0			
<b>Average</b>	20.0691	17.5814	14.1	18.2997	17.7665	3.0

NCPI: National Consumer Price Index.

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
2Q23	1,943.54	24.24	94.47	112.70	383.92
3Q23	1,928.48	23.59	98.44	110.14	379.02
4Q23	1,939.69	23.23	96.31	113.31	370.07
<b>Average 2023</b>	<b>1,932.78</b>	<b>23.39</b>	<b>96.60</b>	<b>119.57</b>	<b>384.55</b>
1Q24	2,069.80	23.34	94.20	111.15	382.76
2Q24	2,338.18	28.80	98.27	128.52	442.38
3Q24	2,474.29	29.41	92.70	126.04	417.75
4Q24	2,663.38	31.40	91.05	138.35	417.00
<b>Average 2024</b>	<b>2,386.20</b>	<b>28.29</b>	<b>94.01</b>	<b>126.05</b>	<b>414.89</b>
%Chg 4Q'24 vs. 4Q'23	37.3	35.2	-5.5	22.1	12.7
%Chg 3Q'24 vs. 2Q'24	7.6	6.8	-1.8	9.8	-0.2
%Chg 2024 vs 2023	23.5	21.0	-2.7	5.4	7.9

Gold had a significant increase in 2024, driven by global economic uncertainty, wars and political volatility derived from the U.S. election results, in which Donald Trump won. The solid structural demand from central banks, especially in emerging economies, together with expectations of interest rate cuts by the Federal Reserve, supported the price of the metal. Silver also recorded a positive performance, albeit with greater volatility, driven by both gold and demand from the renewable energy sector and industrial applications, such as electronic devices and electric vehicles. Likewise, mining supply has been insufficient to meet growing consumption, which has kept the market in deficit and favored a bullish environment.

For industrial metals, the recovery started in the previous quarter was affected mainly by Donald Trump's victory in the US elections and concerns about his announcement of tariffs on countries that do not comply with his political and trade requirements, especially China and border countries such as Mexico and Canada. Likewise, investors continued to show distrust regarding China's economic and fiscal initiatives, which, although aimed at boosting consumption and industrial development, were considered insufficient to reactivate key sectors such as real estate and manufacturing.

Finally, demand for industrial metals experienced a slight slowdown towards the end of the year, with many raw material consumers accumulating inventories before the end of 2024. At the same time, the strengthening dollar kept commodity prices high in a stable supply environment, despite mine and project closures throughout the year.

### III. OPERATING RESULTS



The main aspects that affected the variations in operating results in 4Q24 compared to 4Q23 are discussed below.

### **MINING OPERATIONS:**

Production	4Q'24	4'23	q	2024	2023	% Chg
Milled Ore (Mton)	5,164	5,701	-9.4	21,708	21,605	0.5
Ore Deposited(*) (Mton)	4,966	3,663	35.6	18,713	19,751	-5.3
Ore Processed (Mton)	10,130	9,364	8.2	40,421	41,356	-2.3
Gold (oz)	210,255	169,867	23.8	680,647	675,844	0.7
Silver (koz)	16,323	18,391	-11.2	70,586	72,398	-2.5
Lead (ton)	21,276	23,295	-8.7	89,652	85,428	4.9
Zinc (ton)	61,154	76,679	-20.2	270,847	282,093	-4.0
Copper (ton)	2,895	2,292	26.3	10,673	9,250	15.4
Cathodic Copper (ton)	2,762	3,956	-30.2	12,866	13,676	-5.9

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

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

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

**Gold (+ 23.8%):** Quarterly gold production increased compared to 4Q23 thanks to the higher volume of ore processed and better recovery rate at Herradura, the higher ore grade and increased beneficiated volume at Saucito, as well as higher ore grade at Fresnillo, and to a lesser extent, the higher volume of ore with better grade at San Julián (Veins). This was partially offset by the lack of production at Tizapa, due to the strike at the mining unit, and at Noche Buena, which in May 2023 suspended mining and is in the process of closing.

**Silver (-11.2%):** Silver content production decreased, mainly due to the cessation of activities at the San Julián mine (DOB) in November 2024 as planned, due to the depletion of this area. Added to this was the lack of production at Tizapa, the reduction in volumes of ore processed with lower ore grades at Juanicipio and Fresnillo, a decrease in metallurgical recovery at Capela, as well as the lower ore grade at Sabinas because dilution was higher than expected due to lack of preparation in some stopes. These shortfalls were partially offset by increases in production at San Julián (Veins) and Saucito, thanks to higher volumes of ore processed with better grades, value recoveries at the Pyrites (I and II) plants, and improved grade and metallurgical recovery at Velardeña.

**Lead (-8.7%):** Lead produced in concentrates decreased, mainly due to the lack of production at Tizapa, lower recovery and ore grade at Capela, as well as lower milling at San Julián (DOB), and lower volume, grade and recovery at Sabinas. This was mitigated by better grades at Fresnillo and Juanicipio.

**Zinc (-20.2%):** Lower zinc production was largely due to the non-operation of Tizapa, followed by lower grade and recovery at Capela and lower processing volume at San Julián (DOB), as well as lower ore grade at Saucito and lower volumes of ore processed with lower grades at Sabinas and Velardeña. These reductions were mitigated by higher

production from Fresnillo, with better ore grade and metallurgical recovery, and from Juanicipio, with better ore grade.

**Copper (+26.3%):** The increase in copper in concentrate production was due to improved metallurgical recovery and higher ore grade processed at Capela and, to a lesser extent, to the contribution of Velardeña. Both mitigated the production deficits at Tizapa and Sabinas, the latter due to lower ore grade and volume processed.

**Cathodic copper (-30.2%):** Copper cathode at Milpillas reduced production versus same quarter of the previous year, due to the lower copper grade in the deposited ore and in the electrolysis solution.

### **METALLURGICAL OPERATIONS:**

Production	4Q'24	4Q'23	% Chg	2024	2023	% Chg
Gold (oz)	246,751	238,051	3.7	877,923	973,651	-9.8
Silver (koz)	20,592	20,912	-1.5	76,317	77,835	-2.0
Lead (ton)	32,335	33,289	-2.9	114,933	119,793	-4.1
Zinc (ton)	59,495	66,820	-11.0	241,216	251,754	-4.2

In the smelter-refinery circuit, there was higher quarterly gold production, thanks to the increase in mine production, especially at Herradura. On the other hand, silver and refined lead volumes were lower, marginally in the case of silver, due to lower grades in the concentrate mixtures entering the Smelter.

Production of refined zinc was lower because volume of concentrates treated declined, both due to lower production at the Company's own mines and to various operational failures in the roasters and the electrolysis area.

### **CHEMICAL OPERATIONS:**

Production	4Q'24	4Q'23	% Chg	2024	2023	% Chg
Sodium sulfate (ton)	181,097	161,905	11.9	725,825	699,316	3.8
Magnesium oxide (ton)(1)	12,001	13,531	-11.3	62,065	59,024	5.2
Ammonium sulfate (ton)(2)	25,541	39,853	-35.9	105,938	159,009	-33.4
Magnesium sulfate (ton)	16,737	14,061	19.0	65,880	63,845	3.2

(1) Does not include electrofused magnesium oxide

(2) Does not include maquila.

Sodium sulfate production was higher compared to the same quarter of 2023, since in that period distribution was affected by logistical problems and inconsistency in the availability of railroad hoppers, which forced to reduce production to avoid exceeding the inventory storage capacity of this product, in addition to corrective maintenance in the drying area of plant 2. The quarterly volume of magnesium oxide was lower, because of demand contraction in the steel and cement sectors, as well as competition from

imported products. On the other hand, magnesium sulfate production increased as a result of the fall-winter demand from the domestic agricultural sector.

The production of ammonium sulfate by-product was lower due to the lower availability of sulfuric acid from the Smelter. The strategy of reducing its production continues, due to the high cost of ammonia, while alternatives are being evaluated to replace the production of ammonium sulfate with profitable options.

## **IV. PROJECTS**

### **Exploration Highlights**

In the last quarter of 2024, exploration continued in the 5 priority projects of Peñoles: three in Mexico, one in Peru and one in Chile, completing a total 67,062 meters drilled at the end of the year. In addition, exploratory geological studies were carried out on 10 of our own prospects and 7 third-party prospects to evaluate their potential and justify direct exploration or acquisition. The main results are as follows:

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

Copper-zinc project located 20 km east of the Velardeña Unit. During the quarter, drilling advanced 9,792 meters, both on surface and inside the mine, where all the required drilling stations were completed, including a new one in the San Joaquin pit. With the drilling carried out in the year, an update in mineral resources increased by 6 million tons the previous estimate, to a total 25.2 million tons of inferred resources as of December 2024. Geological and geophysical exploration continues in adjacent zones in the San Lorenzo Mountain range to define new nearby targets for drilling during 2025.

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

Copper and polymetallic project near La Caridad mine. Drilling program concluded with a total of 30 drill holes and cumulative drilling of 11,618 meters with mixed results. The resource estimate will be completed in the first quarter of 2025. Geology and geophysics continue to define new drill targets.

#### **International Projects.**

In Peru, at the **Racaycocha** Project, Santa Rosa and Pucapampa sectors, the 2024 drilling program was concluded with accumulated progress of 8,950 meters, in 20 drill holes. Preliminarily, two new bodies were defined: In Santa Rosa an outcropping body with copper and significant size with potential to grow. In addition, at Pucapampa a molybdenum and copper body detected with 6 initial drill holes, was left open. The resource estimate at Santa Rosa will be completed in the next quarter and drilling is expected to continue in the second half of 2025.

In Chile, the drilling campaign for the year concluded at the **Yastai** project. In the quarter, 3,741 meters were drilled, completing 15 drill holes during the year. With the data, the mineral resource was updated, converting 65% of the inferred tonnage to the indicated resource category. New adjacent targets were also located, with good results on the Neptune and Callisto targets, as well as interesting intercepts on the Saturn target. The objective for this project in 2025 is to increase the total tonnage, to configure the project and to perform a preliminary economic study.

#### **Mining Units.**

At **Tizapa**, the exploration program continued, but there was no drilling in the quarter due to the strike. Geological-exploration activity focused on adjacent sectors where two new southeast targets were defined for drilling in the coming year. Drilling in 2024 estimated new inferred resources of 782,000 tons in bodies peripheral to the exploitation zone.

### **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% stake, 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](http://www.fresnilloplc.com).

### **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.

