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## **INDUSTRIAS PEÑOLES, S.A.B. DE C.V. EARNINGS REPORT FOR THE FOURTH QUARTER OF 2025.**

Mexico City, March 3, 2026 – 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 manufacture of chemical products, reports its consolidated results for the fourth quarter of 2025 (4Q25) and the main changes compared to the same period in 2024 (4Q24).

### **EXECUTIVE SUMMARY**

In the fourth quarter of 2025, precious metal prices continued their upward trend. Silver stood out, reaching historically high levels and posting a notable 73.8% increase in its average price compared to the same quarter of the previous year, while gold rose by 55.3%. This rally was driven by persistent demand for safe-haven assets amid geopolitical uncertainty and trade tensions, sustained gold purchases by central banks, the depreciation of the U.S. dollar, and expectations of a more accommodative monetary policy by the Federal Reserve. In the case of silver, the rebound was fueled not only by the factors described for gold—since it is also considered a store-of-value asset—but additionally by a marked deficit in the physical market and higher demand from the photovoltaic and electrification sectors.

Among industrial metals, copper led the gains with an average price 20.7% higher, followed by zinc with a 3.8% increase, both supported by demand—stronger in the case of copper—and supply constraints. In contrast, lead was the only metal in our portfolio whose average price declined slightly (by 1.8%) due to expectations of excess supply.

Year over year, the average metal prices in 2025 versus those in 2024 recorded the following changes: gold (+43.8%), silver (+41.4%), zinc (+3.2%), copper (+8.7%), and lead (-5.3%).

In the mining division, the volume of ore processed during 4Q25 decreased by 14.8% compared to the volume in 4Q24. Ore deposited declined by 28.7%, mainly due to the lower volume of ore deposited at Herradura as a result of a slight delay in the commissioning of phase XV of the leaching pads. The volume of ore processed at the underground mine plants showed a slight decrease (1.3%) due to the cessation of mining at San Julián (disseminated ore body) in November 2024, following the expected depletion of its reserves, as well as lower ore milling and processing at Capela, Saucito, Ciénega, Fresnillo, and San Julián (Veins). These shortfalls were partially offset by the ore processed at Tizapa, whose operations remained suspended in the last quarter of 2024 due to a strike at the unit since August of that year. As previously reported, the strike concluded in June 2025, and once facility reconditioning work and personnel onboarding were completed, milling and concentrate production resumed in August 2025.

Gold production was 27.7% lower than that obtained during 4Q24, largely due to the lower volume of ore deposited and processed at Herradura. Saucito, Fresnillo, and Ciénega also reduced their gold production due to lower volumes of ore processed, with Saucito and Fresnillo additionally affected by lower ore grades. These reductions were mitigated by production from Tizapa, as well as from Capela and Juanicipio, which achieved higher ore grades and metallurgical recoveries.

Silver production was up a moderate 1.7% compared to 4Q24, mainly due to the restart of operations at Tizapa. Fresnillo also contributed to the increase through higher ore grades, as did Sabinas due to a greater volume of processing with improved ore grades, and Capela, thanks to better ore grades and higher recovery rates. These units offset the lack of production from San Julián (disseminated ore body) and the declines in silver output at Ciénega, Saucito, San Julián (Veins), and Herradura, attributable to lower volumes of ore processed with reduced ore grades, as well as at Juanicipio, which recorded a lower recovery rate.

Meanwhile, the volume of lead in concentrates rose by 10.8%, driven by the resumption of activities at Tizapa. Sabinas and Juanicipio also contributed, due to higher volumes of ore processed with improved grades and recoveries, along with Saucito, which achieved a higher ore grade in processed ore. These mines offset lower production at Fresnillo, due to reduced ore processing with lower grades; at Velardeña, due to lower grades and recovery rates; as well as the absence of production following the depletion of the disseminated ore body at San Julián. Similarly, zinc production increased by 13.3%, supported by the restart of operations at Tizapa and by higher ore processing with improved grades at Juanicipio and Velardeña. These gains compensated for the lack of production at San Julián (disseminated ore body), reduced milling volumes at Capela and Fresnillo, and the suspension of zinc concentrate production at Ciénega.

In contrast, copper production in concentrates declined slightly (-1.8%), due to lower milling volumes and ore grades at Capela, as well as lower grades at Sabinas. These effects were partially offset by production from Tizapa. Finally, copper production in cathodes at Milpillas decreased by 24.2%, attributable to the lower volume of ore deposit on the leaching pads and lower copper grades, which in turn negatively impacted grades in the electrowinning circuit.

Mining production for full-year 2025 changed as follows versus 2024: gold (-5.7%), silver (-11.6%), lead (-5.0%), zinc (-7.6%), copper (-6.2%), and copper cathodes (-18.2%).

In metallurgical operations, the scheduled annual maintenance shutdown was carried out at the Smelter during this period (not performed in 4Q24), resulting in lower volumes of load processed, bullion production, and its subsequent processing at the silver refinery. Additionally, the grades of mixtures in the concentrates treated declined, and there was reduced intake of rich materials at the silver refinery. This combination of factors led to refined gold, lead, and silver production declining by 18.8%, 24.2%, and 38.5%, respectively, compared to the same quarter of 2024.

In the zinc circuit, several shutdowns resulting from failures in the Roasting area affected the volume of concentrates treated and refined zinc production, which reported a slightly lower volume (-2.7%) than that produced in 4Q24.

Annual refined metal production in 2025 compared to 2024 recorded the following changes: gold achieved a similar volume (+0.7%), while silver declined (-7.5%), as did lead (-8.5%) and zinc (-17.5%).

The chemical business recorded a 6.1% increase in sodium sulfate production versus 4Q24, mainly because during the previous quarter the production rate had been reduced to lower inventories in response to seasonal contraction in demand from certain customers. Magnesium oxide volume grew by 71.4% due to a recovery in demand, particularly from the steel and cement industries that consume our product in refractory grade. In contrast, magnesium sulfate volume contracted by 8.2% due to a failure in the crystallization area, which has already been corrected. Output of the by-product ammonium sulfate decreased (-37.9%) as the strategy to reduce production continues, given the high cost of ammonia and to redirect residual sulfuric acid from the Smelter toward the production of more profitable products, such as ammonium bisulfite.

Regarding annual production of chemical inputs, volumes increased as follows compared to the previous year: sodium sulfate (+1.0%) and magnesium oxide (+14.4%), while magnesium sulfate volume remained similar (+0.1%) and ammonium sulfate declined (-39.8%), for the reasons explained in the previous paragraph.

In the financial results, the Company's revenues were mainly driven by high gold and silver prices, improved realized prices, and higher sales volumes of concentrates, the by-product copper matte, and chemical products. These factors offset the decline in sales volumes of silver, gold, zinc, lead, and copper.

Cost of sales increased due to: (i) higher production costs resulting from the appreciation of the peso against the U.S. dollar (considering that approximately 50% of costs are incurred in pesos), as well as the restart of operations at Tizapa, maintenance activities carried out, and increased mine development work at the mining units; (ii) a higher inventory movement charge, mainly due to the sale of inventories from subsidiary Bal Holdings, the cost of copper matte sold, and the increase in inventory value resulting from higher metal prices; and (iii) partially offset by a reduction in the cost of metal sold due to lower purchases of concentrates and materials from third parties for metallurgical operations.

Operating expenses were also higher due to the foreign exchange effect on expenses denominated in local currency, as well as increased exploration work, fees, freight, royalties, and the special mining right. In addition, there was an increase in other expenses and a foreign exchange loss, in contrast with the foreign exchange gain recorded in the same period of the previous year. Finally, the income tax provision was lower, due to a favorable adjustment in deferred taxes resulting from exchange rate appreciation and the effect of inflation, which offset the increase in current taxes.

As a result of the factors described above, the financial results obtained by Peñoles in 4Q25 and their variation compared to 4Q24 were as follows (figures in millions): Net Sales US\$2,792.1 (+48.0%), Gross Profit US\$1,254.3 (+91.3%), EBITDA US\$1,214.1 (+85.7%), Operating Income US\$1,040.4 (+119.0%), and Net Income attributable to the Controlling Interest of US\$552.0, 478.7% higher compared to Net Income of US\$95.4 recorded in 4Q24.

Financial results for full-year 2025 compared to 2024 were as follows: Net Sales US\$8,647.3 (+30.0%), Gross Profit US\$3,310.8 (+88.5%), EBITDA US\$3,250.5 (+76.5%), Operating Income US\$2,564.7 (+143.2%), and Net Income attributable to the Controlling Interest of US\$1,372.6, favorable compared to US\$73.3 in the previous year.

## I. FINANCIAL RESULTS

The Company's consolidated financial statements 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 US dollars (US\$), which is Peñoles' functional currency, and the figures for 4Q25 are compared with those for 4Q24, except where otherwise indicated.

### FINANCIAL HIGHLIGHTS:

(Millions of dollars)	4Q25	4Q24	% Chg	2025	2024	% Chg
<b>Invoiced sales</b>	2,792.1	1,887.2	47.9	8,647.3	6,650.1	30.0
<b>Net sales (1)</b>	2,792.1	1,886.9	48.0	8,647.3	6,650.1	30.0
<b>Gross profit</b>	1,254.3	655.7	91.3	3,310.8	1,756.5	88.5
<b>% of Sales</b>	44.9%	34.7%		38.3%	26.4%	
<b>UAFIDA (2)(3)</b>	1,214.1	653.6	85.7	3,250.5	1,841.1	76.5
<b>% of sales</b>	43.5%	34.6%		37.6%	27.7%	
<b>Operating profit (3)</b>	1,040.4	475.2	119.0	2,564.7	1,054.4	143.2
<b>% of sales</b>	37.3%	25.2%		29.7%	15.9%	
<b>Other (Expenses) Income (4)</b>	-24.7	-11.0	-124.3	-49.4	20.1	<i>n.a</i>
<b>Financial income (expenses), net</b>	-33.5	-30.3	-10.6	-107.3	-145.1	26.1
<b>Net income (loss) Controlling interest</b>	552.0	95.4	478.7	1,372.6	73.3	1,773.8
<b>% of sales</b>	19.8%	5.1%		15.9%	1.1%	

(1) Include hedging results.

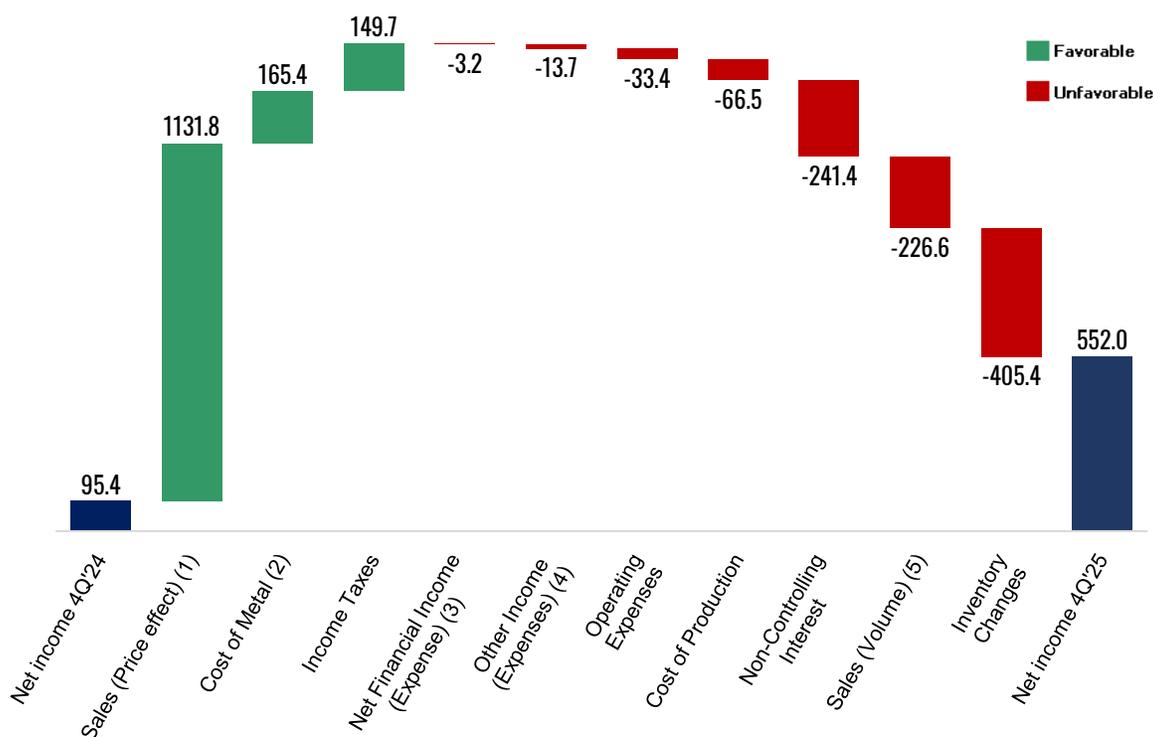
(2) Earnings before Interest, Taxes, Depreciation and Amortization.

(3) Does not include other income (expense) nor impairment of fixed assets

(4) Include impairment of fixed assets.

### INCOME STATEMENT:

The following chart shows the variation in each income statement item and its influence on the change in net income for 4Q25 compared to 4Q24:



(1) Includes hedging results.

(2) Cost of metal is presented net of the treatment charges, inventory gains, and other items.

(3) Includes financial income, expenses and foreign exchange result.

(4) Includes impairment of fixed assets.

(5) Includes variation from sales of other products and services.

The variations are explained below:

**Net Sales** in 4Q25 totaled US\$2,792.1, representing a 48.0% increase (+US\$905.2) compared to those recorded in 4Q24. This result was driven by the following factors:

- Higher realization prices in the sale of gold, silver, concentrates, copper matte, and copper, which offset the decline in prices for lead, zinc, and magnesium oxide (+US\$1,131.5).
- Lower sales volumes of silver, gold, zinc, lead, and copper, partially offset by higher volumes of concentrates, copper matte, and chemical products (-US\$228.3).
- Higher revenues from the sale of other products and services (+US\$1.7).
- The above was accompanied by a marginal variation in the result of sales hedges (+US\$0.3).

**Cost of Sales** amounted to US\$1,537.8, 24.9% higher than that recorded in 4Q24. The increase of +US\$306.5 is explained as follows:

- Lower Cost of Metal Sold (-US\$165.4, -39.6%), resulting from lower volumes of concentrates and materials purchased from third-party suppliers for metallurgical operations. This was offset by lower treatment revenues (recorded as a credit to cost of metal) and by the cost of the higher volume of copper matte sold during

the period. Additionally, there was an accounting reclassification of copper matte costs with an effect of US\$460.7 in 4Q25, through a credit to cost of metal and a charge to inventory changes; both items are included within cost of sales.

- Higher production costs (+US\$66.5, +8.9%), with variations by category detailed below:
  - Maintenance and Repairs (+US\$29.3, +25.9%), mainly due to repair work carried out at metallurgical plants and at the Herradura, Saucito, Fresnillo, and Tizapa mines.
  - Contractors (+US\$25.5, +23.2%), due to increased development work and infrastructure support at Fresnillo plc mines (primarily Fresnillo, Saucito, Juanicipio, and San Julián) and at base metal mines (Capela, Milpillas, Velardeña, and Tizapa).
  - Human Capital (+US\$16.2, +15.4%), mainly due to the effect of a lower average exchange rate of the peso against the U.S. dollar.
  - Operating Materials (+US\$5.8, +5.7%), mainly due to higher consumption of mill liners, ground support anchors in the mines, liquid oxygen, and safety equipment.
  - Energy (+US\$0.7, +0.7%), due to higher electricity costs, offset by lower diesel consumption, mainly at Herradura, resulting from reduced hauling and ore deposit on leaching pads.
  - Low-value Leases (-US\$8.8, -75.9%), due to lower leasing of machinery and equipment from third parties during 4Q25, primarily at Herradura, reflecting reduced mining and ore placement activities.
  - Depreciation and Amortization (-US\$3.7, -2.1%), mainly because in 4Q24 a charge was recorded at San Julián (disseminated ore body) due to its depletion and the end of its productive life.
  - Other items (+US\$1.5, +4.5%), mainly due to higher freight, security, institutional software, environmental, and other taxes and duties costs, offsetting the lower charge from by-product transfers.
- Higher charge for **Inventory Changes** of +US\$405.4, resulting from the consumption of inventories at subsidiary Bal Holdings and the increase in inventory value due to high metal prices. This was offset by a lower charge for unproductive costs from the strike at Tizapa, as well as a lower charge for the consumption of gold inventories at Herradura's leaching pads.

As a result of the above, **Gross Profit** increased by +91.3%, rising from US\$655.7 in 4Q24 to US\$1,254.3 in 4Q25.

**Operating Expenses (General Expenses)** increased by +US\$33.4, or +18.5%, driven by the following items:

- Higher **Selling Expenses** (+US\$14.0, +33.5%), mainly due to ocean and land freight, the extraordinary mining duty, and royalties.
- Higher **Administrative and General Expenses** (+US\$11.0, +13.6%), primarily in membership fees and associations, professional fees, IT, human capital, and travel expenses.
- Higher **Exploration and Geological Expenses** (+US\$8.4, +14.5%), due to an increased pace of exploration work focused on priority projects and on the conversion of resources into reserves at operating mines.

Quarterly **EBITDA** totaled US\$1,214.1, up +US\$560.5 (+85.7%) compared to US\$653.6 in 4Q24. Likewise, **Operating Income** of US\$1,040.4 significantly exceeded US\$475.2 in 4Q24 (+US\$565.2).

**Other expenses, net** incurred during 4Q25 amounted to -US\$24.7, unfavorable compared to other net expenses of -US\$11.0 in 4Q24 (+US\$13.7), explained as follows:

- Other income of US\$20.3, lower than other income of US\$51.2 (-US\$30.9), mainly because in 4Q24 income of US\$14.5 was recognized from the reversal of provisions related to energy transmission costs. Additionally, in that period income of US\$24.1 was recorded from a contract for the assignment rights to a project, compared to US\$13.1 in 4Q25 for the same concept (lower by -US\$11.1). In 4Q24 there was also a reduction in the provision for remediation of closed units of -US\$8.2, whereas in 4Q25 a higher remediation expense was recorded. This was partially offset by income from the sale of other products and services recorded in 4Q25 of +US\$2.2.
- Other expenses of -US\$45.1, lower than other expenses of -US\$62.2 (-US\$17.2), because in 4Q24 a loss of -US\$41.1 was recorded on the sales of other products and services, while in the current period there was a gain as mentioned above. In addition, lower impairment of long-lived assets of -US\$11.9 was recorded. These effects were offset by higher expense from disposals of fixed assets recorded in 4Q25 of +US\$18.1, remediation expenses for closed mining units of +US\$11.5, and a higher loss on sale of fixed assets of +US\$6.7 compared to 4Q24.

The **Net Financial and Foreign Exchange Result** showed a variation of +US\$3.2, or +10.6%, as the period's expense of US\$33.5 was higher than the US\$30.3 recorded in the same quarter of the previous year, due to the following:

- **Financial income** of US\$38.7, above US\$21.3 (+US\$17.4), driven by higher interest earned on investments (+US\$14.4), interest rate hedges on financial debt (+US\$12.1), and other financial income (+US\$0.2), partially offset by changes in the fair value of derivative financial instruments (-US\$9.3).
- **Financial expenses** of US\$64.2, higher than US\$60.2 (+US\$4.0), resulting from increased interest accrued on financial debt (+US\$4.4), higher finance costs on leases (+US\$1.6), and +US\$1.9 from other items, partially offset by a lower discount on provisions (-US\$4.0).
- **Foreign exchange fluctuations.** On the conversion side, the result was unfavorable at -US\$16.5, since in 4Q24 there was a foreign exchange loss of -US\$7.9 compared with a gain of US\$8.7 in 4Q24. This item arises from the translation at the balance sheet date exchange rate of monetary assets and liabilities denominated in currencies other than the U.S. dollar, including the Mexican peso.

The **Income Tax Provision** decreased by -US\$149.6. In 4Q25, the provision totaled US\$171.3, consisting of current taxes of US\$252.9 and deferred taxes of -US\$81.6, whereas in 4Q24 these same items were US\$152.8 and US\$168.1, respectively. The increase in current taxes is explained by higher taxable income during the period, while the change in the deferred tax provision reflects the effects of the peso's exchange rate against the U.S. dollar, resulting in a favorable adjustment in 4Q25 due to peso appreciation, compared with an unfavorable adjustment in 4Q24 due to depreciation of the local currency.

**Non-Controlling Interest** in quarterly results reported a profit of US\$258.5, higher by +US\$240.9 compared to US\$17.6, due to better results at Fresnillo plc. Meanwhile, the Share of **Results from Associates and Joint Ventures** showed a variation of -US\$0.5.

As a result of the factors described above, **Net Income attributable to the Controlling Interest** in 4Q25 amounted to US\$552.0, +US\$456.6 (+478.7%) above the US\$95.4 recorded in 4Q24. The net margin on sales was 19.8%, compared to 5.1%.

## **CASHFLOW:**

At the close of 4Q25, the Company had **Cash and Cash Equivalents** of US\$3,483.8, an increase of +US\$764.5 compared to the balance of US\$2,719.3 at the end of 3Q25 (net of foreign exchange fluctuations and translation effects of +US\$0.8).

The most relevant items are summarized below:

- 1) **Net cash flows from operating activities** of +US\$719.9. This item includes concepts directly related to operations, excluding non-cash items (such as depreciation), and incorporates changes in working capital, income taxes, profit-sharing to employees, and the share of results from associates and joint ventures.
- 2) **Net cash flows from investing activities** of +US\$80.8, comprising:
  - a. Investments in property, plant, and equipment of -US\$223.3, highlighting the development of amortizable mining works, construction of tailings deposits and leaching pads, as well as the purchase of equipment for operating units.
  - b. Maturities of short-term investments +US\$182.1.
  - c. Interest collected +US\$118.0.
  - d. Loans collected from third parties, net +US\$8.1.
  - e. Other items, mainly losses on the sale of property, plant, and equipment -US\$4.2.
- 3) **Net cash flows from financing activities** of -US\$37.0, resulting from:
  - a. Proceeds and repayments of short-term loans used to finance working capital needs, and repayment of the current portion of long-term debt +US\$38.5.
  - b. Dividend payments to non-controlling interests -US\$44.0.
  - c. Interest paid on financial debt -US\$28.8.
  - d. Payment of lease liabilities -US\$4.4.
  - e. Other items +US\$1.7.

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

Among the main economic variables that had a significant impact on the Company's results, the following stand out.

	4Q25	4Q24	% Chg	2025	2024	% Chg
<b>Domestic Inflation (%)*</b> :	1.31	1.37		3.69	4.21	
<b>Exchange rate (peso-dollar):</b>						
<b>Close</b>	17.9667	20.2683	-11.4			
<b>Average</b>	18.3151	20.0691	-8.7	19.2324	18.2997	5.1

\*National Price Consumer Index

Period	Gold (US\$/Oz)	Silver (US\$/Oz)	Lead (UScts/lb)	Zinc (UScts/lb)	Copper (UScts/lb)
1T24	2,069.80	23.34	94.20	111.15	382.76
2T24	2,338.18	28.80	98.27	128.52	442.38
3T24	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>
1T25	2,859.62	32.30	89.35	128.73	423.67
2T25	3,280.35	33.58	88.32	119.79	431.99
3T25	3,456.54	39.53	89.17	128.12	444.36
4Q25	4,135.24	54.57	89.37	143.54	503.14
<b>Average 2025</b>	<b>3,431.54</b>	<b>40.02</b>	<b>89.06</b>	<b>130.17</b>	<b>451.10</b>
%Chg 4Q25 vs 4Q24	55.3	73.8	-1.8	3.8	20.7
%Chg 4Q25 vs 3Q25	19.6	38.1	0.2	12.0	13.2
%Var 2025 vs 2024	43.8	41.4	-5.3	3.2	8.7

In the last quarter of 2025, the precious metals market operated in an environment shaped by the transition toward a new macroeconomic normal, following several years of high inflation, monetary tightening, and the subsequent interest rate easing by major central banks. In this context, both gold and silver consolidated their positions as strategic assets within the global financial system, albeit with different dynamics. Gold reaffirmed its role as value storage and a hedge against systemic, fiscal, and geopolitical risks, while silver combined its monetary character with growing industrial relevance, linked to the energy transition and technological advancement. Throughout the period, prices for both metals remained at historically high levels, reflecting a delicate balance between structurally strong demand and supply, which, despite showing some expansion, continued to face significant constraints.

The copper, zinc, and lead markets were dominated by a combination of supply tensions, mixed macroeconomic signals, and a strong financial and speculative component, especially for copper. Copper stood out for its greater strength, reaching historic highs, driven by its key role in the energy transition, supply constraints caused by disruptions in mining production, and expectations of tariffs in the United States. Zinc, meanwhile, moved from a period of tight physical supply to a rapid normalization of the spot market, with a significant increase in inventories at the LME.

As for lead, although demand from the automotive and battery sectors remained supportive, primary production was limited by shortages of scrap and concentrate, while expectations of refined supply surpluses increased.

### III. OPERATING RESULTS

The main factors affecting the changes in operating results for 4Q25 compared to 4Q24 are discussed below.

#### **MINING OPERATIONS:**

Producción	4Q25	4Q24	% Chg	2025	2024	% Chg
Ore milled (Mton)*	5,097	5,164	-1.3	19,729	21,708	-9.1
Ore mined and deposit (**) (Mton)	3,539	4,966	-28.7	15,720	18,713	-16.0
Ore processed (Mton)	8,635	10,130	-14.8	35,449	40,421	-12.3
Gold (oz)	152,029	210,255	-27.7	641,993	680,647	-5.7
Silver (koz)	16,607	16,323	1.7	62,401	70,586	-11.6
Lead (ton)	23,568	21,276	10.8	85,163	89,652	-5.0
Zinc (ton)	69,293	61,154	13.3	250,305	270,847	-7.6
Copper (ton)	2,844	2,895	-1.8	10,006	10,673	-6.2
Copper cathods (ton)	2,093	2,762	-24.2	10,522	12,866	-18.2

**Includes 100% payable production of Juanicipio.**

**\*Includes ore processed at Herradura's dynamic leaching plant**

**\*\*Includes Herradura and Milpillás.**

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

During the fourth quarter of 2025, ore processing at the mining units totaled 8.6 million tons, a volume 14.8% lower than in the same quarter of the previous year. This variation was largely due to the lower volume of ore deposited and processed at Herradura, resulting from a slight delay in the start-up of phase XV of the leaching pads, as well as an extended maintenance shutdown to replace the mill liners at the dynamic leaching plant. At Milpillás, ore extraction and deposition were also lower due to reduced equipment availability at the mine.

Meanwhile, the volume of ore processed at the underground mine plants showed a slight decrease, mainly attributable to the depletion of the San Julián disseminated ore body in November 2024. Additionally, Capela, Saucito, Ciénega, Fresnillo, and San Julián (Veins) reported lower milling and ore beneficiation volumes. These reductions were partially offset by the volume processed at Tizapa, whose operations remained suspended due to a strike in the same quarter of the previous year, resuming extraction, milling, and ore beneficiation in August 2025 after the strike ended in June 2025 and once the facility refurbishment and staff induction were completed. Velardeña, Juanicipio, and Sabinas also recorded increases in milled and processed ore volumes.

**Gold (-27.7%):** Quarterly gold production decreased compared to 4Q24, as a result of lower ore volumes deposited on leaching pads and processed at Herradura. To a lesser extent, lower ore grades in Saucito and Fresnillo, as well as reduced ore volumes processed at Ciénega, affected production. This was partially offset by production from Tizapa following the resumption of its operations, and, to a lesser degree, by higher ore grades and metallurgical recoveries achieved at Capela and Juanicipio.

**Silver (+1.7%):** silver content production was slightly higher, primarily driven by the resumption of operations at Tizapa and higher ore grades at Fresnillo. Sabinas also slightly increased mineral processing, with improvements in grade and recovery, unlike the same period of the previous year, when delays occurred in the preparation of some stopes. Nevertheless, ore grades at Sabinas were below expectations. Capela increased its silver production thanks to higher grades and improved metallurgical recovery. These increases offset the lack of production at San Julián (disseminated body) following the cessation of activities in November 2024 due to depletion, as well as lower production at Ciénega, Saucito, San Julián (Veins), and Herradura, attributable to lower ore volumes processed with lower grades and recoveries. Additionally, lower grades at Velardeña and decreased recovery rates at Juanicipio also had an impact in production.

**Lead (+10.8%):** The increase was mainly attributable to the resumption of operations at Tizapa. Additionally, Juanicipio and Sabinas, contributed positively with higher volumes of ore processed with better grades, along with the improvement in ore grade at Saucito. These factors offset the decline in production at Fresnillo due to lower ore processing with lower grades; lower ore grade and recovery at Velardeña; as well as the lack of production at San Julián (disseminated body).

**Zinc (+13.3%):** Zinc production was also supported by the resumption of operations at Tizapa. In addition, Velardeña and Juanicipio contributed through higher volumes of ore processed, accompanied by better grades and metallurgical recoveries. These increases offset the lack of production at San Julián (disseminated ore body), as well as the reductions at Capela and Fresnillo, resulting from lower milling volumes. Ciénega, as previously reported, suspended zinc concentrate production starting in the third quarter of 2025 due to marginal profitability.

**Copper (-1.8%):** The decrease in copper produced in concentrates was due to a lower volume of ore processed with lower grades at Capela and lower grades at Sabinas, partially offset by production from Tizapa.

**Cathodic Copper (-24.2%):** Cathode copper production at Milpillas was lower than in the same quarter of the previous year, as mine extraction was affected by equipment unavailability, absenteeism, and subsidence causing delays in ore backlog, as well as by lower ore grades deposited on leaching pads and in the solution of the electrowinning circuit.

**METALLURGICAL OPERATIONS:**

Production	4Q25	4Q24	% Chg	2025	2024	% Chg
Gold (oz)	200,407	246,751	-18.8	884,119	877,923	0.7
Silver (koz)	15,603	20,592	-24.2	70,586	76,317	-7.5
Lead (ton)	19,876	32,335	-38.5	105,123	114,933	-8.5
Zinc (ton)	57,889	59,495	-2.7	199,109	241,216	-17.5

The load volume treated at the Smelter decreased by 37.4% compared to the same quarter of the previous year, as the period included the annual scheduled maintenance shutdown (which was not performed in 4Q24). This, combined with lower grades in the mixture of concentrates processed, negatively impacted bullion production and its subsequent processing at the Silver Refinery. Additionally, there was a lower intake of

gold-rich materials to this refinery, mainly due to reduced production at Herradura. As a result, quarterly production of gold (-18.8%), silver (-24.2%), and lead (-38.5%) declined.

Meanwhile, in the zinc circuit, volume of concentrates treated was lower due to various stoppages caused by failures in the roasting area, which affected calcine production and refined zinc output, reporting a decrease of 2.7% for the quarter.

## **CHEMICAL OPERATIONS**

Production	4Q25	4Q24	% Chg	2025	2024	% Chg
Sodium sulfate (ton)	192,115	181,097	6.1	733,348	725,825	1.0
Magnesium oxide (ton) (1)	20,575	12,001	71.4	70,996	62,065	14.4
Ammonium sulfate (ton) (2)	15,868	25,541	-37.9	63,731	105,938	-39.8
Ammonium bisulfate (ton)	7,546	3,863	95.3	29,819	11,421	161.1
Magnesium sulfate (ton)	15,361	16,737	-8.2	65,925	65,880	0.1

**(1) Incluye refractory, caustic, hidromag and neutromag grades.**

**(2) Does not include maquila.**

Quarterly sodium sulfate production increased due to inventory replenishment, as production pace was slowed in the previous quarter because of a seasonal contraction in demand from certain customers in the detergent sector. Magnesium oxide production also grew, supported by a recovery in demand for its various grades, particularly the refractory grade used by the steel and cement industries. In contrast, magnesium sulfate contracted due to a leak in the main brine feed line to the crystallization system, which has since been repaired, as well as a decrease in demand toward the end of the period.

The by-product ammonium sulfate recorded a decline in quarterly volume, attributable to the lower availability of sulfuric acid from the smelter and the continuation of strategies aimed at reducing its production. These measures include redirecting sulfuric acid toward the production of ammonium bisulfite, which has higher profitability.

## **IV. PROJECTS**

### **Peñoles exploration**

In Peñoles' exploration activities, work was focused on five projects. Drilling was carried out at three domestic projects —Reina del Cobre (Durango), Flobar (Sonora), and the Tizapa mine— as well as at the Racaycocha project (Peru), with 26,062 meters (m) drilled during the quarter and a total of 105,937 m for the year. In addition, geological studies and exploration work were conducted at nine proprietary prospects and eight third-party prospects. The main results are as follows:

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

A priority advanced copper-zinc project located 20 km east of the Velardeña Unit. During the quarter, infill drilling continued both from surface and underground, reaching a cumulative total of 41,774 m. As of year-end 2025, inferred resources totaled 27.8 million tons with 2.0% copper equivalent. The plan contemplates converting part of these resources to indicated and increasing inferred resources to 30 million tons to update the

preliminary economic assessment. Expansion of the San Joaquín adit progressed with two new drilling stations, and the third of a total of four planned stations was initiated. Geological and geophysical exploration continues in adjacent areas in the San Lorenzo mountain range to define new targets within the district.

### **Flobar (Sonora)**

A copper and polymetallic project near the La Caridad mine. The drilling program concluded with a cumulative 29,436 m in 57 drill holes. Interconnection zones continue to be tested and inferred resources are being delineated in four areas with shallow bodies of good copper equivalent grade and attractive volume. Geological and geophysical work continues in extensions and adjacent targets.

### **International Projects**

At the Racaycocha project (Peru), 19,819 m were completed in 43 drill holes across the Santa Rosa, Pucapampa, and Santa Cruz sectors. Several positive intersections were obtained, with the advantage that the mineralized bodies are very shallow. At Pasacancha, progress continues under the FEL 2A (Front-End Loading) engineering plan, and an Environmental Impact Statement was filed, which will allow exploration in adjacent areas of El Águila, Atanauca, and Pucajirca.

At the Yastai project (Chile), the 2025 Preliminary Economic Assessment was positive; therefore, the 2026 parametric drilling plan was scheduled to test five new targets, both in extensions of intercepted bodies and in adjacent areas, as well as three district-scale targets. The necessary permits were processed, along with tenders and contracts.

### **Mining Units**

Drilling activity resumed at Tizapa, reaching an annual total of 3,266 m in five drill holes. In Zone 2, south and southwest of the polymetallic mantles of the deposit, a new small high-grade zone was identified, representing an extension of the mine bodies. Based on the information collected, 187,000 tons of inferred resources with 12.4% zinc equivalent were estimated. Detailed geological mapping and geophysical work continue to confirm new drilling targets for 2026.

### **Fresnillo plc**

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

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

## **V. ANNOUNCEMENTS**

On October 31, 2025, Peñoles announced that its subsidiary Fresnillo plc (74.99% owned by the Company) entered into a definitive share purchase agreement with Probe Gold Inc. ("Probe") to acquire 100% of Probe's issued and outstanding shares for a cash payment in Canadian dollars (CAD) of CAD\$3.65 per share (the "Consideration"). The details of this transaction are as follows:

- The total value of the transaction is approximately CAD\$780 million (approximately US\$560 million) on a fully diluted basis.
- The Consideration represents a premium of 24% to the 30-day volume weighted average (“VWAP”) trading price per Share on the Toronto Stock Exchange (“TSX”) for the period ending 30 October 2025, being the last trading day prior to the announcement of the Transaction.
- Probe is a leading Canadian exploration company focused on the acquisition, exploration, and development of highly prospective gold properties. It is the 100% owner of the multimillion- ounce Novador Gold Project (Novador), as well as an early-stage Detour Gold project, both located in Quebec.
- With this transaction, Fresnillo plc, a proudly Mexican company, will internationalize its operations, positioning itself among the 10 largest precious metals mining companies in the world, all of which operate across multiple jurisdictions.

#### Highlights of the Transaction

- Strategic entry into Canada, a world class Tier 1 mining jurisdiction and the prolific Val d’Or Mining camp in Quebec which has a long-standing history of gold mining and continued production growth, with a skilled local workforce and existing infrastructure.
- Adds a large resource base of 10 million ounces of gold including 8 million ounces of gold at its flagship project, Novador.
- Novador is an advanced gold project which has the potential to produce over 200,000 ounces per annum over 10+ years.
- Substantial exploration upside through Probe’s large, underexplored land package of approximately 1,798km<sup>2</sup>, including Novador Gold Project in Quebec, as well as an early-stage project, Detour Gold Quebec, which can leverage Fresnillo’s technical and exploration capabilities and track record.
- Acquisition in line with Fresnillo’s stated strategy, balancing a disciplined, opportunistic and value-driven approach to M&A opportunities with a focus on early-stage projects that align with its core operations in precious metals, while maximising the value of its existing portfolio.
- With this transaction, Fresnillo plc consolidates its position as a world-class Mexican company.
- Once the transaction is complete, Fresnillo will look to advance the development of the Novador project, building on its long track record of successfully bringing major new mines into production.
- Fresnillo plc reaffirms that Mexico will continue to be the priority for its investments and operations.

## Transaction Summary

Fresnillo plc (LSE:FRES) has entered into a definitive arrangement agreement with Probe Gold Inc. (TSX:PRB OTCQB:PROBF), pursuant to which a wholly-owned subsidiary of Fresnillo (the "Purchaser") will acquire 100% of the issued and outstanding shares of Probe (the "Shares") pursuant to a statutory plan of arrangement under the *Business Corporations Act* (Ontario) (the "Transaction") for an all cash consideration of CAD\$3.65 per Share. The total equity value of the Transaction is approximately CAD\$780 million (approx. US\$560 million) on a fully diluted basis.

The Transaction will be subject to the approval of (i) at least 66- $\frac{2}{3}$ % of the votes cast by Probe shareholders and (ii) a simple majority of the votes cast by minority shareholders in accordance with Canada's Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions at a special meeting of Probe shareholders expected to be held in January 2026. In addition to shareholder approval, the Transaction is also subject to the receipt of the approval of the Ontario Superior Court of Justice and other closing conditions customary in transactions of this nature. Full details of the Transaction will be included in a management information circular of Probe that is expected to be mailed to Probe shareholders in mid-November 2025.

In connection with the Transaction, Eldorado Gold Corporation and each of the directors and executive officers of Probe, collectively representing 12% of the outstanding Shares, have entered into voting support agreements (collectively, the "Voting Support Agreements") with the Purchaser and Fresnillo, pursuant to which they have agreed, among other things, to vote all of their Shares in favour of the Transaction.

The Arrangement Agreement provides for customary deal protection provisions, including non-solicitation covenants of Probe and "fiduciary out" provisions in favour of Probe. In addition, the Arrangement Agreement provides for a termination fee of CAD\$31 million payable by Probe if it accepts a superior proposal and in certain other specified circumstances. Each of Probe and the Purchaser have made customary representations and warranties and covenants in the Arrangement Agreement, including covenants regarding the conduct of Probe's business prior to the closing of the Transaction.

Subject to the satisfaction of all conditions to closing set out in the Arrangement Agreement, it is anticipated that the Transaction will be completed in Q1 2026. Upon closing of the Transaction, it is expected that the Shares will be delisted from the TSX and that Probe will cease to be a reporting issuer under applicable Canadian securities laws.

The board of directors of Fresnillo has unanimously approved the Transaction as it aligns with the Company's strategy and supports its long-term objectives.

The board of directors of Probe, upon unanimous recommendation of the special committee, has also approved unanimously this Transaction and are recommending that Probe shareholders vote in favour of the Transaction.

## Financing

Fresnillo expects to finance the acquisition with existing cash on hand, which as of June 30, 2025, was US\$1.8 billion. There is no change to Fresnillo's existing dividend policy.

On January 22nd, 2026, the Company informed that its subsidiary Fresnillo plc (74.99% owned by the Company) successfully completed the acquisition (the "Transaction") of

Probe Gold Inc. ("Probe") announced on October 31, 2025, after obtaining all required approvals from Probe's shareholders, the Canadian court, and the relevant regulators.

Fresnillo plc paid approximately CAD\$770 million (around US\$555 million) to settle the consideration for the Transaction using available cash on hand.

## **ABOUT PEÑOLES**

Peñoles, founded in 1887, is a mining group with integrated operations for the smelting and refining of non-ferrous metals and the manufacture of chemical products. It is currently the world's largest producer of refined silver, the Latin American leader in the production of refined gold and lead, and one of 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 symbol PE&OLES and are part of the Price and Quotation Index.

### **Analyst**

Peñoles is covered by Morgan Stanley, Scotiabank, and BTG Pactual.

