

Quarterly Financial Information

[105000] Management commentary	2
[110000] General information about financial statements	15
[210000] Statement of financial position, current/non-current.....	16
[310000] Statement of comprehensive income, profit or loss, by function of expense	18
[410000] Statement of comprehensive income, OCI components presented net of tax.....	19
[520000] Statement of cash flows, indirect method	21
[610000] Statement of changes in equity - Accumulated Current	23
[610000] Statement of changes in equity - Accumulated Previous	26
[700000] Informative data about the Statement of financial position	29
[700002] Informative data about the Income statement.....	30
[700003] Informative data - Income statement for 12 months.....	31
[800001] Breakdown of credits	32
[800003] Annex - Monetary foreign currency position.....	34
[800005] Annex - Distribution of income by product.....	35
[800007] Annex - Financial derivate instruments.....	36
[800100] Notes - Subclassifications of assets, liabilities and equities	44
[800200] Notes - Analysis of income and expense.....	48
[800500] Notes - List of notes	49
[800600] Notes - List of accounting policies	83
[813000] Notes - Interim financial reporting	98

[105000] Management commentary

Management commentary [text block]

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%).

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.

Disclosure of nature of business [text block]

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.

Disclosure of management's objectives and its strategies for meeting those objectives [text block]

Exploration Highlights

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.

Disclosure of entity's most significant resources, risks and relationships [text block]

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 (%)						
NPCI*:	1.10	1.49		2.80	2.88	
Exchange rate (peso-dollar):						
Close	19.6290	17.6195	11.4			
Average	18.9229	17.0601	10.9	17.7099	17.8282	-0.7

NCPI: National Consumer Price Index

Period	Gold (US\$/Oz)	Silver (US\$/Oz)	Lead (US\$/lb)	Zinc (US\$/lb)	Copper (US\$/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.

Disclosure of results of operations and prospects [text block]

OPERATING RESULTS

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

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)* (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.

Financial position, liquidity and capital resources [text block]

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

INCOME STATEMENT:

The following chart shows the variation of each income statement line item and its influence on the change in net income in 3Q24 compared to 3Q23:



- (1) *Includes variation in hedging results.*
- (2) *Metal cost is presented net of treatment fee, profit on inventories and other items.*
- (3) *Includes financial expenses and foreign exchange result.*
- (4) *Includes variation for other (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.


Internal control [text block]

Industrias Peñoles, S.A.B. de CV, maintains an Internal Control System whose objective is to reasonably guarantee to shareholders, the financial community and other interest groups that accounting transactions and disclosures are in accordance with the applicable regulation (internal and external), that internal controls are made up of procedures that promote the reliability and transparency of financial and operational records and reports, the protection of assets and the adequate management of existing critical risks as well as those emerging. In accordance with article 28, section III of the Securities Market Law (LMV), the General Director is responsible for maintaining the Internal Control System. This task is carried out with the support of the entities that make up the three lines of defense: On the one hand, those responsible for the processes, the different committees and governing bodies that include the operational and administrative divisions (each in the scope of their responsibilities), and as a third line of defense is Internal Audit, which performs an independent function by reporting directly to the Audit and Corporate Governance Committee of Industrias Peñoles and its objective is to evaluate the effectiveness of the Internal Control System and the degree of regulatory compliance based on the main risks. Additionally, there is the independent validation of the external auditor.

The effectiveness of the Internal Control System lies in an organizational structure with a clear segregation of responsibilities across different business processes, in its business ethics reflected in the code of conduct and institutional values of Trust, Responsibility, and Respect, Integrity, and Loyalty (CRIL), and in the establishment of policies and procedures aligned with Peñoles' organizational strategies. In compliance with the LMV, Industrias Peñoles, S.A.B. de C.V., has an Audit and Corporate Practices Committee, which meets quarterly and submits an annual report to the Board of Directors on the status of the Internal Control System, in addition to monitoring the reports of the internal and external auditor; and other governing bodies such as the Compliance Directorate, Legal Directorate, and Finance Directorate. The Committee's report for the 2023 fiscal year was presented for approval at the Ordinary Annual Shareholders' Meeting held on April 29, 2024. To strengthen its ethical culture in all interactions with stakeholders, Peñoles offers an institutional reporting mechanism called the "Linea Correcta" to employees and third parties for reporting unethical behavior that goes against the established Code of Conduct. This line is continuously available and administered by an independent third party to ensure confidentiality and anonymity; each report is handled in accordance with internal procedures defined by the Ethics and Corporate Values Committee

Disclosure of critical performance measures and indicators that management uses to evaluate entity's performance against stated objectives [text block]

The Company determines performance indicators on sales as indicated in the Financial position, liquidity and capital resources section described above. Internally, the Balance Score Card is used to measure compliance with the established objectives.



[110000] General information about financial statements

Ticker: PE&OLES

Period covered by financial statements: 2024-01-01 to 2024-09-30

Date of end of reporting period: 2024-09-30

Name of reporting entity or other means of identification: PE&OLES

Description of presentation currency: USD

Level of rounding used in financial statements: THOUSANDS OF AMERICAN DOLLARS

Consolidated: Yes

Number of quarter: 3

Type of issuer: ICS

Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period:

Description of nature of financial statements:

Disclosure of general information about financial statements [text block]

Follow-up of analysis [text block]

Peñoles has analysis coverage from Morgan Stanley and Scotiabank.

[210000] Statement of financial position, current/non-current

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Statement of financial position [abstract]		
Assets [abstract]		
Current assets [abstract]		
Cash and cash equivalents	1,501,941,000	1,040,222,000
Trade and other current receivables	486,579,000	553,871,000
Current tax assets, current	91,025,000	141,662,000
Other current financial assets	39,056,000	31,347,000
Current inventories	2,018,090,000	1,798,453,000
Current biological assets	0	0
Other current non-financial assets	60,692,000	40,206,000
Total current assets other than non-current assets or disposal groups classified as held for sale or as held for distribution to owners	4,197,383,000	3,605,761,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners	21,362,000	21,362,000
Total current assets	4,218,745,000	3,627,123,000
Non-current assets [abstract]		
Trade and other non-current receivables	19,541,000	49,346,000
Current tax assets, non-current	0	0
Non-current inventories	69,760,000	69,760,000
Non-current biological assets	0	0
Other non-current financial assets	160,409,000	114,625,000
Investments accounted for using equity method	0	0
Investments in subsidiaries, joint ventures and associates	74,241,000	81,215,000
Property, plant and equipment	4,314,085,000	4,660,208,000
Investment property	0	0
Right-of-use assets that do not meet definition of investment property	85,070,000	93,595,000
Goodwill	0	0
Intangible assets other than goodwill	5,135,000	5,230,000
Deferred tax assets	1,190,193,000	1,278,154,000
Other non-current non-financial assets	0	0
Total non-current assets	5,918,434,000	6,352,133,000
Total assets	10,137,179,000	9,979,256,000
Equity and liabilities [abstract]		
Liabilities [abstract]		
Current liabilities [abstract]		
Trade and other current payables	415,003,000	472,410,000
Current tax liabilities, current	105,807,000	99,391,000
Other current financial liabilities	490,113,000	475,235,000
Current lease liabilities	13,335,000	14,882,000
Other current non-financial liabilities	0	0
Current provisions [abstract]		
Current provisions for employee benefits	17,671,000	16,001,000
Other current provisions	11,849,000	11,849,000
Total current provisions	29,520,000	27,850,000
Total current liabilities other than liabilities included in disposal groups classified as held for sale	1,053,778,000	1,089,768,000
Liabilities included in disposal groups classified as held for sale	39,506,000	39,287,000
Total current liabilities	1,093,284,000	1,129,055,000
Non-current liabilities [abstract]		
Trade and other non-current payables	0	0
Current tax liabilities, non-current	0	0

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Other non-current financial liabilities	2,515,119,000	2,545,983,000
Non-current lease liabilities	87,921,000	95,563,000
Other non-current non-financial liabilities	0	0
Non-current provisions [abstract]		
Non-current provisions for employee benefits	46,747,000	49,690,000
Other non-current provisions	482,709,000	481,298,000
Total non-current provisions	529,456,000	530,988,000
Deferred tax liabilities	336,194,000	171,879,000
Total non-current liabilities	3,468,690,000	3,344,413,000
Total liabilities	4,561,974,000	4,473,468,000
Equity [abstract]		
Issued capital	401,399,000	401,399,000
Share premium	0	0
Treasury shares	0	0
Retained earnings	3,812,647,000	3,834,771,000
Other reserves	(26,071,000)	(26,144,000)
Total equity attributable to owners of parent	4,187,975,000	4,210,026,000
Non-controlling interests	1,387,230,000	1,295,762,000
Total equity	5,575,205,000	5,505,788,000
Total equity and liabilities	10,137,179,000	9,979,256,000

[310000] Statement of comprehensive income, profit or loss, by function of expense

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30	Quarter Current Year 2024-07-01 - 2024-09-30	Quarter Previous Year 2023-07-01 - 2023-09-30
Profit or loss [abstract]				
Profit (loss) [abstract]				
Revenue	4,763,143,000	4,457,654,000	1,732,223,000	1,507,686,000
Cost of sales	3,662,334,000	3,852,303,000	1,208,803,000	1,379,624,000
Gross profit	1,100,809,000	605,351,000	523,420,000	128,062,000
Distribution costs	132,994,000	124,346,000	41,988,000	43,322,000
Administrative expenses	388,592,000	425,371,000	131,609,000	141,863,000
Other income	55,358,000	6,753,000	24,872,000	117,000
Other expense	24,219,000	53,858,000	7,981,000	12,904,000
Profit (loss) from operating activities	610,362,000	8,529,000	366,714,000	(69,910,000)
Finance income	57,027,000	74,007,000	21,027,000	25,961,000
Finance costs	171,836,000	201,599,000	53,601,000	64,000,000
Share of profit (loss) of associates and joint ventures accounted for using equity method	5,479,000	117,000	3,820,000	(509,000)
Profit (loss) before tax	501,032,000	(118,946,000)	337,960,000	(108,458,000)
Tax income (expense)	406,176,000	(232,615,000)	251,087,000	(147,812,000)
Profit (loss) from continuing operations	94,856,000	113,669,000	86,873,000	39,354,000
Profit (loss) from discontinued operations	0	0	0	0
Profit (loss)	94,856,000	113,669,000	86,873,000	39,354,000
Profit (loss), attributable to [abstract]				
Profit (loss), attributable to owners of parent	(22,124,000)	41,316,000	40,065,000	15,631,000
Profit (loss), attributable to non-controlling interests	116,980,000	72,353,000	46,808,000	23,723,000
Earnings per share [text block]				
Earnings per share [abstract]				
Earnings per share [line items]				
Basic earnings per share [abstract]				
Basic earnings (loss) per share from continuing operations	(0.06)	0.1	0.1	0.04
Basic earnings (loss) per share from discontinued operations	0	0	0	0
Total basic earnings (loss) per share	(0.06)	0.1	0.1	0.04
Diluted earnings per share [abstract]				
Diluted earnings (loss) per share from continuing operations	(0.06)	0.1	0.1	0.04
Diluted earnings (loss) per share from discontinued operations	0	0	0	0
Total diluted earnings (loss) per share	(0.06)	0.1	0.1	0.04

[410000] Statement of comprehensive income, OCI components presented net of tax

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30	Quarter Current Year 2024-07-01 - 2024-09-30	Quarter Previous Year 2023-07-01 - 2023-09-30
Statement of comprehensive income [abstract]				
Profit (loss)	94,856,000	113,669,000	86,873,000	39,354,000
Other comprehensive income [abstract]				
Components of other comprehensive income that will not be reclassified to profit or loss, net of tax [abstract]				
Other comprehensive income, net of tax, gains (losses) from investments in equity instruments	30,812,000	(38,849,000)	18,152,000	(6,638,000)
Other comprehensive income, net of tax, gains (losses) on revaluation	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on remeasurements of defined benefit plans	0	0	0	0
Other comprehensive income, net of tax, change in fair value of financial liability attributable to change in credit risk of liability	0	0	0	0
Other comprehensive income, net of tax, gains (losses) on hedging instruments that hedge investments in equity instruments	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss, net of tax	0	0	0	0
Total other comprehensive income that will not be reclassified to profit or loss, net of tax	30,812,000	(38,849,000)	18,152,000	(6,638,000)
Components of other comprehensive income that will be reclassified to profit or loss, net of tax [abstract]				
Exchange differences on translation [abstract]				
Gains (losses) on exchange differences on translation, net of tax	(11,790,000)	10,417,000	(5,812,000)	(1,388,000)
Reclassification adjustments on exchange differences on translation, net of tax	0	0	0	0
Other comprehensive income, net of tax, exchange differences on translation	(11,790,000)	10,417,000	(5,812,000)	(1,388,000)
Available-for-sale financial assets [abstract]				
Gains (losses) on remeasuring available-for-sale financial assets, net of tax	0	0	0	0
Reclassification adjustments on available-for-sale financial assets, net of tax	0	0	0	0
Other comprehensive income, net of tax, available-for-sale financial assets	0	0	0	0
Cash flow hedges [abstract]				
Gains (losses) on cash flow hedges, net of tax	(2,672,000)	(7,529,000)	(4,174,000)	(11,566,000)
Reclassification adjustments on cash flow hedges, net of tax	0	0	0	0
Amounts removed from equity and included in carrying amount of non-financial asset (liability) whose acquisition or incurrence was hedged highly probable forecast transaction, net of tax	0	0	0	0
Other comprehensive income, net of tax, cash flow hedges	(2,672,000)	(7,529,000)	(4,174,000)	(11,566,000)
Hedges of net investment in foreign operations [abstract]				
Gains (losses) on hedges of net investments in foreign operations, net of tax	0	0	0	0
Reclassification adjustments on hedges of net investments in foreign operations, net of tax	0	0	0	0
Other comprehensive income, net of tax, hedges of net investments in foreign operations	0	0	0	0
Change in value of time value of options [abstract]				
Gains (losses) on change in value of time value of options, net of tax	0	0	0	0
Reclassification adjustments on change in value of time value of options, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of time value of options	0	0	0	0
Change in value of forward elements of forward contracts [abstract]				
Gains (losses) on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Reclassification adjustments on change in value of forward elements of forward contracts, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of forward elements of forward contracts	0	0	0	0
Change in value of foreign currency basis spreads [abstract]				
Gains (losses) on change in value of foreign currency basis spreads, net of tax	0	0	0	0

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30	Quarter Current Year 2024-07-01 - 2024-09-30	Quarter Previous Year 2023-07-01 - 2023-09-30
Reclassification adjustments on change in value of foreign currency basis spreads, net of tax	0	0	0	0
Other comprehensive income, net of tax, change in value of foreign currency basis spreads	0	0	0	0
Financial assets measured at fair value through other comprehensive income [abstract]				
Gains (losses) on financial assets measured at fair value through other comprehensive income, net of tax	0	0	0	0
Reclassification adjustments on financial assets measured at fair value through other comprehensive income, net of tax	0	0	0	0
Amounts removed from equity and adjusted against fair value of financial assets on reclassification out of fair value through other comprehensive income measurement category, net of tax	0	0	0	0
Other comprehensive income, net of tax, financial assets measured at fair value through other comprehensive income	0	0	0	0
Share of other comprehensive income of associates and joint ventures accounted for using equity method that will be reclassified to profit or loss, net of tax	(12,453,000)	10,675,000	(12,709,000)	5,663,000
Total other comprehensive income that will be reclassified to profit or loss, net of tax	(26,915,000)	13,563,000	(22,695,000)	(7,291,000)
Total other comprehensive income	3,897,000	(25,286,000)	(4,543,000)	(13,929,000)
Total comprehensive income	98,753,000	88,383,000	82,330,000	25,425,000
Comprehensive income attributable to [abstract]				
Comprehensive income, attributable to owners of parent	(22,051,000)	26,953,000	31,617,000	3,139,000
Comprehensive income, attributable to non-controlling interests	120,804,000	61,430,000	50,713,000	22,286,000

[520000] Statement of cash flows, indirect method

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30
Statement of cash flows [abstract]		
Cash flows from (used in) operating activities [abstract]		
Profit (loss)	94,856,000	113,669,000
Adjustments to reconcile profit (loss) [abstract]		
+ Discontinued operations	0	0
+ Adjustments for income tax expense	406,176,000	(232,615,000)
+ (-) Adjustments for finance costs	91,922,000	96,464,000
+ Adjustments for depreciation and amortisation expense	609,286,000	507,721,000
+ Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	0	0
+ Adjustments for provisions	21,839,000	35,028,000
+ (-) Adjustments for unrealised foreign exchange losses (gains)	7,572,000	14,220,000
+ Adjustments for share-based payments	0	0
+ (-) Adjustments for fair value losses (gains)	0	0
- Adjustments for undistributed profits of associates	0	0
+ (-) Adjustments for losses (gains) on disposal of non-current assets	(1,758,000)	1,547,000
	(5,479,000)	(117,000)
+ (-) Adjustments for decrease (increase) in inventories	(219,429,000)	56,742,000
+ (-) Adjustments for decrease (increase) in trade accounts receivable	(10,898,000)	19,322,000
+ (-) Adjustments for decrease (increase) in other operating receivables	177,225,000	(211,428,000)
+ (-) Adjustments for increase (decrease) in trade accounts payable	32,956,000	72,272,000
+ (-) Adjustments for increase (decrease) in other operating payables	(192,223,000)	59,113,000
+ Other adjustments for non-cash items	4,056,000	24,089,000
+ Other adjustments for which cash effects are investing or financing cash flow	0	0
+ Straight-line rent adjustment	0	0
+ Amortization of lease fees	0	0
+ Setting property values	0	0
+ (-) Other adjustments to reconcile profit (loss)	0	0
+ (-) Total adjustments to reconcile profit (loss)	921,245,000	442,358,000
Net cash flows from (used in) operations	1,016,101,000	556,027,000
- Dividends paid	0	0
	0	0
- Interest paid	0	0
+ Interest received	0	0
+ (-) Income taxes refund (paid)	108,332,000	324,590,000
+ (-) Other inflows (outflows) of cash	0	0
Net cash flows from (used in) operating activities	907,769,000	231,437,000
Cash flows from (used in) investing activities [abstract]		
+ Cash flows from losing control of subsidiaries or other businesses	0	0
- Cash flows used in obtaining control of subsidiaries or other businesses	0	0
+ Other cash receipts from sales of equity or debt instruments of other entities	(1,466,000)	(2,313,000)
- Other cash payments to acquire equity or debt instruments of other entities	0	0
+ Other cash receipts from sales of interests in joint ventures	0	0
- Other cash payments to acquire interests in joint ventures	0	0
+ Proceeds from sales of property, plant and equipment	3,220,000	3,779,000
- Purchase of property, plant and equipment	283,351,000	404,552,000
+ Proceeds from sales of intangible assets	0	0
- Purchase of intangible assets	0	3,873,000
+ Proceeds from sales of other long-term assets	0	0
- Purchase of other long-term assets	0	0

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30
+ Proceeds from government grants	0	0
- Cash advances and loans made to other parties	(200,000)	124,000
+ Cash receipts from repayment of advances and loans made to other parties	(7,341,000)	3,865,000
- Cash payments for futures contracts, forward contracts, option contracts and swap contracts	0	0
+ Cash receipts from futures contracts, forward contracts, option contracts and swap contracts	0	0
+ Dividends received	0	0
- Interest paid	0	0
+ Interest received	56,501,000	58,190,000
	0	0
+ (-) Other inflows (outflows) of cash	0	0
Net cash flows from (used in) investing activities	(232,237,000)	(345,028,000)
Cash flows from (used in) financing activities [abstract]		
+ Proceeds from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
- Payments from changes in ownership interests in subsidiaries that do not result in loss of control	0	0
+ Proceeds from issuing shares	0	0
+ Proceeds from issuing other equity instruments	0	0
- Payments to acquire or redeem entity's shares	0	0
- Payments of other equity instruments	0	(9,667,000)
+ Proceeds from borrowings	3,235,061,000	2,179,975,000
- Repayments of borrowings	3,197,433,000	2,026,460,000
- Payments of finance lease liabilities	0	0
- Payments of lease liabilities	16,696,000	14,959,000
+ Proceeds from government grants	0	0
- Dividends paid	28,151,000	41,741,000
- Interest paid	130,102,000	166,526,000
+ (-) Income taxes refund (paid)	0	0
+ (-) Other inflows (outflows) of cash	(64,624,000)	19,108,000
Net cash flows from (used in) financing activities	(201,945,000)	(40,936,000)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate changes	473,587,000	(154,527,000)
Effect of exchange rate changes on cash and cash equivalents [abstract]		
Effect of exchange rate changes on cash and cash equivalents	(11,868,000)	5,824,000
Net increase (decrease) in cash and cash equivalents	461,719,000	(148,703,000)
Cash and cash equivalents at beginning of period	1,040,222,000	1,468,918,000
Cash and cash equivalents at end of period	1,501,941,000	1,320,215,000

[610000] Statement of changes in equity - Accumulated Current

Sheet 1 of 3	Components of equity [axis]								
	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	401,399,000	0	0	3,834,771,000	0	(53,574,000)	(4,061,000)	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	(22,124,000)	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	(20,564,000)	(2,672,000)	0	0
Total comprehensive income	0	0	0	(22,124,000)	0	(20,564,000)	(2,672,000)	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	(22,124,000)	0	(20,564,000)	(2,672,000)	0	0
Equity at end of period	401,399,000	0	0	3,812,647,000	0	(74,138,000)	(6,733,000)	0	0

Sheet 2 of 3	Components of equity [axis]								
	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on financial assets measured at fair value through other comprehensive income [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	34,066,000	0	0	(2,575,000)	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	23,309,000	0	0	0	0	0	0
Total comprehensive income	0	0	23,309,000	0	0	0	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	23,309,000	0	0	0	0	0	0
Equity at end of period	0	0	57,375,000	0	0	(2,575,000)	0	0	0

Sheet 3 of 3	Components of equity [axis]							
	Reserve for catastrophe [member]	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]								
Equity at beginning of period	0	0	0	0	(26,144,000)	4,210,026,000	1,295,762,000	5,505,788,000
Changes in equity [abstract]								
Comprehensive income [abstract]								
Profit (loss)	0	0	0	0	0	(22,124,000)	116,980,000	94,856,000
Other comprehensive income	0	0	0	0	73,000	73,000	3,824,000	3,897,000
Total comprehensive income	0	0	0	0	73,000	(22,051,000)	120,804,000	98,753,000
Issue of equity	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	29,336,000	29,336,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	73,000	(22,051,000)	91,468,000	69,417,000
Equity at end of period	0	0	0	0	(26,071,000)	4,187,975,000	1,387,230,000	5,575,205,000

[610000] Statement of changes in equity - Accumulated Previous

Sheet 1 of 3	Components of equity [axis]								
	Issued capital [member]	Share premium [member]	Treasury shares [member]	Retained earnings [member]	Revaluation surplus [member]	Reserve of exchange differences on translation [member]	Reserve of cash flow hedges [member]	Reserve of gains and losses on hedging instruments that hedge investments in equity instruments [member]	Reserve of change in value of time value of options [member]
Statement of changes in equity [line items]									
Equity at beginning of period	401,399,000	0	0	3,687,681,000	0	(69,657,000)	5,310,000	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	41,316,000	0	0	0	0	0
Other comprehensive income	0	0	0	0	0	22,729,000	(7,529,000)	0	0
Total comprehensive income	0	0	0	41,316,000	0	22,729,000	(7,529,000)	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	41,316,000	0	22,729,000	(7,529,000)	0	0
Equity at end of period	401,399,000	0	0	3,728,997,000	0	(46,928,000)	(2,219,000)	0	0

Sheet 2 of 3	Components of equity [axis]								
	Reserve of change in value of forward elements of forward contracts [member]	Reserve of change in value of foreign currency basis spreads [member]	Reserve of gains and losses on financial assets measured at fair value through other comprehensive income [member]	Reserve of gains and losses on remeasuring available-for-sale financial assets [member]	Reserve of share-based payments [member]	Reserve of remeasurements of defined benefit plans [member]	Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale [member]	Reserve of gains and losses from investments in equity instruments [member]	Reserve of change in fair value of financial liability attributable to change in credit risk of liability [member]
Statement of changes in equity [line items]									
Equity at beginning of period	0	0	63,131,000	0	0	(13,565,000)	0	0	0
Changes in equity [abstract]									
Comprehensive income [abstract]									
Profit (loss)	0	0	0	0	0	0	0	0	0
Other comprehensive income	0	0	(29,563,000)	0	0	0	0	0	0
Total comprehensive income	0	0	(29,563,000)	0	0	0	0	0	0
Issue of equity	0	0	0	0	0	0	0	0	0
Dividends recognised as distributions to owners	0	0	0	0	0	0	0	0	0
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	(29,563,000)	0	0	0	0	0	0
Equity at end of period	0	0	33,568,000	0	0	(13,565,000)	0	0	0

Sheet 3 of 3	Components of equity [axis]							
	Reserve for catastrophe [member]	Reserve for equalisation [member]	Reserve of discretionary participation features [member]	Other comprehensive income [member]	Other reserves [member]	Equity attributable to owners of parent [member]	Non-controlling interests [member]	Equity [member]
Statement of changes in equity [line items]								
Equity at beginning of period	0	0	0	0	(14,781,000)	4,074,299,000	1,213,977,000	5,288,276,000
Changes in equity [abstract]								
Comprehensive income [abstract]								
Profit (loss)	0	0	0	0	0	41,316,000	72,353,000	113,669,000
Other comprehensive income	0	0	0	0	(14,363,000)	(14,363,000)	(10,923,000)	(25,286,000)
Total comprehensive income	0	0	0	0	(14,363,000)	26,953,000	61,430,000	88,383,000
Issue of equity	0	0	0	0	0	0	9,667,000	9,667,000
Dividends recognised as distributions to owners	0	0	0	0	0	0	41,792,000	41,792,000
Increase through other contributions by owners, equity	0	0	0	0	0	0	0	0
Decrease through other distributions to owners, equity	0	0	0	0	0	0	0	0
Increase (decrease) through other changes, equity	0	0	0	0	0	0	0	0
Increase (decrease) through treasury share transactions, equity	0	0	0	0	0	0	0	0
Increase (decrease) through changes in ownership interests in subsidiaries that do not result in loss of control, equity	0	0	0	0	0	0	0	0
Increase (decrease) through share-based payment transactions, equity	0	0	0	0	0	0	0	0
Amount removed from reserve of cash flow hedges and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of time value of options and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of forward elements of forward contracts and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Amount removed from reserve of change in value of foreign currency basis spreads and included in initial cost or other carrying amount of non-financial asset (liability) or firm commitment for which fair value hedge accounting is applied	0	0	0	0	0	0	0	0
Total increase (decrease) in equity	0	0	0	0	(14,363,000)	26,953,000	29,305,000	56,258,000
Equity at end of period	0	0	0	0	(29,144,000)	4,101,252,000	1,243,282,000	5,344,534,000

[700000] Informative data about the Statement of financial position

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Informative data of the Statement of Financial Position [abstract]		
Capital stock (nominal)	401,399,000	401,399,000
Restatement of capital stock	0	0
Plan assets for pensions and seniority premiums	115,245,000	122,291,000
Number of executives	63	65
Number of employees	4,651	4,842
Number of workers	10,578	10,666
Outstanding shares	397,475,747	397,475,747
Repurchased shares	15,789,000	15,789,000
Restricted cash	0	0
Guaranteed debt of associated companies	0	0

[700002] Informative data about the Income statement

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30	Quarter Current Year 2024-07-01 - 2024-09-30	Quarter Previous Year 2023-07-01 - 2023-09-30
Informative data of the Income Statement [abstract]				
Operating depreciation and amortization	609,286,000	507,721,000	220,374,000	175,907,000

[700003] Informative data - Income statement for 12 months

Concept	Current Year 2023-10-01 - 2024-09-30	Previous Year 2022-10-01 - 2023-09-30
Informative data - Income Statement for 12 months [abstract]		
Revenue	6,234,454,000	5,832,389,000
Profit (loss) from operating activities	697,279,000	38,409,000
Profit (loss)	267,722,000	243,925,000
Profit (loss), attributable to owners of parent	83,649,000	118,461,000
Operating depreciation and amortization	791,142,000	693,441,000

[800001] Breakdown of credits

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]										
					Domestic currency [member]					Foreign currency [member]					
					Time interval [axis]										
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]
Banks [abstract]															
Foreign trade															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Banks - secured															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Commercial banks															
BBVA Bancomer	NO	2024-09-30	2024-10-31	5.42%	30,000,000										
BBVA Bancomer.	NO	2024-09-30	2024-10-31	5.41%	105,000,000										
HSBC	NO	2024-09-17	2024-10-31	6.16%	50,000,000										
TOTAL					185,000,000	0	0	0	0	0	0	0	0	0	0
Other banks															
Crédit Agricole Corporate and Investment Bank (scheme ECA)	SI	2017-06-22	2026-09-30	Libor 6 months + 0.94%							9,550,000	0	9,673,000	0	
Crédit Agricole Corporate and Investment Bank (CACIB).	SI	2024-09-17	2024-10-31	5.35%							80,000,000				
TOTAL					0	0	0	0	0	0	89,550,000	0	9,673,000	0	0
Total banks															
TOTAL					185,000,000	0	0	0	0	0	89,550,000	0	9,673,000	0	0
Stock market [abstract]															
Listed on stock exchange - unsecured															
Unsecured bonds issued by Fresnillo plc	NO	2020-10-02	2050-10-02	4.25%											829,801,000
Unsecured bonds issued by IPSAB .	NO	2019-09-12	2049-09-12	5.65%											537,579,000
Unsecured bonds issued by IPSAB	SI	2019-09-12	2029-09-12	4.15%											537,578,000
Unsecured bonds issued by IPSAB.	SI	2020-08-06	2050-08-06	4.75%											500,407,000
Unsecured bonds issued by IPSAB .	SI	2019-09-12	2029-09-12	4.15%											100,081,000
TOTAL					0	0	0	0	0	0	0	0	0	0	2,505,446,000
Listed on stock exchange - secured															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Private placements - unsecured															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Private placements - secured															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Total listed on stock exchanges and private placements															
TOTAL					0	0	0	0	0	0	0	0	0	0	2,505,446,000
Other current and non-current liabilities with cost [abstract]															
Other current and non-current liabilities with cost															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Total other current and non-current liabilities with cost															
TOTAL					0	0	0	0	0	0	0	0	0	0	0
Suppliers [abstract]															
Suppliers															

Institution [axis]	Foreign institution (yes/no)	Contract signing date	Expiration date	Interest rate	Denomination [axis]												
					Domestic currency [member]						Foreign currency [member]						
					Time interval [axis]						Time interval [axis]						
					Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	Current year [member]	Until 1 year [member]	Until 2 years [member]	Until 3 years [member]	Until 4 years [member]	Until 5 years or more [member]	
Metals and Maquilas to Pay	NO	2024-09-30	2024-11-30									8,551,000					
Mineral Senders	NO	2024-09-30	2024-12-31									105,389,000					
Foreing Mineral Senders	SI	2024-09-30	2024-12-31									92,000					
National Metals Division	NO	2024-09-24	2024-10-07									19,231,000					
Foreing Metals Division	SI	2024-09-18	2024-10-31									13,138,000					
National Mine Division	NO	2024-09-25	2024-10-24									69,061,000					
Foreing Mine Division	SI	2024-08-25	2024-10-03									1,134,000					
National Chemical Division	NO	2024-09-17	2024-10-17									3,449,000					
Foreing Chemical Division	SI	2024-09-20	2024-10-03									1,580,000					
National Corporate Division	NO	2024-08-15	2024-10-03									1,828,000					
Foreing Corporate Division	SI	2024-07-29	2024-10-03									29,000					
Metals Division	NO	2024-09-09	2024-10-24		8,509,000												
Mine Division	NO	2024-09-21	2024-10-24		55,638,000												
Chemical Division	NO	2024-09-25	2024-10-03		2,909,000												
Corporate Division	NO	2024-09-27	2024-10-03		5,132,000												
TOTAL					72,188,000	0	0	0	0	0	0	223,482,000	0	0	0	0	0
Total suppliers					72,188,000	0	0	0	0	0	0	223,482,000	0	0	0	0	0
Other current and non-current liabilities [abstract]																	
Other current and non-current liabilities																	
Other liabilities	NO				167,455,000	0						48,108,000	0	0			
TOTAL					167,455,000	0	0	0	0	0	0	48,108,000	0	0	0	0	0
Total other current and non-current liabilities																	
TOTAL					167,455,000	0	0	0	0	0	0	48,108,000	0	0	0	0	0
Total credits																	
TOTAL					424,643,000	0	0	0	0	0	0	361,140,000	0	9,673,000	0	0	2,505,446,000

[800003] Annex - Monetary foreign currency position**Disclosure of monetary foreign currency position [text block]**

Exchange rates September 2024 for conversions of the following currencies to national currency:

- Dollar USD	19.6290
- British Pounds	26.2607
- Swedish Krona	1.9435
- Euros	21.8952
- Canadian Dollar	14.5476

	Currencies [axis]				
	Dollars [member]	Dollar equivalent in pesos [member]	Other currencies equivalent in dollars [member]	Other currencies equivalent in pesos [member]	Total pesos [member]
Foreign currency position [abstract]					
Monetary assets [abstract]					
Current monetary assets	1,721,571,000	33,792,721,000	5,159,000	101,264,000	33,893,985,000
Non-current monetary assets	15,895,000	311,998,000	0	0	311,998,000
Total monetary assets	1,737,466,000	34,104,719,000	5,159,000	101,264,000	34,205,983,000
Liabilities position [abstract]					
Current liabilities	559,256,000	10,977,627,000	13,748,000	269,860,000	11,247,487,000
Non-current liabilities	2,559,716,000	50,244,675,000	0	0	50,244,675,000
Total liabilities	3,118,972,000	61,222,302,000	13,748,000	269,860,000	61,492,162,000
Net monetary assets (liabilities)	(1,381,506,000)	(27,117,583,000)	(8,589,000)	(168,596,000)	(27,286,179,000)

[800005] Annex - Distribution of income by product

	Income type [axis]			
	National income [member]	Export income [member]	Income of subsidiaries abroad [member]	Total income [member]
Peñoles				
Silver	50,763,000	277,632,000	1,219,090,000	1,547,485,000
Gold	142,019,000	1,090,241,000	172,614,000	1,404,874,000
Zinc	227,765,000	110,722,000	247,768,000	586,255,000
Concentrates	225,373,000	351,396,000	0	576,769,000
Lead	159,586,000	68,913,000	6,934,000	235,433,000
Sodium Sulfate	111,253,000	1,882,000	3,070,000	116,205,000
Copper	38,209,000	23,839,000	24,493,000	86,541,000
Copper matte	48,024,000	10,510,000	0	58,534,000
Magnesium Oxide	5,779,000	19,671,000	6,024,000	31,474,000
Ammonium Sulfate	24,951,000	0	0	24,951,000
Sulfuric Acid	17,799,000	4,268,000	0	22,067,000
Magnesium Hydroxide	4,002,000	8,189,000	5,669,000	17,860,000
Magnesium Sulfate	10,506,000	0	1,596,000	12,102,000
Copper Sulfate	7,432,000	0	57,000	7,489,000
Zinc Sulfate	7,368,000	0	0	7,368,000
Antimony Trioxide	3,974,000	0	0	3,974,000
Other Products	19,369,000	3,895,000	250,000	23,514,000
Hedges	248,000	0	0	248,000
TOTAL	1,104,420,000	1,971,158,000	1,687,565,000	4,763,143,000

[800007] Annex - Financial derivate instruments

Management discussion about the policy uses of financial derivate instruments, explaining if these policies are allowed just for coverage or for other uses like trading
[text block]

DERIVATIVES FINANCIAL INSTRUMENTS SUMMARY AS OF 2024 THIRD QUARTER

(FIGURES IN THOUSANDS OF AMERICAN DOLLARS, EUROS AND STERLING POUNDS)

Due to the nature of its business and exposures, Grupo Peñoles uses Financial Derivatives Instruments (FDI) for hedging purposes to reduce the variability of its cash flows and operational margins due to various factors, such as:

I. Price Fluctuations of:

Metals it produces (silver, gold, zinc, lead, and copper)

Inputs and raw material that it consumes and/or refines (mineral concentrates, natural gas, etc.)

II. Financial variables of:

Interest rate and currency different than the functional of its liabilities.

Foreign Exchange in commercial and financial transactions.

By using FDI, Grupo Peñoles transfers the market risk of the foregoing variables to its financial counterparties. To mitigate its counterparty credit risk, Grupo Peñoles has entered into agreements only with well-known and financially strong financial institutions and assesses periodically their credit profile. That said, Grupo Peñoles currently does not foresee any of its counterparties to default on their obligations and thus does not consider it necessary to create any reserves for counterparty risk.

Derivative trades made by Grupo Peñoles are classified as “Over the Counter” (OTC). To trade FDI, the Company has credit lines with approximately 30 financial counterparties, of which, a quarter of them are margin call free. It is important to mention, that Grupo Peñoles decisions on hedging allocations are based on diversification among all of its counterparties with the intention of making an efficient use of the existing credit lines, minimizing potential margin calls and reducing the credit/liquidity risk due to high volatility scenarios.

Compliance of the hedging process and policies is verified through internal and external auditing; for the moment, the review of procedures by an independent third party has not been considered necessary.

Grupo Peñoles Senior Management has an active participation in the analysis, authorization and monitoring of the different FDI strategies, therefore, the company’s Board of Directors has appointed a Hedging Committee that gathers once every two months, according to a proposed calendar at the beginning of each year, but also as frequent as the Finance Department summons it. In every session, a memorandum containing all the agreements reached is prepared.

The Hedging Committee has the following responsibilities:

I. Analyze and approve hedging strategies for the different assets and liabilities according to the desired budget and risk profiles.

II. Analyze the behavior of the different financial markets in which Grupo Peñoles participates or that could affect company’s FDI hedging portfolio performance.

III. Analyze the outstanding positions of our hedged underlying’s (hedged percentage, tenor, valuation, etc.)

IV. Analyze and authorize counterparty risk with whom we can trade FDI.

Grupo Peñoles Senior Management maintains a conservative position authorizing mainly “Plain Vanilla” hedging strategies, encouraging risk management through constant effectiveness valuations and the permanent review of the hedged underlying asset vs the derivative, verifying that no significant deviations are taking place.

As part of the internal control, policies and procedures for the use of FDI have been established and are periodically reviewed for their corresponding update.

There are strict control and monitoring through a daily report of the authorized, executed, current and pending FDI positions issued by the Treasury and Financing Department, supported by the approval of the Senior Management.

General description about valuation techniques, standing out the instruments valued at cost or fair value, just like methods and valuation techniques [text block]

Grupo Peñoles has the necessary infrastructure to value all of its FDI through a treasury software made and customized in house, called Sistema Integral de Finanzas (SIF), also internal valuation models. It is worth mentioning that the Treasury and Financing Department is responsible for the valuation of the FDI and the results are used for hedge accounting purposes. The valuation technique is based on Black and Scholes model for options and present value for forwards and swaps. Grupo Peñoles has a strict discipline of valuating on a daily basis its FDI portfolio and the results are shared with the Senior Management with the same frequency. Market inputs of all underlying's used to valuate, are updated daily through Bloomberg and Reuters as a source of information. In other matters, Grupo Peñoles periodically validates and compares the outstanding position through electronic means with all its financial counterparties whom these positions are held. The Company also performs periodic mark to market sensibility analysis by underlying and financial counterparty with the intention of diversifying the counterparty risk and minimizing potential margin calls.

The company continuously prepares hedge accounting information based on IFRS 9.

Management discussion about intern and extern sources of liquidity that could be used for attending requirements related to financial derivate instruments [text block]

As of September 30, 2024, Grupo Peñoles did not have any margin calls related with FDI so no collateral, pledge or financial instruments were given as a guarantee of the derivatives positions. It is important to mention that if needed, Grupo Peñoles has internal liquidity resources available and credit lines with different financial counterparties to face potential margin calls. The settlements and new FDI traded during this period are consistent in the notional and economic relevance of the ones previously informed.

Since January 2011, Grupo Peñoles Senior Management decided to adopt the International Financial Reporting Standard's (IFRS). For this reason, files that classify the different financial instruments traded are being prepared, updated and constantly monitored to identify possible deviations or changes in the commodities and comply with the applicable regulations.

The underlying assets characteristics are the same as of those derivatives traded, therefore no ineffectiveness is expected. Grupo Peñoles maintains strict control, management, and monitoring of the portion hedged according to the commodity in order to avoid ineffectiveness under this concept.

Changes and management explanation in principal risk exposures identified, as contingencies and events known by the administration that could affect future reports [text block]

Grupo Peñoles acknowledges its FDI as financial assets and/or liabilities and are valued at fair value. The results of hedging strategies that qualify as cash flow hedges are recognized as comprehensive income and affect the income statement until the underlying settlement day, as part of sales, cost of sales or the comprehensive financing accordingly. It is worth mentioning that the characteristics of Grupo Peñoles FDIs are equal to the primary underlying asset position, therefore the changes in the fair value or the cash flows attributable to the risk being hedged will be fully compensated at the beginning, during and until the expiration of the hedge. If there is any ineffective portion in the fair value fluctuations of cash flow hedges, this will be recognized in the results of the period.

Since 2018, with IFRS 9 (International Financial Reporting Standard) adoption, the time value component of options and forward points have been considered as hedging cost and reported as other comprehensive income.

Quantitative information for disclosure [text block]

Below the list of active financial counterparties with whom Grupo Peñoles has an outstanding FDI position as of September 30, 2024:

BBVA México, S.A., Institución de Banca Múltiple, Grupo Financiero BBVA México
BMO Financial Group
BNP Paribas
Citibank N.A. New York
Credit Agricole Corporate and Investment Bank
Ing Capital Markets LLC
Koch Metal Trading Limited
Morgan Stanley Capital Group Inc.
Natixis
The Bank of Nova Scotia
The J.P. Morgan Chase. Bank
The Toronto-Dominion Bank
UBS Investment Bank

The fair value of the cash flow hedging derivatives as of September 30, 2024, is \$-10,108 (\$-7,076 net of deferred income tax), registered as stockholders' equity as part of other comprehensive loss; from this amount, Grupo Peñoles estimates to reclassify in the twelve following months \$524 (\$367 net of deferred income tax) of FDI loss to income statement. The aforementioned income

statement represents the accrual fair value change of cash flow hedging financial instruments and it will be dependent on the underlying prices at settlement.

In the third quarter of 2024 and 2023, IFD's cash flow hedging operations together generated a net profit of \$78,206 and \$56,888 respectively.

The following table shows the volume that has expired during 2024 third quarter.

Overdue Hedged Volume					
Commodity	July	August	September	Total	Unit
Gold	201.37	207.96	201.25	610.58	Oz (Thousands)
Silver	1,393.47	2,879.31	4,747.65	9,020.43	Oz (Thousands)
Zinc	36.11	32.50	36.39	105.00	Ton (Thousands)
Lead	9.18	9.32	7.99	26.49	Ton (Thousands)
Copper	0.37	0.29	0.18	0.84	Ton (Thousands)
Natural Gas	320.00	320.00	320.00	960.00	MMbtu (Thousands)
Euros	-	471.53	10,537.81	11,009.35	Eur (Thousands)
Sterling Pounds	-	-	7,196.52	7,196.97	Gbp (Thousands)
Dollars	19,000.00	19,463.17	-	38,463.17	Usd (Thousands)

Notes: The table does not include Interest Rate Swaps coupon settlements neither Cross Currency Swaps. The maturity periodicity is mentioned in the summary of derivatives.

As of September 30, 2024, the following 36 months outstanding hedging position is:

Commodity	Maximum Hedging Percentage (%)
	2024
Silver**	2.22
Gold**	1.42
Natural Gas	54.04
Euros*	44.52

* Percentage calculated based on the currency hedging needs of the Supply Department of the company which are above to the equivalent of USD 500 thousand and the zinc leaching expansion project.

** Percentage calculated based on the annual budgeted mining production of metallic contents of Grupo Peñoles.

Under IFRS regulation, the FDI that compensates hedging cash flow should be registered as hedge accounting and, its effect under income statement should be recognized until the underlying that originated these hedges shows its effects in the income statement.

Intrinsic and the time value of Options should be identified and registered as hedging costs on other comprehensive income. As of September 30, 2024, the time value of outstanding options is \$129 thousand dollars and, the credit in the income statement under the last nine months represents a charge to results of \$-83 thousand dollars.

As of September 30, 2024, the Company had the following cash flow hedging strategy summary:

a) Metal price hedging program (Strategic and Refinery)

Objective: Grupo Peñoles enters into hedging transactions to offset the US dollar income associated with unfavorable market prices of the metals it extracts and to protect the profit margin of the refinery and mines. With this, Peñoles intends to assure the continuity of its operation.

Underlying: all metal content in concentrates, dores and precipitates that it produces (Silver, Gold, Zinc, Lead, and Copper).

Strategy: Hedge up to 100% of the annual estimated production of refined metal. The most frequent FDI traded are: forwards and options (purchase of put option financed with the sale of a call option).

As of September 30, 2024, the Company established the following FDI that hedges 2024 expected production:

Instrument	Silver		Gold		Zinc	
	Price (US\$/Oz)	Volume (thousands of ounces)	Price (US\$/Oz)	Volume (thousands of ounces)	Price (US\$/Ton)	Volume (tons)
Long Purchase	31.50	258.91	2,670.81	181.29	2,691.61	41,941.00
Short Forward	32.10	4,573.88	2,664.93	1.53	2,704.48	41,941.00
Long Put	21.70	357.74	1,765.00	2.32	0.00	0.00
Short Call	32.23	357.74	2,548.00	2.32	0.00	0.00

Instrument	Lead		Copper	
	Price (US\$/Ton)	Volume (toneladas)	Price (US\$/Ton)	Volume (toneladas)
Long Forward	2,002.91	17,346.00	9,307.97	3,861.00
Short Forward	2,014.73	17,346.00	9,299.99	3,861.00
Long Put	--	--	--	--
Short Call	--	--	--	--

Note: The prices shown at the above table reflect the weighted average sale or purchase price of forwards and for options the weighted average strike price.

b) Natural Gas hedging program.

Objective: Grupo Peñoles uses hedging instruments to stabilize expenditures in dollars associated with the movement in the price of natural gas it consumes. With this, it seeks to guarantee the continuity of its operation.

Underlying: Natural Gas.

Strategy: Hedge up the annual natural gas estimated consumption. The FDI traded are: buy of forwards.

As of September 30, 2024, the Company established the following FDI that hedges part of future purchases:

Instrument	Price (USD/MMbtu)	Thousands of MMbtu
------------	-------------------	--------------------

Long Forward	2.99	960.00
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c) Foreign Exchange hedging program.

EUR/USD:

Objective: Grupo Peñoles uses hedging instruments to mitigate the exchange effect in the acquisition of assets in Euros.

Underlying: Euros.

Strategy: To hedge up to the 100% of the assets amount with future delivery under a currency different to the US Dollar. The most frequent FDI traded is: sell and buy of forwards.

As of September 30, 2024, the Company established the following FDI that hedges part of future assets payments under Euro:

Instrument	Exchange rate (USD/EUR)	Amount (Thousands EUR)
Long Forward	1.1041	8,853.92
Short Forward	1.1179	1,171.52

Note: The prices shown in the table correspond to the weighted average purchase prices as well as the weighted average sales prices in the case of forward instruments.

SEK/USD:

Objective: Grupo Peñoles uses hedging instruments to mitigate the exchange effect in Swedish Krona assets purchases.

Underlying: Swedish Krona.

Strategy: To hedge up to the 100% of the assets amount with future delivery under a currency different to the US Dollar. The most frequent FDI traded is: sell and buy of forwards.

As of September 30, 2024, there were no established operations to hedge part of future assets payments denominated in Swedish Krona

GBP/USD:

Objective: Grupo Peñoles uses hedging instruments to mitigate the exchange effect in Sterling Pounds assets purchases.

Underlying: Sterling Pounds.

Strategy: To hedge up to the 100% of the assets amount with future delivery under a currency different to the US Dollar. The most frequent FDI traded is: sell and buy of forwards.

As of September 30, 2024, there were no established operations to hedge part of future assets payments denominated in Sterling Pounds.

USD/MXN:

Objective: Grupo Peñoles uses hedging instruments to mitigate exchange rate fluctuations resulting from liabilities in U.S. dollars to be paid with cash flows to be received in Mexican pesos from the sale of chemical products.

Underlying: U.S. Dollar.

Strategy: To hedge future cash flows from liabilities in U.S. dollars from an accounts receivable program (Receivable Purchase Program) to be settled with the invoicing of chemical products in Mexican pesos. The IFD used are long forwards on U.S. dollar.

As of September 30, 2024, the Company has the following FDI:

Instrument	Exchange rate (MXN/USD)	Amount (Thousands USD)
Long Forward	19.6905	5,776.71
Short Forward	19.7974	596.89

d) Metal Price Hedge Program

Objective: Grupo Peñoles uses hedging instruments to minimize the difference between sale and buy prices on the commercialization of refined metal.

Underlying: Silver, Gold, Zinc, Lead, and Copper.

Strategy: To hedge up to the 100% of the refined metal that is commercialized. The most frequent FDI traded are: forwards.

As of September 30, 2024, the Company established the following FDI that hedges its commercial operations of 2024.

Instrument	Silver		Gold		Zinc	
	Price (US\$/Oz)	Volume (thousands of ounces)	Price (US\$/Oz)	Volume (thousands of ounces)	Price (US\$/Ton)	Volume (tons)
Short Forward	30.14	1,200.00	2,581.86	5.00	2,905.84	114,922.00
Long Forward	30.02	602.00	--	--	2,853.91	89,661.00

Instrument	Lead		Copper	
	Price (US\$/Ton)	Volume (tons)	Price (US\$/Ton)	Volume (tons)
Short Forward	2,162.57	12,598.00	9,127.86	600.00
Long Forward	2,108.90	9,948.00	9,909.77	11.00

Note: The prices shown in the above table represent the weighted average prices for the sale or purchase of forward instruments.

e) Interest rate hedging program.

Objective: Grupo Peñoles uses hedging instruments to stabilize the borrowing costs of debt and potential financing needs when the corresponding interest rate has a floating component.

Underlying: Floating debt component.

Strategy: Hedge 100% of the floating interest rate component of the outstanding debt using an Export Credit Agency (ECA) mechanism. Its main characteristics are described on its respective note.

Instrument: Interest rate swap where the Company pays fixed and receives floating of the underlying, applied to outstanding notional.

As of September 30, 2024, the Company established the following FDI that hedges the outstanding notional, which amortizes until September 2026.

Instrument	Rate	Amount	Tenor	Interest	Amortization	Credit
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	(weighted)	hedged in thousands (*)		payment		
Fixed rate swap	2.0355% (Peños pays)	US\$19,432.94	2.00 years	Biannual	17 bi-annuals on September 2018	ECA

f) Simultaneous interest rate and foreign exchange hedging program (Cross Currency Swap).

Objective: The company contracts hedging instruments to set the cost of its loans and keep them in its functional currency.

Underlying: Credit contracted in a different currency and applicable rate than the functional one.

Strategy: Hedge 100% of the unsecured short-term loan in pesos appreciation risk, as well as the credit and functional currency applicable rate differential.

Instrument: As of September 30, 2024, the Company does not have open positions on Cross Currency Swaps.

[800100] Notes - Subclassifications of assets, liabilities and equities

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Subclassifications of assets, liabilities and equities [abstract]		
Cash and cash equivalents [abstract]		
Cash [abstract]		
Cash on hand	32,000	37,000
Balances with banks	60,535,000	90,210,000
Total cash	60,567,000	90,247,000
Cash equivalents [abstract]		
Short-term deposits, classified as cash equivalents	0	0
Short-term investments, classified as cash equivalents	1,441,374,000	949,975,000
Other banking arrangements, classified as cash equivalents	0	0
Total cash equivalents	1,441,374,000	949,975,000
Other cash and cash equivalents	0	0
Total cash and cash equivalents	1,501,941,000	1,040,222,000
Trade and other current receivables [abstract]		
Current trade receivables	156,584,000	144,281,000
Current receivables due from related parties	13,205,000	14,354,000
Current prepayments [abstract]		
Current advances to suppliers	11,596,000	10,976,000
Current prepaid expenses	0	0
Total current prepayments	11,596,000	10,976,000
Current receivables from taxes other than income tax	0	0
Current value added tax receivables	0	0
Current receivables from sale of properties	0	0
Current receivables from rental of properties	0	0
Other current receivables	305,194,000	384,260,000
Total trade and other current receivables	486,579,000	553,871,000
Classes of current inventories [abstract]		
Current raw materials and current production supplies [abstract]		
Current raw materials	0	0
Current production supplies	274,799,000	299,145,000
Total current raw materials and current production supplies	274,799,000	299,145,000
Current merchandise	0	0
Current work in progress	0	0
Current finished goods	0	0
Current spare parts	0	0
Property intended for sale in ordinary course of business	1,707,322,000	1,474,685,000
Other current inventories	35,969,000	24,623,000
Total current inventories	2,018,090,000	1,798,453,000
Non-current assets or disposal groups classified as held for sale or as held for distribution to owners [abstract]		
Non-current assets or disposal groups classified as held for sale	21,362,000	21,362,000
Non-current assets or disposal groups classified as held for distribution to owners	0	0
Total non-current assets or disposal groups classified as held for sale or as held for distribution to owners	21,362,000	21,362,000
Trade and other non-current receivables [abstract]		
Non-current trade receivables	0	0
Non-current receivables due from related parties	0	0
Non-current prepayments	0	0
Non-current lease prepayments	0	0
Non-current receivables from taxes other than income tax	0	0
Non-current value added tax receivables	0	0

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Non-current receivables from sale of properties	0	0
Non-current receivables from rental of properties	0	0
Revenue for billing	0	0
Other non-current receivables	19,541,000	49,346,000
Total trade and other non-current receivables	19,541,000	49,346,000
Investments in subsidiaries, joint ventures and associates [abstract]		
Investments in subsidiaries	0	0
Investments in joint ventures	0	0
Investments in associates	74,241,000	81,215,000
Total investments in subsidiaries, joint ventures and associates	74,241,000	81,215,000
Property, plant and equipment [abstract]		
Land and buildings [abstract]		
Land	119,825,000	130,041,000
Buildings	694,315,000	705,338,000
Total land and buildings	814,140,000	835,379,000
Machinery	423,333,000	446,815,000
Vehicles [abstract]		
Ships	0	0
Aircraft	0	0
Motor vehicles	26,889,000	30,871,000
Total vehicles	26,889,000	30,871,000
Fixtures and fittings	17,405,000	20,895,000
Office equipment	45,917,000	49,338,000
Tangible exploration and evaluation assets	66,566,000	71,887,000
Mining assets	998,745,000	1,099,678,000
Oil and gas assets	0	0
Construction in progress	389,954,000	434,998,000
Construction prepayments	0	0
Other property, plant and equipment	1,531,136,000	1,670,347,000
Total property, plant and equipment	4,314,085,000	4,660,208,000
Investment property [abstract]		
Investment property completed	0	0
Investment property under construction or development	0	0
Investment property prepayments	0	0
Total investment property	0	0
Intangible assets and goodwill [abstract]		
Intangible assets other than goodwill [abstract]		
Brand names	0	0
Intangible exploration and evaluation assets	0	0
Mastheads and publishing titles	0	0
Computer software	0	0
Licences and franchises	0	0
Copyrights, patents and other industrial property rights, service and operating rights	0	0
Recipes, formulae, models, designs and prototypes	0	0
Intangible assets under development	0	0
Other intangible assets	5,135,000	5,230,000
Total intangible assets other than goodwill	5,135,000	5,230,000
Goodwill	0	0
Total intangible assets and goodwill	5,135,000	5,230,000
Trade and other current payables [abstract]		
Current trade payables	295,670,000	310,672,000
Current payables to related parties	40,139,000	90,977,000
Accruals and deferred income classified as current [abstract]		

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Deferred income classified as current	0	3,819,000
Rent deferred income classified as current	0	0
Accruals classified as current	51,744,000	39,703,000
Short-term employee benefits accruals	51,744,000	39,703,000
Total accruals and deferred income classified as current	51,744,000	43,522,000
Current payables on social security and taxes other than income tax	0	0
Current value added tax payables	27,560,000	47,985,000
Current retention payables	8,661,000	12,308,000
Other current payables	18,789,000	14,931,000
Total trade and other current payables	415,003,000	472,410,000
Other current financial liabilities [abstract]		
Bank loans current	274,550,000	235,528,000
Stock market loans current	0	0
Other current liabilities at cost	0	0
Other current liabilities no cost	215,563,000	239,707,000
Other current financial liabilities	0	0
Total Other current financial liabilities	490,113,000	475,235,000
Trade and other non-current payables [abstract]		
Non-current trade payables	0	0
Non-current payables to related parties	0	0
Accruals and deferred income classified as non-current [abstract]		
Deferred income classified as non-current	0	0
Rent deferred income classified as non-current	0	0
Accruals classified as non-current	0	0
Total accruals and deferred income classified as non-current	0	0
Non-current payables on social security and taxes other than income tax	0	0
Non-current value added tax payables	0	0
Non-current retention payables	0	0
Other non-current payables	0	0
Total trade and other non-current payables	0	0
Other non-current financial liabilities [abstract]		
Bank loans non-current	9,673,000	19,169,000
Stock market loans non-current	2,505,446,000	2,504,088,000
Other non-current liabilities at cost	0	0
Other non-current liabilities no cost	0	22,726,000
Other non-current financial liabilities	0	0
Total Other non-current financial liabilities	2,515,119,000	2,545,983,000
Other provisions [abstract]		
Other non-current provisions	482,709,000	481,298,000
Other current provisions	11,849,000	11,849,000
Total other provisions	494,558,000	493,147,000
Other reserves [abstract]		
Revaluation surplus	0	0
Reserve of exchange differences on translation	(74,138,000)	(53,574,000)
Reserve of cash flow hedges	(6,733,000)	(4,061,000)
Reserve of gains and losses on hedging instruments that hedge investments in equity instruments	0	0
Reserve of change in value of time value of options	0	0
Reserve of change in value of forward elements of forward contracts	0	0
Reserve of change in value of foreign currency basis spreads	0	0
Reserve of gains and losses on financial assets measured at fair value through other comprehensive income	57,375,000	34,066,000
Reserve of gains and losses on remeasuring available-for-sale financial assets	0	0
Reserve of share-based payments	0	0
Reserve of remeasurements of defined benefit plans	(2,575,000)	(2,575,000)

Concept	Close Current Quarter 2024-09-30	Close Previous Exercise 2023-12-31
Amount recognised in other comprehensive income and accumulated in equity relating to non-current assets or disposal groups held for sale	0	0
Reserve of gains and losses from investments in equity instruments	0	0
Reserve of change in fair value of financial liability attributable to change in credit risk of liability	0	0
Reserve for catastrophe	0	0
Reserve for equalisation	0	0
Reserve of discretionary participation features	0	0
Reserve of equity component of convertible instruments	0	0
Capital redemption reserve	0	0
Merger reserve	0	0
Statutory reserve	0	0
Other comprehensive income	0	0
Total other reserves	(26,071,000)	(26,144,000)
Net assets (liabilities) [abstract]		
Assets	10,137,179,000	9,979,256,000
Liabilities	4,561,974,000	4,473,468,000
Net assets (liabilities)	5,575,205,000	5,505,788,000
Net current assets (liabilities) [abstract]		
Current assets	4,218,745,000	3,627,123,000
Current liabilities	1,093,284,000	1,129,055,000
Net current assets (liabilities)	3,125,461,000	2,498,068,000

[800200] Notes - Analysis of income and expense

Concept	Accumulated Current Year 2024-01-01 - 2024-09-30	Accumulated Previous Year 2023-01-01 - 2023-09-30	Quarter Current Year 2024-07-01 - 2024-09-30	Quarter Previous Year 2023-07-01 - 2023-09-30
Analysis of income and expense [abstract]				
Revenue [abstract]				
Revenue from rendering of services	0	0	0	0
Revenue from sale of goods	4,763,143,000	4,457,654,000	1,732,223,000	1,507,686,000
Interest income	0	0	0	0
Royalty income	0	0	0	0
Dividend income	0	0	0	0
Rental income	0	0	0	0
Revenue from construction contracts	0	0	0	0
Other revenue	0	0	0	0
Total revenue	4,763,143,000	4,457,654,000	1,732,223,000	1,507,686,000
Finance income [abstract]				
Interest income	49,460,000	56,369,000	18,638,000	19,537,000
Net gain on foreign exchange	0	0	0	726,000
Gains on change in fair value of derivatives	0	0	0	0
Gain on change in fair value of financial instruments	417,000	14,084,000	616,000	4,239,000
Other finance income	7,150,000	3,554,000	1,773,000	1,459,000
Total finance income	57,027,000	74,007,000	21,027,000	25,961,000
Finance costs [abstract]				
Interest expense	116,808,000	135,930,000	38,916,000	48,277,000
Net loss on foreign exchange	12,244,000	12,557,000	1,881,000	0
Losses on change in fair value of derivatives	0	0	0	0
Loss on change in fair value of financial instruments	0	0	0	0
Other finance cost	42,784,000	53,112,000	12,804,000	15,723,000
Total finance costs	171,836,000	201,599,000	53,601,000	64,000,000
Tax income (expense)				
Current tax	165,773,000	177,192,000	63,036,000	80,681,000
Deferred tax	240,403,000	(409,807,000)	188,051,000	(228,493,000)
Total tax income (expense)	406,176,000	(232,615,000)	251,087,000	(147,812,000)

[800500] Notes - List of notes

Disclosure of notes and other explanatory information [text block]

Industrias Peñoles, S.A.B. de C.V. is a company incorporated under the Mexican Corporations Act and the Mexican Securities Trading Act as a publicly traded variable capital corporation listed in Bolsa Mexicana de Valores, S.A.B. de C.V. (the Mexican Stock Exchange). Grupo Peñoles is the ultimate holding company. Its corporate offices are located in Mexico City at Calzada Legaria No. 549, Colonia 10 de Abril.

Industrias Peñoles, S.A.B. de C.V. and its subsidiaries (collectively, “Grupo Peñoles” or “the Company”) are principally engaged in the exploration, extraction and sale of mineral concentrates and ore, as well as in the production and sale of nonferrous metals.

Grupo Peñoles is required to obtain government concessions for the exploration and exploitation of mineral deposits. Under the current legal and regulatory regime in Mexico, concessions for mining operations, development projects and exploration prospects may be cancelled by the Mexican government under certain circumstances, including where minimum expenditure levels are not achieved by Grupo Peñoles, if fees related to exploitation activities are not paid to the Mexican government or if environmental, health and safety standards are not observed.

Mining concessions grant rights upon all the minerals and substances, but do not grant rights upon the surface where the mines are located. In accordance with the new Mining Law that came into effect on May 9, 2023, the duration of mining concessions for exploitation was reduced from 50 to 30 years and will be granted as long as certain requirements are met and can be extended for an additional 25 years. In total, new concessions granted after the implementation of the new law will be for a maximum of 55 years.

The consolidated financial statements of Grupo Peñoles and all its subsidiaries were prepared in accordance with the International Financial Reporting Standards (hereinafter “IFRS”) issued by the International Accounting Standards Board (hereinafter “IASB”) in English).

Disclosure of accounting judgements and estimates [text block]

The preparation of Grupo Peñoles consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, and contingent liabilities at the date of the consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accordingly, actual results could differ from these estimates.

Judgments

i) Rights over assets at Soledad and Dipolos mine

In 2009, five members of the El Bajío agricultural community in the state of Sonora, who claimed rights over certain land areas near the operations of Minera Penmont (“Penmont”), filed a legal lawsuit with the Agrarian Unification Court (Tribunal Unitario Agrario) of Hermosillo, Sonora, to have Penmont vacate an area of this surface land. The land in dispute covered a portion of the surface where part of the Soledad & Dipolos mine operations are located. The litigation led to a final court order, which Penmont

complied with by vacating 1,824 hectares of land, resulting in the suspension of Soledad & Dipolos operations. Although the claim and final court order did not affect the Group's legal title over the mining concession or the mineral currently located in the leaching yards near the mine site, access to the land at the mine site is required for the exploitation of the concession in Soledad & Dipolos.

Penmont is the legal and registered owner of the land where the leaching yards are located but has not yet been able to physically access these yards due to opposition from certain local individuals. This land was purchased by Penmont from the Federal Government of Mexico in accordance with legal procedures. Grupo Peñoles has a reasonable expectation that Penmont will eventually regain access to the Soledad & Dipolos assets and process the mineral content in the Soledad & Dipolos leaching yards. This expectation considers different scenarios, including but not limited to the different legal processes that Minera Penmont has filed to regain access to the land, and other processes filed by members of the El Bajío agricultural community seeking cancellation of Penmont's title over this matter, whose file is pending final resolution. Therefore, Grupo Peñoles continues to recognise properties, plant and equipment, and inventories related to Soledad & Dipolos. Since it is not yet known with certainty when access can be granted for processing of the inventory, this inventory is classified as a non-current asset.

Regarding inventory, during the first half of the year, the Company identified certain suspicions of illegal extraction of gold content from its Soledad-Dipolos leaching platforms. The Company estimates a loss of approximately 20,000 ounces of gold content and therefore recognised a write-off of \$21,861 regarding the gold content of Soledad-Dipolos in inventory, which has been presented as other expenses in the statement of profit or loss. The Company has taken necessary actions with the support of various authorities to stop illegal extraction. As a result of the authorities' visit to the mine site, it was confirmed that there were no personnel carrying out any mining activity in Soledad & Dipolos. Therefore, the Company currently does not expect any further loss of this inventory.

The write-off of the inventory considered both the estimated recoverable quantity of gold existing on the leaching platform and the potential volume of solution being irrigated in the area believed to have been leached to date. However, the nature of the estimate means that actual results may differ from these estimates.

Additionally, the claimants from the El Bajío community also filed claims against occupation agreements they entered into with Penmont, which covered land plots different from the surface where Soledad & Dipolos are located. Penmont has not had significant mining operations or specific geological interests on the affected plots and, therefore, these lands are not considered strategic for Penmont. The Agrarian Tribunal has issued rulings declaring these occupation agreements on these land plots null and void, and that Penmont must remediate such lands to the state in which they were before Penmont's occupation, as well as return any mineral extracted from this area. The case relating to the claims on these land plots is still subject to a final conclusion, as appeals progress as expected. However, since Penmont has not conducted significant mining operations or had specific geological interests on these land plots, Grupo Peñoles does not see any related contingencies as significant for these land plots. There are no material assets recognized in relation to these parcels of land as of September 30, 2024.

ii) Proyecto Juanicipio

Commercial production refers to the point at which a mining operation is ready for use and capable of operating in the way intended by management. This typically means that the operation can produce the expected outcome at steady and sustainable levels. The determination of when a mine reaches commercial production can be complex and critical. Grupo Peñoles considered a range of factors in making this judgment, including the completion of substantially all construction development activities in accordance with the design, a ramp-up period which achieved an average throughput of 70% of the nominal grinding capacity, grades in line with the mine plan, and recoveries consistent with the design.

Grupo Peñoles evaluated the mine and plant's start of production separately. Grupo Peñoles had determined that the Juanicipio mine came into operation from January 1, 2022. After connecting the plant to the national power grid, Grupo Peñoles concluded that the Juanicipio plant achieved commercial production on June 1, 2023, following a successful start-up period of the plant and facilities. Once commercial production was reached, Grupo Peñoles began to depreciate all the plant assets and recognized the corresponding charge as a production cost.

iii) Subsidiaries with non-controlling interests

For subsidiaries with non-controlling interests, Grupo Peñoles assesses different aspects of the investee to determine whether Grupo Peñoles has control over the investee and the power to direct its relevant activities, thus giving it the right to variable returns from its involvement with the investee.

iv) Climate Change

Grupo Peñoles set out its assessment of climate risks and opportunities. Grupo Peñoles recognizes that there may be potential financial statement implications in the future in respect of the mitigation and adaptation measures to the physical and transition risks. The potential effect of climate change would be in respect of assets and liabilities that are measured based on an estimate of future cash flows. Grupo Peñoles specifically considers the effect of climate change on the valuation of property, plant and equipment, deferred tax assets, and the provision for mine closure cost. Grupo Peñoles does not have assets or liabilities for which measurement is directly linked to climate change performance (for example: Sustainability-linked Bonds).

The main ways in which climate has affected the preparation of financial statements are:

Grupo Peñoles has already made certain climate-related strategic decisions, such as to focus on decarbonization and to increase wind energy. Where decisions have been approved by the Board of Directors, the effects were considered in the preparation of these financial statements by way of inclusion in future cash flow projections underpinning the estimation of the recoverable amount of property, plant and equipment and deferred tax assets, as relevant.

Grupo Peñoles strategy consists of mitigation and adaptation measures. To mitigate the impacts by and on climate change, Grupo Peñoles relies on renewable electricity, fuel replacement, and efficiency opportunities to reduce its carbon footprint. The approach to adaptation measures is based on climate models to produce actionable information for the design, construction, operation and closure of its mining assets, considering climate change. Future changes in Grupo Peñoles climate change strategy or signs of global decarbonization signposts may impact significant judgments and key estimates of Grupo Peñoles and result in material changes to financial results and the carrying values of certain assets and liabilities in future reporting periods. However, as of the balance sheet date, Grupo Peñoles believes that there is no material impact on the values of assets and liabilities shown in the financial statements. Although this is an estimate, it is not considered a critical estimate.

A summary of the main estimates used is presented below:

a) Mineral reserves and resources

Grupo Peñoles applies judgments and makes estimates to calculate its mineral reserves and resources. These judgments and estimates are formulated using recognized mining industry methodologies and standards and the respective calculations are performed by qualified internal personnel and take into account Grupo Peñoles past experience in similar matters. The reports supporting these estimates are prepared periodically. Grupo Peñoles reviews these estimates periodically with the support of recognized independent experts to obtain certification of its mineral reserves.

There are a number of uncertainties inherent to estimating mineral reserves. Assumptions considered valid at the time the estimate is made may change significantly when new information becomes available. Changes in metal prices, exchange rates, production costs, metallurgical recovery provisions and discount rates could alter the value of a given mineral reserve and result in the need to restate such value.

Mineral reserves are used to determine production units for purposes of calculating the depreciation of certain mining properties, as well as to calculate the decommissioning provision and to analyze the impairment of mining units.

b) Estimation of recoverable mineral in leaching platforms

In the Group's open-pit mines, certain extracted mineral is placed in leaching pads where a solution is applied to the surface of the heap to dissolve the gold and enable extraction. The determination of the quantity of recoverable gold requires an estimate, taking into account the amounts of mineral placed on the pads, the grade of the mineral (based on assay data) and the estimated recovery percentage (based on metallurgical studies and current technology).

The mineral grades placed on the pads are periodically compared with the amounts of metal recovered through the leaching process to assess the suitability of the estimated recovery (metallurgical balance). The Group monitors the results of the metallurgical balance process, and recovery estimates are adjusted based on actual results over time and when new information

is available.

The Group monitors metallurgical balances to confirm the grade and recovery of the ore in inventories. Based on new technical information and reconsideration of actual recovery rates and updated leaching targets, the Group updated its estimate of the gold content in leaching platforms, increasing it by 30.7 thousand ounces of gold as of January 1, 2023.

This change in estimate was prospectively incorporated into inventory from January 1, 2023. The increase in the number of ounces reduced the weighted average cost of inventory. If the estimate had not changed, production cost during 2023 would have been \$30,900 higher, with a compensatory impact on the balance of inventory as of December 31, 2023.

c) Deferred Income Tax Assets

The recognition of deferred tax assets, including those that arise from unused tax losses, requires management to assess the probability that the Group will generate taxable profits in future periods, in order to be able to utilize the recognized deferred tax assets. Estimates of future taxable income are based on the forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the Group's ability to realize the net deferred tax assets recorded at the balance sheet date could be affected.

d) Impairment

The carrying value of non-financial long-lived assets are tested for impairment when there are situations or changes in circumstances that indicate that the carrying value of a given asset is not recoverable. Whenever there are indicators of impairment, the carrying value of the asset is assessed to determine if it exceeds the recoverable amount, which is the higher of the cash generating unit's fair value less costs of disposal and the value in use of the asset, and if the asset is therefore impaired. For this impairment evaluation, assets are grouped into CGU and their recoverable amount is calculated as the present value of the future cash flows expected to be produced by the assets. When the recoverable amount of an asset or the cash generating unit to which it belongs is less than its net carrying amount, the difference is recognized as an impairment loss.

Grupo Peñoles allocates its mining units and metallurgical plants to CGU comprised of the different mining units, and metallurgical plant and estimates the projection periods for the cash flows. Subsequent changes in CGU allocations or changes in the assumptions used to estimate cash flows or the discount rate could affect the recoverable amounts and therefore the reported carrying amounts of the respective assets.

e) Property, plant and equipment

Depreciation of property, plant and equipment, except for certain mining properties, is determined based on the useful lives of the assets. Useful lives are determined based on technical studies performed by specialized internal personnel with the assistance of independent specialists. Grupo Peñoles useful lives are reviewed at least annually, and such analyses consider the current condition of the assets and the estimate of the period during which they will generate economic benefits for Grupo Peñoles. Changes in these estimated useful lives could prospectively alter depreciation amounts and the carrying amounts of property, plant and equipment.

f) Provision for asset decommissioning and rehabilitation

Los costos estimados de cierre de las unidades mineras derivados de las obligaciones legales e implícitas The estimated costs of closure of mining units derived from the legal and implied obligations required to restore operating locations are recognized at their present value in the period in which they are incurred. Estimated rehabilitation costs include the costs of decommissioning and removing structures, rehabilitating mines and tailings dams and decommissioning the processing plant and operating facilities, as well as the costs incurred for rehabilitation, reclamation, and re-vegetation of affected areas. Provisions for asset decommissioning and rehabilitation are recognized at present value at the time the obligation becomes known and provision amounts are calculated based on management's understanding of the related legal requirements and Grupo Peñoles corporate social responsibility policies.

Environmental costs are also estimated by Grupo Peñoles own internal specialists with the support of studies performed by independent experts. Generally speaking, management applies its judgment and experience to estimate decommissioning and rehabilitation costs over the life of each mine.

The costs incurred in future periods may be different from the amounts provided for. Also, the book value of the provision could eventually be affected by future changes in the applicable legislation and regulatory requirements, as well as changes to the estimated useful lives of Grupo Peñoles mines or the discount rates.

The assumptions used in calculating the provisions for the mining unit decommissioning and rehabilitation costs are regularly reviewed based on internationally recognized standards, which require mine closure processes to be carried out. The discount rate is also adjusted to reflect the obligations for ecological restoration at their present value, based on current market interest rates.

g) Retirement benefits

Assumptions are used to calculate Grupo Peñoles employee long term retirement benefits. Assumptions, as well as the estimates they give rise to, are determined together with independent actuaries. The assumptions cover demographical hypothesis, discount rates, expected salary increases, estimated working lives, and expected inflation rate, among other areas.

h) Mining project development

Grupo Peñoles evaluates the status of its various mine development projects, which covers exploration to locate new mineral deposits, and the development and construction of new mining units through the startup of commercial exploitation of the mines. Grupo Peñoles makes judgments and prepares estimates to determine when a project has completed the mineral exploration phase and entered the development phase, and when it has finally reached the production and exploitation phase.

The criteria and estimates used in this evaluation include the determination of a large enough mineral reserve to support the financial viability of a mining project, which represents the completion of the exploration phase and the beginning of the development stage, as well as the level of additional capital investment needed for the project, the amount of the investment already made in the project and the completion of the mine and processing plant testing periods, among other areas. Determining the completion of the different phases of a project has a significant impact on how development costs are accounted for, since during the exploration phase, these costs and expenses are recognized directly in the consolidated statement of profit or loss, during the development stage they are capitalized, and once the production phase is authorized, development costs and expenses are no longer capitalized.

i) Contingencies

Given their nature, contingencies are only resolved when one or more future events or uncertain facts not entirely under Grupo Peñoles control either occur or do not occur. The evaluation of the existence of contingencies requires significant judgment and the use of estimates regarding the outcome of future events. Grupo Peñoles evaluates the probability of losing its on-going litigations based on the estimates of its legal advisors and these evaluations are reassessed periodically.

j) Leases

Grupo Peñoles as lessee, determines the term as the non-cancellable term of the lease, together with any period covered by an option to extend it if it is reasonably certain that it will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that it will be exercised. that will not be exercised.

Grupo Peñoles has some lease contracts, which include the option to extend them for additional terms. Grupo Peñoles applies judgment when evaluating whether or not it is reasonably safe to exercise the option to renew, to do so it considers all the relevant factors that create an economic incentive for it to exercise the renewal. After the start date, the lease term is re-evaluated if there is a significant event or change in circumstances that is within your control and affects your ability to exercise (or not exercise) the option to renew or terminate. The renewal period was included as part of the lease term for certain real estate and machinery contracts, mainly.

When Grupo Peñoles cannot easily determine the interest rate implicit in the leases, it uses the incremental financing rate to value the lease liabilities. The incremental financing rate is the interest rate that Grupo Peñoles would have to pay to obtain, with a similar term and guarantees, the funds necessary to purchase an asset of similar value to the right-of-use asset in a similar economic environment on the date from the beginning of the lease. Therefore, the incremental financing rate reflects what Peñoles “would have to pay,” requiring an estimate when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when rates must be adjusted to reflect the terms and conditions of the lease (for example,

when leases are not denominated in the functional currency of a subsidiary). Grupo Peñoles estimates the incremental financing rate using observable variables (such as market interest rates) when available, and must make certain entity-specific estimates (such as the independent credit rating of a subsidiary).

The lease liability is measured at the present value of outstanding lease payments. Lease payments are discounted using the interest rate implicit in the lease, if that rate can be easily determined. If that rate cannot be easily determined, the lessee's incremental borrowing rate is used. The liability is then measured using the effective interest rate method, increased to reflect interest on the lease liability, and discounted with payments incurred. Like the right-of-use asset, the liability is remeasured when there are lease modifications or reassessments. As of September 30, 2024 and December 31, 2023, the weighted average incremental borrowing interest rate applied to lease liabilities was 6.07% and 6.09%, respectively.

Disclosure of associates [text block]

Equity Investments in Associates

Company Name	Main activity	Share No.	% of ownership	Total Amount	
				Acquisition cost	Current value
Aerovics, S.A. de C.V.	Air taxi	26,983,329,966	63.36	-	73,612
Línea Coahuila-Durango, S.A. de C.V.	Rail line operator	27,281,040	50.00	-	(26)
Administración de Riesgos Bal, S.A. de C.V.	Risk manager	36,000	35.00	-	655
Total Investments in Associates					74,241

Disclosure of authorisation of financial statements [text block]

The consolidated financial statements and their notes were authorized by the Managing Director, Finance Director, Director of Administrative Services, and Legal Director on October 22th, 2024, in accordance with their respective roles for issuance and subsequent approval by the Board of Directors. Shareholders of Grupo Peñoles have the authority to approve or modify the consolidated financial statements.

Disclosure of basis of consolidation [text block]

The consolidated financial statements include the financial statements of Industrias Peñoles, S.A.B. de C.V. and its subsidiaries, prepared for the same reporting period as that of the parent company, applying uniform accounting policies.

The consolidated financial statements include all assets, liabilities, revenues, expenses, and cash flows, after eliminating intercompany balances and transactions. When shareholding in a subsidiary is less than 100% and thus there is non-controlling interest in the net assets of the consolidated subsidiaries, it is identified in a separate line item in equity as non-controlling interest.

All intercompany balances and transactions, intra-group unrealized gains and losses, and dividends have been eliminated on consolidation.

Gains and losses on transactions with associates are eliminated in the consolidated financial statements based on the equity interest held in each investee.

Disclosure of basis of preparation of financial statements [text block]

The condensed consolidated financial statements are presented and classified in accordance with the formats required for this purpose by the Mexican Stock Exchange in its electronic system for sending and disseminating information where Grupo Peñoles reports its quarterly financial information, shown in US dollars as the functional currency and all values have been rounded to thousands, except where otherwise noted.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard No. 34 “Intermediate Financial Information” (hereinafter the specific standards are referred to as “IAS” or “IFRS” for its acronym in English). The condensed consolidated financial statements do not include all the information required for a complete set of annual consolidated financial statements and for their proper reading and interpretation, they must be made together with the annual consolidated financial statements as of December 31, 2023 and for the year ended on this date that were published on March 5, 2024 in the quarterly report as of December 31, 2023.

It is estimated that there is no significant impact on the interim financial statements presented, due to seasonality of the operations carried out by Grupo Peñoles.

The consolidated financial statements are presented in US dollars and values have been rounded to the nearest thousand dollars, except where otherwise indicated.

The consolidated financial statements presented cover the following periods and dates:

- Statements of financial position as of September 30, 2024 and 2023.
- Statements of profit or loss for the nine-month periods ended September 30, 2024 and September 30, 2023.
- Statements of other comprehensive income for the nine-month periods ended September 30, 2024 and September 30, 2023.
- Statements of changes in equity for the nine-month periods ended September 30, 2024 and September 30, 2023.

- Statements of cash flows for the nine-month periods ended September 30, 2024 and September 30, 2023.

The consolidated financial statements were prepared on a historical cost basis, except for the following items which are valued at their fair value as of the reporting date of the consolidated statement of financial position:

- Derivative financial instruments.
- Financial assets in equity instruments.
- Certain inventories which are valued at their fair value.

Disclosure of borrowings [text block]

Financial Debt

As of September 30, 2024 and December 31, 2023, short-term direct loans were contracted for:

	September 2024	December 2023
Bank loans denominated in pesos (1)	\$ -	\$ 125,930
Bank loan (3)	265,000	100,000
Current maturity of long-term liability	9,550	9,598
Total current debt denominated in U.S. dollars	<u>\$ 274,550</u>	<u>\$ 235,528</u>

- (1) As of September 30, 2024, direct loans maturing on October 31, 2024 at an average rate of de 5.53%.

The loans correspond to a provision of uncommitted lines of credit that are available as of June 30, 2024. Likewise, there are amounts available in the short term for Industrias Peñoles, S.A.B. of C.V. with Mexican and foreign banks for \$659,500.

During January 2024, the subsidiary Fresnillo Plc contracted a revolving credit line ("the Facility") with several national financial institutions with a term from January 2024 to January 2029. The maximum amount available under the Facility is \$350,000. The Line of Credit is unsecured and has an interest rate on amounts withdrawn from SOFR plus an interest margin of 1.15%. The Fund considers some financial covenants related to leverage and interest coverage ratios. The Line has not yet been disposed.

As of September 30, 2024 and December 31, 2023, the connection of the interest payable on short and long-term debt is shown below:

September

December

	<u>2024</u>	<u>2023</u>
Opening balance on January 1	\$ 39,613	\$ 41,371
Interest accrued during the year	111,877	172,117
Interest capitalized in properties, plant and equipment	278	4,133
Payment of short and long-term interest	(125,409)	(178,008)
	<u>\$ 26,359</u>	<u>\$ 39,613</u>

At the same dates, long-term debt consisted of the following dollar-denominated loans payable:

	<u>September 2024</u>	<u>December 2023</u>
Unsecured bonds issued by IPSAB (2)	\$ 1,175,239	\$ 1,173,846
Unsecured bonds issued by IPSAB (3)	500,407	500,735
Unsecured bonds issued by Fresnillo plc (4)	829,803	829,506
Bilateral with ECA guarantee (5)	19,220	28,768
Total	2,524,669	2,532,855
Less:		
Current maturity	9,550	9,598
Total non-current debt	<u>\$ 2,515,119</u>	<u>\$ 2,523,257</u>

As of September 30, 2024 and December 31, 2023, the connection of short and long-term debt excluding interest is shown below:

	<u>September 2024</u>	<u>December 2023</u>
Opening balance on January 1	\$ 2,758,785	\$ 2,908,018
Debt obtained	3,235,061	2,769,670
Debt payment	(3,197,433)	(2,943,627)
Amortization of transaction costs	1,532	2,408
Exchange rate result	(8,276)	22,316
Ending balance	<u>\$ 2,798,669</u>	<u>\$ 2,758,785</u>

The maturities of long-term debt, from 2026 onwards, are as follows:

	<u>Amount</u>
2026	\$ 9,669
2027	-

2028	-
2029	650,488
2030-2050	1,854,962
	\$ 2,515,119

- (2) Unsecured debt bonds issued by Industrias Peñoles S.A.B. de C.V. for a total of \$1,100,000 placed in the international market under the 144A/Reg. S format on September 5, 2019. The issuance was made in two equal parts of \$550,000 each with terms of 10 and 30 years, with principal payment at maturity and interest payable semi-annually at a fixed rate of 4.15% and 5.65% respectively plus taxes. The proceeds from this transaction were used to prepay the issues of Stock Certificates for a total of \$600,000 due in 2020 (\$400,000) and 2022 (\$200,000) and the rest for corporate purposes. Standard & Poor's Global Ratings (S&P) and Fitch Ratings, Inc. assigned the notes "BBB" ratings. Additionally, on July 30, 2020, the original issue with a maturity in 2029 was reopened to which \$100,000 was added at the same fixed rate of 4.15% and a placement yield at maturity of 3.375%. The use of the funds included pre-payment of the syndicated credit with Bank of America, N.A. (Administrative Agent) and Scotiabank Inverlat S.A., payment of short-term debt and for general corporate purposes.
- (3) Unsecured debt bonds issued by Industrias Peñoles S.A.B. de C.V., for an amount of \$500,000, debt placed in the international market under the 144A/Reg. S format on July 30, 2020, with a term of 30 years, principal payment at maturity, semiannual interest at a fixed rate of 4.75% plus taxes and no endorsements. The use of the funds included pre-payment of the syndicated credit with Bank of America, N.A. (Administrative Agent) and Scotiabank Inverlat S.A., payment of short-term debt and for general corporate purposes. Transaction costs amounted to \$3,627.
- (4) On September 29, 2020, with settlement on October 2, Fresnillo plc issued Unsecured Debt Bonds for \$850,000; debt placed in the international market under the 144A/Reg S format, with a term of 30 years, principal payment at maturity, semi-annual interest at a fixed rate of 4.25% plus taxes and no endorsements. The use of the funds includes the payment for the partial repurchase of the current debt mentioned in point (2) and for general corporate purposes. Standard & Poor's and Moody's Investors Service assigned the notes ratings of BBB and Baa2, respectively. Transaction costs amounted to \$3,844.
- (5) On June 22, 2017, Industrias Peñoles S.A.B. de C.V. signed a credit agreement with Crédit Agricole Corporate and Investment Bank based on the purchases of equipment that its subsidiary Metalúrgica Met-Mex Peñoles S.A. de C.V. has made to the supplier Outotec Oy (Finland) for the projects of expansion of its zinc plant and Silver Recovery II. The debt is 95% guaranteed by Finnvera as Export Credit Agency (ECA) of the country of origin of the supplier under the protection of goods and services eligible under the agreement, as well as local costs.

The drawdown amounted to a notional of \$82,590 and the settlement is made through 17 semiannual repayments from September 28, 2018 to September 30, 2026. Applicable rate of 6-month LIBOR plus 0.94% on outstanding balances (without considering the ECA's commission for its guarantee). The floating component of the interest rate has been fixed through an interest rate swap.

In relation to the benchmark rate of this credit, on October 23, 2020 the International Swaps and Derivatives Association (ISDA), published in its 2006 ISDA definitions, the revised definition of LIBOR, as well as a modification to the definition of the other IBOR rates, and a new Protocol was issued. During 2022, Grupo Peñoles adhered to the ISDA IBOR "Fallback" protocol.

On June 29, 2023, an amendment to the credit agreement was signed for changing the benchmark interest rate from LIBOR to compounded SOFR. The change will apply from September 29, 2023.

- Credit actions by Rating Agencies.

As of the end of September 2024 and 2023, the rating of IPSAB de CV's unsecured senior notes by S&P is "BBB" with a

Negative outlook on a Global scale, and "BBB" with a Stable outlook on a Global scale by Fitch Ratings.

Similarly, as of the end of September 2024 and 2023, the rating of Fresnillo plc's unsecured senior notes by S&P is "BBB" with a Negative outlook on a Global scale, and "Baa2" with a Stable outlook on a Global scale by Moody's Investors Services.

- Obligations to do and not to do financial debt.

The Group's financial debt is subject to certain obligations to do and not to do, all of which have been fully complied with as of September 30, 2024.

Disclosure of cash and cash equivalents [text block]

Cash and Cash Equivalents

An analysis of cash and cash equivalents is as follows:

	September 2024	December 2023
Cash in hand and in banks	\$ 60,567	\$ 90,247
Liquid investments (1)	1,441,374	949,975
	<u>\$ 1,501,941</u>	<u>\$ 1,040,222</u>

(1) Liquid investments bear interest at market rates and have maturities of less than 30 days

Disclosure of commitments [text block]

Commitments

Electric power supply

As part of its strategy to ensure the electricity supply for its operations at competitive costs, Grupo Peñoles has the following commitments related to the purchase of electricity.

a) Termoeléctrica Peñoles

A contract was signed to purchase, through its subsidiaries, the electrical energy production of a plant with a production capacity

of 230 mega-watts, valid until 2027.

In addition to the supply contract, an agreement was signed to create a business activities trust for the operation and maintenance of an electricity generating plant under the self-supply permit granted to Termoeléctrica Peñoles, S. de R. L. de C.V. (TEP). This Trust was terminated early in 2023 and its rights and obligations were directly lodged in the bylaws of TEP and a shareholders agreement. To guarantee the commitments to purchase electricity, the project's owners/operators were granted a sell option ("Put option") so that, in the event of non-compliance by its subsidiaries, they can demand that Grupo Peñoles purchase the shares that make up the share capital of TEP at a price equivalent to the present value of the remaining scheduled payments that its subsidiaries are obligated to pay according to the contract. In April 2024, the Legacy Interconnection Contract signed with the CFE ends, which will be replaced by an Open Access and Not Unduly Discriminatory Interconnection Contract, so TEP will stop operating under the rules of the Public Service Law of Electric Power and from May 2024 will start operating under the regulatory framework of the Electric Industry Law. Under this scheme, Peñoles subsidiaries through the Qualified Services Supplier will acquire the net energy production and 230 MW-year of Power. The estimated cost for electricity consumption for 2024 for the 980.6 million kWh and 230 MW-year of Power is \$112,665.

b) Eólica de Coahuila

An electricity supply contract was signed on April 25, 2014, under self-supply regime with Eólica de Coahuila, S.A. de C.V. (EDC), for a term of 25 years. The subsidiaries of Peñoles adhering to this contract will acquire all the net energy production that EDC generates within the contracted term, at an estimated average of 700 million kWh per year, payable monthly at a fixed price determinable per each kWh that EDC delivers to the Federal Electricity Commission at the interconnection point stipulated in the contract. Commercial operation began in April 2017. Simultaneously with this contract, a purchase and sale option agreement ("Put option") was signed for the transfer of EDC's social shares in certain circumstances of non-compliance. The approximate cost for electricity consumption for 2024, estimated at 793.4 million kWh, is \$61,885.

c) Eólica Mesa La Paz

On January 25, 2018, Grupo Peñoles entered into an electricity hedging contract under the regime of the Electricity Industry Law with Eólica Mesa La Paz, S. de R.L. de C.V. (MLP), for a term of 25 years. Peñoles subsidiaries, through the Qualified Services Supplier, will acquire during the first 7 years 67.8% of MLP's net energy production, which is estimated at an average of 782.3 million kWh per year. From year 8 until the end of the contract, they will acquire 100% of MLP's net energy production, estimated at an average of 1,170.0 million kWh per year, payable monthly at a fixed price per each kWh that MLP delivers to the National Electric System at the interconnection point established in the contract. Commercial operation began on April 1, 2020. As part of the contract, a purchase and sale option agreement ("Put option") was stipulated for the transfer of MLP's social shares under certain circumstances of non-compliance. The approximate cost for electricity consumption for 2024, estimated at 835.1 million kWh, is \$38,113.4.

Disclosure of contingent liabilities [text block]

Contingencies

As of September 30, 2024 and December 31, 2023 Grupo Peñoles had the following contingencies:

Tax

- a) Grupo Peñoles is subject to various laws and regulations which, if not observed, could give rise to penalties. Grupo Peñoles' income tax is open to review by the tax authorities (Tax Administration Service) for a period of five years following the

filing of the annual corporate income tax return, and during this period the tax authorities have the right determine additional taxes owed by Grupo Peñoles, including penalties and surcharges. Under certain circumstances, these reviews may cover longer periods. As such, there is the risk that transactions, especially those with related parties, that have not been questioned in the past by the tax authorities, could be challenged by the authorities in the future.

Grupo Peñoles has initiated various audits related to compliance with its fiscal obligations in terms of income tax, special right on mining and worker participation in profits by the Tax Administration Service (SAT) and the information has been presented and documentation that has been requested.

Industrias Peñoles S.A.B de C.V. (IPSAB), and its subsidiary Comercializadora de Metales Fresnillo, S.A. of C.V. (CMF) received resolutions from the SAT where the tax authority determines tax credits upon concluding that the operation called "Silverstream" for the fiscal year of 2016 does not correspond to a derivative financial operation and therefore the tax effects should not be considered deductible. Due to the above, IPSAB initiated an appeal for substantive revocation, through which said resolution will be challenged and CMF filed an appeal for substantive revocation challenging the resolution issued by the SAT.

Likewise, both IPSAB and CMF had tax audit processes of the same Silverstream operation for the year 2017, in this sense IPSAB and CMF received observations letter in which the authority reiterated the conclusions of 2016 and issued observations, in this regard both companies files with the Taxpayer Defense Attorney's Office (PRODECON) requests to adopt a conclusive agreement procedure with the SAT.

In June 2024, Metalúrgica Met Mex Peñoles was notified of a letter of observations in which certain deductions applied to determine the Income Tax for the 2017 fiscal year were questioned. In April 2024, the company filed with PRODECON the request to adopt a conclusive agreement procedure with the SAT.

- b) In 2011, a flood occurred at the Saucito mine, after which the Group submitted a claim to the insurance company for the damages caused (and for the interruption of the business). This claim was rejected by the insurance provider. In early 2018, after the matter was taken to mutually agreed arbitration, the insurance claim was deemed valid; however, there is disagreement over the appropriate amount to be paid. In October 2018, the Group received \$13,600 in relation to the insurance claim; however, this does not constitute a final settlement and the management continues to seek a higher insurance payout. Due to the fact that negotiations are ongoing and there is uncertainty about the timing and the amount involved to reach a final settlement with the insurer, it is currently not feasible to determine the total amount expected to be recovered.

Labor

On August 30, 2024, the National Union of Mining, Metallurgical, Steel and Similar Workers of the Mexican Republic, holder of the Collective Labor Contract of the business unit of the subsidiary Minera Tizapa, S.A. de C.V., called it on strike arguing violations of the collective bargaining contract, including the distribution of workers' participation in profits (PTU) for an amount higher than that established in the applicable legislation, initiating an indefinite stoppage of mining operations.

The Company reiterates that it has fully complied with the obligations derived from the collective bargaining agreement, as well as the obligations provided for in the Federal Labor Law that regulates, among others, the payment of the PTU, and has adhered to the corresponding legal and administrative procedures to give solution to this conflict.

Disclosure of cost of sales [text block]

Cost of Sales

The cost of sales is composed as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Personnel expenses	\$ 364,435	\$ 117,368	\$ 347,215	\$ 120,397
Energy	363,239	108,300	397,009	134,446
Operating materials	335,006	108,484	359,543	123,107
Maintenance and repairs	377,743	116,186	388,504	140,571
Depreciation and amortization	596,347	216,199	495,453	171,976
Amortization of right-of-use assets	3,993	1,326	3,857	1,306
Transfer of by-products	(87,388)	(28,444)	(104,219)	(34,229)
Contractors	363,409	110,887	399,087	137,393
Leases of low-value assets	60,835	16,273	66,880	24,309
Other	187,209	56,474	203,500	69,284
Inventory adjustments	(6,726)	53,200	(19,999)	11,191
Cost of sale of extraction and treatment	2,558,102	876,253	2,536,830	899,751
Cost of metals sold	1,104,232	332,550	1,315,473	479,873
	<u>\$ 3,662,334</u>	<u>\$ 1,208,803</u>	<u>\$ 3,852,303</u>	<u>\$ 1,379,624</u>

Disclosure of deferred taxes [text block]

The income taxes charged to the income statement for the nine-month periods ended September 30, 2024 and 2023, are composed as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Current income tax	\$ 117,307	\$ 38,226	\$ 155,802	\$ 69,609
Deferred income tax	240,403	188,051	(409,807)	(228,493)
Special tax for	48,466	24,810	21,390	11,072

mining
companies

Income taxes
recognized in
the
consolidated
statement of
profit or loss

<u>\$</u>	<u>406,176</u>	<u>\$</u>	<u>251,087</u>	<u>\$</u>	<u>(232,615)</u>	<u>\$</u>	<u>(147,812)</u>
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Disclosure of deposits from banks [text block]

The disclosure of this note is mentioned in the disclosure note on cash and cash equivalents.

Disclosure of deposits from customers [text block]

The disclosure of this note is mentioned in the note information to be disclosed about customers and other accounts receivable.

Disclosure of earnings per share [text block]

(Loss) Earnings Per Share

(Loss) earnings per share is calculated by dividing the net profit for the year attributable to the holders of the ordinary shares representing the capital of Grupo Peñoles, by the weighted average of ordinary shares in circulation for the period.

The basic and diluted (loss) earnings per share are the same since Grupo Peñoles does not have ordinary shares with potential dilutive effects.

For the nine-month periods ended September 30, 2024 and 2023, the (loss) earnings per share were calculated as follows:

September
2024

September
2023

	Accumulated	Quarter	Accumulated	Quarter
Net (Loss) profit (in thousands of U.S. dollars):				
Attributable to the shareholders of Grupo Peñoles	\$ (22,124)	\$ 40,065	\$ 41,316	\$ 15,631
Shares (in thousands of shares):				
Weighted average of ordinary shares in circulation	397,476	397,476	397,476	397,476
(Loss) Earnings per share:				
Basic and diluted (loss) earnings per share				
(Expressed in U.S. dollars)	\$ (0.06)	\$ 0.10	\$ 0.10	\$ 0.04

Disclosure of employee benefits [text block]

Employee Benefits

Employee benefits

The current obligations for employee benefits are detailed as follows:

	September 2024	December 2023
Salaries and other employment benefits payable	\$ 1,247	\$ 17,178
Paid annual leave and vacation premium payable	13,888	16,739
Social security dues and other provisions	36,609	21,787
	<u>\$ 51,744</u>	<u>\$ 55,704</u>

Disclosure of entity's operating segments [text block]

Segment

The segment information for the nine-month period ended September 30, 2024 is shown below:

	Precious Metal Mines	Base Metals Mines	Metallurgical	Others	Eliminations and Reclassifications	Total
Third-Party Sales	\$ 11,309	\$ 405,100	\$ 4,169,122	\$ 177,364	\$ 248	\$ 4,763,143
Intra-group Sales	2,401,891	523,295	12,852	294,763	(3,232,801)	-
Total Sales	2,413,200	928,395	4,181,974	472,127	(3,232,553)	4,763,143
Cost of Sales	1,677,674	733,942	4,067,344	130,707	(2,947,333)	3,662,334
Gross Profit	735,526	194,453	114,630	341,420	(285,220)	1,100,809
Administrative Expenses	80,905	56,747	53,756	192,161	(149,235)	234,334
Exploration Expenses	121,449	34,804	-	1,470	(3,465)	154,258
Selling Expenses	31,569	41,918	33,900	25,691	(84)	132,994
Other expenses/(income), net	(16,586)	6,576	(10,422)	(9,421)	(1,286)	(31,139)
	217,337	140,045	77,234	209,901	(154,070)	490,447
Operating profit/(loss)	\$ 518,189	\$ 54,408	\$ 37,396	\$ 131,519	\$ (131,150)	\$ 610,362
Finance income	-	-	-	-	-	(57,027)
Finance costs	-	-	-	-	-	159,592
Foreign exchange gain, net	-	-	-	-	-	12,244
Share of profit of associates	-	-	-	-	-	(5,479)
Profit before income tax	-	-	-	-	-	501,032
Income tax	-	-	-	-	-	406,176
Consolidated net profit	-	-	-	-	-	\$ 94,856

The segment information for the nine-month period ended September 30, 2023 is shown below:

	Precious Metal Mines	Base Metals Mines	Metallurgical	Others	Eliminations and Reclassifications	Total
Third-Party Sales	\$ 634	\$ 374,896	\$ 3,889,651	\$ 189,542	\$ 2,931	\$ 4,457,654
Intra-group Sales	1,997,727	482,720	25,750	211,241	(2,717,438)	-
Total Sales	1,998,361	857,616	3,915,401	400,783	(2,714,507)	4,457,654
Cost of Sales	1,612,624	736,299	3,951,256	140,017	(2,587,893)	3,852,303
Gross Profit	385,737	121,317	(35,855)	260,766	(126,614)	605,351
Administrative Expenses	82,914	71,728	65,923	164,258	(140,939)	243,884
Exploration Expenses	147,418	41,808	59	1,631	(9,429)	181,487
Selling Expenses	26,695	43,844	26,387	28,598	(1,178)	124,346
Other expenses/(income), net	37,351	11,488	15,667	(14,331)	(3,070)	47,105
	294,378	168,868	108,036	180,156	(154,616)	596,822
Operating profit/(loss)	\$ 91,359	\$ (47,551)	\$ (143,891)	\$ 80,610	\$ 28,002	\$ 8,529
Finance income	-	-	-	-	-	(74,007)
Finance costs	-	-	-	-	-	189,042
Share of profit of associates	-	-	-	-	-	(117)
Foreign exchange gain, net	-	-	-	-	-	12,557
Loss before income tax	-	-	-	-	-	(118,946)
Income tax	-	-	-	-	-	(232,615)
Consolidated net profit	-	-	-	-	-	\$ 113,669

Disclosure of fair value of financial instruments [text block]

Hedging financial derivatives

Grupo Peñoles contracts with various institutions financial derivative instruments to reduce its level of exposure to the risk of adverse movements in the prices of the variables to which it is exposed. This risk consists of fluctuations in the prices of metals that are produced or processed, energy inputs that are consumed, and exchange rates at which its financial and commercial transactions are agreed upon.

To minimize counterparty risk, contracts are made only with intermediaries of recognized reputation and financial capacity, so it does not foresee that any of the counterparties will fail to meet their obligations and therefore Grupo Peñoles must create reserves associated with this risk.

The fair value of the cash flow hedging financial instruments, net of the deferred income tax recognized in stockholders' equity, is as follows:

	September 2024	December 2023
Fair value of financial instruments	\$ (10,231)	\$ (5,825)
Ineffectiveness and effect of the time value of options excluded from hedges	129	46
Deferred Income Tax	3,030	1,734
Net fair value of deferred income tax directly recognized in equity	<u>\$ (7,072)</u>	<u>\$ (4,045)</u>

The movement of hedging valuation (losses) for the years ending September 30, 2024 and 2023 is shown below:

	September 2024	December 2023
Opening balance as of January 1st	\$ (4,045)	\$ 5,297
(Loss) Income reclassified to the period's results	78,206	85,483
Deferred income tax	(23,462)	(25,645)
Changes in fair value in hedging instruments	(82,529)	(98,829)
Deferred income tax	<u>24,758</u>	<u>29,649</u>
Unrealized loss net of deferred income tax	<u>\$ (7,072)</u>	<u>\$ (4,045)</u>

Disclosure of finance income (cost) [text block]

Finance Income

An analysis of finance income is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Interest income on cash equivalents and other investments	\$ 49,460	\$ 18,638	\$ 56,369	\$ 19,537
Interest income from trade receivables	199	35	2,884	789
Finance income on tax refund	6,849	1,636	670	670
Other	519	718	14,084	4,239
	<u>\$ 57,027</u>	<u>\$ 21,027</u>	<u>\$ 74,007</u>	<u>\$ 25,235</u>

Finance Costs

An analysis of finance costs is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Interest arising on financial debt	\$ 116,808	\$ 38,916	\$ 135,930	\$ 48,277
Discount of liability provisions	25,152	7,549	32,052	11,001
Net interest on defined benefit obligation	3,497	1,134	4,019	1,597
Finance cost on lease liabilities	5,653	1,857	5,678	1,832
Other	8,482	2,263	11,363	1,293
	<u>\$ 159,592</u>	<u>\$ 51,719</u>	<u>\$ 189,042</u>	<u>\$ 64,000</u>

Disclosure of financial instruments [text block]

The disclosure of this note is mentioned in the disclosure note on the fair value of financial instruments.

Disclosure of financial instruments at fair value through profit or loss [text block]

The disclosure of this note is mentioned in the disclosure note on the fair value of financial instruments

Disclosure of financial instruments held for trading [text block]

The disclosure of this note is mentioned in the disclosure note on the fair value of financial instruments.

Disclosure of financial liabilities held for trading [text block]

The disclosure of this note is mentioned in the disclosure note on the fair value of financial instruments.

Disclosure of general and administrative expense [text block]

Administrative Expenses

An analysis of administrative expenses is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Personnel expenses	\$ 100,326	\$ 34,026	\$ 103,225	\$ 33,375

Ticker: PE&OLES Quarter: 3 Year: 2024

Fees	71,776	25,884	75,336	27,257
Travel expenses	11,353	2,903	11,106	4,348
Information technology expenses	11,225	1,972	11,332	3,388
Amortization of right-of-use assets	6,575	2,162	7,088	2,295
Leases of low-value assets	12,560	3,856	13,198	3,957
Fees, associations and other	20,519	5,565	22,598	5,696
Total administrative expenses	<u>\$ 234,334</u>	<u>\$ 76,368</u>	<u>\$ 243,883</u>	<u>\$ 80,316</u>

Exploration Expenses

An analysis of exploration expenses is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Personnel expenses	\$ 16,191	\$ 5,127	\$ 17,893	\$ 6,244
Contractors	86,345	31,741	108,312	36,414
Taxes and duties	30,104	9,565	30,465	10,259
Operating materials	657	252	924	314
Amortization of right-of-use assets	520	154	648	217
Leases of low-value assets	1,817	605	4,979	1,718
Fees, assays and other	18,624	7,797	18,267	6,381
Total exploration expenses	<u>\$ 154,258</u>	<u>\$ 55,241</u>	<u>\$ 181,488</u>	<u>\$ 61,547</u>

Selling Expenses

An analysis of selling expenses is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Freight and transfers	\$ 90,151	\$ 29,899	\$ 80,438	\$ 29,610
Royalties	7,563	2,436	7,550	2,594
Handling	3,020	845	2,663	1,014
Extraordinary	12,154	4,658	10,355	3,236

mining tax				
Amortization of right-of-use assets	845	282	674	112
Other expenses	19,261	3,868	22,666	6,756
Total selling expenses	\$ 132,994	\$ 41,988	\$ 124,346	\$ 43,322

Personnel Expenses

An analysis of personnel expenses is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Salaries and other employee benefits	\$ 285,740	\$ 90,301	\$ 276,992	\$ 92,266
Employee benefits at retirement	3,394	1,213	19,735	4,959
Social security contributions	90,433	30,329	85,223	31,811
Social welfare and other benefits	101,385	34,678	86,383	30,980
Total personnel expenses	\$ 480,952	\$ 156,521	\$ 468,333	\$ 160,016

Disclosure of income tax [text block]

Income Tax and Special Tax for Mining Companies

Tax environment

Income tax

The Mexican Income Tax Law (MITL) stipulates a 30% corporate income tax rate.

Fiscal consolidation

Industrias Peñoles, S.A.B. de C.V. and its subsidiaries determined the ISR on a consolidated basis until 2013 in accordance with the tax legislation in force in this year. As of January 1, 2014, with the Tax Reform, both IPSAB and its controlled subsidiaries pay the ISR on individual bases.

In accordance with the provisions of the new LISR in force as of 2014, the groups that were fiscally consolidated as of December 31, 2013, must deconsolidate and pay the ISR and/or Asset Tax (IA) that they might have deferred and that is pending payment by each entity on individual bases. Therefore, IPSAB, as the controlling company, pays the ISR that was deferred due to fiscal consolidation, in a similar manner to the payment of the ISR deferred by fiscal consolidation in accordance with the changes introduced to the fiscal consolidation regime of 2010.

The 2014 Tax Reform establishes two deadlines for the payment of previously deferred taxes from the effects of deconsolidation; the first is five years, so that 25% must be paid no later than May 31, 2014, while the remaining 75% will be divided into four parts (25%, 20%, 15% and 15%), to be covered, subject to an update in the following four exercises; and the second is up to ten years applying the provisions in force until 2013.

Special Mining Right

The Special Mining Right (SMR) is considered an income tax payable by holders of mining concessions and assignments, consisting of the application of a rate of 7.5% to the positive difference resulting from reducing their accrued income by the deductions established in the LISR, excluding deductions for investments, interests, and annual inflation adjustment. This SMR can be credited against the ISR of the same fiscal year and must be paid within the first three months following the corresponding fiscal year.

Disclosure of interest expense [text block]

The disclosure of this note is mentioned in the disclosure note on financial income (expenses).

Disclosure of interest income [text block]

The disclosure of this note is mentioned in the disclosure note on financial income (expenses).

Disclosure of inventories [text block]

Inventories

An analysis of this caption is as follows:

	September 2024	December 2023
Inventories stated at cost:		
Refined metals and ore concentrates	\$ 1,646,904	\$ 1,387,709
Raw materials and chemical products in process	35,968	21,196
Operating materials	274,800	299,145
	<u>1,957,672</u>	<u>1,708,050</u>
Inventories measured at fair value:		
Refined metals	130,178	160,163
Inventories,	<u>2,087,850</u>	<u>1,868,213</u>
Less: Non-current portion	<u>69,760</u>	<u>69,760</u>
Inventories, current portion	<u>\$ 2,018,090</u>	<u>\$ 1,798,453</u>

Disclosure of investments accounted for using equity method [text block]

Equity Investments in Associates

The movement in investments for the periods ended September 30, 2024 and December 31, 2023 is analyzed as follows:

	September 2024	December 2023
Starting balance in associates	\$ 81,215	\$ 72,181
Share in the result of associates	5,479	(1,767)
Conversion adjustment	(12,453)	10,801
Ending balance in associates	<u>\$ 74,241</u>	<u>\$ 81,215</u>

Disclosure of issued capital [text block]

Equity and other comprehensive loss items

Share capital

The share capital as of September 30, 2024, and December 31, 2023, is represented by ordinary, registered shares without an expression of nominal value and is made up of class one shares representing the minimum fixed capital and class two shares,

representing the variable part, as follows:

	Shares		Amount	
	2024	2023	2024	2023
Authorized and subscribed share capital	413,264,747	413,264,747	\$ 403,736	\$ 403,736
Repurchased shares	15,789,000	15,789,000	2,337	2,337
Nominal share capital in circulation	397,475,747	397,475,747	\$ 401,399	\$ 401,399

As of September 30, 2024, the nominal share capital is made up of a minimum fixed capital without the right to withdrawal of \$401,399 (equivalent to Ps. 2,191,210) and a variable capital that may not exceed ten times the amount of the fixed capital.

Disclosure of joint ventures [text block]

The disclosure of this note is mentioned in the disclosure note on business combinations.

Disclosure of non-current assets or disposal groups classified as held for sale [text block]

Assets Held for Sale

In December 2022, Grupo Peñoles received a binding offer for the sale of property, plant and equipment related to the Madero unit. In February 24, 2023 the master contract for assets was signed for an amount of \$47,000 subject to certain conditions; among them that the Federal Economic Competition Commission (COFECE) issues a favorable written approval of the transaction's formalization; the related assets and liabilities are recognized separately as part of the assets and liabilities held for sale caption. The carrying amount of these assets and liabilities add up to \$21,362 and \$35,609, respectively.

As of December 31, 2022, the Madero unit assets were classified as a disposal group held for sale within the base metal mines segment and represented 1.05% of the total assets recognized in the segment and 0.01% of the total revenue recognized in the

segment. The revenue and expense of this unit were \$710 and \$6,790 respectively, due to the non-significant amount such items are not presented separately in the statement of comprehensive income.

As of September 30, 2024, the sale has not materialized because the potential buyer continues in the financing process. The Company continues to actively manage the sale of this unit, so it has maintained the classification of the related assets and liabilities as held for sale.

An analysis of the principal class of assets and liabilities of the Madero unit classified as held for sale as of September 30, 2024 and December 31, 2023, is as follows:

	<u>2024</u>	<u>2023</u>
ASSETS		
Property, plant, and equipment	<u>\$ 21,362</u>	<u>\$ 21,362</u>
LIABILITIES		
Provisions	<u>\$ 39,506</u>	<u>\$ 39,287</u>

Disclosure of other current assets [text block]

Other financial assets

It is analyzed as follows:

	<u>September 2024</u>	<u>December 2023</u>
Short-term hedging derivative financial instruments	<u>\$ 39,155</u>	<u>\$ 31,833</u>
Less: Non-current maturity	<u>(99)</u>	<u>(486)</u>
Total other financial assets	<u>\$ 39,056</u>	<u>\$ 31,347</u>

Disclosure of other non-current assets [text block]

Other non-current financial assets

It is integrated as follows:

	September 2024	December 2023
Investments in stocks listed on the Canadian Stock Exchange (1), (2), (3):		
Cost (1)	\$ 66,812	\$ 65,045
Increases in fair value	92,769	48,732
Subtotal	159,581	113,777
Investments in shares listed on the American stock exchange:		
Cost	180	180
Increases in fair value	648	668
Subtotal	828	848
Total	\$ 160,409	\$ 114,625

(1) As of September 30, 2024, the main investments correspond to 9,746,193 shares of Mag Silver, Corp. for an amount of \$137,107, 2,800,000 shares of Endeavor, Inc. for an amount of \$11,053 and 1,500,000 shares of Osisko Mining Inc. for an amount of \$5,400.

(2) As of December 31, 2023, the main investments correspond to 9,746,193 shares of Mag Silver, Corp. for an amount of \$101,420, 2,800,000 shares of Endeavor, Inc. for an amount of \$5,494 and 1,500,000 shares of Osisko Mining Inc. for an amount of \$2,015.

(3) The investments mentioned in the previous point are listed on the Canadian stock exchange. The share prices as of September 30, 2024 and December 31, 2023 amount to \$19.03, \$5.34, \$4.87 dollars per share, and \$13.79, \$2.60, \$2.67 dollars per share, respectively.

Disclosure of other operating income (expense) [text block]

Other (Income) Expenses

An analysis of other (income)/expenses is as follows:

	September 2024		September 2023	
	Acumulado	Trimestre	Acumulado	Trimestre
Rental income	\$ -	\$ (503)	\$ -	\$ -
Income from royalties	-	-	(56)	-
Gain on sale of property, plant and equipment	(1,758)	(628)	-	-
Income from sale of other products and	(53,600)	(23,376)	(6,697)	-

services				
Gain on sale of concentrates	-	(365)	-	(117)
Other income	<u>\$ (55,358)</u>	<u>\$ (24,872)</u>	<u>\$ (6,753)</u>	<u>\$ (117)</u>

- (1) During July 2024, the Group carried out a contract to assign the rights and obligations of certain mining concessions to Coeur Mexicana, S.A. de C.V. subsidiary of Coeur Mining Inc. The transaction amount is for a total of \$25,000. The effectiveness of the contract establishes the approval of certain government authorizations to complete the transfer of rights over the concessions. To date the Company has obtained the corresponding authorizations and has recognized the income in the income statement.

An analysis of other expenses is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Rental expenses	386	-	936	42
Donations	4,599	1,576	3,791	2,615
Rehabilitation expenses for closed mining units	10,172	2,661	14,796	4,927
Losses from accidents	984	3,235	5,692	871
Loss on sale of fixed asset	-	-	1,547	672
Loss on sale of material and waste	577	509	338	-
Loss on sales of concentrates	-	-	3	40
Loss on sale of other products and services	-	-	-	2,695
Inventory write-off	-	-	21,861	-
Other	7,501	-	4,894	1,042
Other expenses	<u>\$ 24,219</u>	<u>\$ 7,981</u>	<u>\$ 53,858</u>	<u>\$ 12,904</u>

Disclosure of property, plant and equipment [text block]

During the nine-month periods ended September 30, 2024 and 2023, Grupo Peñoles made investments in its properties, plants and equipment for \$283,351 and \$404,552 respectively.

In December 2022, Grupo Peñoles received a binding offer for the sale of movable and immovable assets of the Madero mining unit. Due to the above, the assets of this unit that were completely impaired, part of their impairment was reversed in an amount of \$21,362, said value, represents the lower of the book amount or its fair value. This amount is shown as an asset held for sale.

Depreciation as of September 30, 2024 and 2023 amounted to \$596,347 and \$495,453, respectively.

Commitments

As of September 30, 2024 and December 31, 2023, various agreements have been signed for the purchase of machinery and equipment, as well as for the completion of adjustments to mining and metallurgical projects. The amount of the commitments for each of these dates is \$133,304 y \$122,576, respectively.

Disclosure of related party [text block]

Related parties

The balances receivable and payable to non-consolidated related entities are analyzed as follows:

	September 2024	December 2023
<i>Accounts receivable from:</i>		
Sales:		
Dowa Mining Co. Ltd. (3)	\$ 4,091	\$ 2,219
Grupo Palacio de Hierro, S.A.B. de C.V. (1)	796	1,053
Grupo Nacional Provincial, S.A.B. de C.V. (1)	8,286	11,053
Others	32	29
Total	<u>\$ 13,205</u>	<u>\$ 14,354</u>
<i>Accounts payable from:</i>		
Short-term accounts:		
Termoeléctrica Peñoles, S. de R.L. de C.V. (4)	\$ 8,884	\$ 15,392
Altos Hornos de México, S.A.B. de C.V.	8	44
Línea Coahuila-Durango, S.A.B. de C.V. (2)	1,938	2,528
Others	16	379
	<u>10,846</u>	<u>18,343</u>
Loans:		
Minera los Lagartos, S.A. de C.V. (3)	<u>29,293</u>	<u>72,634</u>
Total	<u>\$ 40,139</u>	<u>\$ 90,977</u>
Long-term loans:		
Minera los Lagartos, S.A. de C.V. (3)	<u>\$ -</u>	<u>\$ 22,726</u>

As of September 30, 2024 and December 31, 2023, the connection of the loans and interests with Minera Los Lagartos, S.A. of C.V. shown below:

2024

2023

Ticker: PE&OLES Quarter: 3 Year: 2024

Opening balance as of January 1	\$	95,360	\$	104,963
Loans obtained		-		22,726
Loan amortization	(65,235	(32,965
Interest accrued in the year		4,653		8,150
VAT on interest payable		-		125
Interest payment	(4,692	(7,639
Others	(793		-
Ending balance	\$	29,293	\$	95,360

In the periods ended September 30, 2024, and 2023, various business transactions were conducted with related entities, as indicated below:

- Grupo Peñoles, through its subsidiary Minera Tizapa, made sales of lead, zinc, and gravimetric concentrate and copper, setting sale prices according to international market references and the payable metal content.
- Grupo Peñoles, through a subsidiary, has several energy supply contracts with its related parties under the self-supply scheme.
- Grupo Peñoles has concluded contracts for the supply of electricity with its related parties under the self-supply scheme and the wholesale electricity market.
- Transaction corresponding to insurance paid to Grupo Nacional Provincial, S.A.B. de C.V.
- Business consulting and corporate administration services.

	September 2024	September 2023
<i>Income (a):</i>		
Sales of concentrates and refined metal:		
Dowa Mining Co. Ltd. (3)	\$ 48,946	\$ 39,728
Sumitomo Corporation (3)	114,458	75,534
	<u>163,404</u>	<u>115,262</u>
Interests:		
Inmobiliaria Industrial La Barra, S.A. (4)	-	1,329
Electrical energy (b):		
Grupo Palacio de Hierro, S.A.B. de C.V. (1)	7,384	8,028
Grupo Nacional Provincial, S.A.B. de C.V. (1)	653	587
Instituto Tecnológico Autónomo de México (1)	193	174
	<u>8,230</u>	<u>8,789</u>
Others:		
Línea Coahuila Durango, S.A de C.V. (2)	257	56
Petrobal, S.A.P.I. de C.V. (1)	370	430
Petrobal Upstream Delta 1, S.A. de C.V. (1)	296	332
	<u>923</u>	<u>818</u>
	<u>\$ 172,557</u>	<u>\$ 126,198</u>
<i>Expenses:</i>		
Electrical energy (c):		
Termoeléctrica Peñoles, S. de R.L. de C.V. (4)	\$ 73,746	\$ 139,159
Eólica de Coahuila S. de R.L. de C.V. (4)	24,755	43,254
Eólica Mesa la Paz S. de R.L. de C.V. (4)	48,263	28,290
	<u>146,764</u>	<u>210,703</u>
Administrative fees (e):		
Servicios Corporativos Bal, S.A. de C.V. (1)	36,083	33,239

Insurance and finance (d):		
Grupo Nacional Provincial, S.A.B. de C.V. (1)	37,039	34,494
Others	259	444
	<u>37,298</u>	<u>34,938</u>
Air transport:		
Aerovics, S.A. de C.V. (2)	7,962	5,994
	<u>7,962</u>	<u>5,994</u>
Royalties:		
Dowa Mining Co. Ltd (3)	4,130	7,846
Dowa Holdings Co. Ltd (3)	1,320	1,344
Sumitomo Corporation (3)	1,184	2,828
	<u>6,634</u>	<u>12,018</u>
Rents:		
MGI Fusión, S.A. de C.V. (2)	3,437	3,194
	<u>3,437</u>	<u>3,194</u>
Others	10,259	8,677
	<u>10,259</u>	<u>8,677</u>
	<u>\$ 248,437</u>	<u>\$ 308,763</u>

- (1) Affiliated entities under the control exercised by Grupo Bal, a private and diversified organization, composed of independent Mexican companies, among which are Grupo Palacio de Hierro, S.A.B. de C.V., Grupo Nacional Provincial, S.A.B. de C.V., Valores Mexicanos Casa de Bolsa, S.A. de C.V. and Petrobal, S.A.P.I. de C.V.
- (2) Associates
- (3) Non-controlling shareholders
- (4) Other related parties

Disclosure of reserves within equity [text block]

Equity and other comprehensive loss items

Legal Reserve

The net profit for the year is subject to the legal requirement that 5% of it must be allocated to increase the legal reserve until the amount of the reserve is equal to 20% of the share capital in pesos. To date, this percentage has been fully covered. This reserve cannot be distributed, except as dividends in shares.

Other comprehensive loss items

Valuation effect of hedges

This balance includes the effective portion of gains or losses from the valuation of financial instruments designated as cash flow hedges, net of deferred ISR. When the transaction being hedged occurs, the gain or loss is transferred from equity to the statement of profit or loss.

Valuation effect of financial assets in capital instruments (VRORI)

This corresponds to changes in the fair value of capital instruments, net of deferred ISR. The corresponding gains and losses on these financial assets will never be reclassified to consolidated income. Dividends are recognized as other income in the consolidated statement of profit or loss when the right to payment has been established, except when the dividend clearly represents a recovery of part of the investment cost. Under this classification, capital instruments are not subject to impairment testing.

Accumulated conversion effect

The balance includes the conversion effect of the financial statements to the reporting currency (dollar) of certain subsidiaries and associates whose functional currency is the Mexican peso.

Accumulated effect of employee benefits revaluation

It is composed of the actuarial gains and losses resulting from the adjustment to the liabilities for retirement personnel benefits due to changes in the actuarial assumptions used for their determination.

Disclosure of revenue [text block]

Sales

An analysis of sales by geographical area is as follows:

	September 2024		September 2023	
	Accumulated	Quarter	Accumulated	Quarter
Domestic sales	\$ 1,104,420	\$ 395,110	\$ 956,044	\$ 306,088
United States of America	1,720,565	582,407	1,819,859	560,834
Europe	875,548	337,751	739,661	283,521
Canadá	514,196	184,185	505,318	153,701
Asia	511,848	217,204	414,825	193,638
South America	32,373	13,674	18,787	9,062
Other	4,193	1,892	3,160	842
	<u>\$ 4,763,143</u>	<u>\$ 1,732,223</u>	<u>\$ 4,457,654</u>	<u>\$ 1,507,686</u>

Sales by products are shown in the annex [800005]

Disclosure of subsidiaries [text block]

Consolidation*Significant subsidiaries*

The significant subsidiaries are as follows:

Subsidiaries with total participation

Subsidiary	Country	Currency (1) Functiona	% Equity interest	
			September 2024	December 2023
Minas Peñoles, S.A. de C.V.	Mexico	USD	100	100
Química Magna, S.A. de C.V.	Mexico	USD	100	100
Metalúrgica Met-Mex Peñoles, S.A. de C.V.	Mexico	USD	100	100
Química del Rey, S.A. de C.V.	Mexico	USD	100	100
Minera Ciprés, S.A. de C.V.	Mexico	USD	100	100
Compañía Minera Sabinas, S.A. de C.V.	Mexico	USD	100	100
Minera Capela, S.A. de C.V.	Mexico	USD	100	100
Arrendadora Mapimi, S.A. de C.V.	Mexico	USD	100	100
Servicios Administrativos Peñoles, S.A. de C.V.	Mexico	Peso	100	100
Servicios Especializados Peñoles, S.A. de C.V.	Mexico	Peso	100	100
Bal Holdings, Inc.	USA (2)	USD	100	100
Fuerza Eólica del Istmo, S.A. de C.V.	Mexico	USD	100	100

(1) “USD” refers to the U.S. dollar; “Peso” refers to the Mexican peso.

(2) United States of America.

Subsidiaries with non-controlling interests

Subsidiary	Country	Primary activity
Fresnillo plc	England	Holding company whose subsidiaries are primarily engaged in the extraction and processing of mineral concentrates containing mostly silver and gold in Mexico. The subsidiary was incorporated under the laws of the United Kingdom and is publicly traded on the London Stock Exchange. This company is a 75%-owned subsidiary of Grupo Peñoles, with the remaining 25% non-controlling interest publicly traded
Minera Tizapa, S.A. de C.V.	Mexico	Primarily engaged in the extraction and processing of mineral concentrates and zinc and silver. This company is a 51%-owned subsidiary of Grupo Peñoles, with non-controlling interests held by Dowa Mining and Sumitomo Corporation of 49%.

Disclosure of significant accounting policies [text block]

A summary of the accounting policies used in the preparation of the financial statements is found below. These policies have been applied consistently in all of the periods presented in the accompanying consolidated financial statements.

Disclosure of trade and other receivables [text block]

Trade and Other Accounts Receivable

An analysis of this caption is as follows:

	September 2024	December 2023
Trade Receivables	\$ 166,869	\$ 158,315
Other accounts receivable	23,686	22,891
Less:		
Expected credit losses for trade receivables	(1,876)	(1,979)
Expected credit losses for other accounts receivable	(1,092)	(1,277)
Total trade and other accounts receivable	187,587	177,950
Related parties	13,205	14,354
Recoverable value added tax	273,235	392,390
Advances to suppliers	11,596	10,976
Account receivable related to layback agreement	15,610	1,729
	501,233	597,399
Less: Non-current maturity		
Other accounts receivable to contractors	14,654	773
Recoverable value added tax	-	42,755
Long-term accounts receivable and other receivables	14,654	43,528
Total trade and other current accounts receivable, net	\$ 486,579	\$ 553,871

[800600] Notes - List of accounting policies

Disclosure of significant accounting policies [text block]

A summary of the accounting policies used in the preparation of the financial statements is found below. These policies have been applied consistently in all of the periods presented in the accompanying consolidated financial statements.

Description of accounting policy for borrowing costs [text block]

Borrowing costs

Borrowing costs directly related to the acquisition, construction, or production of qualifying assets, which are assets requiring a substantial period, usually twelve months or more, to get them ready for use, are added to the cost of the assets throughout their construction phase and until such time as operation and/or exploitation of the asset begins. The interest obtained on temporary investments of borrowed funds that have yet to be used for the construction of the corresponding qualifying assets are deducted from the costs of capitalized loans.

Description of accounting policy for borrowings [text block]

Financial liabilities at amortized cost are measured using the effective interest rate method (EIR) by taking into consideration any transaction costs and recognizing the interest expense on the basis of the effective interest rate. Non-interest-bearing trade and other short-term payables are stated at nominal value since this value does not significantly differ from their fair value.

Description of accounting policy for business combinations and goodwill [text block]

The accounting for business acquisitions is performed using the purchase method, which requires the acquired assets and assumed liabilities to be recognized at their fair value at the date of purchase; the results of the acquired businesses are recognized in the consolidated financial statements from the effective date of acquisition. The results of the businesses sold during the year are included in the consolidated financial statements up to the effective disposal date, and the gain or loss for their disposal is

recognized in the statement of profit or loss, as the difference between the revenues obtained from the sales, net of related expenses, and the net assets attributable to the equity interest of the business that has been sold.

Description of accounting policy for cash flows [text block]

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position include cash in hand, cash in banks and highly liquid investments with maturities of less than three months, which are easily convertible into cash, have a low exposure to risk of changes in their value and the cash amount to be received can be reliably known. Short-term deposits bear interest at market rates.

For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of the cash and cash equivalents defined above, net of bank overdrafts pending collection.

Description of accounting policy for decommissioning, restoration and rehabilitation provisions [text block]

Provision for decommissioning and rehabilitation

Grupo Peñoles records the present value of estimated costs of legal and constructive obligations required to rehabilitate mining units in the period in which the obligation is incurred. Estimated rehabilitation costs include the costs of decommissioning and removing structures, rehabilitating mines and tailings dams and decommissioning the processing plant and operating facilities, as well as the cost incurred for rehabilitation, reclamation, and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets, provided they give rise to a future economic benefit. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect the time value of money and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of profit or loss as a finance cost.

Changes to estimated future costs are recognized in the consolidated statement of financial position by either increasing or decreasing the decommissioning liability and asset to which it relates. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of profit or loss.

Decommissioning and rehabilitation assets are depreciated over the estimated production period of the mining unit where they are located. Depreciation is recognized in the consolidated statement of profit or loss as part of the Cost of sales caption.

Description of accounting policy for deferred acquisition costs arising from insurance contracts [text block]

Prepaid expenses

Prepaid expenses are recognized at the time the expense is paid and based on the actually paid amount. Prepaid expenses are either capitalized or recognized in profit or loss as an expense, depending on whether there is certainty that the acquired goods or services will generate future economic benefits.

Description of accounting policy for deferred income tax [text block]

Deferred income tax is computed using the balance method, based on temporary differences between carrying amounts for financial reporting and tax basis values of assets and liabilities at the reporting date.

The tax rates and tax laws used to calculate deferred income tax are those that are enacted or substantively enacted at the reporting date.

Description of accounting policy for depreciation expense [text block]

Depreciation and depletion are calculated on the asset's acquisition cost, less the residual value of the property, plant and equipment throughout their useful lives or the waiting period in which the benefits of their use will be received.

Description of accounting policy for derecognition of financial instruments [text block]

If the hedging instrument matures or is sold, terminated or exercised without being replaced or if its designation as a hedge is revoked, the cumulative gain or loss recognized directly in equity as of the effective date of the hedge remains in equity and is recognized when the forecasted transaction occurs. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss recognized in equity is immediately carried to profit or loss.

Description of accounting policy for derivative financial instruments [text block]

Hedging derivatives

Grupo Peñoles uses hedging derivatives to reduce certain market risks related to changes in metal prices, energy costs, exchange rates, interest rates, and the value of its financial assets and liabilities.

Grupo Peñoles transactions with derivatives are limited in volume and confined to risk management activities. Grupo Peñoles senior management takes an active part in the analysis and monitoring of the design, performance and impact of Grupo Peñoles hedging strategies and transactions with derivatives. Hedges are also designed to protect the value of expected mining-metallurgical-chemical production against the dynamic market conditions.

All derivative financial instruments are recognized as financial assets and liabilities and stated at fair value.

Description of accounting policy for derivative financial instruments and hedging [text block]

Cash flow hedges

For derivatives that are designated and qualify as cash flow hedges (forwards and swaps), the gain or loss from the effective portion of changes in fair value is recorded as a separate component in equity and is carried to the consolidated statement of profit or loss at the settlement date, as part of either the sales, cost of sales or finance income and cost caption. The ineffective portion of changes in the fair value of cash flow hedges is recognized in the consolidated statement of profit or loss as part of finance costs.

Description of accounting policy for dividends [text block]

Dividends

Dividends payable to the shareholders of Grupo Peñoles are recognized as a liability at the time they are declared and authorized, or when the shareholders delegate the authorization of the amount of a dividend to another body. Dividends payable to the holders of

non-controlling interests are recognized as a liability when they are declared by the shareholders or partners of the subsidiaries with shareholders or partners with non-controlling interests.

Description of accounting policy for earnings per share [text block]

Earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders of Grupo Peñoles by the weighted average number of ordinary shares outstanding during the year.

Description of accounting policy for employee benefits [text block]

Employee benefits

Short-term employee benefits

Liabilities for employee benefits are recognized in the consolidated statement of profit or loss on an accrual basis considering the wages and salaries that Grupo Peñoles expects to pay at the date of the consolidated statement of financial position, including the related taxes that will be payable by Grupo Peñoles. Paid absences and vacation premiums are expensed as the benefits accrue.

Defined benefit plan

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method based on the earnings of employees and their years of service. The actuarial valuation is prepared by an independent actuarial firm at each year end. The liability is recognized at present value using a discount rate that represents the yield at the reporting date on credit-rated bonds that have maturity dates approximating the terms of Grupo Peñoles obligations and that are denominated in the same currency in which the benefits are expected to be paid.

Description of accounting policy for environment related expense [text block]

Provision for decommissioning and rehabilitation

Grupo Peñoles records the present value of estimated costs of legal and constructive obligations required to rehabilitate mining units in the period in which the obligation is incurred. Estimated rehabilitation costs include the costs of decommissioning and removing structures, rehabilitating mines and tailings dams and decommissioning the processing plant and operating facilities, as well as the cost incurred for rehabilitation, reclamation, and re-vegetation of affected areas.

The obligation generally arises when the asset is installed, or the ground/environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets, provided they give rise to a future economic benefit. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect the time value of money and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of profit or loss as a finance cost.

Changes to estimated future costs are recognized in the consolidated statement of financial position by either increasing or decreasing the decommissioning liability and asset to which it relates. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of profit or loss.

Decommissioning and rehabilitation assets are depreciated over the estimated production period of the mining unit where they are located. Depreciation is recognized in the consolidated statement of profit or loss as part of the Cost of sales caption.

Description of accounting policy for exploration and evaluation expenditures [text block]

Mine exploration and development costs and expenses

Exploration includes the search for mineral resources, the determination of the mine's technical feasibility, and the assessment of the commercial viability of identified resources.

Description of accounting policy for fair value measurement [text block]

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.
- The principal or the most advantageous market must be accessible by Grupo Peñoles.

Description of accounting policy for financial assets [text block]

Grupo Peñoles classifies its financial assets into the following categories:

- Financial assets at amortized cost
- Financial assets at fair value through Other Comprehensive Income (OCI), and
- Financial assets at fair value through profit or loss.

The classification is based on two criteria: Grupo Peñoles's business model for managing the assets and the contractual cash flows of the assets.

Description of accounting policy for financial liabilities [text block]

Initial recognition and measurement

All financial liabilities are recognized initially at fair value, and, in the case of loans and borrowings, net of directly attributable transaction costs.

Financial liabilities include accounts payable to suppliers and other accounts payable, financial debt and loans and derivative financial instruments.

Description of accounting policy for foreign currency translation [text block]

Transactions undertaken in currencies other than the entity's functional currency are translated using the exchange rate at the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated using the exchange rate at the reporting date. These translation adjustments are carried directly in the consolidated statement of profit or loss.

Description of accounting policy for functional currency [text block]

Functional currency

The functional currency of each consolidated entity is determined based on the currency of the primary economic environment in which each entity operates. Except for certain subsidiaries that are currently not operating or are service providers, the functional currency of all of the entities of Grupo Peñoles is the U.S. dollar.

Description of accounting policy for hedging [text block]

The disclosure of this note is mentioned in the accounting policy note for derivative financial instruments and hedges.

Description of accounting policy for impairment of assets [text block]

Impairment

The carrying value of non-financial long-lived assets are tested for impairment when there are situations or changes in circumstances that indicate that the carrying value of a given asset is not recoverable. Whenever there are indicators of impairment, the carrying value of the asset is assessed to determine if it exceeds the recoverable amount, which is the higher of the cash generating unit's fair value less costs of disposal and the value in use of the asset, and if the asset is therefore impaired. For this impairment evaluation, assets are grouped into CGU and their recoverable amount is calculated as the present value of the future cash flows expected to be produced by the assets. When the recoverable amount of an asset or the cash generating unit to which it belongs is less than its net carrying amount, the difference is recognized as an impairment loss.

Description of accounting policy for impairment of financial assets [text block]

Impairment of financial instruments

Grupo Peñoles recognizes an allowance for expected credit losses (ECLs) for all of its debt instruments measured at amortized cost and at fair value through OCI, except for the equity instruments irrevocably classified as equity instruments at fair value through OCI.

Lifetime ECLs are recognized according to the simplified approach permitted under IFRS 9 *Financial Instruments*. ECLs of an asset are recognized before the instrument is in default. In order to determine the credit risk, Grupo Peñoles uses the historical default rates over the expected life of its trade receivables, which are then adjusted based on forward-looking estimates taking into consideration the most relevant macroeconomic factors affecting their collectability.

For financial assets carried at amortized cost, the amount of the ECL is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

Description of accounting policy for income tax [text block]

Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is computed using the balance method, based on temporary differences between carrying amounts for financial reporting and tax basis values of assets and liabilities at the reporting date.

Description of accounting policy for intangible assets other than goodwill [text block]

Intangible assets

Intangible assets are recognized if, and only if, it is probable that the future economic benefits associated with the intangible asset will flow to Grupo Peñoles and the cost of the asset can be reliably measured.

Intangible assets with finite useful lives are valued at cost less accumulated amortization and impairment losses. Amortization is recognized based on the estimated useful life of the intangible, on a straight-line basis.

Intangible assets with finite useful lives consist of software licenses. Grupo Peñoles has no intangible assets with indefinite useful lives.

Description of accounting policy for interest income and expense [text block]

Interest income is recognized as it accrues using the effective interest rate method, which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

Description of accounting policy for investment in associates [text block]

The disclosure of this note is mentioned in the accounting policy note for investments in associates and joint ventures.

Description of accounting policy for investment in associates and joint ventures [text block]

Associates

Investments in associates are those in which Grupo Peñoles holds more than 20% of the issuer's voting shares, or over which it exercises significant influence but does not have control over the investee. Investments in associates are initially recognized at cost and later accounted for using the equity method, which consists of recognizing Grupo Peñoles' share in the changes in the issuer's equity from net profit or loss and components of other comprehensive income generated after the acquisition date. Dividends received from the associated company are subtracted from the value of the investment. The consolidated statement of profit or loss reflects Grupo Peñoles' share of the associate's net profit or loss. In addition Grupo Peñoles recognizes its share in the associate's components of other comprehensive income directly in equity under the caption corresponding to the type of other comprehensive income being recognized.

Description of accounting policy for investments in joint ventures [text block]

The disclosure of this note is mentioned in the accounting policy note for investments in associates and joint Ventures.

Description of accounting policy for leases [text block]

Leases

Grupo Peñoles (as lessee) determines the term as the non-cancellable term of the lease, together with any periods covered by an option to extend if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Grupo Peñoles has several lease contracts that include extension options. Grupo Peñoles applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew and to this end, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, Grupo Peñoles reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Grupo Peñoles included the renewal period as part of the lease term for certain plant and machinery.

Description of accounting policy for measuring inventories [text block]

Inventories are valued at the lower of cost or net realizable value.

Description of accounting policy for mining assets [text block]

Mine properties, mine development and stripping costs

Mine properties and mine development and stripping costs are recognized at cost less accumulated depletion and, when applicable, impairment losses.

Description of accounting policy for mining rights [text block]

Special tax over mining companies

Grupo Peñoles recognized deferred assets resulting from the temporary differences between the carrying amount and tax basis of its assets and liabilities related to the calculation of the special tax for mining companies, since this special tax is calculated on the basis of Grupo Peñoles earnings, in accordance with applicable tax laws.

Description of accounting policy for property, plant and equipment [text block]

Property, plant and equipment is initially measured at cost. The cost includes the purchase price and any other costs directly attributable to refurbishing and getting the asset ready for use, including provisions for decommissioning or retirement, as well as interest costs.

Description of accounting policy for provisions [text block]

Provisions are recognized when Grupo Peñoles has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Description of accounting policy for recognition of revenue [text block]

Revenue recognition

Revenue is recognized at an amount that reflects the consideration to which Grupo Peñoles expects to be entitled in exchange for transferring goods to a customer and once Grupo Peñoles has satisfied the performance obligations of its sales agreements.

Revenue from the sale of goods is recognized when the control of the related goods has been physically transferred to the buyer, which generally occurs at the time ownership of the product is physically transferred to the customer and collection of the related accounts receivable is reasonably assured. The performance obligations of Grupo Peñoles consist in the sale of products and the rendering of freight services, both are considered a single performance obligation within the context of the contract. Revenue is recognized as the performance obligation is satisfied.

The prices of refined metals are essentially determined by international prices, to which a premium is added, depending on the region where the products are sold, as well as the specific market conditions of the region in question.

Description of accounting policy for segment reporting [text block]

Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker (CODM) who is also Grupo Peñoles Chief Executive Officer. Grupo Peñoles is organized into business units based on its products.

The CODM monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. In addition, Grupo Peñoles financing and income taxes are managed at the corporate level and are not allocated to the operating segments, except for those entities that are managed separately.

Grupo Peñoles operations in the mining-metallurgical industry consist of the extraction and processing of minerals, and the smelting and refining of non-ferrous metals. The extraction and processing of minerals primarily produces lead, zinc and doré concentrates, which are treated and refined in a metallurgical complex to obtain refined metals. Grupo Peñoles metallurgical business is conducted through its subsidiary Metalúrgica Met-Mex Peñoles (Met-Mex). The metallurgical complex, known as “Met-Mex”, receives mineral concentrates and doré from related and independent mining companies to treat, process, and refine them to obtain finished products, primarily silver, gold, zinc, and lead, for their subsequent sale. Based on the business activities described above, Grupo Peñoles has divided its operations into the following operating segments:

Precious metal mines

This segment includes the mining units where silver and gold minerals are extracted and processed. Other activities related to this segment include prospecting and exploring new deposits and developing mining units for future mining operations. The equity interest in the business units of this segment is held by the subsidiary Fresnillo plc, which is a company located in the United Kingdom whose shares are traded on the London Stock Exchange in England. Practically all of the concentrates and doré produced by this segment are sent to Met-Mex metallurgical complex.

Base metal mines

This segment groups mineral exploration, extraction, and processing to obtain concentrates of zinc, lead, and copper. Zinc and lead concentrates are sent to Met-Mex for treatment and refining primarily to obtain refined zinc and lead. The copper concentrates are sold to metallurgical companies abroad that are not related parties.

Metallurgical

The metallurgical segment involves treating and refining the concentrates and dorés received from the precious metals and base metals business. The activities of this segment are performed in two main metallurgical plants: a) an electrode plant that produces zinc cathode; and b) the smelting-refining plant that primarily produces refined silver and gold (mostly presented in bars), as well as molded lead. The plants also process precious metals and base metals from non-related parties and this segment represents approximately 40% of production. The refined metals, which are mostly silver, gold, lead, and zinc, are sold in Mexico and abroad, primarily in the United States through the subsidiary Bal Holdings, as well as in Europe and South America.

Other

This segment consists primarily of the following operations: a) the production and sale of chemical products, primarily sodium sulfate, and b) entities that provide administrative and operating support activities. These operations do not meet the criterion for segment reporting under IFRS 8 *Operating Segments*.

The accounting policies used by Grupo Peñoles in reporting segments internally are the same as those contained in the notes to the consolidated financial statements.

The financial performance of the different segments is measured by the CODM using a net profit/loss approach.

Description of accounting policy for stripping costs [text block]

Decommissioning and rehabilitation

The present value of the initial estimate of the obligation to decommission and rehabilitate mining sites is included in the cost of the mining properties and any adjustments to such obligation resulting from changes in the estimated cash flows needed to cover the obligation at the end of the useful life of the mining unit are accounted for as additions to or reductions from investments in mining units in the property, plant and equipment caption.

Description of accounting policy for subsidiaries [text block]

Subsidiaries

Subsidiaries are understood as those entities over which Grupo Peñoles exercises effective control in order to govern the operating and financial policies and derive benefits from their activities, from the date it effectively gained control until the date it effectively ceded that control. The control of entities qualified as subsidiaries is evaluated based on the power it has and exercises through its shareholding of voting rights, exposure to its variable returns, and the ability to influence its returns.

Description of accounting policy for transactions with non-controlling interests [text block]

The consolidated financial statements include all assets, liabilities, revenues, expenses, and cash flows, after eliminating intercompany balances and transactions. When shareholding in a subsidiary is less than 100% and thus there is non-controlling interest in the net assets of the consolidated subsidiaries, it is identified in a separate line item in equity as non-controlling interest.

Description of accounting policy for transactions with related parties [text block]

All intercompany balances and transactions, intra-group unrealized gains and losses, and dividends have been eliminated on consolidation.

[813000] Notes - Interim financial reporting

Disclosure of interim financial reporting [text block]

The financial reporting notes for 3Q2024 are contained in reports [800500] and [800600].

Description of significant events and transactions

N/A

Dividends paid, ordinary shares:	0
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Dividends paid, other shares:	0
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Dividends paid, ordinary shares per share:	0
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Dividends paid, other shares per share:	0
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