



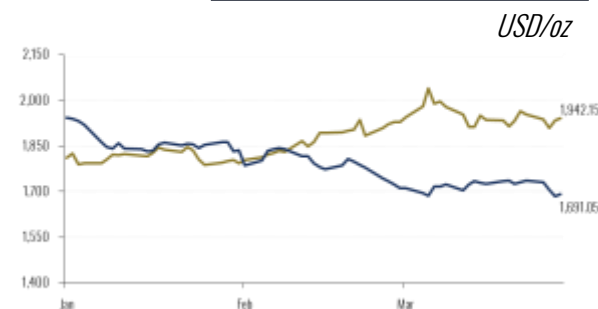
1Q'22 HIGHLIGHTS



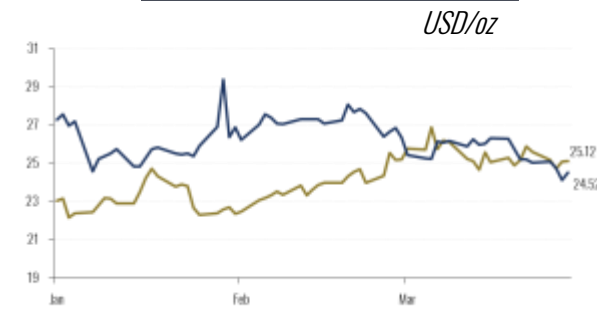
- » During the initial quarter of 2022, the Company faced several challenges that affected the pace of operations and production. Although absenteeism due to Covid-19 continued, mainly in January, contagions decreased towards the end of the quarter. In addition, **adjustments to the workforce continued** due to the adoption of the Subcontracting Labor Reform that came into effect last year. These situations caused delays in the development and preparation of some mining units.
- » We have continued to apply health protocols at all our facilities to protect the health of employees and contractors, in addition to supporting the national vaccination campaign against Covid-19 in coordination with local authorities.
- » In the macroeconomic environment, **inflationary pressures** were compounded by the conflict between Russia and Ukraine, along with U.S. and European Union sanctions against Russia, which generated uncertainty about growth, the lack of raw material and gas supplies to Europe. In this scenario, the demand for gold as a safe haven increased, with the average price for the quarter being 4.4% higher than in the same period of the previous year. Silver, on the other hand, decreased -8.2% on average. The average prices of industrial metals increased as follows: lead (+15.6%), zinc (+36.6%) and copper (+17.9%).

Notes:

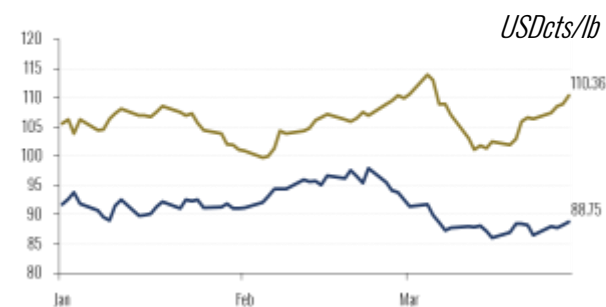
GOLD London



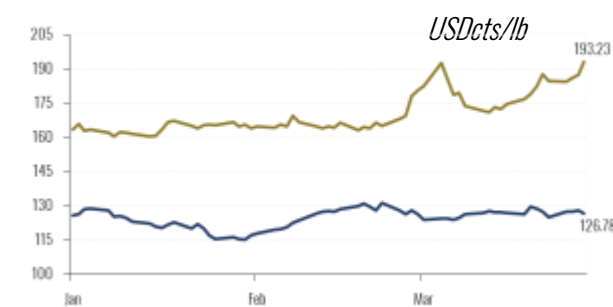
SILVER Comex



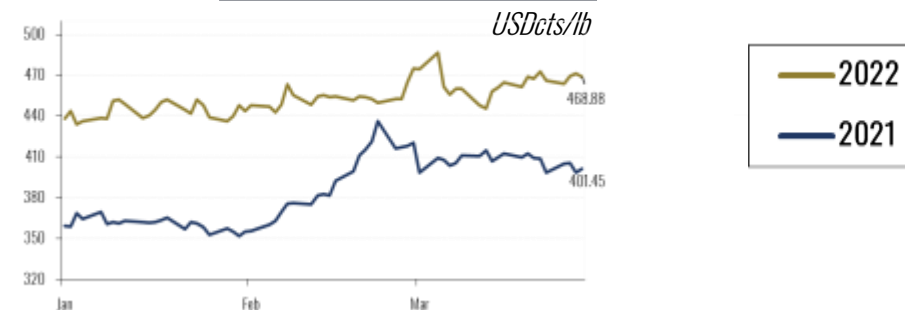
LEAD LME



ZINC LME SHG



COPPER LME



METAL PRICES

Period	Gold (US\$/Oz)	Silver (US\$/Oz)	Lead (UScts/lb)	Zinc (UScts/lb)	Copper (UScts/lb)
1Q'21	1,797.80	26.29	91.65	124.63	384.58
4Q'21	1,794.58	23.36	105.71	152.64	439.90
1Q'22	1,877.16	24.13	105.92	170.27	453.46
%Chng 1Q'22 vs 1Q'21	4.4	-8.2	15.6	36.6	17.9
%Chng 1Q'22 vs 4Q'21	4.6	3.3	0.2	11.6	3.1

INFLATION AND EXCHANGE RATE

	1Q'22	1Q'21	%Chng
Inflation rate for the Period (%):	2.43	2.34	
Exchange Rate (peso-dollar):			
Close	19.9942	20.6047	
Average	20.5229	20.3190	1.0

Production	1Q'22	1Q'21	% Chng
Ore Milled (Mton)	3,884	3,912	-0.7
Ore Mined (*) (Mton)	6,006	7,185	-16.4
Gold (oz)	165,690	244,217	-32.2
Silver (koz)	16,705	15,517	7.7
Lead (ton)	18,516	20,892	-11.4
Zinc (ton)	67,212	69,687	-3.6
Copper (ton)	2,431	2,999	-18.9
Copper Cathodes (ton)	675	893	-24.4

(*) *Herradura and Noche Buena (open-pit mines)*

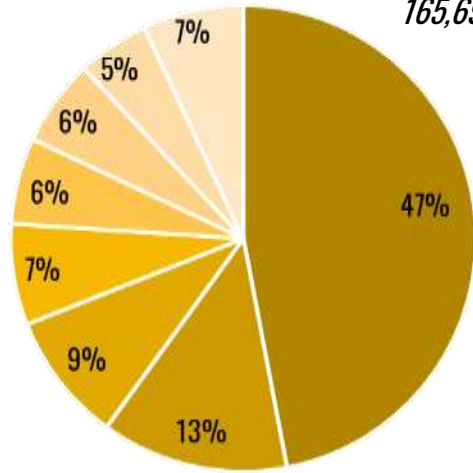
MINING BUSINESS

- » **Gold** production decreased (-32.2%) mainly due to lower volume of ore processed and lower expected grade at Herradura.
- » **Silver** grew (+7.7%) due to the ore processing from Juanicipio (at the Fresnillo and Saucito plants), in addition to the higher volume of ore processed at San Julián and the better ore grade at Ciénega.
- » **Lead** decreased (-11.4%) due to lower volume of ore processed and lower ore grade at Saucito.
- » **Zinc** decreased to a lesser extent (-3.6%), due to lower milling and ore processing at Saucito and Capela, which were partially offset by Fresnillo, Juanicipio and Velardeña due to higher volumes of ore processing with better grades.
- » **Copper** produced in concentrates decreased (-18.9%) due to lower ore volumes, head grades and recoveries at Sabinas and Capela.

CONTRIBUTION BY MINE TO 1Q22 PRODUCTION

GOLD

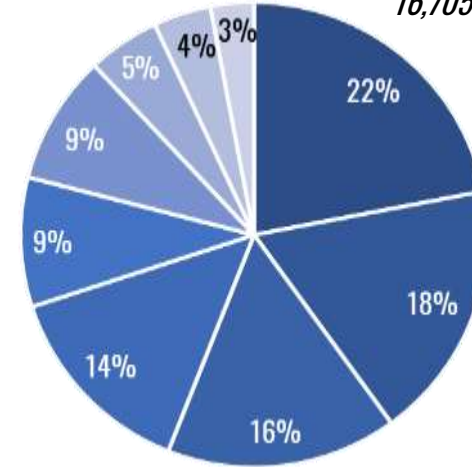
165,690 Oz



- Herradura
- Noche Buena
- Saucito
- San Julián
- Cienega
- Tizapa
- Fresnillo
- Others

SILVER

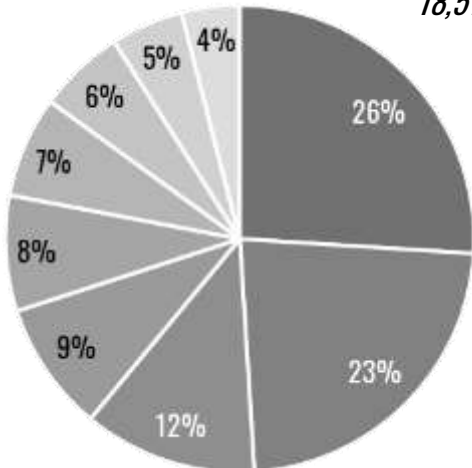
16,705 kOz



- San Julián
- Fresnillo
- Saucito
- Juanicipio
- Tizapa
- Cienega
- Sabinas
- Capela
- Others

LEAD

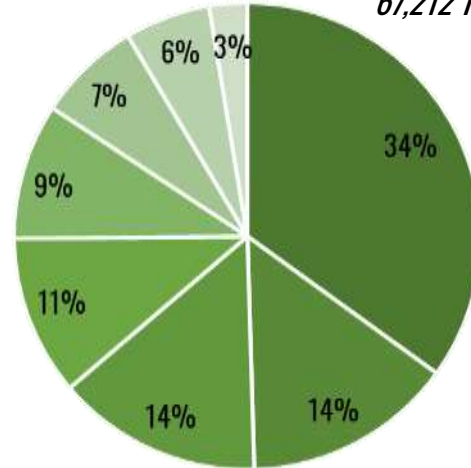
18,516 Ton



- Fresnillo
- Saucito
- Tizapa
- San Julián
- Sabinas
- Velardeña
- Juanicipio
- Cienega
- Capela

ZINC

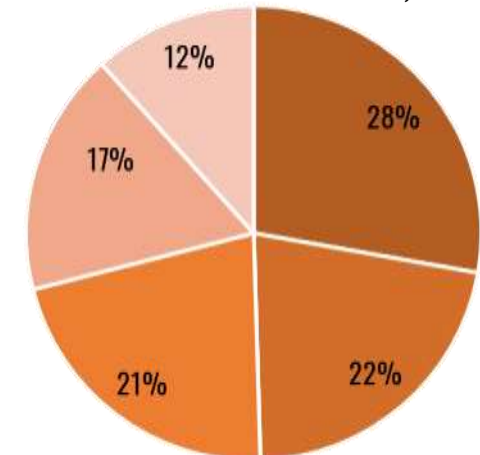
67,212 Ton



- Velardeña
- Tizapa
- Fresnillo
- Saucito
- Capela
- San Julián
- Sabinas
- Juanicipio

COPPER*

3,106 Ton



- Sabinas
- Milpillas*
- Velardeña
- Capela
- Tizapa

Notes: */Includes copper cathodes

METALS BUSINESS

» There were several operational failures in the lead-silver circuit that caused unscheduled shutdowns, resulting in lower **silver** and **lead** productions by -4.7% and -15.9%, respectively, compared to the first quarter of 2021. **Gold** decreased (-18.9%) mainly due to lower production at Herradura. Likewise, refined **zinc** production was negatively affected by several operational failures in the zinc circuit that required unscheduled shutdowns to be corrected, which resulted in a lower volume of concentrate treatment and a decrease in production volume of this metal (-8.4%).

Production	1Q'22	1Q'21	% Chng
Gold (oz)	255,111	314,552	-18.9
Silver (koz)	17,796	18,669	-4.7
Lead (ton)	26,372	31,365	-15.9
Zinc (ton)	61,231	66,842	-8.4

CHEMICALS BUSINESS

» **Sodium sulfate** production volume increased (+4.6%) due to improved operational continuity. **Magnesium oxide** production was favorable (+18.9%) driven by demand from our customers in the construction and automotive industries. **Ammonium sulfate** recorded higher production (+8.3%) due to greater availability of sulfuric acid from the smelter, while **magnesium sulfate** saw an increase in production (+2.6%) to satisfy demand from the agricultural sector.

Production	1Q'22	1Q'21	% Chng
Sodium sulfate (ton)	193,377	184,786	4.6
Magnesium oxide (ton)	22,793	19,170	18.9
Ammonium sulfate (ton)*	47,781	44,116	8.3
Magnesium sulfate (ton)	14,602	14,226	2.6

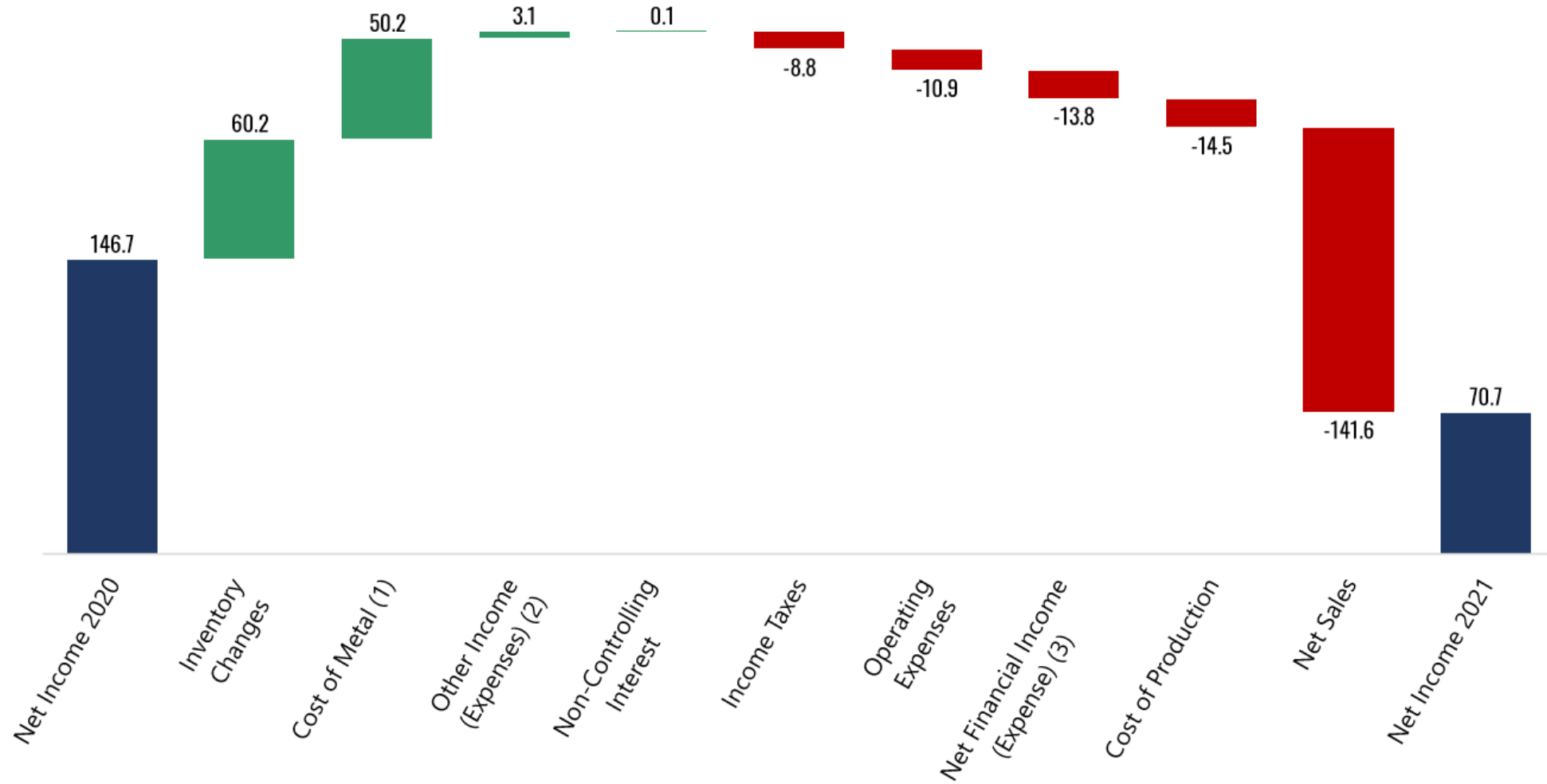
*Does not include maquila.

<i>(Million US dollars)</i>	1Q'22	1Q'21	% Chng
Gross Sales	1,414.1	1,569.8	-9.9
Net Sales ⁽¹⁾	1,406.5	1,548.1	-9.1
Gross Profit	383.7	429.4	-10.6
<i>Gross Margin</i>	<i>27.3%</i>	<i>27.7%</i>	
EBITDA ⁽²⁾⁽³⁾	402.5	480.5	-16.2
<i>EBITDA Margin</i>	<i>28.6%</i>	<i>31.0%</i>	
Operating Profit ⁽³⁾	239.8	296.4	-19.1
<i>Operating Margin</i>	<i>17.0%</i>	<i>19.1%</i>	
Other Income (Expense) ⁽⁴⁾	- 2.2	- 5.4	58.4
Financial Income (Expense)	- 41.1	- 27.3	-50.6
Controlling Interest on Net Income	70.7	146.7	-51.8
<i>Net Margin</i>	<i>5.0%</i>	<i>9.5%</i>	
<i>Earnings per share</i>	<i>0.18</i>	<i>0.37</i>	<i>-51.8</i>

INCOME STATEMENT HIGHLIGHTS

- » In 1Q22 financial results, **revenues** declined to the previous year due to lower volumes sold, especially gold due to lower production at Herradura, which was partially mitigated by higher metal prices (except for silver).
- » **Cost of sales** was also lower, mainly due to the cost of metal sold, as a result of lower volumes purchased from third parties for processing in the metallurgical plants, as well as a credit for inventory movement derived from the increase in in-process inventories. This was partially offset by higher production costs, due to higher material consumption in our operations, the inflation of our cost inputs, as well as higher maintenance and repairs.
- » **Operating expenses**, for their part, were higher than those recorded in the same quarter of the previous year, mainly in exploration, due to restrictions imposed by the pandemic making these activities more difficult in the previous year.
- » On the other hand, there were higher **financial and exchange expenses** and higher **income tax provisions**. In the latter, the main increase was due to the special mining right, derived from the better results of the mining companies and modifications in the deductions that came into effect this year.

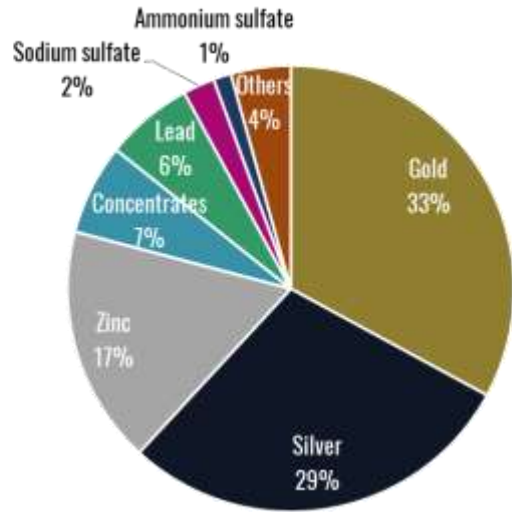
FINANCIAL HIGHLIGHTS - NET INCOME ANALYSIS



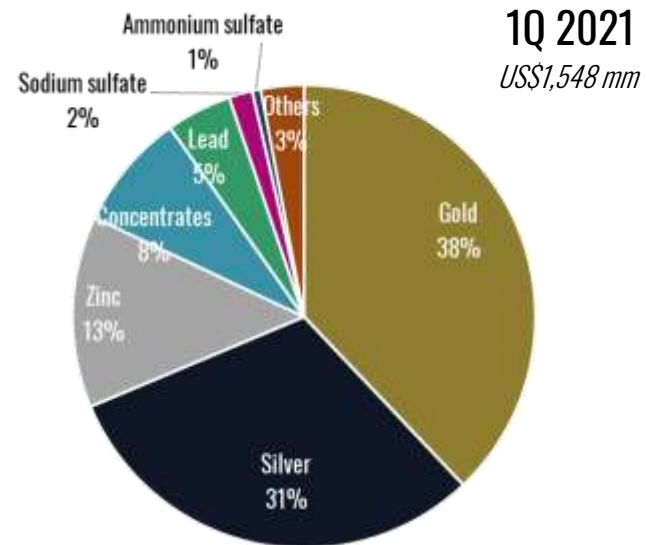
Notes: 1/ Net of Revenue from Treatment Charges, Income on inventories and other items..2/Other expenses include impairment losses. 3/ Financial expenses include Exchange result.

NET SALES BY PRODUCT

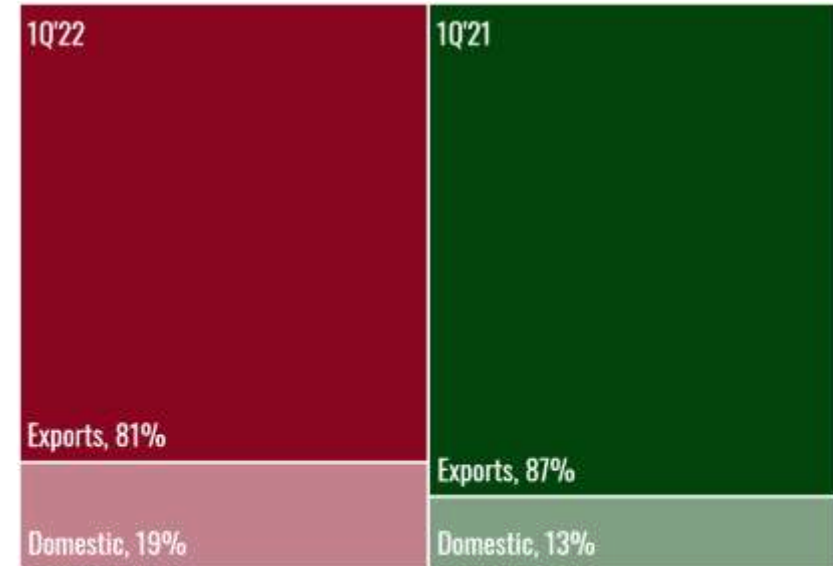
NET SALES BY MARKET



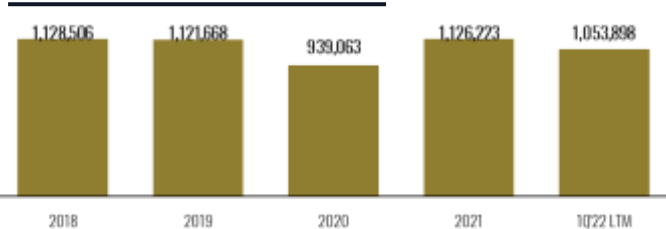
1Q 2022
US\$1,407 mm



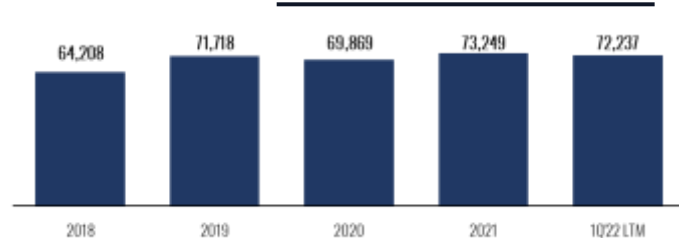
1Q 2021
US\$1,548 mm



GOLD (Oz)



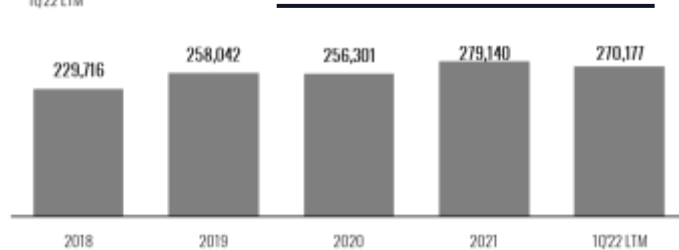
SILVER (koz)



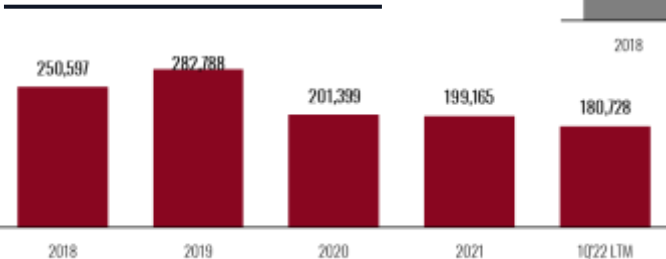
LEAD (Ton)



ZINC (Ton)



CONCENTRATES (Ton)

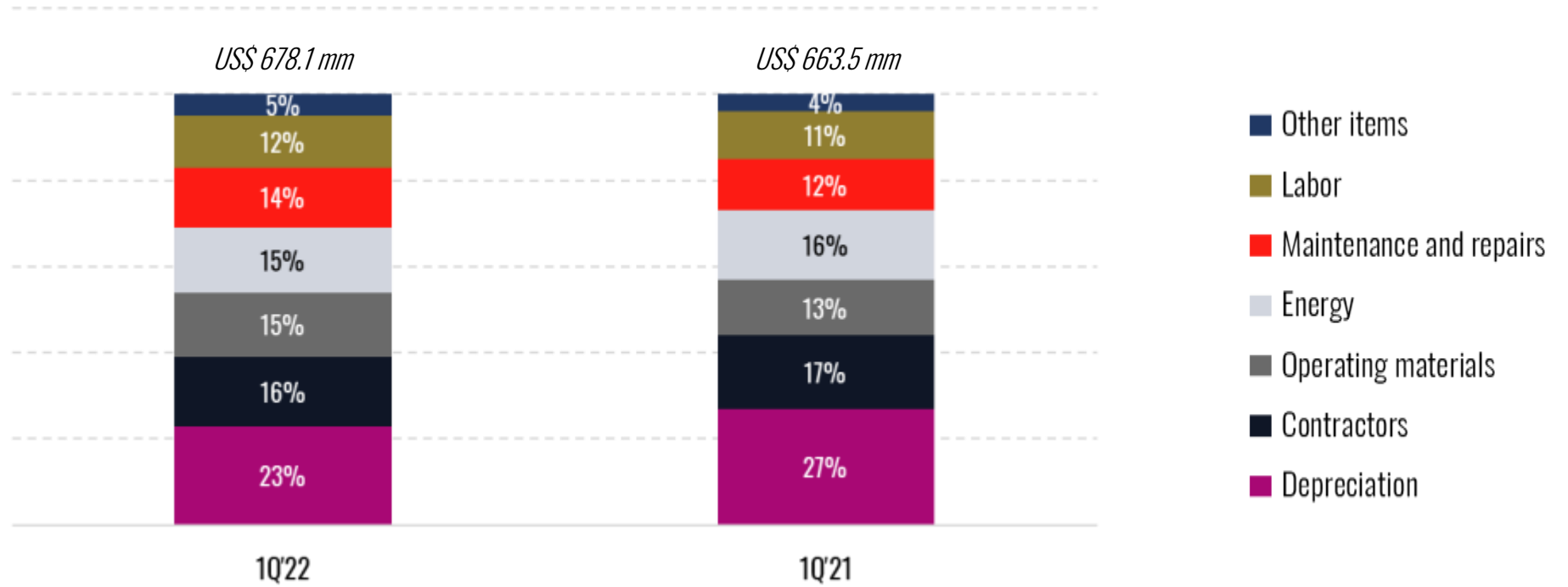


SALES VOLUMES

	Units	1Q'22	1Q'21	%Chng
Gold	Oz	250,279	322,604	-22.4
Silver	Koz	17,091	18,103	-5.6
Lead	Ton	32,608	31,013	5.1
Zinc	Ton	63,347	72,310	-12.4
Copper	Ton	604	1,082	-44.1
Copper matte	Ton	2,009	2,872	-30.0
Concentrates	Ton	35,162	53,599	-34.4
Sodium sulfate	Ton	193,916	194,961	-0.5
Magnesium oxide	Ton	13,849	17,115	-19.1
Ammonium sulfate ¹	Ton	43,215	57,342	-24.6
Magnesium sulfate	Ton	14,402	14,627	-1.5

Notes: 1/Maquila not included.

COST OF PRODUCTION BREAKDOWN



FINANCIAL HIGHLIGHTS – BALANCE SHEET

BALANCE SHEET	1Q'22	2021	% Chg.
Cash and cash equivalents	1,808.6	1,817.1	-0.5
Inventories	1,941.6	1,809.7	7.3
Trade and other current receivables	743.3	723.8	2.7
Property, plant and equipment	4,700.4	4,707.3	-0.1
Deferred taxes	361.5	281.0	28.7
Other current and non-current assets	592.2	454.4	30.3
Total Assets	10,147.5	9,793.3	3.6
Suppliers	565.1	623.6	-9.4
Short Term Financial Debt	245.3	81.0	202.7
Long Term Financial Debt	2,851.6	2,855.8	-0.1
Other current and non-current liabilities	1,386.2	1,209.0	14.7
Total Liabilities	5,048.1	4,769.4	5.8
Retained earnings	3,578.5	3,507.8	2.0
Other	1,520.8	1,516.1	0.3
Total equity	5,099.3	5,023.9	1.5
Dividends per share	0.0	0.1258	-100.0



PEÑOLES' DIVIDEND PAYMENT POLICY

- » Subject to the final decision of the Board of Directors, and according to the powers, if granted, by the corresponding Shareholders' Meetings, Peñoles usually **pays out up to 50%** of the consolidated net income of the previous year as dividend distribution.

FINANCIAL HIGHLIGHTS – CASH FLOW

CASH FLOW	1Q'22	1Q'21	% Chg.
Operating activities			
Net Income	110.3	185.8	-41
D&A Expenses	162.8	184.1	-12
Change in Working Capital	-236.3	-77.1	-206
Tax payments	-157.4	-190.3	17
Other items	168.0	110.3	52
Cash Flows from (used in) Operating activities	47.3	212.8	-78
Investing activities			
Property, plant and equipment	-151.0	-150.9	0
Intangible Assets; Net	-4.6	-3.1	-47
Capital Contributions	0.0	0.0	-100
Interest received	4.9	4.2	18
Other inflows (outflows)	-7.8	19.9	-139
Cash Flows from (used in) Investing activities	-158.5	-129.9	-22
Financing activities			
Borrowings; Net	151.5	-33.7	549
Payments of lease liabilities	-6.7	-6.2	-9
Interest paid	-43.9	-31.1	-41
Other inflows (outflows)	-1.2	3.0	-141
Cash Flows from (used in) Financing activities	99.6	-68.0	246
Change in cash and cash equivalents	-11.5	14.9	-178
Effect of exchange rates on cash and cash equivalents	3.1	3.8	-19
Cash and cash equivalents at the beginning of the year	1,817.1	1,592.7	14
Cash and cash equivalents at the end of the period	1,808.6	1,611.3	12

Notes: Figures are expressed in millions of US dollars.

PROJECTS UNDER DEVELOPMENT



Project	Juanicipio
Location	Zacatecas
Description*	11.7 moz of silver 43.5 koz of gold
Ownership	56% Fresnillo plc 44% MAG Silver
Investment (US\$ Million) ^E	440**
Startup ^E	2Q 2022



Notes: */Expected annual production, on average. **/ Juanicipio started processing ore at Fresnillo's Plant (Jun 2020) and will start processing it at its own flotation plant (1H2022)

About Peñoles

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

Our Mission

To generate value from non-renewable natural resources in a sustainable manner.

Our Vision

To be a company of excellence worldwide with extraordinary results, a leader in its sector with safe and sustainable operations, driven by its agility and capacity for transformation, in harmony with its environment and society.

For further information about this report please contact us or visit our web page:

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<http://www.penoles.com.mx>

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