



TRUE TO
OUR VISION.

There's no substitute for *silver*.

A guiding principle at First Majestic, upon which we have built this company, is that there is simply no substitute for silver. Silver is essential for the world's technology, green energy and electrification, and its demand and utility continue to grow while global production remains flat.

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A LEADING PRIMARY SILVER PRODUCER

Vancouver, Canada-based First Majestic Silver Corp. has operated for 22 years and ranks as one of the world's purest silver producers. We derived 58% of our revenue from silver in 2025, operating four underground silver/gold mines in Mexico, and we are the only publicly traded mining company minting and selling its own silver. In 2025, First Majestic produced 15.4 million ounces of silver and 147,000 ounces of gold amounting to 31.1 million silver equivalent ounces, moving us closer to our vision of becoming the world's largest primary silver producer. We employ more than 5,500 workers in North America and represent one of Mexico's leading employers.

First Majestic is a diverse and inclusive organization, committed to socially responsible mining. Our Mexican operations have been recognized for 18 consecutive years as Socially Responsible by Centro Mexicano para la Filantropía (CEMEFI).





True to our Vision.
 Become the world's largest
 primary silver producer while
 improving lives and communities
 in our host regions and
 increasing shareholder value.



Our Mission

Our mission is to produce profitable ounces and to optimize and grow our mineral resources through ethical, innovative, and sustainable practices with an empowered work force that encourages continuous improvement and permanence of the organization. **We will achieve our vision by:**

1. Continuing to hire the industry's best talent,
2. Aggressively pursuing the development of our existing properties,
3. Maximizing margins and minimizing risk through company-wide R&D, optimization, and modernization,
4. Ongoing investment in exploration to extend life of mines and find new discoveries,
5. Acquiring additional strategic mining assets focused on silver and gold.

Our Values

Trust:	Act and firmly believe in commitment and dedication of each other.
Accountability:	Take ownership of our responsibilities and meet our commitments.
Honesty:	Always tell the truth, have strong moral principles.
Creativity:	Turn new and imaginative ideas into better ways of doing things.
Attitude:	Maintain a strong, positive disposition and commit to learn and change.
Sustainability:	Work to improve community life where we operate, using best practices.
Loyalty:	Be true to our values and prioritize our team and their families.

SILVER DEMAND

CRITICAL, ESSENTIAL, STRATEGICALLY IRREPLACEABLE:

SILVER REACHES NEW HIGHS AND OUTPERFORMS GOLD

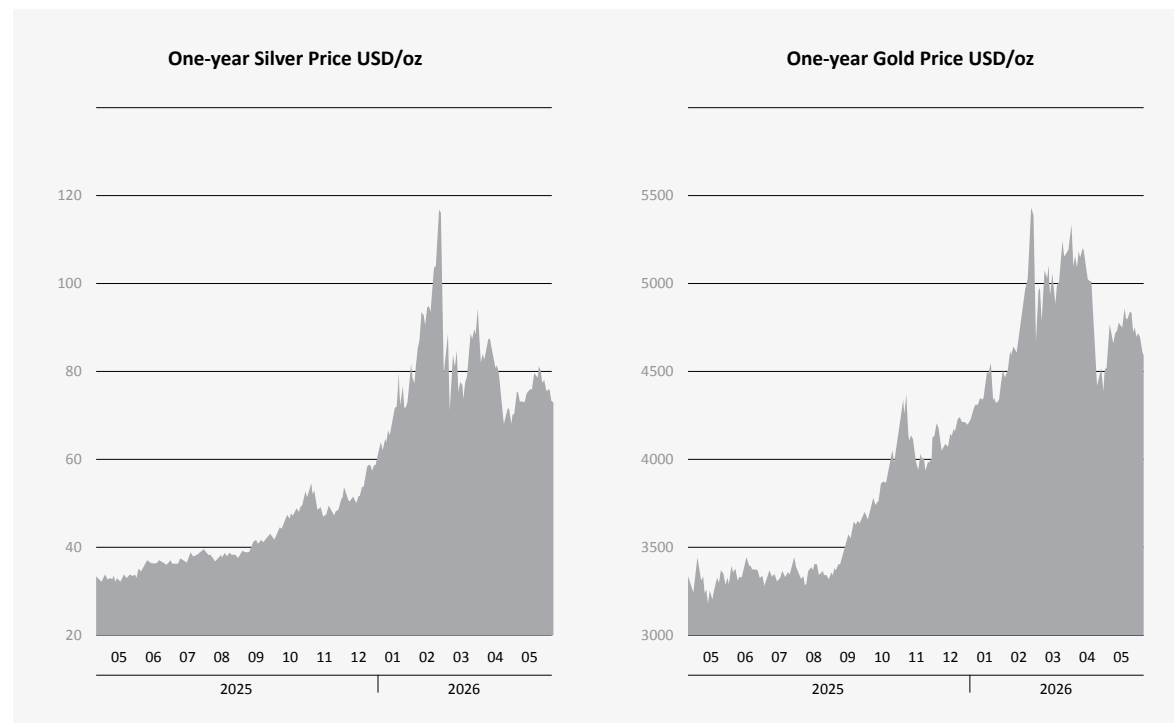
Flat production, combined with strong industrial and investment demand in an environment of global tension, a weaker U.S. Dollar and monetary easing, drove silver prices to new highs in 2025.

Silver rose from \$28.90 per ounce at the end of 2024 to \$71.66 on December 31, an increase of 148% for the year. The price hit an intra-day high of \$84.00 per ounce on December 29.

On January 23, 2026, silver breached \$100 for the first time in history, reaching an intra-day high of \$100.49 per ounce on COMEX. Over the following week, the spot price traded as high as \$120 per ounce until profit-taking, increased margin requirements and a surging U.S. dollar

sent prices back below \$80—a level the market has sustained through Q1 2026 and double the approximate \$40 average for 2025.

The \$100 threshold, and subsequent support around \$70 to \$80, signals that the market may have entered a new cost regime where structural industrial demand, constrained and flat mine supply, and renewed investor interest were powerful enough to push prices to record highs, far beyond the ranges that have defined most of the previous half-century.



Source: Metals Focus, Silver Institute, 2025

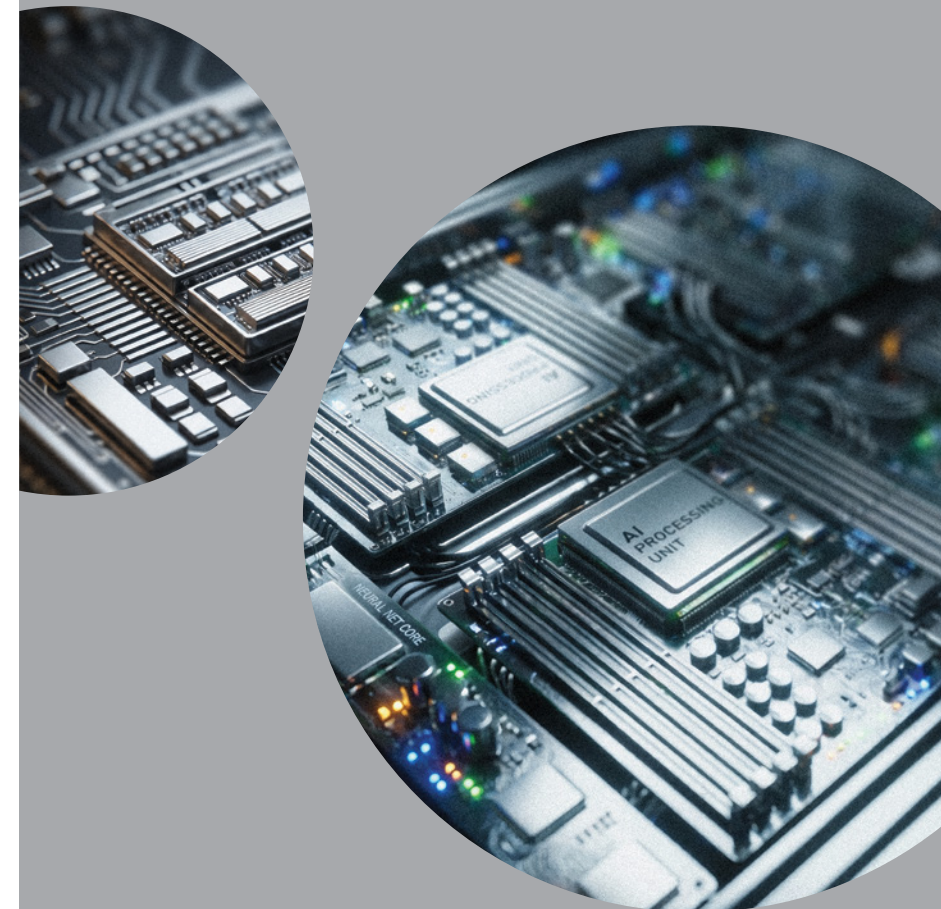
SILVER'S GROWING IMPORTANCE FOR AI

AI data centres are power-hungry, heat-intensive, and signal-dense. Silver's unmatched electrical and thermal conductivity make it the best metal for handling all three demands.

AI data centres push data at astonishing speeds, meaning silver is essential for handling high-frequency data loads without catastrophic thermal or signal loss.

How Much Silver for AI?

While no single authoritative forecast isolates silver demand for AI, analyses point to substantial growth. Estimates indicate silver consumption directly attributable to AI (e.g., chips, servers, and data centre components) could reach 500–1,000 tonnes (16-32 million ounces) annually by 2030.

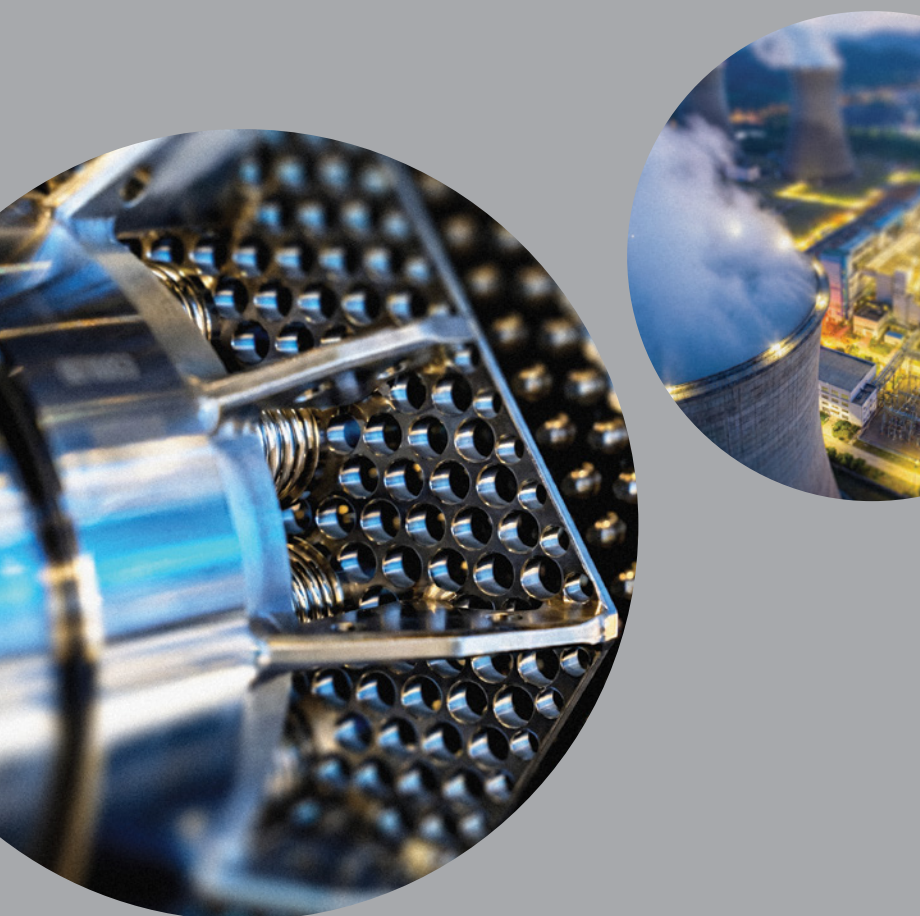


SILVER FOR NUCLEAR POWER

Silver is crucial for the re-emerging nuclear power industry, mainly because it:

- Absorbs neutrons efficiently in control rods
- Resists corrosion in extreme reactor conditions
- Conducts heat and electricity reliably in high-temperature, high-radiation environments

The Silver Institute estimates that nuclear power might account for about 590 million tonnes (19 million ounces) of silver demand cumulatively through 2030. As new reactors are built and older ones eventually require control rod replacement, nuclear silver demand is expected to grow.



\$100/oz

GOLD/SILVER RATIO PLUNGES

While silver rose with the global rush into gold, silver far outperformed gold in 2025. The gold/silver price ratio plunged from 100:1 in April to nearly 60:1 in late December. In Q1 2026, the ratio had remained in the 60:1 range.

FIVE YEARS OF SUSTAINED MARKET DEFICITS

Silver supplies remained in a sustained deficit for the fifth straight year. Annual silver consumption hit approximately 1.15 billion ounces in 2025, while mine production totaled only 835 million ounces. With industrial use continuing to grow, and a limited number of new mines coming online, the market will remain challenged to address demand for years into the future.

Supplies remained constrained due to:

- By-product mining
- Declining grades and rising costs
- Limited new discoveries
- Limited recycling

BY-PRODUCT MINING IS LESS RESPONSIVE TO SILVER PRICES

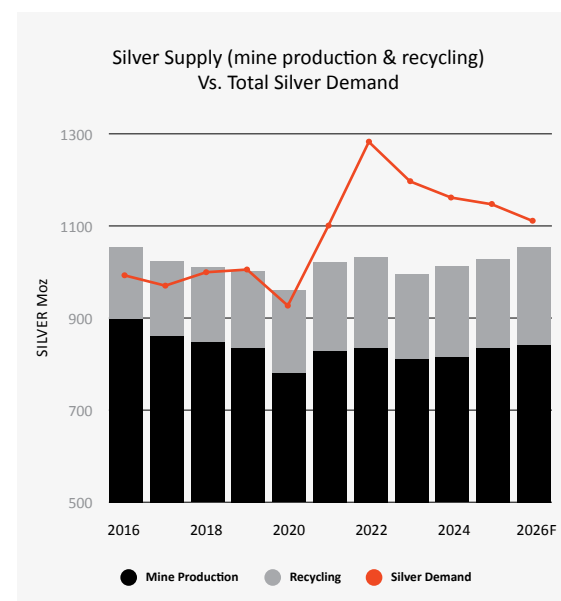
Approximately 70% of silver is derived as a byproduct of copper, lead, and zinc mining. Consequently, silver supply doesn't increase proportionally with higher silver prices. Base metal economics drive production decisions of base metal miners, not silver demand or metal price.

DECLINING GRADES, RISING COSTS FOR SILVER MINES

About 28 percent of the silver supply is derived from primary silver mines, where production is more tightly tied to price. But silver mines face their own challenges, including declining ore grades, lack of new discoveries, and rising costs.

LIMITED NEW DISCOVERIES

Over the past 20 years, very few large, high-grade primary silver deposits have been discovered. Even with an economic discovery, miners face long permitting timelines, funding constraints and socio-political headwinds that hinder mine construction.



Source: Metals Focus, Silver Institute, 2025

Annual silver consumption hit approximately 1.15 billion ounces in 2025, while mine production totaled only 835 million ounces.

RECYCLING IS PROBLEMATIC

Silver recycling is limited because only tiny amounts of silver are recovered from electronics, and recovery is often uneconomic. Only 19% of the annual silver supply is sourced from recycling. As a result, **81% of new silver must come from mining.**

SILVER BECOMES OFFICIALLY CRITICAL

On November 6, 2025, the United States Geological Survey (USGS) declared silver a Critical Mineral. Silver is essential to the country's economic and national security. Silver is also subject to supply chain vulnerabilities due to reliance on foreign producers and geopolitical risks.

But silver is far from just a U.S. concern. The EU, Canada, Australia, Japan, South Korea and others have noted silver's importance as a strategic and critical mineral. China tightened controls on silver exports in 2025, while Russia increased silver purchases for its reserves and included silver in its state reserve strategy.

SILVER DEMAND IS STRUCTURAL—NOT OPTIONAL

Silver is critical because it has the highest electrical and thermal conductivity of any metal. These properties make the metal's industrial demand structural, not optional—even in high price environments.

SILVER IS ESSENTIAL AND STRATEGICALLY IRREPLACEABLE FOR MANY INDUSTRIES, INCLUDING:

- Electronics & semiconductors
- Solar energy (photovoltaics) – critical for collecting and conducting current in solar cells
- Electric vehicles & charging infrastructure – for contacts and powering electronics
- Defense & aerospace – for radar, guidance systems, secure communications
- Medical applications – antimicrobial coatings, wound care, medical instruments
- Grid infrastructure – switches, relays, high-reliability connectors



monetary easing did nothing to improve silver supply, but it directly boosted demand.

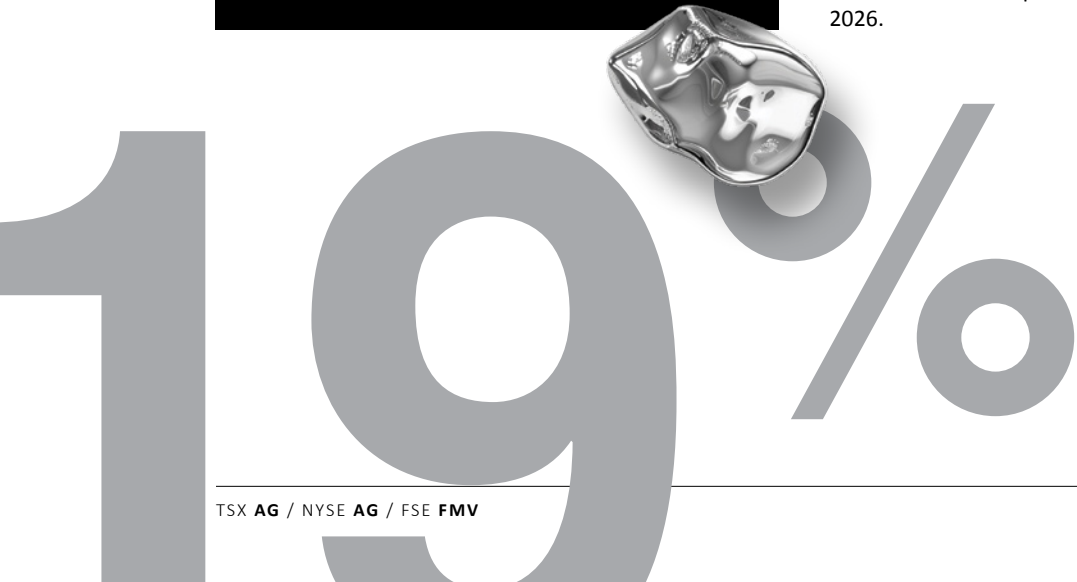
MONETARY POLICY EASING AND A WEAKER U.S. DOLLAR

The Federal Reserve and other major central banks cut interest rates in 2025 as inflation cooled and growth slowed. This monetary easing did nothing to improve silver supply, but it directly boosted demand. Falling real rates meant investors sought stores of value like silver and gold. Silver, being a far smaller market and far less liquid than gold, reacted with greater volatility—reflected by the plunging gold/silver price ratio.

TO SUMMARIZE

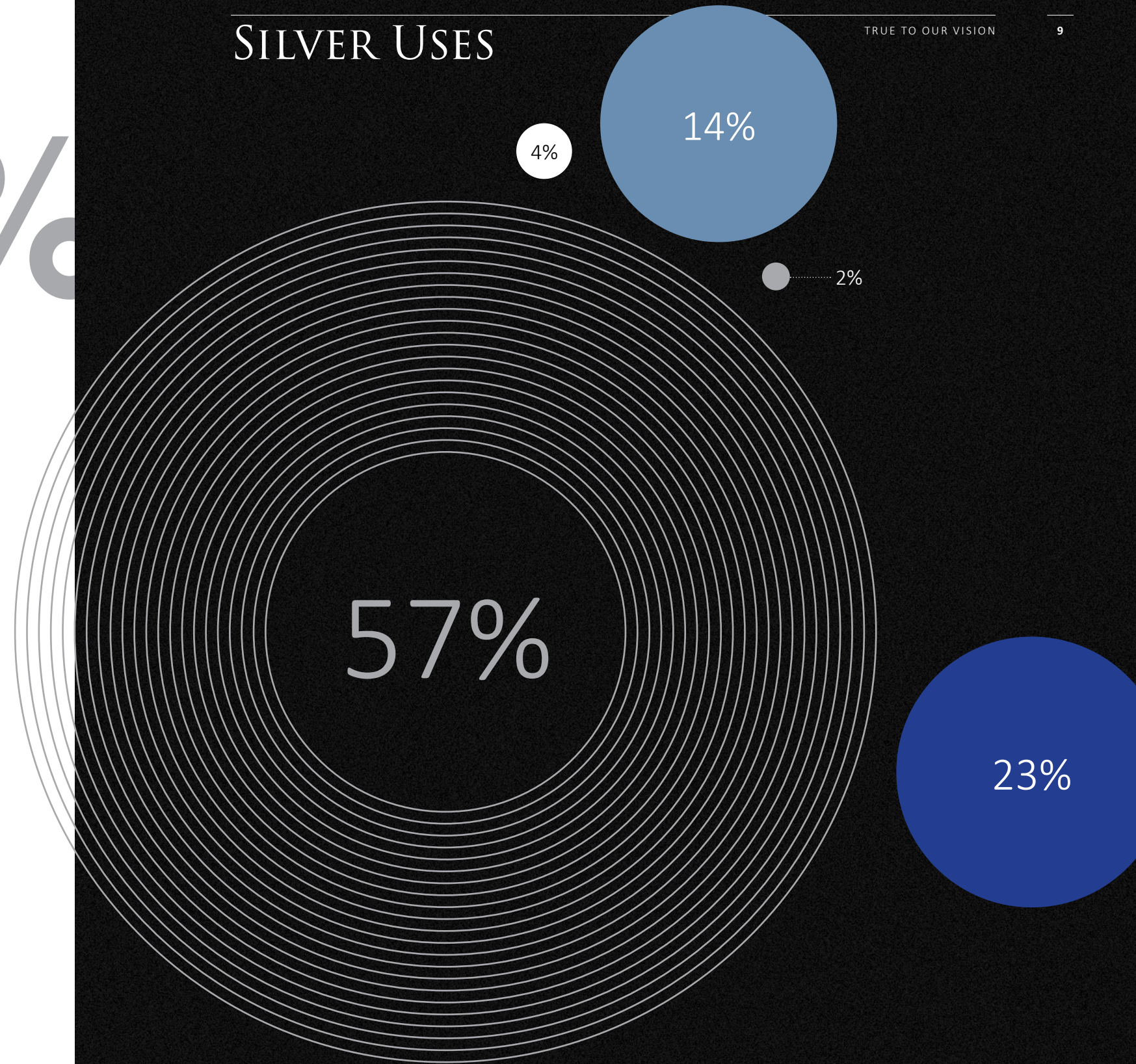
- Silver is critical to world industry and national security
- Demand is rising, supplies are not
- Silver is significantly outperforming gold

These factors are expected to keep silver prices high in 2026.



Only 19% of the annual silver supply is sourced from recycling.

SILVER USES



Even though efficiency gains by silver users mean they are consuming less silver per unit, the sheer scale of deployment is overwhelming those gains.

	DEMAND (TONNES)	% OF TOTAL
Industrial Fabrication	19,894	57%
Investment	8,013	23%
Jewelry	4,957	14%
Silverware	1,042	4%
Photography	701	2%

2025 MILESTONES

Generated record annual revenues of \$1.257 billion, a 124% increase over 2024 (\$560.6 million)	Record Net Earnings attributable to owners of the company of \$165 million, compared to a \$102 million loss in 2024	Achieved record consolidated silver production of 15.4 million ounces, up 84% from 2024
Strengthened our balance sheet, ending the year with a treasury of \$938 million, consisting of \$793 million in cash and cash equivalents, as well as \$144 million in restricted cash	Met upwardly revised production guidance, producing 31.1 million silver equivalent ounces, a 43% increase over 2024	Completed a \$350 Million Offering of Convertible Senior Notes at the lowest interest rate ever negotiated for the mining industry
Completed the successful integration of the Los Gatos Silver Mine, on time and on budget	Generated a record \$49 million in sales in our second year of operation at First Mint LLC, our 100%-owned silver minting facility in Nevada, USA	Invested \$192 million in attributable capital expenditures, including \$137 million for expansionary projects and \$55 million in sustaining activities
Completed 265,057 metres of exploration drilling, resulting in, amongst other highlights, the new high-grade Santo Niño discovery at Santa Elena and expansion of Santa Elena's Navidad discovery	Declared a maiden resource estimate of 27.4 million AgEq ounces at Santa Niño while significantly expanding the footprint of silver and gold mineralization	Expanded the Navidad/Winter discovery to 63.4 million AgEq ounces while returning substantially higher silver and gold grades than previously reported
Highlighted the potential for Mineral Resources amenable to both underground and open pit mining through exploration drilling at Jerritt Canyon	Announced the promotion of Mani Alkhafaji to the new role of President & Chief Corporate Development Officer, effective January 1, 2026, with Keith Neumeyer continuing to serve as Chief Executive Officer	
Mexico operations recognized for the 18th consecutive year as Socially Responsible by Centro Mexicano Para La Filantropia and Empresa Socialmente Responsable	Announced sale of the Del Toro Silver Mine to Sierra Madre Gold & Silver Ltd. for cash and shares totaling up to \$60 million	Paid out \$10 million in dividends to shareholders in 2025 and announced an increase in the dividend policy to 2% of net quarterly revenues for 2026 and beyond

“Record production and financial performances moved us closer to our vision of becoming the world’s largest primary silver producer.”

– KEITH NEUMEYER, CEO

“With Los Gatos fully integrated into our operations, and with continued investment in mine improvement, expansion and exploration, we expect another exceptional year in 2026.”

– DAVID SOARES, CFO

Achieve total production of 13 million to 14.4 million silver ounces and 116,000 to 129,000 gold ounces.	Invest \$213 - \$236 million in attributable capital expenditures, consisting of \$58 million - \$66 million for sustaining activities and \$154 million - \$171 million for expansionary projects.	
Devote \$41 million - \$45 million to exploration, targeting approximately 266,000 m of drilling across our operations.	Achieve cash costs of \$18.64 – \$19.62 per AgEq ounce, and All-in Sustaining Costs (AISC) including Corporate G&A and Services, of \$26.15 – \$27.91.	Increase sustainable mine throughput at Los Gatos to 4,000 tpd by H2 of 2026.
Expand Santa Elena plant throughput to 3,500 tpd by H2 2026 to support continued growth.	Continue drilling Jerritt Canyon’s Mahala, Javelin, and Saval targets within the Smith-SSX-Saval mining area to support the Jerritt Canyon restart plan targeting gold production in H2 2027.	
Further develop and explore the Navidad/Winter and Santo Niño veins and advance continued studies to plan future production at Santa Elena.	Complete updated Reserves & Resources Estimates to highlight successful 2025 exploration program across the portfolio of core assets.	
Explore expansion and augment marketing of First Mint to achieve record sales and profitability.	Continue to strengthen the Company’s balance sheet to fund exploration, growth and future capital needs.	

TARGETS FOR 2026

MESSAGE FROM THE CEO

TRUE TO OUR VISION



An Unprecedented and Transformational Year. Silver’s record performance, combined with two decades of planning, investment and execution at First Majestic, aligned to deliver an unprecedented and transformational year for our shareholders. The team came through when it mattered most, successfully closing the Los Gatos acquisition and integrating the mine into our operations while achieving production and financial milestones. Meanwhile, First Mint enjoyed a year of record sales, capitalizing on strong investment demand for physical silver. We also made key discoveries at Santa Elena and San Dimas, and these ore bodies continued to expand.

STAYING TRUE TO OUR VISION

High metals prices offered a timely advantage in 2025, especially with silver outperforming gold. However, we didn’t set First Majestic up for this market—we set First Majestic up expecting markets like this, along with the inevitable downturns.

In other words, we remained, and will always remain, true to our vision—regardless of price environments.

When I formed First Majestic 22 years ago, my intent was to build a low-cost producer that could manage silver cycles over decades. There is always work to do, but I believe First Majestic will thrive for the next 50 years because it’s set up properly, with low-cost assets, a low-cost strategy and a culture focused on efficiency and the bottom-line benefits of operating safely and sustainably.

LOS GATOS—A MAJOR STEP FORWARD

The essence of our vision has always been to build the world’s largest primary silver producer. We are getting there—systematically, patiently, and strategically. The Los

Gatos acquisition, the largest in the Company’s history, represents a major step forward on that path.

I want to congratulate everyone who played a role in the mine’s integration. Our goal was to have Los Gatos fully integrated by July 1st. Our team delivered, on time and on budget, merging all the different control systems, policies and procedures within a six-month window.

A MODEL FOR FUTURE ACQUISITIONS

Los Gatos represents the type of asset we seek for future acquisitions: predominantly silver-based, low-cost, efficient, and with exploration potential that can sustain production for decades. Such assets are challenging to find, requiring scrupulous investigation and analysis. We will make our next acquisition only when we believe its profile meets our criteria.

INDUSTRY AWARDS FOR SAFETY AND SUSTAINABILITY

Our vision is also clear about improving the lives and communities of our host regions, for which we remained aligned in 2025. Our Community, Health & Safety section

“It has been our focus over many years, on details and efficiency, the constant high standards, the innovation and entrepreneurial mindset that allowed us to benefit from this current market environment.”

of the annual report (page 18) details our performance across health and safety, environmental stewardship and community engagement.

WHAT’S AHEAD FOR 2026

Looking ahead to 2026, we expect another year of strong cash flow and exploration success, with 266,000 metres of drilling planned across the entire portfolio. We plan to increase sales at First Mint, enjoying the benefits of its higher margins. Overall, we expect another year of strong, economic production, with a lower cut-off grade enabled by strong silver prices, generating robust revenues and margins across our portfolio.

ON TO JERRITT CANYON

With Los Gatos fully integrated, we will focus more on bringing Jerritt Canyon, our Nevada-based gold project, back into production. The success of our 2025 drilling program at Jerritt Canyon reaffirmed our confidence in the potential of this district. With the improved metal price environment, we have expanded our focus to test both known underground targets as well as open-pit opportunities. This work continues to yield encouraging results.

MANAGING RECORD CASH

One of the questions I’m asked most is: how do we plan to deploy our record \$938 million (at year end, and growing) treasury position? Our current strategy is to let the treasury build while reinvesting in our operations. Ample cash provides more options for acquisitions, capital improvements, exploration and developing projects like Jerritt Canyon. We have doubled the dividend to 2% of net revenues so shareholders can increasingly benefit from the strong silver market. We can also buy back stock opportunistically in 2026 after purchasing and cancelling \$9 million in First Majestic shares in 2025.

WELCOMING OUR NEW PRESIDENT & CCDO

As part of First Majestic’s continued growth strategy and ongoing succession planning, I want to welcome Mani Alkhafaji to the new role of President & Chief Corporate Development Officer, effective January 1, 2026. I will continue to serve as Chief Executive Officer.

Mani joined First Majestic nearly ten years ago to support the integration of the Santa Elena Mine acquisition. He has since held several senior leadership roles, learning different aspects of the business. I am confident that his knowledge, experience and strategic insight will play a vital role as we work towards achieving our vision.

In closing, I want to state how proud I am of our entire First Majestic team for the record performances achieved at nearly every level of the company. Yes, we were helped by higher metals prices. But, it has been our focus over many years, on details and efficiency, the constant high standards, the innovation and entrepreneurial mindset that allowed us to benefit from this current market environment.

I look forward to continued success in 2026 and beyond.

/s/ Keith Neumeier

KEITH NEUMEYER
CEO

**MESSAGE FROM
THE CHIEF OPERATING OFFICER**

**TRUE TO OUR
VISION. BUILT TO
DELIVER.**



Last year I concluded my message to shareholders by stating we had the elements in place for significantly improved operations in 2025. This proved to be an understatement. Today, on nearly every level, First Majestic is in its strongest position ever. Our silver production increased by 84% year-over-year compared to 2024, while our silver equivalent production increased by 43% over 2024. These are obviously remarkable results and the credit goes to our team.

TRUE TO OUR VISION – THE LONG-TERM VIEW

Considering this year's theme of staying True to Our Vision, I want to highlight how, operationally, our team remained focused on building the world's largest primary silver producer. While the rise in metal prices delivered a surge of cash in the second half of the year, particularly in Q4. Our goals remain to always improve and expand our operations that reliably deliver shareholder value through any metal price cycle. These efforts continue in 2026.

LOS GATOS HELPS BOOST PRODUCTION BY 43%

We completed the integration of Los Gatos on schedule and on budget, which was a complex and remarkable accomplishment. Los Gatos added 28% of First Majestic's total silver equivalent production in 2025.

We continued our focus on achieving a sustainably higher mill throughput and recovery at Los Gatos by increasing mining rates and implementing processing improvements. In Q4 2025, we engaged a new contractor to increase mine development rates, targeting a sustained increase in ore throughput to 4,000 tpd, by the second half of 2026.

SAN DIMAS SHINES IN 2025

At San Dimas, silver equivalent production increased by 16% over 2024. The improved performance reflected sustained progress in workforce engagement and process optimization resulting in increased throughput and higher

gold grades, as well as higher recoveries, partially offset by slightly lower silver grades.

**EXPLORATION SUCCESS SUPPORTS
LONG-TERM PRODUCTION**

Our 265,000-metre 2025 exploration program expanded the high-grade Navidad/Winter vein system while discovering the new near-surface Santo Niño vein at our Santa Elena operation. Drilling at San Dimas intersected the new high-grade silver and gold Coronado vein.

Navidad and Santo Niño are exceptional vein systems that will support Santa Elena through the next decade. Normally, we would hope to find one of these new veins perhaps every five years. Finding two in one year is a remarkable achievement and testament to the quality of our exploration team.

Exploration drilling at Los Gatos intersected significant silver and base metals mineralization across the near-mine Southeast Deeps, Central Deeps and Northwest Deeps zones. A primary reason for acquiring Los Gatos was the exceptional exploration potential within its 103,000 hectare land package, which gives us a vast area with several targets to be explored in the coming years.

The Exploration Overview on page 34 provides more information and context on all First Majestic's exploration initiatives.

“We exceeded our updated second half production guidance, producing record amounts of silver and silver equivalent ounces while keeping costs low in a strong metals market.”

INDUSTRY-LEADING SAFETY METRICS

While I'm proud of these achievements, I'm most proud of our outstanding safety record. We continued our industry-leading safety performance in 2025, with First Majestic now recognized as a world-class company for the health and safety for its workers.

Our Lost Time Incident Frequency Rate (“LTIFR”) for 2025 was 0.12, positioning the Company as best in class amongst its peer group. As a result of the Company's continued industry leading safety efforts, Santa Elena was recognized for “Excellence in Safety” by the Mexican Mining Chamber. You can read about more health and safety awards in our Community, Health & Safety section of the annual report (page 16), along with strategies for further improvement in 2026.

JERRITT CANYON – METICULOUS IN OUR WORK

At Jerritt Canyon, we will devote more resources to exploration, mine rehabilitation and plant upgrades in 2026. We are being very meticulous in our work to bring the mine back into production in the second half of 2027. With sustained higher gold prices, we are investigating the option

of adding lower cost open pit production to the current underground operation. Mine plans are currently being worked on in order to combine ore coming from both the underground mines and the old open pit mines that have not been mined since the 1990's.

Looking ahead to 2026, key initiatives include plant expansion at Santa Elena to 3,500 tpd, ongoing studies and early-stage mine development at the Navidad and Santo Niño discoveries, expanding mine throughput at Los Gatos to 4,000 tpd and commencing the upgrading of the Jerritt Canyon mill. These investments are fully aligned with the Company's long-term growth strategy.

/s/ Steven Holmes

STEVEN HOLMES
Chief Operating Officer

OPERATING HIGHLIGHTS	2025	2024	2023
Silver ounces produced	15,435,506	8,400,796	10,250,755
Gold ounces produced	147,433	156,542	198,921
Cash costs per silver equivalent ounce	\$15.07	\$14.80	\$14.49
All-in Sustaining Costs per silver equivalent ounce	\$21.17	\$21.11	\$20.16

MESSAGE FROM THE CHIEF FINANCIAL OFFICER

TRUE TO OUR VISION. PROVEN IN RESULTS.



By nearly every financial metric, First Majestic enjoyed a record year in 2025. We generated revenues of \$1.26 billion, 124% higher than 2024, resulting in record net earnings of \$211 million. Our treasury reached an all time high of just shy of one billion dollars, obviously a significant increase from 2024. As a result, the Company's balance sheet has never been stronger.

TRUE TO OUR VISION MEANS FINANCIAL DISCIPLINE

This year's theme emphasizes our financial discipline and long-term thinking—regardless of market cycles. Silver prices, which we cannot control, are historically volatile and unpredictable. By staying true to our vision, keeping costs low and continuously improving our operations, we remain resilient in down cycles and highly profitable in up cycles, as we're currently experiencing.

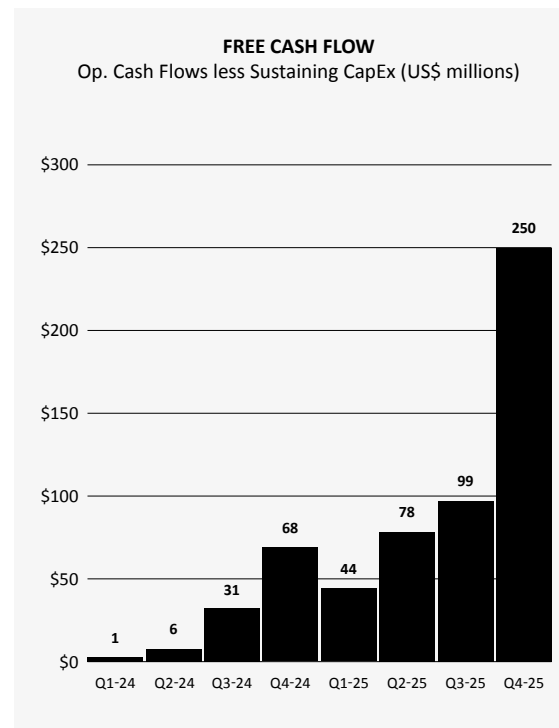
LOS GATOS LOWERS COSTS AND INCREASES MARGINS

The Los Gatos Mine mine, benefiting from strong by-product credits (zinc and lead) and efficient operations, contributed large volumes of high-margin silver equivalent production in 2025. As a result, the mine significantly increased total output and spread fixed costs over more ounces. This low All in Sustaining Costs ("AISC") profile enhanced overall margins and was a key driver behind the company's improved cost structure and profitability in 2025.

FOCUS ON COST EFFICIENCY LEADS TO RECORD PROFITABILITY

In addition to the contribution from Los Gatos, earnings and cash flow benefitted from ongoing cost control efforts. Within the current inflationary environment, holding our cost basically flat compared to 2024 was an impressive achievement. Integration synergies, mill upgrades, along with restructuring efforts to optimize the workforce and improve labour efficiencies, also played key roles in keeping costs low.

The increased production, higher average realized silver & gold prices and cost efficiencies led to strong and record breaking free cash flows throughout 2025.



“By staying true to our vision, keeping costs low and continuously improving our operations, we remain resilient in down cycles and highly profitable in up cycles.”

GOLD/SILVER RATIO IMPACTS REPORTED COSTS AND PRODUCTION

Reported costs would have fallen lower had the gold/silver price ratio not plunged from a high of 103 in April to below 60 by year end. We had budgeted for a ratio of 93:1. Because we report both costs and production based on silver equivalent ("AgEq") ounces, a dropping gold/silver price ratio lowers our reported AgEq production and therefore raises reported costs per silver equivalent ounce. However, this artificial metric results in much higher revenues and much improved profitability, which of course is our primary focus.

AN UNPRECEDENTED CONVERTIBLE OFFERING

A key financial highlight for 2025 was the US\$350 million offering of convertible senior notes, completed in December. The terms for this offering, with an interest rate of 0.125%, were extraordinary and the lowest convertible debenture interest rate ever completed in the mining industry to date. This achievement reflects the exceptional liquidity of First Majestic shares, which has proven very attractive to institutional buyers and enables First Majestic to continually reduce its cost of capital compared to its peers.

We used a portion of these funds to repurchase our previous convertible offering of US \$230 million issued in 2021,

scheduled to mature in January 2027. The latest offering for general corporate purposes, including mill expansions, strategic opportunities, and potential share buybacks.

TURNING TO JERRITT CANYON

Our strong cash position also allows us to invest more into restarting Jerritt Canyon, our gold project in Nevada, where we have budgeted \$75 million for initial restart capital in 2026. With gold prices expected to remain high, we believe Jerritt Canyon will become a valuable cornerstone gold producer in the coming years, which is expected to add further growth and profitability to our business.

In summary, remaining true to our vision means we will continue to keep costs under control, invest our cash wisely, further strengthen the balance sheet and continue to look for ways of growing the Company to ultimately reach our goal of becoming the largest primary silver producer globally.

/s/ David Soares

DAVID SOARES
Chief Financial Officer

FINANCIAL HIGHLIGHTS (US\$ millions except per share amounts)	2025	2024	2023
Revenues	\$1,257.2	\$560.6	\$573.8
Mine Operating earnings	\$450.0	\$91.9	\$25.6
Net Earnings	\$211.0	(\$101.9)	(\$135.1)
Earnings (Loss) per share ("EPS") - basic	\$0.34	(\$0.34)	(\$0.48)

COMMUNITY, HEALTH & SAFETY

ANOTHER YEAR OF MOMENTUM AND IMPROVEMENT

In 2025, First Majestic built upon the strong sustainability momentum achieved in recent years, remaining True to Our Vision by improving lives and communities in our host regions. Guided by our public Sustainability Strategy, we remained focused on transparent performance metrics across health and safety, environmental stewardship and community engagement. This framework continues to reflect the long-standing practices that define us as a responsible mining company, and it supports our commitment to continuous improvement across all operations.

Our efforts this year further reinforced our position as an organization dedicated to ethical, innovative, and sustainable practices. With strengthened governance, deeper community partnerships, and a renewed emphasis on workforce development, 2025 marked another year of significant progress.

FOCUSED ON SAFETY, EMPOWERING OUR PEOPLE, SUPPORTING COMMUNITIES

Our people remain at the heart of our success, and their safety is our highest priority. In 2025, we delivered another year of world-class health and safety performance, supported by expanded training programs and a culture that prioritizes proactive risk management.

We also continued to invest in the long-term strength of our workforce, advancing skills development, supporting human rights training, and ensuring fair compensation across all roles.

Our commitment to our neighboring communities deepened as well. With a significant increase in community investment with tens of thousands of local beneficiaries, 2025 was a year defined by meaningful local impact and strong, collaborative relationships.

ETHICAL, INNOVATIVE AND SUSTAINABLE PRACTICES

Our Community, Health & Safety achievements in 2025 reflect First Majestic's mission to produce profitable silver ounces and grow our mineral resources through responsible and sustainable practices. Highlights for the year include:

Health & Safety: World-Class Performance

- 0.55 Total Reportable Injury Frequency Rate ("TRIFR")
- 0.12 Lost-Time Injury Frequency Rate ("LTIFR")
- 9 total lost-time injuries across all sites
- 52% increase in annual safety training hours, reinforcing our commitment to prevention and continuous learning

These results demonstrate the strength of our safety culture and the effectiveness of our training and risk-management programs.



“In 2025, we delivered another year of world-class health and safety performance.”

— ED KIRWAN, VICE-PRESIDENT, HEALTH, SAFETY & ENVIRONMENT

OUR PEOPLE: BUILDING ORGANIZATIONAL STRENGTH

Our workforce remains one of our greatest strengths, and we continue to invest in their growth, well-being, and long-term success.

- Women represent 50% of our Board of Directors, 17% of people managers and 20% of technical and engineering employees
- We strengthened our internal capacity for rights-based decision-making, with 13 employees certified in the EC0943 human rights standard
- 100% of our employees earned above a living wage, reflecting our commitment to fair and equitable compensation
- 29% of mine site employees received skills-based training, supporting long-term career development
- 70% of employees have a tenure of more than six years, demonstrating strong organizational loyalty and retention
- Communities: Delivering Local Impact
- We contributed US\$2.4 million to local community projects, doubling our 2024 investment.
- ~50,000 local beneficiaries of community programs across education, health, infrastructure, and economic development
- We recorded 0 community-related non-technical delays, reflecting strong relationships and ongoing engagement with our neighbouring communities

These investments reinforce our commitment to supporting resilient, thriving communities and ensuring our operations generate shared value.

For a more in-depth discussion of our sustainability practices and achievements, please refer to our *2025 Sustainability Report*.



Sustainability Report
2025

ENVIRONMENTAL REVIEW

OUR LOWEST CARBON INTENSITY ON RECORD

In 2025, First Majestic continued to strengthen its environmental performance, achieving our lowest carbon intensity on record and marking another year of meaningful progress toward our long-term climate goals.

Remaining True to Our Vision means proactively managing environmental risks. This focus helps safeguard our operations from potential disruptions. It strengthens our resilience and improves access to capital. Responsible consumption is not only the right approach for the environment, it establishes a strategic, long-term advantage for our company.

We reduced our carbon footprint per tonne of ore processed by 21% compared with 2024, driven by ongoing improvements in energy efficiency and a continued shift toward lower emission power sources. Electricity supplied 58% of our total energy needs this year, reflecting both increased grid stability at our operating sites and the continued optimization of our LNG based power systems. These efforts build on the momentum of prior years and reinforce our commitment to reducing the environmental impact of our operations.

“We reduced our carbon footprint per tonne of ore processed by 21% compared with 2024.”

— STEVE HOLMES, COO

FOR A MORE IN-DEPTH DISCUSSION OF OUR ENVIRONMENTAL PRACTICES AND ACHIEVEMENTS, PLEASE REFER TO OUR 2025 SUSTAINABILITY REPORT.

STRENGTHENING ENVIRONMENTAL STEWARDSHIP ACROSS THE MINE LIFE CYCLE

Our environmental management approach continues to consider the full mine life cycle—from exploration through closure and post closure—and in 2025 we further advanced our practices across all major environmental initiatives. Responsible consumption of natural resources remained a central focus. We increased the proportion of operational water sourced from mine dewatering to 95%, significantly reducing our reliance on external water sources and improving resilience in water-stressed regions.

We also continued to enhance our waste management programs. This year, 48% of non mineral waste was recycled, reflecting ongoing improvements in segregation, handling, and partnerships with certified recyclers. Our land rehabilitation and biodiversity initiatives progressed as well, with continued emphasis on the use of native species and progressive reclamation techniques that support long-term ecosystem recovery.

THE VALUE OF RESPONSIBLE ENVIRONMENTAL PRACTICES

Our commitment to environmental responsibility continues to deliver benefits that extend beyond regulatory compliance. Strong environmental performance supports positive relationships with local communities, governments, and investors, reinforcing our social license to operate. Efficient use of water, energy, and materials reduces operational costs and enhances the long-term sustainability of our business. By proactively managing environmental risks, we help safeguard our operations from potential disruptions, strengthen our resilience, and improve our access to capital. Responsible consumption is not only the right approach for the environment—it is a strategic advantage for our company.

2025 ENVIRONMENTAL HIGHLIGHTS

Our environmental highlights for 2025 centered on responsible consumption and continued reductions in natural resource use, including our **Lowest Carbon Intensity on Record**.

58%

ENERGY: 58% OF ALL ENERGY NEEDS PROVIDED BY ELECTRICITY SOURCED FROM A MIX OF SOLAR, HYDROELECTRIC, AND TRADITIONAL SOURCES

21%

CARBON: 21% ANNUAL REDUCTION IN CARBON FOOTPRINT PER TONNE OF ORE PROCESSED

48%

WASTE: 48% OF NON MINERAL WASTE RECYCLED

WATER: 95% OF OPERATIONAL WATER SOURCED FROM MINE DEWATERING

95%

FIRST MINT

RECORD SALES AND REVENUE DRIVE FIRST MINT'S GROWTH IN 2025

First Mint LLC is First Majestic's 100%-owned minting facility in Las Vegas, Nevada, part of our long-term, strategic initiative to vertically integrate the Company's precious metals value chain and enhance direct participation in the physical bullion market. This state-of-the-art operation, commissioned in 2024, manufactures high-quality, investment-grade silver products including cast bars, minted rounds, coins and specialty items for sale through the Company's online bullion platform.

DIRECT SOURCING PROVIDES HIGHER MARGINS AND CONTROLS THE SUPPLY CHAIN

All products produced by First Mint are .999+ bullion and crafted from silver sourced directly from First Majestic's mining operations in Mexico. This advantage provides higher margins and controls the supply chain while capitalizing on the strong investment demand for physical silver. It also allows us to sell a substantially greater portion of our silver production directly to our shareholders and bullion customers at some of the lowest premiums available.

SILVER SALES INCREASE 104% OVER 2024

First Mint sold 1,067,097 ounces of silver in 2025, representing a 104% increase compared to 521,979 ounces in 2024. This rapid growth reflects strong customer engagement and growing brand recognition. The facility accounted for 7% of First Majestic's annual silver output in 2025 and 11% of the total silver doré production. Additional capacity is available to support future growth.

REVENUES REACH \$49 MILLION

Total revenues for First Mint reached \$49 million in 2025, significantly higher than the \$16 million achieved in 2024. The average realized silver price for the year at First Mint was \$46.32 per ounce, 51% higher than the average of \$30.66 per ounce in 2024.

INNOVATION, QUALITY AND ISO CERTIFICATION

First Mint operates some of the most innovative processing equipment in the precious metals industry, including an environmentally-friendly flameless tunnel which uses significantly less electricity and produces near zero emissions when compared to traditional minting processes.

First Mint achieved ISO 9001 certification in April 2025. This quality designation allows silver products sold by First Mint to be purchased by investors for their Individual Retirement Accounts.

First Majestic shareholders with at least 100 shares qualify for a silver discount (currently \$1.00 per ounce) from our posted price through the Shareholder Benefits program.

VISIT [FIRSTMINT.COM](https://www.firstmint.com) FOR MORE INFORMATION AND TO BUY SILVER PRODUCTS SOURCED DIRECTLY FROM FIRST MAJESTIC.

[FirstMint.com](https://www.firstmint.com)

From Mine to Mint.



“Since opening First Mint, we’ve seen exceptional demand for our retail silver products and significant revenue contributions.”

—MANI ALKHAFAJI, PRESIDENT & CHIEF CORPORATE DEVELOPMENT OFFICER



IDEAS PROGRAM

Promoting Employee Innovation - Over 700 Ideas in 2025

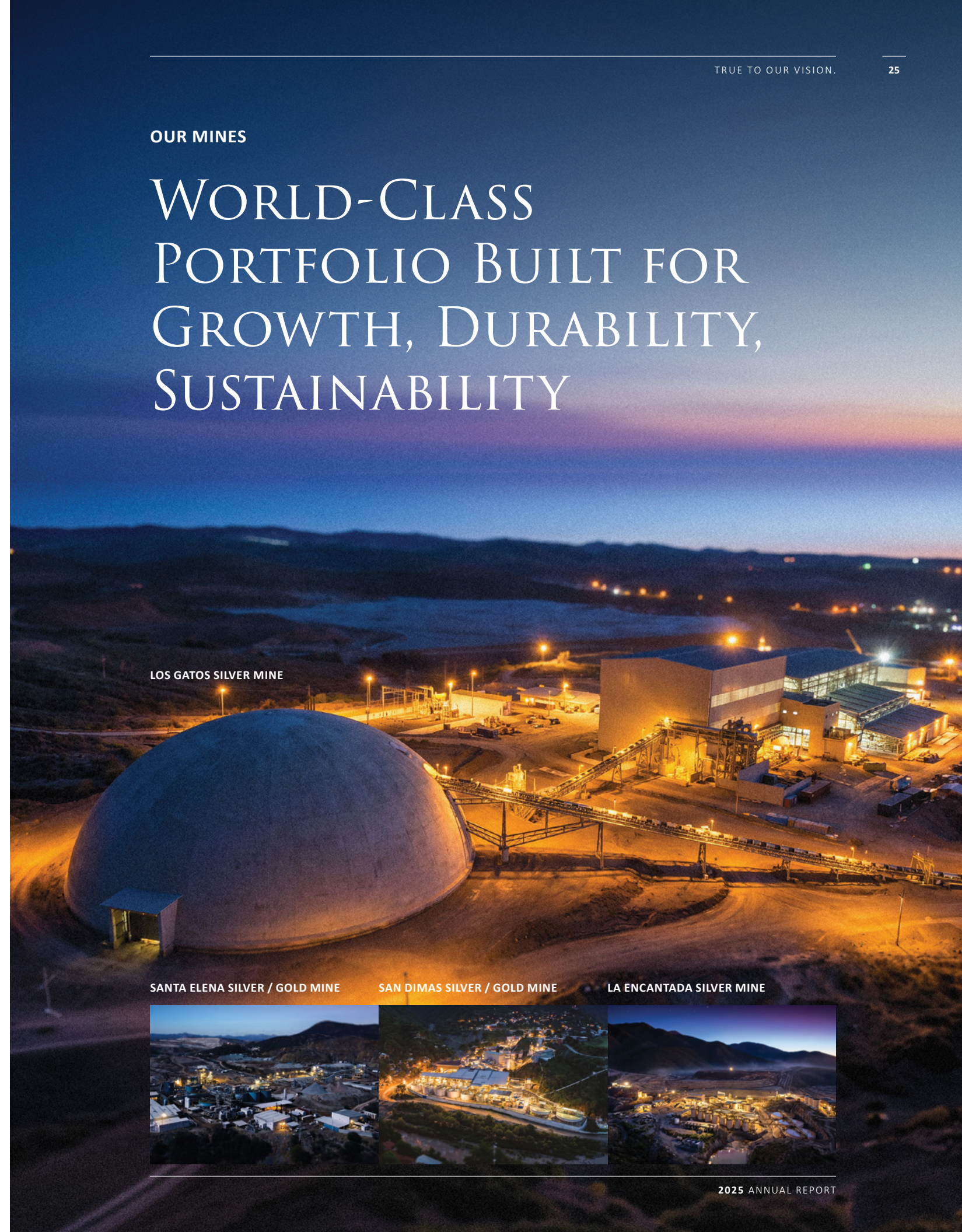
First Majestic's IDEAS program is a company-wide innovation initiative that empowers employees to submit and develop practical improvements across operations. The program fosters a culture of continuous improvement by leveraging frontline expertise to drive operational performance and sustainable value. Participation is encouraged through cash rewards and recognition, with ideas evaluated and fast-tracked for implementation. We received over 700 idea submissions in 2025, with multiple completed projects delivering measurable gains in safety, efficiency, and cost reduction.

1 ST	WINNER: Alex Segundo Chambe García	IDEA: Optimization of Shotcrete Application at Los Gatos This initiative represented a strategic advance in underground geomechanical management, establishing the foundation for integrating innovations that strengthen safety, efficiency, and reliability in future operations.	KEY BENEFITS: <ul style="list-style-type: none"> Financial Impact: up to 7.5% savings in development cost per metre in CAPEX with annual net benefit of up to US\$910,500. Improved Operational Resilience: Reduction of shotcrete setting time from 3.0 to 1.5 hours. Increased Efficiency: Optimization of the mining cycle. Safety: Enhancement of operational safety by reducing the exposure time in unsupported faces. 	
2 ND	WINNER: Elvis David Palomares Quintanilla	IDEA: Deployment of Maintenance 4.0 Practices on Underground Loaders at Los Gatos This initiative delivered a Maintenance 4.0 system for loaders, optimizing operational performance. When fully implemented, the program is expected to deliver a 100% reduction in failures.	KEY BENEFITS: <ul style="list-style-type: none"> Significantly reduced equipment failures by 20%. Enable predictive management based on real-time data. 	
3 RD	WINNER: Ivan Arévalo Morales	IDEA: Flotation Circuit Improvement at Los Gatos This initiative enhanced Pb-Ag recovery by routing coarse material directly to final concentrate.	KEY BENEFITS: <ul style="list-style-type: none"> More Ag recovery: 0.1% Recovery = 9,224 Ag oz. The annual impact amounts to US\$267,000K from the additional silver recovered. 	
3 RD	WINNER: Ramon Eduardo Valdes Bool	IDEA: Development of Two New Sublevels at Santa Elena This initiative increased Santa Elena's ore feed grades.	KEY BENEFITS: <ul style="list-style-type: none"> Delivered an estimated 297,000 ounces above budgeted Ag production. Delivered an annual net financial benefit of US\$6,500,000. 	

Accepting the 3rd place award for Ramon is José Miguel Delgado Ibarra (shown), who was also recognized for his idea to Enhance counter-current and cake washing at San Dimas.

OUR MINES

WORLD-CLASS PORTFOLIO BUILT FOR GROWTH, DURABILITY, SUSTAINABILITY



LOS GATOS SILVER MINE

SANTA ELENA SILVER / GOLD MINE

SAN DIMAS SILVER / GOLD MINE

LA ENCANTADA SILVER MINE





LOS GATOS SILVER MINE

CHIHUAHUA STATE, MÉXICO



HIGHLIGHTS

Ownership	70%
2025 Silver Production (ounces) (70%)	5,869,370
2025 Silver Equivalent Production (ounces) (70%)	8,906,267
2025 Zinc Production (pounds) (70%)	56,690,291
2025 Lead Production (pounds) (70%)	32,264,292
2025 Copper Production (pounds) (70%)	920,509
2025 Cash Costs per AgEq Ounce	\$12.91
2025 All-In Sustaining Costs per Ag Eq Ounce	\$15.15
2026 Projected Cash Costs per AgEq Ounce	\$14.88 – \$15.62
2026 Projected All-In Sustaining Costs per AgEq Ounce	\$18.01 – \$19.04
2026 Projected Silver Production (ounces) (70%)	4,800,000 – 5,400,000
2026 Projected Gold Production (ounces) (70%)	2,900 – 3,100

The **Los Gatos Silver Mine**, acquired in January 2025, is one of the industry's lowest-cost operating silver mines and a cornerstone asset of First Majestic's portfolio. Part of the larger Los Gatos District in the State of Chihuahua, Los Gatos covers approximately 103,000 hectares. The land package represents a highly prospective and under-explored district with numerous silver-zinc-lead epithermal mineralized zones identified as priority targets with significant exploration potential. The Company owns 70% of the mine through its interest in the Los Gatos Joint Venture. Dowa Metals & Mining Co., Ltd., of Japan, owns the remaining 30%.

A cornerstone asset and one of the industry's lowest-cost silver mines.

QUICKLY BECOMING A KEY PRODUCTION CENTRE

With a successful integration into First Majestic's portfolio, Los Gatos has quickly become a key contributor to First Majestic's overall production and profitability. The mine accounted for roughly 30% of consolidated output in 2025 with attributable production of 8.9 million AgEq ounces, including 5.9 million pure silver ounces. The Los Gatos plant has consistently achieved throughput levels above original design capacity, reflecting successful debottlenecking, operational improvements and a proven operating team that continues to optimize the asset.

Los Gatos comprises a modern underground mine, a conventional flotation processing plant and associated surface infrastructure. The polymetallic deposit yields silver as its primary metal, along with significant by-product zinc and lead with minor quantities of gold and copper. Ore is processed through a crushing and grinding circuit followed by differential flotation to produce separate lead and zinc concentrates.

INCREASING MINING AND DEVELOPMENT RATES IN 2026

Management continues to focus on achieving a sustainably higher mill throughput at Los Gatos by increasing mining rates. The Company has engaged a new mining contractor to increase development rates and is making

further investments targeting a sustained increase in ore throughput at Los Gatos to 4,000 tpd, based on operating days, in the second half of 2026.

LARGELY UNEXPLORED ALONG A 40-KILOMETRE FAULT SYSTEM

In addition to its modern plant, long-term production profile and proven operating team, Los Gatos was acquired for its significant exploration potential. The extensive land package remains largely unexplored along a 40-kilometre fault system with many attractive greenfield targets.

Exploration drilling of the Southeast Deeps zone in 2025 extended silver and base metals mineralization and confirmed continuity of the zone, while drilling in the Central and Northwest Deeps zones confirmed the presence of silver and base metals mineralization at depth and identified a faulted offset from the main Los Gatos deposit. These zones, along with high-level greenfield drilling, will be tested further in 2026.

Underground development at Los Gatos totaled 6,920 metres in 2025. Exploration drilling totaled 58,312 metres, focused on expanding the orebody by targeting multiple prospective targets within a 5km radius of the processing plant.



SANTA ELENA SILVER/GOLD MINE

SONORA STATE, MÉXICO

HIGHLIGHTS

Ownership	100%
2025 Silver Production (ounces)	1,416,862
2025 Gold Ounces Produced	88,107
2025 Silver Equivalent Production (ounces)	9,114,483
2025 Cash Costs per Ounce	\$14.36
2025 All-In Sustaining Costs per Ounce	\$17.96
2026 Projected Cash Costs per Ounce	\$20.04 – \$21.06
2026 Projected All-In Sustaining Costs per Ounce	\$24.90 – \$26.40
2026 Projected Silver Production (ounces)	1,300,000 – 1,500,000
2026 Projected Gold Production (ounces)	64,000 – 71,000

The **Santa Elena Silver/Gold Mine**, located approximately 150 kilometres northeast of Hermosillo in the state of Sonora, continued to reinforce its importance as a reliable, high-margin mine and key contributor to First Majestic's silver and gold production. The property covers 102,244 hectares and forms part of a growing, district-scale asset with significant exploration upside.



A reliable, high-margin operation.

TWO PRODUCING AREAS SUPPORT A FLEXIBLE OPERATING APPROACH

Santa Elena is a fully underground mining complex currently consisting of two producing areas: the Santa Elena underground mine and the nearby Ermitaño underground deposit, located approximately 3.5 kilometres from the central processing facility. Ermitaño commenced production in 2021 and has become an important source of higher-grade ore, enhancing overall production levels and operating efficiency. 2025 initiatives included the development of the Luna resource located just east of the Ermitaño ore body to bring it into near term production.

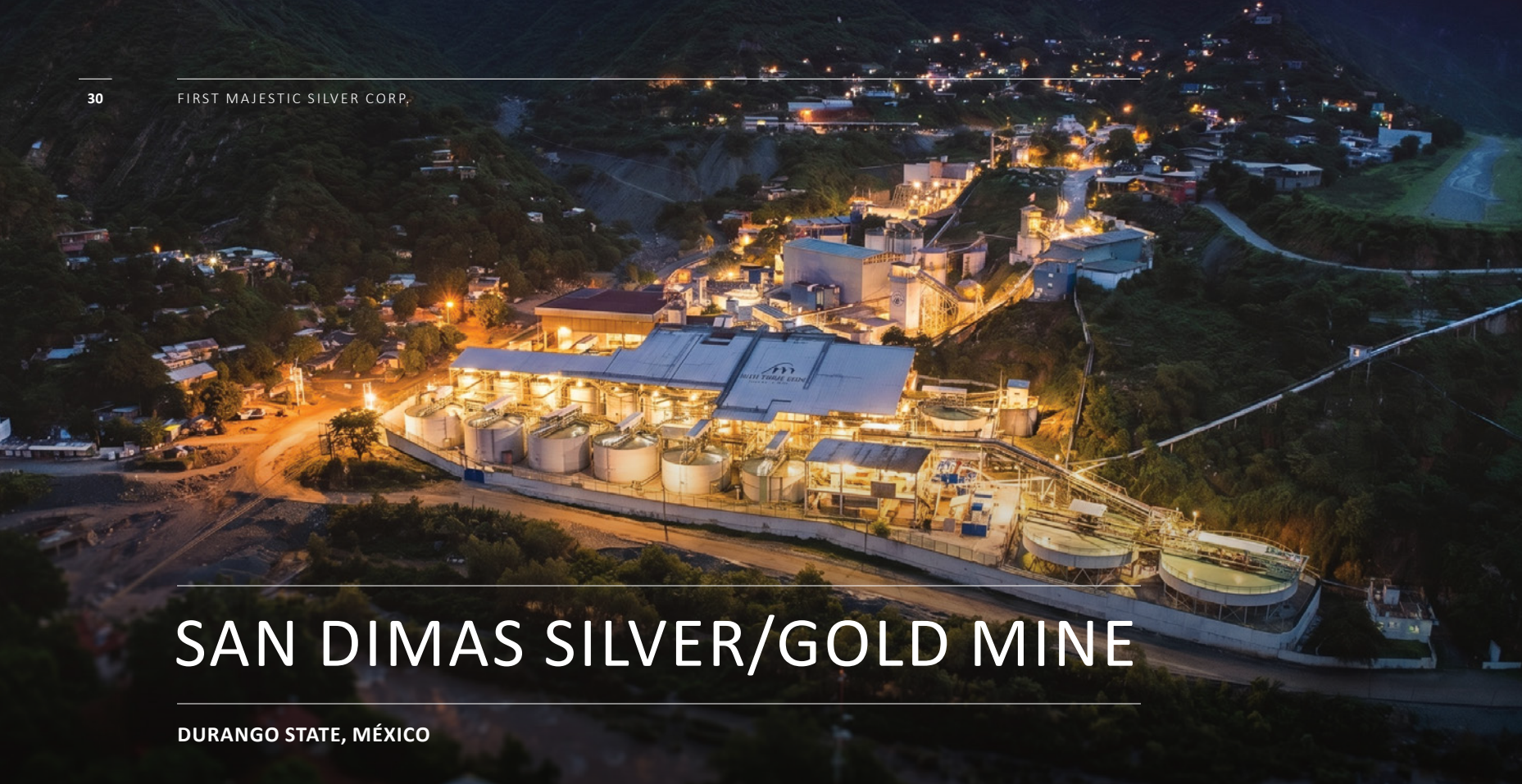
Ore is processed through a centralized, conventional cyanidation plant with a current capacity of approximately 3,000 to 3,200 tonnes per day ("tpd"). The Company is investing in plant expansion to take Santa Elena processing capacity to 3,500 tpd in H2 2026, as new discoveries across the property have enhanced the Company's confidence in reliable high-grade ore supply.

The property also includes an ISO 9001 Certified Assay Lab, which raises the standard of lab operations, reduces costs, and allows for faster assay turnaround times for Santa Elena and the rest of the Company's portfolio.

THE NEW SANTO NIÑO VEIN

Santa Elena delivered strong exploration results in 2025, highlighted by the discovery of the Santo Niño vein and expansion of the Navidad/Winter vein systems, which now host 10.5 million tonnes of Inferred Mineral Resources containing 90.7 million ounces of silver equivalent combined, at an average grade of 268 g/t AgEq. Santo Niño represents the second major gold and silver discovery at Santa Elena in less than 12 months. Santo Niño is a large, epithermal vein hosting gold and silver within a newly identified fault zone located only one kilometre south of the Santa Elena mine and 2.2 kilometres west-northwest of the Ermitaño deposit. Ongoing underground development and district exploration activities continued to target resource expansion and the identification of new high-grade zones.

Underground development at Santa Elena totaled 7,584 metres in 2025, compared with 9,206 in 2024. Exploration drilling in 2025 totaled 70,278 metres, compared with 58,312 metres in 2024.



SAN DIMAS SILVER/GOLD MINE

DURANGO STATE, MÉXICO

HIGHLIGHTS

Ownership	100%
2025 Silver Production (ounces)	5,385,150
2025 Gold Production (ounces)	55,724
2025 Silver Equivalent Production (ounces)	10,240,773
2025 Cash Costs per AgEq Ounce	\$14.97
2025 All-In Sustaining Costs per Ag Eq Ounce	\$19.62
2026 Projected Cash Costs per AgEq Ounce	\$18.55 – \$19.56
2026 Projected All-In Sustaining Costs per AgEq Ounce	\$24.63 – \$26.30
2026 Projected Silver Production (ounces)	4,000,000 – 4,400,000
2026 Projected Gold Production (ounces)	49,000 – 55,000

With over 250 years of operating history, the **San Dimas Silver/Gold Mine** represents one of First Majestic's most significant long-life assets and the largest producing underground mine in the state of Durango. The mine is located approximately 130 km northwest of the city of Durango and lies within the prolific Sierra Madre Occidental. San Dimas comprises 71,867 hectares of mining claims and is 100% owned and operated by First Majestic following its acquisition in 2018. The operation is situated adjacent to the historic mining town of Tayoltita.



A long-life asset in one of Mexico's most significant precious metals districts.

San Dimas provides First Majestic with a stable production base, significant exploration upside and exposure to both silver and gold. The deposit ranks among the most significant precious metal districts in Mexico, with historical production exceeding 582 million ounces of silver and 11 million ounces of gold prior to and including modern operations.

With its large land position, extensive infrastructure and long history of high-grade mineralization, San Dimas represents a cornerstone of the Company's strategy for sustained production and long-term value creation in Mexico.

HIGHER PRODUCTION IN 2025

Production at San Dimas in 2025 increased 16% over 2024, benefitting from higher throughput and higher silver grades during the year. The mine's operating plan involves processing ore from several underground mining areas with a 2,700 tpd capacity milling operation that produces silver/gold doré bars. Despite annual performance being impacted by lower mined gold grades and multiple weather-related power interruptions in Q2 2025, ongoing advancements supported the site's strong production results and reflected the sustained progress in workforce engagement and process optimization.

MULTIPLE EPITHERMAL VEINS ACROSS FIVE MINING AREAS

The San Dimas complex exploits multiple epithermal vein systems across five principal mining areas: Central Block, Sinaloa Graben, Tayoltita, Arana Hanging Wall and San Antonio West. Mining is conducted using long-hole stoping and mechanized cut-and-fill methods. Ore is processed at the centralized Tayoltita plant, where conventional crushing, grinding and cyanidation circuits produce doré bars for shipment to refineries in the United States. The operation has achieved consistent metallurgical performance, with recent silver recoveries averaging approximately 94% and gold recoveries approximately 96%.

Underground development at San Dimas totaled 20,885 metres in 2025, compared with 19,493 metres in 2024. Exploration drilling totaled 118,323 metres, compared with 113,738 metres in 2024.

LA ENCANTADA SILVER MINE

COAHUILA STATE, MÉXICO

HIGHLIGHTS

Ownership	100%
2025 Silver Production (ounces)	2,764,123
2025 Silver Equivalent Production (ounces)	2,776,460
2025 Cash Costs per Ounce	\$23.61
2025 All-in Sustaining Costs per Ounce	\$29.26
2026 Projected Cash Costs per Ounce	\$24.20 – \$25.52
2026 Projected All-In Sustaining Costs per Ounce	\$30.54 - \$32.50
2026 Projected Silver Production (ounces)	2,800,000 – 3,100,000

The **La Encantada Silver Mine** is the Company's longest continuously operating mine, and it continues to provide First Majestic with stable primary silver production and long-term optionality. Located in the state of Coahuila in northern Mexico, approximately 708 kilometres northeast of Torreón, the operation is 100% owned and operated by First Majestic and comprises 4,076 hectares of mining rights along with extensive surface infrastructure including an airstrip, camp facilities and processing plant and support services.



Production increased 18% with a return to targeted production levels.

HIGHER PRODUCTION REFLECTS

IMPROVED WATER SUPPLY, ORE FLOW AND RECOVERIES
Production increased by 18% at La Encantada in 2025, reflecting an improved water supply for processing plus enhanced ore flow with higher silver recoveries. Management initiatives, including internalizing haulage, and the engagement of a new mine development contractor also resulted in higher mine development and mining rates. These improvements are expected to provide continued higher performance in 2026.

THREE NEW ZONES PROVIDE SIGNIFICANT IMPROVEMENTS IN GRADE AND RECOVERIES

Mining in 2025 extended into three new zones: San Javier, Milagros, and Bonanza. These areas have shown significant improvements in grades and recoveries and are expected to increase production and reduce costs per ounce in future periods.

The mine's higher ore tonnage and improved silver recoveries were partially offset by variability in head grades as the new development areas were brought into production. Management has engaged additional mining contractors and accelerated underground development to stabilize ore flow and support sustainable production going forward.

Underground development at La Encantada totaled 5,125 metres in 2025, compared with 3,347 metres in 2024. Exploration drilling in 2025 totaled 7,158 metres, compared with 5,513 metres in 2024.

EXPLORATION OVERVIEW

STAYING TRUE TO OUR VISION THROUGH STRATEGIC EXPLORATION INVESTMENT

First Majestic's \$43.8 million exploration investment in 2025 yielded some of the best results in the Company's history, generating significant new discoveries at Santa Elena and San Dimas while substantially increasing the size of the mineralized area at Santa Elena's Navidad vein system (discovered in 2024). At Los Gatos, ongoing drilling continued to expand mineralization across multiple zones, supporting our expectations for meaningful mineral resource growth over the coming decade.

OUR EXPLORATION STRATEGY: A BALANCED APPROACH FOR MINE-SPECIFIC NEEDS

Working within a planned exploration budget of \$41 – \$45 million for 2026, our strategy is to invest only after thorough assessment of the different demands for brownfield and greenfield exploration at each mine site. We foster a close feedback loop between the mine planning, resource definition and exploration groups to best understand short-term and long-term priorities to maximize ore development and new discoveries. This collaboration allows us to develop the most productive strategy tailored to the life of each mine and replace annual depletion.

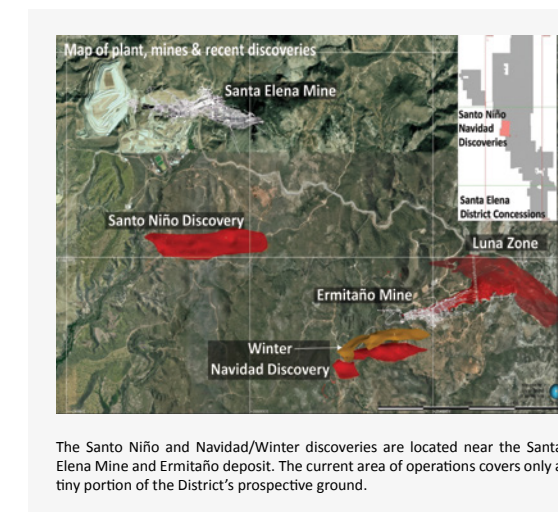
“With four exceptional deposits now confirmed at Santa Elena, we have a truly prolific district with substantial untapped potential.”

– GONZALO MERCADO, VP, EXPLORATION & TECHNICAL SERVICES



FOLLOWING IS A SUMMARY OF 2025 EXPLORATION HIGHLIGHTS.

SANTA ELENA DISTRICT Santo Niño: a Significant New Addition to Santa Elena's Long-Term Potential



Building on the exploration model unveiled in February 2025, our team delivered the Santo Niño vein—our second gold and silver discovery in less than 12 months. Santo Niño is a large, epithermal system hosting gold and silver within a newly identified fault zone.

- Located only a kilometre south of the Santa Elena mine and 2.2 kilometres west-northwest of the Ermitaño deposit.
- Drilling to date has traced the vein over one kilometre of strike and 400 metres down-dip.
- Mineralization is high-grade, with upside potential open in multiple directions.
- The vein lies along strike with the Ermitaño deposit and demonstrates very similar geological characteristics, underscoring Santa Elena's district-scale potential.

“Santo Niño is a large, epithermal system hosting gold and silver within a newly identified fault zone.”

Navidad/Winter Drilling Substantially Increases Mineralized Area

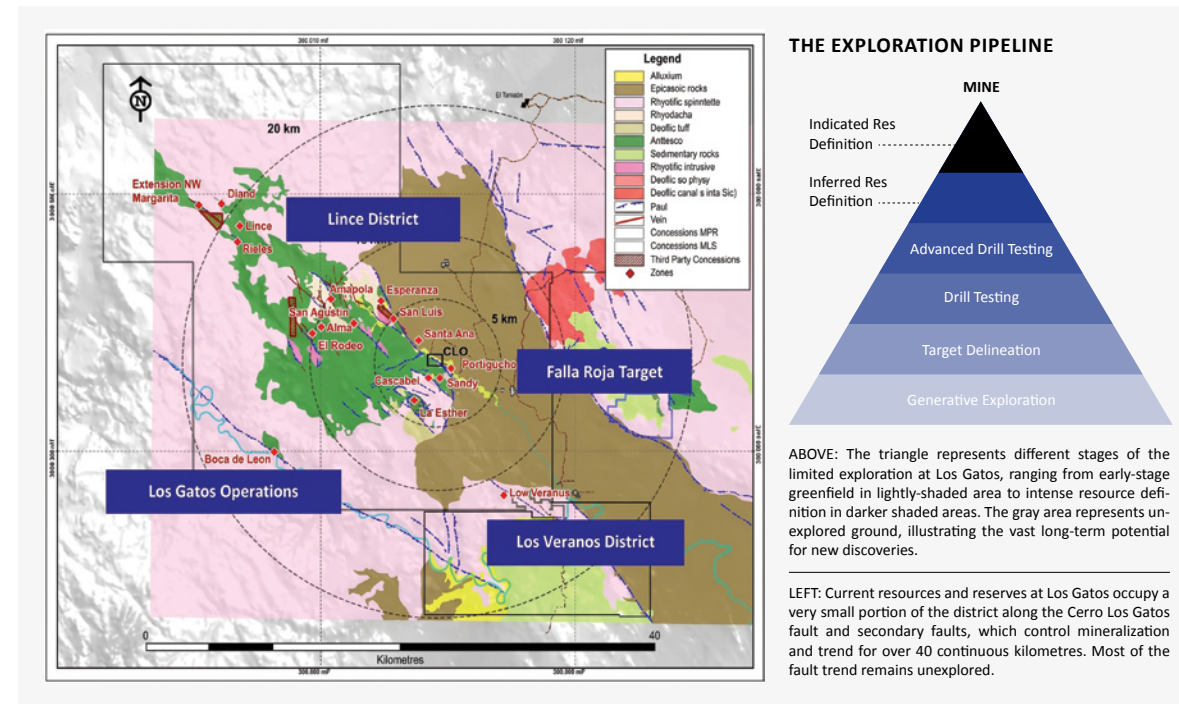
Resource addition and resource conversion drilling at Santa Elena's Navidad/Winter discovery followed the maiden Inferred Mineral Resource estimate published December 31, 2024. This program continued to intercept high-grade mineralization and increase the size of the mineralized area.

- Gold and silver grades were substantially higher than reported in the maiden Resource Estimate and prior drilling.
- Advancing towards a production decision, drilling focused on testing continuity, extent and grade of mineralization.
- Drilling produced some of the highest-grade mineralization ever encountered on the Santa Elena property.

With the additions of Navidad and Santo Niño, the Santa Elena property now hosts four significant gold-silver deposits, within a few kilometres from the plant, and confirm Santa Elena as a truly prolific district with substantial untapped potential. Santo Niño and Navidad are expected to meaningfully extend the mine life and unlock additional value to the portfolio.

LA ENCANTADA SILVER MINE

Drilling in 2025 shifted from underground to surface-focused, centered on the new La Esquina exploration target. Building on 7,158 metres in 2025, we are planning for up to 10,000 metres of exploration drilling in 2026 to test this and other targets further.



LOS GATOS DISTRICT
Drilling Intersects Significant Silver and Base Metal Mineralization

A major driver for acquiring Los Gatos was the district’s significant exploration upside, and our 2025 program reinforced that potential.

With eight-to-ten years of measured and indicated mineralization identified at Los Gatos, we balanced infill drilling while also focusing on testing potential areas for new ore bodies across the wider land package.

- Exploration drilling of the South-East Deeps zone extended silver and base metals mineralization and confirmed continuity of the zone.
- Drilling in the Central and North-West Deeps zones confirmed the presence of silver and base metals mineralization at depth and identified a faulted offset from the main Los Gatos deposit.

The Central and Northwest Deeps drilling was conducted at a widely-spaced exploration stage to target areas of interest. Drilling will tighten the Inferred drill hole spacing through 2026.

SAN DIMAS DISTRICT
High-Grade Silver and Gold Across Multiple Vein Systems

Exploration drilling in 2025 intersected high-grade silver and gold mineralization in multiple veins across the San Dimas property. In addition to strong results from numerous veins in near-mine extensions at Elia, Sinaloa, Roberta, and Santa Teresa, our team delivered a new high-grade silver and gold intercept in the Coronado vein of the West Block.

Sinaloa–Elia Veins Expanded
 Drilling at the historic Sinaloa–Elia veins cut multiple intercepts with high-grade gold and silver mineralization.

- Drill holes expanded the known mineralization beyond the current mineral resources.
- Confirmed the presence of mineralization below historically mined areas along the Sinaloa vein and to the east of the Elia vein.
- Additional drill holes successfully converted Inferred Mineral Resources to Indicated Mineral Resources, effectively de-risking mineralization for near-term mining.

Coronado Vein May Define New Mineral Resources
 The Coronado vein, which trends sub-parallel to the Santa Teresa vein, represents an important opportunity to identify new mineral resources in this area.

- Early drilling to test Coronado in 2025 intersected high-grade gold and silver mineralization.
- The trend remained open for approximately 1 kilometre to the west.
- These results confirm our view that San Dimas offers significant growth opportunities and remains a cornerstone asset for our long-term growth strategy.

JERRITT CANYON GOLD MINE
Focused on Greenfield Targets and Resource Addition

The Jerritt Canyon Gold Mine in Nevada, U.S.A. is a mining operation covering 30,821 hectares with exceptional exploration potential. The operation was placed on temporary suspension in March of 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations.

Exploration in 2024 and 2025 focused on greenfield targets within the recently permitted U.S. Forest Lands on the large land package. During 2025, the Company completed 18,410 m of surface drilling on the property, representing a significant increase compared to 5,370 m in 2024. The successful 2025 program focused on the Mahala, Javelin, and Saval targets within the Smith SSX-Saval mining area. The Company believes the results underscore the potential for expanding gold Mineral Resources at Jerritt Canyon to include both open-pit and underground resources.

For 2026, exploration will continue exploring both near-mine and prospective regional greenfield targets to grow Jerritt Canyon’s resources. Higher gold prices offer the potential for expanding open pit resources in addition to the existing underground potential. Based on the new expanded Mineral Resource base combined with strengthened long-term gold price assumptions, in April 2026 the Company announced an initial investment of \$75 million in order to commence the restart plan for Jerritt Canyon targeting production in the second half of 2027.

“Exploration in 2024 and 2025 focused on greenfield targets within the recently permitted U.S. Forest Lands on the large land package.”

PROVEN AND PROBABLE MINERAL RESERVE ESTIMATES, WITH AN EFFECTIVE DATE OF DECEMBER 31, 2025

Category/Area	Mineral Type	Tonnage k tonnes	Grades					Metal Content						
			Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag-Eq (g/t)	Ag (k Oz)	Au (k Oz)	Cu (M lb)	Pb (M lb)	Zn (M lb)	Ag-Eq (M Oz)
LOS GATOS (70% First Majestic Attributable)														
Proven (UG)	All Mineral Types	1.97	231	0.25	0.07	1.85	3.51	332	14.57	0.02	3.23	80.08	152.03	21.02
Probable (UG)	All Mineral Types	7.59	85	0.17	0.21	1.74	3.19	185	20.7	0.04	35.88	291.33	533.89	45.11
Total Proven & Probable (UG)	Sulphides	9.55	115	0.19	0.19	1.76	3.26	215	35.28	0.06	39.1	371.41	685.92	66.13
SAN DIMAS														
Proven (UG)	Sulphides	1.45	217	2.64	-	-	-	451	10.13	0.12	-	-	-	21.01
Probable (UG)	Sulphides	2.25	180	2.3	-	-	-	383	13.03	0.17	-	-	-	27.74
Total Proven & Probable (UG)	Sulphides	3.7	195	2.43	-	-	-	410	23.16	0.29	-	-	-	48.75
SANTA ELENA														
Proven (UG - Ermitaño)	Sulphides	0.68	59	2.29	-	-	-	342	1.29	0.05	-	-	-	7.5
Proven (UG - Santa Elena)	Sulphides	0.38	105	1.22	-	-	-	215	1.29	0.02	-	-	-	2.64
Proven (Stockpile)	Sulphides	0.24	46	1.74	-	-	-	264	0.35	0.01	-	-	-	2.02
Probable (UG - Ermitaño)	Sulphides	3.39	29	1.16	-	-	-	153	3.15	0.13	-	-	-	16.69
Probable (UG - Santa Elena)	Sulphides	1.22	120	1.09	-	-	-	218	4.73	0.04	-	-	-	8.57
Probable (Pad)	Oxides	0.39	27	0.42	-	-	-	81	0.33	0.01	-	-	-	1
Total Proven & Probable (UG+Pad)	All mineral types	6.3	55	1.25	-	-	-	190	11.14	0.25	-	-	-	38.42
LA ENCANTADA														
Probable (UG)	Oxides	7.87	121	-	-	-	-	121	31.5	-	-	-	-	31.5
Total Probable (UG)	Oxides	7.87	121	-	-	-	-	121	31.5	-	-	-	-	31.5
Consolidated FMS														
Proven (UG)	All mineral types	4.72							27.63	0.22	3.23	80.08	152.03	54.19
Probable (UG)	All mineral types	22.71							73.44	0.39	35.88	291.33	533.89	130.6
Total Proven & Probable	All mineral types	27.43							101.07	0.61	39.1	371.41	685.92	184.79

(1) Mineral Reserves have been classified in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into National Instrument 43-101 Standards of Disclosure for Mineral Projects (“NI 43-101”). (2) The Los Gatos Mineral Reserves are reported on a 70% First Majestic attributable basis. (3) The Mineral Reserve estimates were prepared under the supervision of, or were reviewed by, Andrew Pocock, P.Eng., an employee of First Majestic and the “Qualified Person” (as such term is defined in NI 43-101) responsible for the above Mineral Reserve estimates. (4) The Mineral Reserves were estimated from the Measured and Indicated portions of the Mineral Resource estimates. Inferred Mineral Resources were not considered to be converted into Mineral Reserve estimates. (5) AgEq grade is estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the selling contract. The AgEq grade formulas are different for all of the Company’s operating mines and are presented in the description of each mine set out in the Company’s annual information form for the year ended December 31, 2025 (the “2025 AIF”). (6) Metal prices considered for the Mineral Reserve estimates for Santa Elena, San Dimas and La Encantada were \$35/oz Ag and \$3,100/oz Au; metal prices considered for Los Gatos were \$35/oz Ag, \$3,100/oz Au, \$0.95/lb Pb, \$1.25/lb Zn and \$4.35/lb Cu. (7) Other key assumptions and parameters include: metallurgical recoveries; metal payable terms; direct mining costs, processing costs, indirect and G&A costs and sustaining costs. These parameters are different for each mine and mining method assumed and are presented in the description of each mine set out in the 2025 AIF. (8) A two-step constraining approach has been implemented to estimate reserves for each mining method in use: A General Cut-off Grade (“GC”) was used to delimit new mining areas that will require development of access, infrastructure, and all sustaining costs. A second Incremental Cut-off Grade (“IC”) was considered to include adjacent mineralized material which recoverable value pays for all associated costs, including but not limited to the variable cost of mining and processing, indirect costs, treatment, administration costs, and plant sustaining costs but excludes the access development assumed to be covered by the block above the GC grade. (9) The cut-off grades, metallurgical recoveries, payable terms and modifying factors used to convert Mineral Reserves from Mineral Resources are different for all mines and are presented in the description of each mine set out in the 2025 AIF. (10) Modifying factors for conversion of Mineral Resources to Mineral Reserves include consideration for planned dilution which is based on spatial and geotechnical aspects of the designed stopes and economic zones, additional dilution consideration due to unplanned events, materials handling and other operating aspects, and mining recovery factors. Mineable shapes were used as geometric constraints. (11) Tonnage is expressed in millions of tonnes; metal content is expressed in millions of ounces for gold and silver and in millions of pounds for zinc, lead, and copper. Metal prices and costs are expressed in USD. (12) Numbers have been rounded as required by reporting guidelines. Totals may not sum due to rounding. (13) The technical reports from which the above-mentioned information is derived are cited under the heading “Scientific and Technical Information – Technical Reports for Material Properties” in the 2025 AIF.

MEASURED AND INDICATED MINERAL RESOURCE ESTIMATES FOR THE MATERIAL PROPERTIES, WITH AN EFFECTIVE OF DECEMBER 31, 2025

Category/Area	Mineral Type	Tonnage k tonnes	Grades					Metal Content						
			Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag-Eq (g/t)	Ag (k Oz)	Au (k Oz)	Cu (%)	Pb (M lb)	Zn (M lb)	Ag-Eq (M Oz)
LOS GATOS (70% First Majestic Attributable)														
Total Measured (UG)	All Mineral Types	1.8	314	0.36	0.11	2.64	4.99	463	18.14	0.02	4.27	104.81	198.09	26.78
Total Indicated (UG)	All Mineral Types	6.67	113	0.24	0.27	2.35	4.39	252	24.22	0.05	39.73	345.36	644.47	54
Total Measured and Indicated (UG)	All Mineral Types	8.46	156	0.26	0.24	2.41	4.52	297	42.35	0.07	44	450.17	842.56	80.78
SAN DIMAS														
Measured (UG)	Sulphides	1.9	349	4.49	-	-	-	758	21.32	0.27	-	-	-	46.34
Indicated (UG)	Sulphides	2.97	252	2.98	-	-	-	524	24.1	0.28	-	-	-	50.07
Total Measured and Indicated (UG)	Sulphides	4.87	290	3.57	-	-	-	615	45.42	0.56	-	-	-	96.41
SANTA ELENA														
Total Measured (UG)	All Mineral Types	2.22	71	1.97	-	-	-	301	5.08	0.14	-	-	-	21.43
Total Indicated (UG)	All Mineral Types	8.49	59	1.34	-	-	-	203	16.01	0.37	-	-	-	55.36
Total Measured and Indicated (UG & Pad)	All Mineral Types	10.7	61	1.47	-	-	-	223	21.09	0.51	-	-	-	76.78
JERRITT CANYON														
Total Measured (UG + OP)	Sulphides	21.58		2.76	-	-	-	243		1.91	-	-	-	168.93
Total Indicated (UG + OP)	Sulphides	32.68		2.08	-	-	-	184		2.19	-	-	-	193.42
Total Measured and Indicated (UG & OP)	All Mineral Types	54.26		2.35	-	-	-	208		4.1	-	-	-	362.35
LA ENCANTADA														
Total Indicated (UG & Tailings)	All Mineral Types	8.31	136	-	-	-	-	136	36.43	-	-	-	-	36.43
Total Indicated (UG+Tailings)	All Mineral Types	8.31	136	-	-	-	-	136	36.43	-	-	-	-	36.43
TOTAL MATERIAL PROPERTIES														
Total Measured (UG)	All Mineral Types	27.5							44.54	2.35	4.27	104.81	198.09	263.48
Total Indicated (UG and OP)	All Mineral Types	59.11							100.76	2.89	39.73	345.36	644.47	389.29
Total Measured and Indicated (UG and OP)	All Mineral Types	86.61							145.3	5.24	44	450.17	842.56	652.76

(1) Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101. (2) The Mineral Resource estimates have an effective date of December 31, 2025. Sample data was collected through a cut-off date of December 31, 2025 for the five properties. All properties account for relevant technical information and mining depletion through December 31, 2025. (3) The Los Gatos Mineral Resources are reported on a 70% First Majestic attributable basis. (4) Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, an employee of First Majestic and the “Qualified Person” (as such term is defined in NI 43-101) responsible for the above Mineral Resource estimates (5) AgEq grade is estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the corresponding contract of each mine. Estimation details are listed in the description of each mine set out in the 2025 AIF. (6) Metal prices considered for all Mineral Resource estimates were \$38.50/oz Ag, \$3,400/oz Au, \$1.05/lb Pb, \$1.40/lb Zn and \$4.75/lb Cu. (7) The cut-off grades and cut-off values used to report Mineral Resources are different for all mines. The cut-off grades, values and economic parameters are listed in the applicable section describing each mine in the 2025 AIF. (8) Mineral Resources are reported within mineable stope or open pit shapes from the cut-off values calculated using the stated metal prices and metal recoveries in the description of each mine set out in the 2025 AIF. The cut-off values include mill recoveries and payable metal factors appropriate to the existing processing circuit. (9) No dilution was applied to the Mineral Resources which are reported on an in-situ basis. (10) Tonnage is expressed in millions of tonnes; metal content is expressed in millions of ounces for silver, silver equivalent and gold and millions of pounds for copper, lead, and zinc. Totals may not add up due to rounding. (11) Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. (12) The technical reports from which the above-mentioned information is derived are cited under the heading “Scientific and Technical Information – Technical Reports for Material Properties” in the 2025 AIF.

INFERRED MINERAL RESOURCE ESTIMATES FOR THE MATERIAL PROPERTIES, WITH AN EFFECTIVE OF DECEMBER 31, 2025

Category/Area	Mineral Type	Tonnage k tonnes	Grades					Metal Content						
			Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag-Eq (g/t)	Ag (k Oz)	Au (k Oz)	Cu (%)	Pb (M lb)	Zn (M lb)	Ag-Eq (M Oz)
LOS GATOS (70% First Majestic Attributable)														
Inferred Total (UG)	All Mineral Types	4.06	82	0.19	0.21	1.78	3.88	196	10.71	0.02	18.8	159.2	347.3	25.63
SAN DIMAS														
Inferred Total (UG)	All Mineral Types	5.82	234	2.64				475	43.76	0.49				88.83
SANTA ELENA														
Inferred Total (UG + Stockpile)	All Mineral Types	18.4	71	1.64				232	41.87	0.97				137.31
JERRITT CANYON														
Total Inferred (UG)	Sulphides	16.16		3.76				332		1.95				172.49
Total Inferred (OP)	Sulphides	30.46		1.74				154		1.71				150.89
Inferred Total (UG + OP)	Sulphides	46.62		2.44				216		3.66				323.39
LA ENCANTADA														
Inferred Total (UG + Tailings)	All Mineral Types	3.02	176					176	17.13					17.13
Total Inferred Material Properties	All Mineral Types	77.91							113.47	5.15	18.8	159.2	347.3	592.27

(1) Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101. (2) Sample data was collected through a cut-off date of December 31, 2025 for the five properties. All properties account for relevant technical information and mining depletion through December 31, 2025. (3) The Los Gatos Mineral Resources are reported on a 70% First Majestic attributable basis. (4) Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, an employee of First Majestic and the "Qualified Person" (as such term is defined in NI 43-101) responsible for the above Mineral Resource estimates. (5) AgEq grade is estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the corresponding contract of each mine. Estimation details are listed in the description of each mine set out in the 2025 AIF. (6) Metal prices considered for all Mineral Resource estimates were \$38.50/oz Ag, \$3,400/oz Au, \$1.05/lb Pb, \$1.40/lb Zn and \$4.75/lb Cu. (7) The cut-off grades and cut-off values used to report Mineral Resources are different for all mines. The cut-off grades, values and economic parameters are listed in the applicable section describing each mine in the 2025 AIF. (8) Mineral Resources are reported within mineable stope or open pit shapes from the cut-off values calculated using the stated metal prices and metal recoveries in the description of each mine set out in the 2025 AIF. The cut-off values include mill recoveries and payable metal factors appropriate to the existing processing circuit. (9) No dilution was applied to the Mineral Resources which are reported on an in-situ basis. (10) Tonnage is expressed in millions of tonnes; metal content is expressed in millions of ounces for silver, silver equivalent and gold and millions of pounds for copper, lead, and zinc. Totals may not add up due to rounding. (11) Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. (12) The technical reports from which the above-mentioned information is derived are cited under the heading "Scientific and Technical Information – Technical Reports for Material Properties" in the 2025 AIF.

PLEASE REFER TO FIRST MAJESTIC'S 2025 ANNUAL INFORMATION FORM (AIF) FOR THE MEASURED AND INDICATED, AND INFERRED, MINERAL RESOURCE ESTIMATES FOR THE NON-MATERIAL PROPERTIES



CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

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MANAGEMENT'S RESPONSIBILITIES FOR FINANCIAL REPORTING

The consolidated financial statements of First Majestic Silver Corp. (the "Company") have been prepared and are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and reflect management's best estimates and judgment based on information currently available. Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the audit and the annual consolidated financial statements prior to their submission to the Board of Directors for approval.

The consolidated financial statements have been audited by Deloitte LLP and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

/s/ Keith Neumeyer

Keith Neumeyer
Chief Executive Officer
February 18, 2026

/s/ David Soares

David Soares, CPA, CA
Chief Financial Officer
February 18, 2026

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting.

The Company's management assessed the effectiveness of the Company's Internal control over financial reporting as of the year ended December 31, 2025, in accordance with the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that, as of December 31, 2025, the Company's internal control over financial reporting was effective.

Management excluded from its assessment the internal controls, policies and procedures of Gatos Silver, Inc. ("Gatos"), which the Company acquired on January 16, 2025. On a combined basis, Gatos' total assets and net assets as of December 31, 2025 constitute approximately 45% and 49%, respectively, of the audited consolidated financial statement amounts as of December 31, 2025. On a combined basis, Gatos' total revenues and net profit for the year ended December 31, 2025 constitute approximately 39% and 72%, respectively, of the audited consolidated financial statement amounts as of December 31, 2025. This limitation of scope is in accordance with section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of Disclosure Controls & Procedures ("DC&P") or Internal Control over Financial Reporting ("ICFR") to exclude a business that the issuer acquired not more than 365 days before the end of the financial period to which the CEO's and CFO's certification of annual filings relates. With the exception of the internal controls of Gatos, there have been no significant changes in our internal controls during the year ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Deloitte LLP, an Independent Registered Public Accounting Firm, has audited the Company's consolidated financial statements for the year ended December 31, 2025, and as stated in the Report of Independent Registered Public Accounting Firm, they have expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of the year ended December 31, 2025.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
First Majestic Silver Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of First Majestic Silver Corp. and subsidiaries (the "Company") as at December 31, 2025 and December 31, 2024, the related consolidated statements of earnings (loss), comprehensive income (loss), changes in equity, and cash flows, for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and December 31, 2024, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2025, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 18, 2026, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matters or on the accounts or disclosures to which they relate.

Impairment - Assessment of Whether Indicators of Impairment or Impairment Reversal Exist in Non-Current Assets - Refer to Notes 3 and 15 to the Financial Statements

Critical Audit Matter Description

The Company's determination of whether or not indicators of impairment or impairment reversal exist at the cash generating unit level requires significant management judgment pertaining to mining interests and property, plant and equipment. Management considers both external and internal sources of information in assessing whether there are any indicators that the Company's mining interests and property, plant and equipment are impaired or previous impairments should be reversed.

While there are several assumptions that are required to determine whether or not indicators of impairment or impairment reversal exist, the assumptions with the highest subjectivity are the changes in market conditions including future commodity prices and discount rates. Auditing these assumptions required a high degree of subjectivity in applying audit procedures and evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to changes in market conditions including future commodity prices and discount rates in the assessment of whether or not indicators of impairment or impairment reversal exist included the following, among others:

- Evaluated the effectiveness of controls over management's assessment of whether there are indicators of impairment or impairment reversal;
- With the assistance of fair value specialists, assessed if changes in market conditions could indicate impairment or impairment reversal by:
 - Evaluating the future commodity prices by comparing management forecasts to third party forecasts; and
 - Evaluating the reasonableness of the discount rates by testing the underlying source information used in the determination of those rates.

Primero Tax Rulings - Refer to Note 29(b) to the Financial Statements

Critical Audit Matter Description

The Company has an ongoing dispute with the Mexican Tax Authorities, the Servicio de Administracion Tributaria ("SAT"). The dispute relates to the determination of the transfer price, which is based upon an Advanced Pricing Agreement ("APA") from the SAT, applied to intercompany silver sales in connection with a silver streaming arrangement with an unrelated third-party. In 2020, the Mexican Federal Court on Administrative Matters issued a decision nullifying the APA and directing the SAT to reexamine the evidence and basis for the issuance of the APA; the Company has appealed this decision to the Mexican Circuit Courts. As a result of the tax dispute with the SAT, should the Company ultimately be required to pay tax on its intercompany silver revenues based on market prices, this would result in incremental income tax payable for the years being disputed. Historically, the Company has not recognized a tax liability related to the Primero tax dispute with the SAT. In 2025, the SAT finalized its assessment for 2012 tax year and accordingly management recorded an accrual for 2012 tax year. Management continues to conclude that, for the remaining open tax years, no liability is probable and therefore they have not recognized any additional accruals regarding the tax matter.

Auditing the accounting and the disclosures associated with the tax matter and evaluating whether the audit evidence obtained supports management's conclusions required a high degree of auditor judgment due to the significant judgments made by management, including the probability of future cash outflows for the open tax years and interpreting legal developments. This resulted in an increased extent of audit effort, including the involvement of tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting and disclosures associated with the tax matter, which were performed with the assistance of tax specialists, included the following, among others:

- Inquired of management and their legal counsels to understand the developments of the tax dispute;
- Evaluated the effectiveness of management's controls over the evaluation of the appropriateness of income tax filing positions and corresponding disclosures in the financial statements;
- Obtained and evaluated management's assessment of the tax dispute, including written analyses prepared by the Company's external counsel;
- Analyzed the Company's accounting conclusions regarding the recognition and measurement of the tax liability; and
- Evaluated the Company's disclosures for consistency with our understanding of the Company's tax matters and the audit evidence obtained.

Acquisition of Gatos Silver, Inc. - Refer to Note 4 to the Financial Statement

Critical Audit Matter Description

The Company completed the acquisition of Gatos Silver, Inc. ("Gatos") which was accounted for as a business combination, and the purchase price was allocated to the identifiable assets acquired and liabilities assumed based on their fair values at the acquisition date. A significant portion of the purchase price consideration was assigned to the estimated fair value of the exploration potential of the underground silver mine of Gatos ("Los Gatos"). Management estimated the fair value of Los Gatos' exploration potential using a market approach by comparing the costs of other precedent market transactions on a dollar per hectare basis.

Performing audit procedures to evaluate the estimated fair value of Los Gatos' exploration potential required a high degree of auditor judgment and an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the estimated fair value of Los Gatos' exploration potential, included the following, among others:

- Evaluated the effectiveness of controls over the market approach to determine the estimated fair value of Los Gatos' exploration potential including the dollar per hectare metric assumption;
- With the assistance of fair value specialists:
 - Evaluated the appropriateness of the market approach including the dollar-per-hectare metric assumption and its consistency with approaches commonly applied by market participants in comparable mining transactions; and
 - Evaluated the reasonableness of management's selected comparable transactions and companies by comparing them to observable market transactions and assessing whether the estimated fair value of Los Gatos' exploration potential was within the fair value range of market transactions.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
February 18, 2026

We have served as the Company's auditor since 2005.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
First Majestic Silver Corp.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of First Majestic Silver Corp. and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended December 31, 2025, of the Company and our report dated February 18, 2026, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Gatos Silver Inc., which was acquired on January 16, 2025, and whose financial statements constitute approximately of 45%, 49%, 39% and 72% of total assets, net assets, total revenue and net income, respectively, of the consolidated financial statement amounts as of and for the year ended December 31, 2025. Accordingly, our audit did not include the internal control over financial reporting at Gatos Silver Inc.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
February 18, 2026

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands of US dollars, except share and per share amounts)
Audited Consolidated Financial Statements

The Consolidated Statements of Earnings (Loss) provide a summary of the Company's financial performance and net earnings or loss over the reporting periods.

		Year Ended December 31,	
	Note	2025	2024
Revenues	<u>6</u>	\$1,257,157	\$560,604
Mine operating costs			
Cost of sales	<u>7</u>	543,672	344,703
Depletion, depreciation and amortization		263,440	124,001
		807,112	468,704
Mine operating earnings		450,045	91,900
General and administrative expenses	<u>8</u>	50,365	39,597
Share-based payments		18,539	13,490
Mine holding costs	<u>9</u>	20,114	23,666
Restructuring costs		3,959	—
Reversal of impairment	<u>15</u>	(20,336)	—
Acquisition Costs	<u>4</u>	5,584	—
Foreign exchange (gain) loss		(25,247)	18,902
Operating Loss		397,067	(3,755)
Investment and other income	<u>10</u>	24,188	5,361
Finance costs	<u>11</u>	(26,229)	(28,060)
Earnings (loss) before income taxes		395,026	(26,454)
Income taxes			
Current income tax expense	<u>24</u>	273,119	31,997
Deferred income tax (recovery) expense	<u>24</u>	(89,068)	43,434
		184,051	75,431
Net earnings (loss) for the period		\$210,975	(\$101,885)
Net earnings (loss) attributable to:			
Owners of the Company		\$164,923	(\$101,885)
Non-controlling interest	<u>26</u>	\$46,052	\$—
Earnings (loss) per common share attributable to owners of the Company			
Basic	<u>12</u>	\$0.34	(\$0.34)
Diluted	<u>12</u>	\$0.34	(\$0.34)
Weighted average shares outstanding			
Basic	<u>12</u>	479,581,196	295,544,681
Diluted	<u>12</u>	484,563,678	295,544,681

Approved and authorized by the Board of Directors for issuance on February 18, 2026.

/s/ Keith Neumeyer

Keith Neumeyer
Director

/s/ Colette Rustad

Colette Rustad
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands of US dollars, except share and per share amounts)
Audited Consolidated Financial Statements

The Consolidated Statements of Comprehensive Income (Loss) provide a summary of total comprehensive earnings or loss and summarizes items recorded in other comprehensive income that may or may not be subsequently reclassified to profit or loss depending on future events.

	Year Ended December 31,		
	Note	2025	2024
Net earnings (loss) for the period		\$210,975	(\$101,885)
Other comprehensive income			
Items that will not be subsequently reclassified to net loss:			
Unrealized gain (loss) on fair value of investments in marketable securities, net of tax	<u>14(b)</u>	118,445	(5,232)
Realized gain (loss) on investments in marketable securities, net of tax	<u>14(b)</u>	8,419	(541)
Remeasurement of retirement benefit plan		(51)	(30)
Other comprehensive income (loss)		126,813	(5,803)
Total comprehensive income (loss)		\$337,788	(\$107,688)
Comprehensive income (loss) attributable to:			
Owners of the Company		\$291,736	(\$107,688)
Non-controlling interests		\$46,052	\$—

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands of US dollars)
Audited Consolidated Financial Statements

The Consolidated Statements of Cash Flows provide a summary of movements in cash and cash equivalents during the reporting periods by classifying them as operating, investing or financing activities.

	Year Ended December 31,		
	Note	2025	2024
Operating Activities			
Net earnings (loss) for the period		\$210,975	(\$101,885)
Adjustments for:			
Depletion, depreciation and amortization		264,798	125,492
Share-based payments		12,648	12,192
Income tax expense		184,051	75,431
Reversal of Impairment	<u>15</u>	(20,336)	—
Finance costs	<u>11</u>	26,229	28,060
Unrealized gain from marketable securities and silver futures derivatives		(9,493)	(119)
Other		(1,653)	(595)
Operating cash flows before non-cash working capital and taxes		667,219	138,576
Net change in non-cash working capital items	<u>28</u>	(62,643)	29,233
Income taxes paid		(78,566)	(15,839)
Cash generated in operating activities		526,010	151,970
Investing Activities			
Expenditures on mining interests		(148,561)	(95,097)
Acquisition of property, plant and equipment		(62,096)	(20,024)
Deposits paid for acquisition of non-current assets		(804)	142
Gatos Silver Inc. cash acquired, net of cash consideration paid	<u>4</u>	159,560	—
Acquisition of Springpole Silver Stream	<u>16(f)</u>	(5,000)	—
Other	<u>28</u>	28,725	819
Cash (used in) investing activities		(28,176)	(114,160)
Financing Activities			
Proceeds from prospectus offering, net of share issue costs	<u>25</u>	—	93,899
Proceeds from 2025 convertible debentures, net of issuance costs	<u>21(a)</u>	340,485	—
Payment for redemption of 2021 convertible debentures	<u>21(a)</u>	(214,731)	—
Proceeds from exercise of stock options		48,752	116
Repayment of lease liabilities	<u>22</u>	(18,149)	(17,271)
Dividends and distributions paid to non-controlling interests	<u>26</u>	(41,188)	—
Finance costs paid		(8,021)	(8,766)
Repayment of debt facilities	<u>21</u>	—	(20,000)
Dividends declared and paid	<u>25</u>	(9,840)	(5,297)
Shares repurchased	<u>25</u>	(8,695)	(271)
Cash provided by financing activities		88,613	42,410
Effect of exchange rate on cash and cash equivalents held in foreign currencies		4,808	(3,621)
Increase in cash and cash equivalents		586,447	80,220
Cash and cash equivalents, beginning of the period		202,180	125,581
Cash and cash equivalents, end of period		\$793,435	\$202,180
Supplemental cash flow information	<u>28</u>		

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands of US dollars)
Audited Consolidated Financial Statements

The Consolidated Statements of Financial Position provides a summary of assets, liabilities and equity, as well as their current versus non-current nature, as at the reporting date.

	Note	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		\$793,435	\$202,180
Trade and other receivables		86,362	12,303
Value added taxes receivable	<u>27</u>	35,801	33,864
Inventories	<u>13</u>	84,753	62,524
Other financial assets	<u>14</u>	180,386	49,781
Prepaid expenses and other		11,964	8,169
Total current assets		1,192,701	368,821
Non-current assets			
Mining interests	<u>16</u>	2,680,048	1,034,522
Property, plant and equipment	<u>17</u>	560,458	378,630
Right-of-use assets	<u>18</u>	14,469	23,898
Deposits on non-current assets		6,456	5,720
Loan Receivable		5,000	5,000
Non-current restricted cash	<u>19</u>	144,267	106,072
Non-current value added taxes receivable		11,130	10,750
Deferred tax assets	<u>24</u>	80,386	46,375
Total assets		\$4,694,915	\$1,979,788
Liabilities and Equity			
Current liabilities			
Trade and other payables	<u>20</u>	\$207,911	\$103,895
Unearned revenue	<u>6</u>	592	580
Current portion of debt facilities	<u>21</u>	487	825
Current portion of lease liabilities	<u>22</u>	10,792	16,215
Income taxes payable	<u>24</u>	239,357	22,792
Total current liabilities		459,139	144,307
Non-current liabilities			
Debt facilities	<u>21</u>	291,729	208,657
Lease liabilities	<u>22</u>	5,731	11,320
Decommissioning liabilities	<u>23</u>	187,098	159,067
Other liabilities		7,294	5,587
Non-current income taxes payable	<u>24</u>	—	19,685
Deferred tax liabilities	<u>24</u>	570,958	80,094
Total liabilities		\$1,521,949	\$628,717
Equity			
Share capital		3,079,179	1,978,101
Equity reserves		243,801	90,028
Accumulated deficit		(561,975)	(717,058)
Equity attributable to owners of the Company		2,761,005	1,351,071
Non-controlling interest		411,961	—
Total equity		\$3,172,966	\$1,351,071
Total liabilities and equity		\$4,694,915	\$1,979,788

Commitments (Note 27); Contingencies (Note 29); Subsequent event (Note 32)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands of US dollars, except share and per share amounts)
Audited Consolidated Financial Statements

The Consolidated Statements of Changes in Equity summarizes movements in equity, including common shares, share capital, equity reserves and retained earnings or accumulated deficit.

	Share Capital		Equity Reserves					Equity attributable to owners of the Company	Non-controlling Interest	Total equity
	Shares	Amount	Share-based payments ^(a)	OCI ^(b)	Equity component of convertible debenture ^(c)	Total equity reserves	Accumulated deficit			
Balance at December 31, 2023	287,146,715	\$1,879,971	\$119,304	(\$35,224)	\$3,945	\$88,025	(\$609,876)	\$1,358,120	\$—	\$1,358,120
Net loss for the period	—	—	—	—	—	—	(101,885)	(101,885)	—	(101,885)
Other comprehensive loss	—	—	—	(5,803)	—	(5,803)	—	(5,803)	—	(5,803)
Total comprehensive loss	—	—	—	(5,803)	—	(5,803)	(101,885)	(107,688)	—	(107,688)
Share-based payments	—	—	12,192	—	—	12,192	—	12,192	—	12,192
Shares issued for:										
Prospectus <u>24(a)</u>	14,300,000	93,899	—	—	—	—	—	93,899	—	93,899
Exercise of stock options (Note <u>24(b)</u>)	20,625	173	(57)	—	—	(57)	—	116	—	116
Settlement of restricted and deferred share units (Note <u>24(c)</u> and <u>24(e)</u>)	445,898	4,329	(4,329)	—	—	(4,329)	—	—	—	—
Shares repurchased and cancelled (Note <u>24(f)</u>)	(50,000)	(271)	—	—	—	—	—	(271)	—	(271)
Dividend declared and paid (Note <u>24(f)</u>)	—	—	—	—	—	—	(5,297)	(5,297)	—	(5,297)
Balance at December 31, 2024	301,863,238	\$1,978,101	\$127,110	(\$41,026)	\$3,945	\$90,028	(\$717,058)	\$1,351,071	\$—	\$1,351,071

(a) Share-based payments reserve records the cumulative amount recognized under IFRS 2 share-based payments in respect of stock options granted, restricted share units, deferred share units, preferred share units and shares purchase warrants issued but not exercised or settled to acquire shares of the Company.

(b) Other comprehensive income reserve principally records the unrealized fair value gains or losses related to fair value through other comprehensive income ("FVTOCI") of financial instruments and re-measurements arising from actuarial gains or losses and return on plan assets in relation to San Dimas' retirement benefit plan.

(c) Equity component of 2021 convertible debenture reserve represents the estimated fair value of its conversion option of \$42.3 million, net of deferred tax effect of \$11.4 million. This amount is not subsequently remeasured and will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will remain in equity reserves (Note 21).

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024 (In thousands of US dollars, except share and per share amounts)
Audited Consolidated Financial Statements

The Consolidated Statements of Changes in Equity summarizes movements in equity, including common shares, share capital, equity reserves and retained earnings or accumulated deficit.

	Share Capital		Equity Reserves							
	Shares	Amount	Share-based payments ^(a)	OCI ^(b)	Equity component of convertible debenture ^(c)	Total equity reserves	Accumulated deficit	Equity attributable to owners of the Company	Non-controlling Interest	Total equity
Balance at December 31, 2024	301,863,238	\$1,978,101	\$127,110	(\$41,026)	\$3,945	\$90,028	(\$717,058)	\$1,351,071	\$—	\$1,351,071
Net earnings for the period	—	—	—	—	—	—	164,923	164,923	46,052	210,975
Other comprehensive income	—	—	—	126,813	—	126,813	—	126,813	—	126,813
Total comprehensive income	—	—	—	126,813	—	126,813	164,923	291,736	46,052	337,788
Share-based payments	—	—	12,648	—	—	12,648	—	12,648	—	12,648
Shares issued for:										
Acquisition of Gatos (Note 4)	179,640,768	1,020,359	26,023	—	—	26,023	—	1,046,382	407,096	1,453,478
Exercise of stock options (Note 25(b))	10,419,660	85,546	(36,794)	—	—	(36,794)	—	48,752	—	48,752
Settlement of restricted, preferred, and deferred share units (Note 25(c)), 25(d), and 25(e)	567,138	4,006	4,006	—	—	4,006	—	—	—	—
Dividends and distributions to non-controlling interest (Note 26)	—	—	—	—	—	—	—	—	(41,188)	(41,188)
Repurchase of 2021 convertible debentures (Note 21)	—	—	—	—	(44,956)	(44,956)	—	(44,956)	—	(44,956)
Equity component of convertible debentures, net of tax (Note 21)	—	(138)	—	—	74,046	74,046	—	73,908	—	73,908
Shares repurchased (Note 25(a))	(1,168,500)	(8,695)	—	—	—	—	—	(8,695)	—	(8,695)
Dividend declared and paid (Note 25(f))	—	—	—	—	—	—	(9,840)	(9,840)	—	(9,840)
Balance at December 31, 2025	491,322,304	\$3,079,179	\$124,981	\$85,787	\$33,035	\$243,801	(\$561,975)	\$2,761,005	\$411,961	\$3,172,966

- (a) Share-based payments reserve records the cumulative amount recognized under IFRS 2 share-based payments in respect of stock options granted, restricted share units, deferred share units, preferred share units and shares purchase warrants issued but not exercised or settled to acquire shares of the Company.
- (b) Other comprehensive income reserve principally records the unrealized fair value gains or losses related to fair value through other comprehensive income ("FVTOCI") of financial instruments and re-measurements arising from actuarial gains or losses and return on plan assets in relation to San Dimas' retirement benefit plan.
- (c) Equity component of 2021 convertible debenture reserve represents the estimated fair value of its conversion option of \$42.3 million, net of deferred tax effect of \$11.4 million. This amount is not subsequently remeasured and will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will remain in equity reserves. In 2025, a portion of the 2021 convertible debentures were repurchased (Note 21).
- (d) Equity component of 2025 convertible debenture reserve represents the estimated fair value of its conversion option of \$74.0 million, net of a deferred tax expense of \$28.4 million. This amount is not subsequently remeasured and will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will remain in equity reserves (Note 21).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)
Audited Consolidated Financial Statements

1. NATURE OF OPERATIONS

First Majestic Silver Corp. (the "Company" or "First Majestic") is in the business of production, development, exploration, and acquisition of mineral properties with a focus on silver and gold production in North America. The Company owns four producing mines in Mexico consisting of the Santa Elena Silver/Gold Mine, the San Dimas Silver/Gold Mine, the Los Gatos Silver Mine ("Los Gatos") (through the Company's 70% interest in the Los Gatos joint venture) (see Note 4), and the La Encantada Silver Mine. The Company also owns the Jerritt Canyon Gold Mine in Nevada, USA which the Company placed on temporary suspension on March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. The Company owns two additional mines in Mexico that are in suspension: the San Martin Silver Mine and the Del Toro Silver Mine, and several exploration stage projects. In addition, the Company is the 100% owner and operator of its own minting facility, First Mint, LLC ("First Mint").

First Majestic is incorporated in the Province of British Columbia, Canada, and is publicly listed on the New York Stock Exchange ("NYSE") and the Toronto Stock Exchange ("TSX") under the symbol "AG", and on the Frankfurt Stock Exchange under the symbol "FMV". The Company's head office and principal address is located at Suite 1800 - 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2, Canada.

2. BASIS OF PRESENTATION

These audited consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). The significant accounting policies, estimates and judgments applied in preparing these consolidated financial statements are summarized in Note 3 of the consolidated financial statements and have been consistently applied throughout all periods presented.

These audited consolidated financial statements have been prepared on an historical cost basis except for certain items that are measured at fair value such as other financial assets (Note 14). All dollar amounts presented are in thousands of United States dollars unless otherwise specified.

These audited consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiaries (see Note 30). Intercompany balances, transactions, income and expenses are eliminated on consolidation.

These audited consolidated financial statements of First Majestic Silver Corp. for the years ended December 31, 2025 and 2024 were approved and authorized for issue by the Board of Directors on February 18, 2026.

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of its audited annual consolidated financial statements. In addition, the preparation of the financial data requires the Company's management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Accounting Standards as issued by the IASB that were effective for annual periods that begin on or after January 1, 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Lack of Exchangeability (Amendments to IAS 21)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. In addition, the amendments require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

Business Combinations (Note 4)

Accounting Policy:

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs incurred for the business combination are expensed. The acquiree's identifiable assets, liabilities and contingent liabilities are recognized at their fair value at the acquisition date.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the consideration of the acquisition over the Company's interest in the fair value of the net identifiable assets, liabilities and contingent liabilities recognized. If the Company's interest in the fair value of the acquiree's net identifiable assets, liabilities and contingent liabilities exceeds the cost of the acquisition, the excess is recognized in earnings or loss immediately. Goodwill may also arise as a result of the requirement under IFRS Accounting Standards to record a deferred tax liability on the excess of the fair value of the acquired assets over their corresponding tax bases, with the corresponding offset recorded as goodwill.

Accounting Estimates and Judgments:

Determination of a Business

Determination of whether a set of assets acquired and liabilities assumed constitute a business may require the Company to make certain judgments, taking into account all facts and circumstances. A business consists of inputs, including non-current assets and processes, including operational processes, that when applied to those inputs have the ability to create outputs that provide a return to the Company and its shareholders.

Fair Value Estimates in the acquisition of Gatos Silver, Inc.

In business combinations, it generally requires time to obtain the information necessary to identify and measure the following as of the acquisition date:

- The identifiable assets acquired and liabilities assumed;
- The consideration transferred in exchange for an interest in the acquiree;
- The resulting goodwill.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports in its audited consolidated financial statements provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

The fair value of assets acquired and liabilities assumed requires that management make judgments and estimates taking into account information available at the time of the acquisition about future events including, but not restricted to, estimates of mineral reserves and resources, exploration potential, future metal prices, future operating costs and capital expenditures and discount rates.

During the allowable measurement period, the Company will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The Company may also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

The fair value of assets acquired and liabilities assumed are subject to change for up to one year from the Acquisition Date. If new information arises which would impact management's assessment of the fair value at the Acquisition Date, any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Consequently, the final allocation of the purchase price may result in different adjustments than those shown in the audited consolidated financial statements.

Consideration for the acquisition of Gatos Silver, Inc.

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquiree. Management makes judgments and estimates in calculating the value of the shares and warrants transferred, including but not limited to share price, volatility, rate of quarterly dividends and the discount rate.

Determination of Control or Significant Influence in Los Gatos Joint Venture (the "LGJV")

As a result of the Gatos Silver acquisition, the Company now holds a 70% interest in the LGJV. Judgment is required to determine whether the Company controls or has significant influence over the LGJV, which impacts the accounting treatment to consolidate or account for the investment using the equity method, respectively. The assessment required judgment related to factors including, but not limited to, the relevant activities of the LGJV and the substantive rights of the shareholders to approve, among other things, operating policies, budgets, and financing plans. The Company determined that, based on its ability to direct the activities that most significantly affect the returns of the LGJV, it had obtained control over LGJV as of January 16, 2025.

Determining what is part of the business combination in the acquisition of Gatos Silver, Inc.

The Company needs to assess if other arrangement(s) or transaction(s) shall be recognized as part of applying the acquisition method. To determine if the arrangement(s) or transaction(s), is (are) part of the business combination, the Company considers the following factors:

- (i.) The reasons for the arrangement(s) or transaction(s);
- (ii.) Who initiated the arrangement(s) or transaction(s); and
- (iii.) The timing of the arrangement(s) or transaction(s).

Goodwill

Accounting Policy:

Goodwill arising on the acquisition of a business is carried at cost as established at the date of the acquisition less accumulated impairment losses, if any. Goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statements of earnings or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. As at December 31, 2025, the Company had \$nil goodwill (2024 - \$nil).

Non-Controlling Interest (Note 26)

Accounting Policy:

Non-controlling interest represents equity interests in subsidiaries owned by external parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Non-controlling interest is allocated a share of net income and other comprehensive income, which is recognized directly in equity, even if the results of the non-controlling interest show a deficit balance.

The Company treats transactions with non-controlling interests as transactions with equity shareholders. Changes in the Company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquirers' identifiable net assets as at the date of acquisition. The choice of measurement basis is made on a transaction by transaction basis. The Company elected to measure the non-controlling interest of the LGJV at the date the Company acquired control, based on the proportionate share of the entity's recognized net assets.

Foreign Currency

Accounting Policy:

The consolidated financial statements are presented in U.S. dollars. The individual financial statements of each entity are presented in their functional currency, which is the currency of the primary economic environment in which the entity operates.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

Transactions in foreign currencies are translated into the entities' functional currencies at the exchange rates at the date of the transactions. Monetary assets and liabilities of the Company's operations denominated in a currency other than the U.S. dollar are translated using exchange rates prevailing at the date of the statement of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates on the dates of the transactions. Revenue and expense items are translated at the exchange rates in effect at the date of the underlying transaction, except for depletion and depreciation related to non-monetary assets, which are translated at historical exchange rates. Exchange differences are recognized in the statements of earnings or loss in the period in which they arise.

Accounting Estimates and Judgments:

Determination of Functional Currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the entity operates. The Company has determined that the functional currency of each entity is the U.S. dollar. Determination of functional currency may involve certain judgments to determine the primary economic environment and the Company reconsiders the functional currency of its entities if there is a change in events and conditions which determined the primary economic environment.

Revenue Recognition (Note 6)

Accounting Policy:

The Company's primary product is silver and gold. Other metals, such as zinc, lead, and copper produced as part of the extraction process are considered to be by-products arising from the production of silver and gold. Smelting and refining charges are net against revenue from the sale of metals.

Revenue relating to the sale of metals is recognized when control of the metal or related services are transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for the metals.

When considering whether the Company has satisfied its performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the asset.

Metals in doré sold are priced on date of transfer of control. Final weights and assays are adjusted on final settlement which is approximately one month after delivery. Metals in concentrate sold are provisionally priced at the date of transfer of control as the final selling price is subject to movements in the monthly average prices up to the final settlement date, typically one to three months after delivery to the customer. For this purpose, the transaction price can be measured reliably for those products, such as silver, gold, zinc, lead and copper, for which there exists an active and freely traded commodity market such as the London Metals Exchange and the value of product sold by the Company is directly linked to the form in which it is traded on that market.

Sales revenue is commonly subject to adjustments based on an inspection of the product by the customer. In such cases, sales revenue is initially recognized on a provisional basis using the Company's best estimate of contained metal, and adjusted subsequently. Revenues are recorded under these contracts at the time control passes to the buyer based on the expected settlement period. Revenue on provisionally priced sales is recognized based on estimates of the fair value of the consideration receivable, which is determined using forward market prices and estimated quantities. At each reporting date, provisionally priced metal is marked to market based on the forward selling price for the quotational period stipulated in the contract. Variations between the price recorded at the date when control

is transferred to the buyer and the actual final price set under the smelting contracts are caused by changes in metal prices.

Revenue from the sale of coins, ingots and bullion is recorded when the products have been shipped and funds have been received. When cash was received from customers prior to shipping of the related finished goods, the amounts are recorded as unearned revenue until the products are shipped.

Accounting Estimates and Judgments:

Determination of Performance Obligations

The Company applied judgment to determine if a good or service that is promised to a customer is distinct based on whether the customer can benefit from the good or service on its own or together with other readily available resources and whether the good or service is separately identifiable. Based on these criteria, the Company determined the primary performance obligation relating to its sales contracts is the delivery of the bullion and doré.

Revenue Recognition from Concentrate Sales

Revenue from concentrate sales to independent smelters is recognized when control of the asset is transferred to the customer. Contracts typically provide for provisional payments based on assays and quoted metal prices, with final settlement based on commodity prices during specified quotational periods, ranging from one month prior to shipment to three months after arrival at the smelter. Sales revenue is initially recognized on a provisional basis using the Company's best estimate of contained metal and adjusted subsequently. Revenue on provisionally priced sales is recognized based on significant fair value estimates using forward market prices and quantities. At each reporting date, mark-to-market adjustments are made to provisionally priced metal based on the contract's quotational period. In periods of high price volatility, mark-to-market adjustments for unsettled metal quantities can be significant. Provisional sales quantities are adjusted upon receipt of new information.

Inventories (Note 13)

Accounting Policy:

Mineral inventories, including stockpiled ore, work in process and finished goods, are valued at the lower of weighted average cost and estimated net realizable value. Cost includes all direct costs incurred in production including direct labour and materials, freight, depreciation and amortization and directly attributable overhead costs. Net realizable value is calculated as the estimated price at the time of sale based on prevailing and future metal prices less estimated future production costs to convert the inventories into saleable form.

Any write-downs of inventory to net realizable value are recorded as cost of sales. If there is a subsequent increase in the value of inventories, the previous write-downs to net realizable value are reversed to the extent that the related inventory has not been sold.

Stockpiled ore inventory represents ore that has been extracted from the mine and is available for further processing. Costs added to stockpiled ore inventory are valued based on current mining cost per ounce incurred up to the point of stockpiling the ore and are removed at the weighted average cost per ounce. Stockpiled ore tonnage and head grades are verified by periodic surveys and physical counts.

Work in process inventory includes precipitates, inventories in tanks and in the milling process. Finished goods inventory includes metals in their final stage of production prior to sale, including primarily doré, dried concentrates and bullion at our operations and finished goods in-transit.

Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value. Costs include acquisition, freight and other directly attributable costs.

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Exploration Potential, Exploration and Evaluation Expenditures (Note 16)

Exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation activity includes:

- Acquiring the rights to explore;
- Researching and analyzing historical exploration data;
- Gathering exploration data through topographical, geochemical and geophysical studies;
- Exploratory drilling, trenching and sampling;
- Determining and examining the volume and grade of the resource;
- Surveying transportation and infrastructure requirements; and
- Compiling pre-feasibility and feasibility studies.

Capitalization of exploration and evaluation expenditures commences on acquisition of a beneficial interest or option in mineral rights. Capitalized costs are recorded as mining interests at cost less accumulated transfers to producing mineral properties and impairment charges, if applicable. No amortization is charged during the exploration and evaluation phase as the asset is not available for use.

Exploration and evaluation assets include exploration potential which represents the potential additional mineralization beyond the existing known reserves and resources of a producing mineral property which the Company gain access through acquiring the mineral rights and/or concessions. The exploration potential is recorded at cost less accumulated transfers to producing mineral properties and accumulated impairment losses, if any. No amortization is charged during the exploration and evaluation phase as the asset is not available for use.

The majority of the Company's exploration and evaluation expenditures focus on mineral deposits in proximity to its existing mining operations. Where the Company is acquiring a new property, the Company makes a preliminary evaluation to determine that the property has significant potential to develop an economic ore body.

Exploration and evaluation expenditures are transferred to development or producing mining interests when technical feasibility and commercial viability of the mineral resource have been demonstrated. Factors taken into consideration include:

- There is sufficient geological certainty of converting the mineral deposit into proven and probable reserves;
- Life of mine plan and economic modeling support the economic extraction of such reserves and resources;
- For new properties, a scoping study and/or feasibility study demonstrates that the additional reserves and resources will generate a positive economic outcome; and
- Operating and environmental permits exist or are reasonably assured as obtainable.

Exploration and evaluation expenditures remain as exploration mining interests and do not qualify as producing mining interests until the aforementioned criteria are met. Exploration and evaluation expenditures are transferred to development or producing mining interests when the technical feasibility and commercial viability of a mineral resource has been demonstrated according to the above mentioned factors.

Once the technical feasibility, commercial viability and a development decision have been established, the value of the exploration and evaluation asset is reclassified and accounted for in accordance with IAS 16, Property, Plant and Equipment ("IAS 16"). The exploration and evaluation asset is subject to an impairment test prior to reclassification in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources ("IFRS 6"). It is subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any.

Accounting Estimates and Judgments:

Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

Management has determined that exploratory drilling, evaluation, development and related costs incurred which were capitalized have potential future economic benefits and are potentially economically recoverable, subject to impairment analysis. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, exploration plans and results, accessible facilities and existing permits.

Mining Interests (Note 16)

Accounting Policy:

Exploration, development and field support costs directly related to mining interests are deferred until the property to which they directly relate is placed into production, sold, abandoned or subject to a condition of impairment. The deferred costs are amortized over the useful life of the ore body following commencement of production, or written off if the property is sold or abandoned. Administration costs and other exploration costs that do not relate to any specific property are expensed as incurred.

Upon commencement of commercial production, mining interests are depleted on a units-of-production basis over the estimated economic life of the mine. In applying the units of production method, depletion is determined using quantity of material extracted from the mine in the period as a portion of total quantity of material to be extracted in current and future periods based on reserves and resources considered to be highly probable to be economically extracted over the life of mine. If no published reserves and resources are available, the Company may rely on internal estimates of economically recoverable mineralized material, prepared on a basis consistent with that used for determining reserves and resources, for purpose of determining depletion.

From time to time, the Company acquires or disposes of properties pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee with no obligation or sale until exercised or expired and, accordingly, are recorded as mineral property costs or recoveries when the payments are made or received.

Accounting Estimates and Judgments:

Mineral Reserve and Resource Estimates

Mineral reserve and resource estimates affect the determination of recoverable value used in impairment assessments, the depletion and depreciation rates for non-current assets using the units of production method and the expected timing of reclamation and closure expenditures.

The figures for mineral reserves and mineral resources are determined in accordance with National Instrument 43-101 ("NI 43-101") Technical Report standards. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position, results of operation and cash flows.

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Depletion Rate for Mining Interests

Mining interests are depleted on a units-of-production basis over the estimated economic life of the mine. In applying the units of production method, depletion is determined using quantity of material extracted from the mine in the period as a portion of total quantity of material to be extracted in current and future periods based on reserves and resources considered to be highly probable to be economically extracted over the life of mine. Should there be a change in the associated depletion rate from the initial estimate, the change in estimate would be made prospectively in the consolidated statements of earnings or loss.

Stream Asset (Note 16)

Accounting Policy:

A stream asset is a long-term metal purchase agreement for which settlement is called for in silver, the amount of which is based on production at a mine corresponding to the specific agreement. On acquisition of a stream asset, it is recorded at cost and is accounted for in accordance with IFRS 6. A stream asset where the mine corresponding to the specific agreement is an exploration and evaluation stage property is classified as exploration and evaluation asset and is assessed for impairment whenever indicators of impairment exist in accordance with IFRS 6. An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount.

Once the technical feasibility, commercial viability and a development decision have been established, the value of the stream asset is reclassified and accounted for in accordance with IAS 16. The exploration and evaluation asset is subject to an impairment test prior to reclassification in accordance with IFRS 6. It is subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any.

A producing stream asset is depleted using the units-of-production method over the life of the property to which the interest relates, which is estimated using available information of proven and probable reserves and the portion of resources expected to be classified as mineral reserves at the mine corresponding to the specific agreement.

Property, Plant and Equipment (Note 17)

Accounting Policy:

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes the purchase price or construction cost, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and borrowing costs related to the acquisition or construction of qualifying assets.

Property, plant and equipment are depreciated using either the straight-line or units-of-production method over the shorter of the estimated useful life of the asset or the expected life of mine. Where an item of property, plant and equipment comprises of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Assets under construction are recorded at cost and reclassified to machinery and equipment when it becomes available for use.

Depreciation commences when the asset is in the condition and location necessary for it to operate in the manner intended by management. Depreciation charges on assets that are directly related to mineral properties are allocated to those mineral properties.

The Company conducts an annual review of residual balances, useful lives and depreciation methods utilized for property, plant and equipment. Any changes in estimate that arise from this review are accounted for prospectively.

Accounting Estimates and Judgments:

Commencement of Commercial Production

Prior to reaching commercial production levels intended by management, costs incurred are capitalized as part of the related mine or mill. Depletion of capitalized costs for mining properties and depreciation and amortization of property, plant and equipment begin when operating levels intended by management have been reached.

Determining when a mine or mill is in the condition necessary for it to be capable of operating in the manner intended by management is a matter of judgment dependent on the specific facts and circumstances. The following factors may indicate that commercial production has commenced:

- Substantially all major capital expenditures have been completed to bring the asset to the condition necessary to operate in the manner intended by management;
- The mine or mill has reached a pre-determined percentage of design capacity;
- The ability to sustain a pre-determined level of design capacity for a significant period of time (i.e. the ability to process ore continuously at a steady or increasing level);
- The completion of a reasonable period of testing of the mine plant and equipment;
- The ability to produce a saleable product;
- The mine or mill has been transferred to operating personnel from internal development groups or external contractors; and
- Mineral recoveries are at or near the expected production levels.

Depreciation and Amortization Rates for Property, Plant and Equipment

Depreciation and amortization expenses are determined based on estimated useful life of the asset. Should the expected asset life and associated depreciation rates differ from the initial estimate, the change in estimate would be made prospectively in the consolidated statements of earnings or loss.

Borrowing Costs

Accounting Policy:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until the asset is substantially ready for its intended use. Other borrowing costs are recognized as an expense in the period incurred. As at December 31, 2025 and 2024, the Company does not have any qualifying assets under construction.

Right of Use Assets (Note 18) and Lease Liabilities (Note 22)

Accounting Policy:

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs.

Impairment of Non-Current Assets (Note 15)

Accounting Policy:

At each statement of financial position date, the Company reviews the carrying amounts of its non-current assets to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where the asset does not generate independent cash inflows, the Company estimates the recoverable amount of the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is determined to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and an impairment loss is recognized as an expense in the consolidated statements of earnings or loss. Recoverable amount is the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU").

FVLCD is determined as the amount that would be obtained from the sale of the asset or CGU in an arm's length transaction between knowledgeable and willing parties. The Company considers the use of a combination of its internal discounted cash flow economic models and in-situ value of reserves, resources and exploration potential of each CGU for estimation of its FVLCD. These cash flows are discounted by an appropriate post-tax discount rate to arrive at a net present value of the asset. VIU is determined as the present value of the estimated cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal. VIU is determined by applying assumptions specific to the Company's continued use and does not take into account future development.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognized for the asset or CGU in prior periods, adjusted for additional amortization which would have been recorded had the asset or CGU not been impaired. A reversal of an impairment loss is recognized as a gain in the statements of earnings or loss.

Accounting Estimates and Judgments:

Indications of Impairment and Reversal of Impairment

Management considers both external and internal sources of information in assessing whether there are any indications that the Company's property, plant and equipment and mining interests are impaired or previous impairments should be reversed. External sources of information management considers include changes in the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its property, plant and equipment and mining interests. Internal sources of information management considers includes the manner in which mining properties and plant and equipment are being used or are expected to be used and indications of economic performance of the assets.

For exploration and evaluation assets, indications include but are not limited to expiration of the right to explore, substantive expenditure in the specific area is neither budgeted nor planned, and if the entity has decided to discontinue exploration activity in the specific area.

Fair Value Estimates

In determining the recoverable amounts of the Company's property, plant and equipment and mining interests, management makes estimates of the discounted future cash flows expected to be derived from the Company's mining properties, costs of disposal of the mining properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital

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expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in an impairment of the carrying amounts of the Company's non-current assets. Conversely, favourable changes to the aforementioned factors can result in a reversal of previous impairments.

Once an indicator of impairment is identified, significant judgement is required to determine the recoverable amounts of the Company's mining interests. Following the temporary suspension of operations at Jerritt Canyon, the Company has determined that there was an indicator of impairment. The Company determined that the value of the CGU can be estimated using the market approach, based on the implied value per in-situ ounce of the property, rather than from the future cash flows from continuing operations.

In estimating the FVLCD, the Company took into account the consideration paid in recent transactions for comparable Companies and benchmarked the value per in-situ ounce at Jerritt Canyon against these transactions. The Company concluded that the resulting measurement is more representative of the fair value of the CGU in the circumstances existing at the end of the current period.

Share-based Payment Transactions (Note 25(b)(c)(d)(e))

Accounting Policy:

Employees (including directors and officers) of the Company may receive a portion of their remuneration in the form of stock options which are share-based payment transactions ("share-based payments"). Stock options issued to employees are measured by reference to their fair value using the Black-Scholes model at the date on which they were granted. Forfeitures are estimated at grant date and adjusted prospectively based on actual forfeitures. Share-based payments expense, for stock options that are forfeited or cancelled prior to vesting, is reversed. The costs of share-based payments are recognized, together with a corresponding increase in the equity reserve, over the period in which the services and/or performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). On exercise by the employee, the associated option value in the equity reserve is reclassified to share capital.

The Company adopted the 2022 Long-Term Incentive Plan ("LTIP") to allow the Company to grant to its directors, employees and consultants non-transferable Restricted Share Units ("RSU's") based on the value of the Company's share price at the date of grant. Unless otherwise stated, the awards typically have a graded vesting schedule over a three-year period and can be settled either in cash or equity upon vesting at the discretion of the Company. The Company intends to settle all RSU's in equity.

In situations where equity instruments are issued to non-employees, the share-based payments are measured at the fair value of goods or services received. If some or all of the goods or services received by the Company as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment.

Accounting Estimates and Judgments:

Valuation of Share-based Payments

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Taxation (Note 24)

Accounting Policy:

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case they are recognized in other comprehensive income or directly in equity.

Current income tax is based on taxable earnings for the year. The tax rates and tax laws to compute the amount payable are those that are substantively enacted in each tax regime at the date of the statement of financial position.

Deferred income tax is recognized, using the liability method, on temporary differences between the carrying value of assets and liabilities in the statement of financial position, unused tax losses, unused tax credits and the corresponding tax bases used in the computation of taxable earnings, based on tax rates and tax laws that are substantively enacted at the date of the statement of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences to the extent that the realization of the related tax benefit through future taxable earnings is probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset the current tax assets against the current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

The Company has applied the mandatory exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes (i.e. income taxes arising from the jurisdictional implementation of OECD's Pillar Two Model Rules).

Accounting Estimates and Judgments:

Recognition of Deferred Income Tax Assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

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Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. Forecasted cash flows from operations are based on life of mine projections internally developed, reviewed by management and are consistent with the forecasts utilized for business planning and impairment testing purposes. Weight is attached to tax planning opportunities that are within the Company's control, and are feasible and implementable without significant obstacles. The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. At the end of each reporting period, the Company reassesses recognized and unrecognized income tax assets.

Accounting Estimates and Judgments:

Tax Contingencies

The Company's operations involve dealing with uncertainties and judgments in the application of tax regulations in multiple jurisdictions. The final taxes paid are dependent upon many factors, including negotiations with tax authorities in various jurisdictions and resolution of disputes arising from tax audits. The Company recognizes potential liabilities and records tax liabilities for anticipated tax audit issues based on its estimate of whether, and the extent to which, additional taxes will be due. Tax liabilities for uncertain tax positions are recorded by the Company to reflect its best estimate of a probable outcome. The Company adjusts these liabilities in light of changing facts and circumstances; however, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the Company's current estimate of the tax liabilities. If the Company's estimate of tax liabilities proves to be less than the ultimate assessment, an additional charge to expense would result. If the estimate of tax liabilities proves to be greater than the ultimate assessment, a tax benefit would result.

Cash and Cash Equivalents (Note 19)

Accounting Policy:

Cash in the statement of financial position includes cash on hand and held at banks and cash equivalents include short-term guaranteed investment certificates redeemable within three months or less at the date of purchase.

Accounting Estimates and Judgments:

Determination and classification of current and non-current restricted cash

The Company determines if the funds on hand and held at banks meets the definition of cash or cash equivalents. When there is a restriction on those funds, the Company assesses the nature of the restriction and if it is applicable, excludes the related amounts from the cash and cash equivalents balance. The Company then assesses the classification of the restricted cash between current and non-current based on the following factors:

- An asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the period; and
- It expects to realize the asset within twelve months after the reporting period.

The evaluation was performed based on the available information at the end of the reporting period; if there are changes in the circumstances the Company will reassess the classification.

Financial Instruments

Accounting Policy:

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL"). The directly attributable transaction costs of financial assets and liabilities classified as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Amortized cost

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method.

The Company's financial assets at amortized cost primarily include cash and cash equivalents, trade and other receivables and value added taxes receivable included in other current and non-current financial assets in the Consolidated Statement of Financial Position.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that meet the following conditions are measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has designated certain investments in marketable securities that are not held for trading as FVTOCI (Note 13).

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity instrument, instead, it is transferred to retained earnings.

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Financial assets measured subsequently at fair value through profit or loss ("FVTPL")

By default, all other financial assets, including derivatives, are measured subsequently at FVTPL.

The Company, at initial recognition, may also irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in Note 27. The Company's financial assets at FVTPL include its account receivable arising from sales of metal contained in concentrates.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as FVTPL, are measured at amortized cost using the effective interest method. The Company's financial liabilities at amortized cost primarily include trade and other payables, debt facilities (Note 21) and lease liabilities (Note 22).

Accounting Estimates and Judgments:

Investments in Associates and Joint Ventures

As a result of the sale of the La Guitarra Mine and the La Parrilla Mine, the Company is a material shareholder of Sierra Madre Gold and Silver Ltd. ("Sierra Madre") and of Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.) ("Silver Storm"). Judgement is needed to assess whether the Company's interest in an investee meets the definition of having significant influence and therefore requires to be accounted for under the equity method.

In making a judgement of whether the Company has significant influence over the entity, management has evaluated the ownership percentage as well as other qualitative factors including but not limited to representation on the Board of Directors, participation in operational or financial policy-making processes, material transactions between the Company and the investee, interchange of managerial personnel, provision of technical information and the nature of potential voting rights.

As part of this assessment, management has considered that until such time that the Company holds less than 19.9% of the outstanding shares, the Company has agreed to vote in the manner recommended by the Board of Directors of each of Sierra Madre and Silver Storm.

Based on the qualitative factors noted above, the restrictions imposed on voting rights, and the lack of rights to have or appoint members to the Board, the Company has determined that significant influence does not exist despite holding a 28% interest in Sierra Madre and a 19% interest in Silver Storm. The Company began accounting for the shares received from Sierra Madre and Silver Storm as equity securities at FVTOCI.

Provisions (Note 23)

Accounting Policy:

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate of the obligation can be made. The amount recognized as a provision is the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as finance costs.

Accounting Estimates and Judgments:

Estimated Reclamation and Closure Costs

The Company's provision for decommissioning liabilities represents management's best estimate of the present value of the future cash outflows required to settle estimated reclamation and closure costs at the end of the mine's life. The provision reflects estimates of future costs, inflation, movements in foreign exchange rates and assumptions of risks associated with the future cash outflows, and the applicable risk-free interest rates for discounting the future cash outflows. Changes in the above factors can result in a change to the provision recognized by the Company.

Changes to reclamation and closure cost obligations are recorded with a corresponding change to the carrying amounts of related mining properties. Adjustments to the carrying amounts of related mining properties can result in a change to future depletion expense.

Earnings or Loss per Share (Note 12)

Accounting Policy:

Basic earnings or loss per share for the period is calculated by dividing the earnings or loss attributable to equity holders of the Company by the weighted average number of shares outstanding during the reporting period.

Diluted earnings or loss per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive share equivalents, such as stock options, restricted share units, convertible debt and share purchase warrants. Diluted earnings or loss per share is calculated using the treasury stock method and assumes the receipt of proceeds upon exercise of the options with exercise prices below the average market price to determine the number of shares assumed to be purchased at the average market price during the period.

Assets Held-for-Sale (Note 15)

Accounting Policy:

A non-current asset or disposal group of assets and liabilities ("disposal group") is classified as held-for-sale, if its carrying amount will be recovered principally through a sale transaction rather than through continuing use, and when the following criteria are met:

- (i.) The non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups; and
- (ii.) The sale of the non-current asset or disposal group is highly probable. For the sale to be highly probable:
 - The appropriate level of management must be committed to a plan to sell the asset or disposal group;
 - An active program to locate a buyer and complete the plan must have been initiated;

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- The non-current asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale (with certain exceptions); and
- Actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and disposal groups are classified as held for sale from the date these criteria are met and are measured at the lower of the carrying amount and FVLCD. If the FVLCD is lower than the carrying amount, an impairment loss is recognized in net earnings. Upon classification as held for sale, non-current assets are no longer depreciated.

Accounting Estimates and Judgments:

Probability of Sale Completion Within One Year

In determining the probability of the sale being completed within a year, management has considered a number of factors including necessary approvals from management, the Board of Directors, regulators and shareholders.

Future Changes in Accounting Policies Not Yet Effective as at December 31, 2025:

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. Management does not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Company in future periods, except if indicated.

Presentation and Disclosure in Financial Statements (Amendment to IFRS 18)

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions.

The amendments are effective for annual reporting periods beginning on or after January 1, 2027, although earlier application is permitted. The Company is currently evaluating the impact of IFRS 18 on the Company's consolidated financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments provide guidance on the derecognition of a financial liability settled through electronic transfer, as well as the classification of financial assets for:

- Contractual terms consistent with a basic lending arrangement;
- Assets with non-recourse features;
- Contractually linked instruments.

Additionally, the amendments introduce new disclosure requirements related to investments in equity instruments designated at fair value through other comprehensive income ("FVOCI"), and additional disclosures for financial instruments with contingent features.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026, although earlier application is permitted. The amendment is not expected to have a material impact on the Company's consolidated financial statements.

4. ACQUISITION OF GATOS SILVER, INC.

Consideration and Purchase Price Allocation

On January 16, 2025, the Company completed its acquisition of Gatos pursuant to a merger agreement that was entered into between the parties on September 4, 2024 (the "Merger Agreement"), and as a result of such acquisition, Gatos became a wholly-owned subsidiary of the Company. The Company issued an aggregate of 177,433,006 common shares of the Company to acquire all of the issued and outstanding shares of common stock of Gatos (in addition to a nominal amount of cash in lieu of fractional First Majestic common shares), resulting in former Gatos shareholders holding approximately 38% of the issued and outstanding common shares of the Company post-closing on a fully diluted basis at the closing of the transaction. In addition, the Merger Agreement provided for the issuance by First Majestic of options to purchase an aggregate of 8,242,244 First Majestic options in exchange for all existing Gatos options at exercise prices adjusted by the exchange ratio of 2.55 ("the Exchange Ratio"). All existing RSUs and DSUs of Gatos were settled for an aggregate of 2,207,762 First Majestic common shares.

Gatos holds a 70% interest in the Los Gatos Joint Venture ("LGJV"), which owns the producing Los Gatos underground silver mine in Chihuahua, Mexico. The Los Gatos mine consists of approximately 103,000 hectares of mineral rights, representing a highly prospective and under-explored district with numerous silver-zinc-lead epithermal mineralized zones identified as priority targets. The acquisition was completed in order to support the Company's growth strategy by adding another cornerstone asset within a world-class mining jurisdiction to the Company's portfolio.

Management has concluded that Gatos constitutes a business and, therefore, the acquisition is accounted for in accordance with IFRS 3 - Business Combinations. Given the delivery of the consideration and the fulfillment of the covenants as per the Merger Agreement, the transaction was deemed to be completed with First Majestic identified as the acquirer. Based on the opening market price of the Company's common shares on January 16, 2025 (the "Acquisition Date"), the total consideration for the Gatos acquisition was \$1.05 billion. The Company began consolidating the operating results, cash flows and net assets of Gatos from January 16, 2025 onwards.

The determination of the fair value of assets acquired and liabilities assumed is based on a detailed valuation of Gatos' net assets, utilizing income, market, and cost valuation methods conducted with the assistance of an independent third party. The determination of the fair value of assets acquired and liabilities assumed was previously reported based on preliminary estimates at the Acquisition Date. During the second quarter of 2025, the Company finalized the full and detailed valuation of the fair value of the net assets of Gatos acquired using income, market, and cost valuation methods with the assistance of an independent third party.

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Total consideration for the acquisition was valued at \$1.05 billion on the Acquisition Date. The following table summarizes the consideration paid as part of the purchase price:

Total Consideration

177,433,066 Consideration Shares issued to Gatos shareholders with a fair value of \$5.68 per share ⁽¹⁾	\$1,007,819
2,207,762 DSUs and RSUs of Gatos converted to First Majestic common shares with a fair value of \$5.68 per share ⁽¹⁾	12,540
8,242,244 Options of Gatos converted to First Majestic Options with an accounting fair value of \$3.51 per option ⁽³⁾	\$1,007,819
Other consideration ⁽²⁾	7,841
Total consideration	\$1,054,223

- (1) Fair value of Consideration Shares was estimated at \$5.68 per share based on the opening price of First Majestic's common shares on the New York Stock Exchange on January 16, 2025.
- (2) Other consideration is made up of cash payments for withholding taxes and payments made for fractional shares.
- (3) The fair value of Options was estimated using the Black-Scholes method as at the Acquisition Date, using the following assumptions:

Risk-free interest rate (%)	2.94% - 3.05%
Expected life (years)	3.99
Expected Volatility (%)	58%
Expected dividend yield (%)	0.28%

The following table summarizes the purchase price allocated to the identifiable assets and liabilities of Gatos based on their estimated fair values on the Acquisition Date:

Allocation of Purchase Price

Cash and cash equivalents ⁽²⁾	\$167,401
Inventories	19,107
Trade and other receivables ⁽¹⁾	19,644
VAT receivables	2,026
Prepaid expenses and other	6,505
Mining interest	1,658,689
Property, plant and equipment	185,261
Right-of-use assets	281
Trade and other payables	(65,037)
Income taxes payable	(12,717)
Lease obligations	(415)
Decommissioning liabilities	(8,112)
Deferred tax liabilities	(511,314)
Net assets acquired	\$1,461,319
Non-controlling interests	(407,096)
Net assets attributable to the Company	\$1,054,223

- (1) Trade and other receivables are expected to be fully recoverable.
- (2) Cash acquired by the Company on the Acquisition Date was \$159.6 million net of withholding taxes on RSU settlements and payments made for fractional shares amounting to \$7.8 million.

Financial and operating results of Gatos are included in the Company's consolidated financial statements effective January 16, 2025. During the year ended December 31, 2025, the acquisition of Gatos contributed \$489.8 million in revenues and \$151.5 million in net earnings to the Company's financial results since January 16, 2025.

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Had the business combination been effective as at January 1, 2025, the Company's pro forma revenues and net earnings for the year ended December 31, 2025 would have been \$1,274.7 million and \$214.2 million, respectively. Total transaction costs of \$5.6 million related to the acquisition were expensed during the year.

The Company used discounted cash flow models to determine the fair value of the depletable mining interest. The expected future cash flows are based on estimates of future silver, gold, lead, zinc and copper prices, estimated quantities of mineral reserves and mineral resources, expected future production costs and capital expenditures based on the life of mine plans at the Acquisition Date. The discounted future cash flow models used a 6.00% discount rate based on the Company's assessment of country risk, project risk and other potential risks specific to the acquired mining interest.

The significant assumptions used in the determination of the fair value of the mining interests were as follows:

Average long-term prices:	
Silver	\$28.50
Gold	\$2,200
Zinc	\$1.25
Lead	\$1.10
Copper	\$4.50
Discount rate	6.0%
Average grades over life of mine:	
Silver	150 g/t
Gold	0.21 g/t
Zinc	3.84%
Lead	2.01%
Copper	0.20%
Average recovery rate:	
Silver	88.20%
Gold	54.20%
Zinc	63.10%
Lead	88.10%
Copper	74.00%
Mine life (years)	10

The Company used a market approach to determine the fair value of exploration potential by comparing the costs of other precedent market transactions on a dollar per hectare basis. Those amounts were used to determine the range of area-based resources multiples implied within the value of transactions by other market participants. Additionally, the Company completed a secondary valuation by comparing the costs of other precedent transactions within the industry on a dollar per in situ ounce basis and selected a multiple within this range for additional ounces identified outside of the life-of-mine. Management made a significant assumption in the determination of the fair value of exploration potential by using an implied multiple of \$5,208 per hectare or \$3.16 per silver equivalent ounce for a total of \$536.4 million. The Company accounted for exploration potential through inclusion within non-depletable mineral interest.

5. SEGMENTED INFORMATION

All of the Company's operations are within the mining and metals industry and its major products are precious metals doré and concentrate which are refined or smelted into pure silver and gold and sold to global metal brokers. Transfer prices between reporting segments are set on an arms-length basis in a manner similar to transactions with third parties. Coins and bullion cost of sales are based on transfer prices.

An operating segment is defined as a component of the Company that:

- Engages in business activities from which it may earn revenues and incur expenses;
- Whose operating results are reviewed regularly by the entity's chief operating decision maker; and
- For which discrete financial information is available.

For the year ended December 31, 2025, the Company's significant operating segments include its four operating mines in Mexico, including its newly acquired Los Gatos Silver mine in Chihuahua, its Jerritt Canyon Gold Mine in Nevada, United States, its minting facility in Nevada, United States and bullion store in Canada, both of which form the First Mint LLC ("First Mint") operating segment, and its "non-producing properties" in Mexico which include the Del Toro and San Martin mines, which have been placed on suspension. The Jerritt Canyon Gold mine was placed on temporary suspension as of March 20, 2023 to focus on

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exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. On December 17, 2025, the Company announced that it had entered into a definitive agreement to sell its 100% owned Del Toro Silver Mine (Note 15). "Others" consists primarily of the Company's corporate assets including cash and cash equivalents, other development and exploration properties (Note 16), debt facilities (Note 21), and corporate expenses which are not allocated to operating segments. The Company's chief operating decision maker ("CODM") evaluates segment performance based on mine operating earnings. Therefore, other income and expense items not directly related to mining operations are not allocated to the segments.

Year Ended December 31, 2025 and 2024	Revenue	Cost of sales	Depletion, depreciation, and amortization	Mine operating earnings (loss)	Capital expenditures
Mexico					
Santa Elena⁽²⁾	2025	\$346,437	\$141,580	\$43,658	\$161,199
	2024	288,202	124,246	47,942	116,014
Los Gatos	2025	489,757	143,438	142,939	70,473
	2024	—	—	—	—
San Dimas	2025	301,615	180,028	55,412	66,175
	2024	198,186	156,952	50,266	(9,032)
La Encantada	2025	100,925	69,329	15,898	14,399
	2024	65,336	56,119	15,850	(6,633)
Non-producing Properties	2025	—	—	66	(66)
	2024	—	—	146	(146)
United States					
Jerritt Canyon⁽²⁾⁽³⁾	2025	1,326	889	2,821	(2,384)
	2024	4,001	2,736	6,780	(5,515)
First Mint⁽¹⁾	2025	49,426	24,699	632	24,094
	2024	16,000	10,775	472	4,753
Others	2025	—	229	2,014	(2,242)
	2024	—	2,021	2,545	(4,566)
Intercompany elimination	2025	(32,329)	(16,520)	—	(15,809)
	2024	(11,121)	(8,146)	—	(2,975)
Consolidated	2025	\$1,257,157	\$543,672	\$263,440	\$450,045
	2024	\$560,604	\$344,703	\$124,001	\$91,900

(1) The First Mint segment is inclusive of operations from the Company's bullion store and its minting facility located in Nevada. This segment generated coin and bullion revenue of \$49.4 million (December 31, 2024 - \$16.0 million) from coins and bullion sales of 1,067,097 silver ounces (December 31, 2024 - 521,979) at an average price of \$46.32 per ounce (December 31, 2024 - \$30.66).

(2) Santa Elena and Jerritt Canyon have incurred mine holding costs related to care and maintenance and temporary suspension activities (Note 9).

(3) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed during the years ended December 31, 2025 and 2024 resulted in the recovery of 342 and 2,405 ounces, respectively.

During the year ended December 31, 2025, the Company had six (December 31, 2024 - four) customers that accounted for 96% (December 31, 2024 - 96%) of its sales revenue, with two major metal broker accounting for 72% of total revenue, each contributing 41% and 30%, respectively (December 31, 2024 - two major metal brokers accounted for 90%, each contributing 76% and 14%, respectively).

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At December 31, 2025 and 2024		Mining Interests		Property, plant and equipment	Total mining assets	Total assets	Total liabilities	
		Producing	Exploration					
Mexico								
	Santa Elena	2025	\$145,785	\$56,857	\$89,658	\$292,300	\$482,279	\$131,884
		2024	121,733	67,029	90,329	279,091	415,618	124,073
	Los Gatos	2025	1,037,538	549,186	183,057	1,769,781	2,128,653	568,578
		2024	—	—	—	—	—	—
	San Dimas	2025	214,213	53,828	89,547	357,588	631,477	105,519
		2024	221,657	40,718	90,103	352,478	542,760	87,791
	La Encantada	2025	22,176	5,988	26,938	55,102	113,985	32,986
		2024	19,366	4,712	27,534	51,612	98,665	24,128
	Non-producing Properties	2025	73,007	21,630	20,714	115,351	149,597	17,601
		2024	60,466	14,875	17,035	92,376	129,348	14,141
United States								
	Jerritt Canyon	2025	359,908	99,103	128,878	587,889	619,363	156,983
		2024	356,669	91,117	129,057	576,843	608,189	151,670
	First Mint	2025	—	—	4,767	4,767	14,881	10,622
		2024	—	—	4,633	4,633	19,399	1,450
	Others	2025	—	40,828	16,899	57,727	554,680	497,775
		2024	—	36,180	19,941	56,121	165,812	225,464
	Consolidated	2025	\$1,852,627	\$827,421	\$560,458	\$3,240,506	\$4,694,915	\$1,521,949
		2024	\$779,890	\$254,632	\$378,632	\$1,413,154	\$1,979,788	\$628,717

6. REVENUES

The majority of the Company's revenues are from the sale of precious metals contained in doré and concentrate form. The Company's primary products are precious metals (silver and gold). Revenues from the sale of metal, including by-products, are recorded net of smelting and refining costs.

Revenues for the period are summarized as follows:

	Year Ended December 31,			
	2025		2024	
Gross revenue from payable metals:				
Silver	\$724,324	58%	\$240,737	43%
Gold	409,406	32%	322,894	57%
Lead	41,023	3%	—	0%
Zinc	87,690	7%	—	0%
Copper	2,714	0%	—	0%
Gross revenue	1,265,157	100%	563,631	100%
Less: smelting and refining costs	(8,000)		(3,027)	
Revenues	\$1,257,157		\$560,604	

As at December 31, 2025, the Company had \$0.6 million of unearned revenue (December 31, 2024 - \$0.6 million) that has not satisfied performance obligations.

(a) Gold Stream Agreement with Royal Gold Inc. (formerly Sandstorm Gold Ltd.)

The Santa Elena mine is subject to a gold streaming agreement with Royal Gold Inc. ("Royal Gold"), which requires the Company to sell to Royal Gold 20% of its gold production from certain mining concessions, over the life-of-mine from its leach pad and underground operations. The selling price to Royal Gold is the lesser of the prevailing market price or \$450 per ounce, subject to a 1% annual inflation adjustment. During the year ended December 31, 2025, the Company delivered zero ounces (December 31, 2024 - 47 ounces) of gold to Royal Gold.

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(b) Net Smelter Royalty

The Ermitaño mine (part of Santa Elena) has a net smelter return ("NSR") royalty agreement with Orogen Royalties Inc. that provides them with a 2% NSR royalty of production. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño mine. For the year ended December 31, 2025, the Company incurred \$14.0 million (December 31, 2024 - \$11.3 million) in NSR royalty payments in connection with production from Ermitaño.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited ("Metalla"). Under the agreement, the Company has granted Metalla a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the year ended December 31, 2025, the Company has incurred \$0.3 million (December 31, 2024 - \$0.4 million) in royalty payments from gold production at La Encantada.

The Los Gatos Silver Mine is subject to the terms of an exploration, exploitation and unilateral promise of assignment of rights agreement with La Cuesta International S.A. de C.V. ("La Cuesta") dated May 4, 2006. The Los Gatos Silver Mine is required to pay a production royalty to La Cuesta of a) 2% net smelter return on production from the concession until all payments reach \$10 million and b) 0.5% net smelter return on production from the concession after total payments have reached \$10 million and c) 0.5% net smelter return on production from other property within a one-kilometer boundary of the Los Gatos Silver Mine. The agreement has no expiration date; however, Gatos may terminate the agreement upon a 30-day notice. During the year ended December 31, 2025, the Company has incurred \$0.7 million (December 31, 2024 - \$nil) in NSR royalty payments in connection with production from Los Gatos.

(c) Gold Stream Agreement with Wheaton Precious Metals Corporation

In 2018, the San Dimas mine entered into a purchase agreement with Wheaton Precious Metals International ("WPMI"), a wholly owned subsidiary of Wheaton Precious Metals Corp., which entitles WPMI to receive 25% of the gold equivalent production (based on a fixed exchange ratio of 70 silver ounces to 1 gold ounce) at San Dimas in exchange for ongoing payments equal to the lesser of \$600 (subject to a 1% annual inflation adjustment) and the prevailing market price for each gold equivalent ounce delivered. Should the average gold to silver ratio over a six-month period exceed 90:1 or fall below 50:1, the fixed exchange ratio would be increased to 90:1 or decreased to 50:1, respectively. The fixed gold to silver exchange ratio as of December 31, 2025 was 70:1.

During the year ended December 31, 2025, the Company delivered 31,539 ounces (December 31, 2024 - 28,746 ounces) of gold to WPMI at \$641 per ounce (December 31, 2024 - \$635 per ounce).

7. COST OF SALES

Cost of sales are costs that are directly related to production and generation of revenues at the operating segments. Significant components of cost of sales, excluding depletion, depreciation and amortization are comprised of the following:

	Year Ended December 31,	
	2025	2024
Labour costs	\$224,450	\$159,884
Consumables and materials	126,975	80,008
Energy	52,657	35,443
Maintenance	13,426	6,204
Assays and labwork	3,526	3,350
Insurance	4,640	2,483
Other costs ⁽¹⁾	17,832	10,991
Production costs	\$443,506	\$298,363
Transportation and other selling costs	20,829	2,788
Workers' participation costs	39,431	20,636
Environmental duties and royalties	25,572	14,752
Finished goods inventory changes	6,603	6,405
Other ⁽³⁾	7,731	1,759
Cost of Sales	\$543,672	\$344,703

(1) Other costs (within production costs) include services such as machinery rentals, corporate staff support, rights and land access payments, and diamond drilling. The inventory write-downs during the year ended December 31, 2025 totaled to \$nil (December 31, 2024 - \$1.5 million related to La Encantada).

(2) Other costs in 2025 include elevated waste costs from ore below cut-off grade at La Encantada, as poor ground conditions impacted mine development activities. Additionally, other costs included elevated maintenance and energy costs at Santa Elena along with higher diesel generator rental costs and energy charges driven by weather related events at San Dimas. Other costs in 2024 relate to \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

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8. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are incurred to support the administration of the business that are not directly related to production. Significant components of general and administrative expenses are comprised of the following:

	Year Ended December 31,	
	2025	2024
Corporate administration	\$12,391	\$9,001
Salaries and benefits	21,764	17,217
Audit, legal and professional fees	13,133	10,229
Filing and listing fees	967	1,076
Directors' fees and expenses	752	583
Depreciation	1,358	1,491
	\$50,365	\$39,597

9. MINE HOLDING COSTS

The Company's mine holding costs are primarily comprised of labour costs associated with care and maintenance staff, electricity, security, environmental and community support costs for the following mines which are currently under temporary suspension:

	Year Ended December 31,	
	2024	2023
Del Toro ⁽¹⁾	\$1,713	\$2,358
San Martin	1,291	551
Santa Elena ⁽²⁾	2,652	3,469
Jerritt Canyon	14,458	17,288
	\$20,114	\$23,666

(1) During the year ended December 31, 2025, the Company announced that it has entered into a definitive agreement to sell its 100%-owned, past-producing Del Toro Silver Mine (Note 15).

(2) The Company resumed operations at the Santa Elena mine during the year, having previously processed ore exclusively from the Ermitaño mine, with both mines forming part of the Santa Elena operation. During the year ended December 31, 2025, the Company incurred \$2.7 million (December 31, 2024 - \$3.5 million) in holding costs relating to care and maintenance charges for the Santa Elena mine.

10. INVESTMENT AND OTHER INCOME (LOSS)

The Company's investment and other income (loss) are comprised of the following:

	Year Ended December 31,	
	2025	2024
(Loss) gain from investment in silver futures contracts	(\$9,624)	\$98
Gain from investment in marketable securities (Note 14(a))	19,117	21
Interest income and other	14,695	5,242
	\$24,188	\$5,361

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(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

11. FINANCE COSTS

Finance costs are primarily related to interest and accretion expense on the Company's debt facilities, lease liabilities and accretion of decommissioning liabilities. The Company's finance costs in the periods are summarized as follows:

	Year Ended December 31,	
	2025	2024
Debt facilities ⁽¹⁾ (Note 21)	\$13,044	\$13,161
Accretion of decommissioning liabilities	11,096	9,610
Lease liabilities (Note 22)	1,756	2,276
Gain on settlement of senior convertible note(2) (Note 21(a))	(3,363)	—
Interest and other	3,696	3,013
	\$26,229	\$28,060

(1) During the year ended December 31, 2025, finance costs for debt facilities includes non-cash accretion expense of \$11.2 million (December 31, 2024 - \$10.1 million).

(2) In December 2025, the Company closed an offering of \$300.0 million aggregate principal amount of unsecured senior convertible notes plus an additional over-allotment option of \$50 million. The proceeds were used to repurchase a portion of the outstanding 2021 senior convertible notes (Note 21 (a)). The repurchase generated a gain due to the difference between the carrying value of the notes on the date of settlement, compared to the cash paid to repurchase and cancel the 2021 senior convertible notes.

12. EARNINGS OR LOSS PER SHARE

Basic earnings or loss per share is the net earnings (loss) attributable to owners of the Company divided by the weighted average number of common shares outstanding during the periods. Diluted net earnings or loss per share adjusts basic net earnings or loss per share for the effects of potential dilutive common shares. The calculations of basic and diluted earnings or loss per share for the periods ended December 31, 2025 and 2024 are as follows:

	Year Ended December 31,	
	2025	2024
Net earnings (loss) for the year	\$210,975	(\$101,885)
Net earnings attributable to non-controlling interests	46,052	—
Net earnings (loss) attributable to owners of the Company	\$164,923	(\$101,885)
Weighted average number of shares on issue - basic	479,581,196	295,544,681
Effect on dilutive securities:		
Stock options	2,612,314	—
Restricted, performance and deferred share units	2,370,168	—
Weighted average number of shares on issue - diluted⁽¹⁾	484,563,678	295,544,681
Earnings (loss) per share - basic	\$0.34	(\$0.34)
Earnings (loss) per share - diluted	\$0.34	(\$0.34)

(1) For the year ended December 31, 2025, diluted weighted average number of shares excluded 3,088,567 (December 31, 2024 - 6,680,915) options, 5,000,000 (December 31, 2024 - 5,000,000) warrants, 5,093 restricted and performance share units (December 31, 2024 - 2,272,568), 3,338,890 common shares and 15,652,945 common shares issuable under the 2021 and 2025 convertible debentures, respectively (December 31, 2024 - 13,888,895) and nil (Note 20(a)), that were anti-dilutive.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

13. INVENTORIES

Inventories consist primarily of materials and supplies and products of the Company's operations, in varying stages of the production process, and are presented at the lower of weighted average cost or net realizable value.

	December 31, 2025	December 31, 2024
Finished goods	\$9,661	\$5,036
Work-in-process	3,675	4,162
Stockpile	14,747	6,580
Silver coins and bullion	4,089	8,613
Materials and supplies	52,581	38,133
	\$84,753	\$62,524

The amount of inventories recognized as an expense during the period is equivalent to the total of cost of sales plus depletion, depreciation and amortization for the period. As at December 31, 2025, no write down was included in mineral inventories, which consist of stockpile, work-in-process and finished goods (December 31, 2024 - \$nil).

14. OTHER FINANCIAL ASSETS

As at December 31, 2025, other financial assets consist of the Company's investment in marketable securities comprised of the following:

	December 31, 2025	December 31, 2024
FVTPL marketable securities (a)	\$26,168	\$1,283
FVTOCI marketable securities (b)	154,218	48,498
Total other financial assets	\$180,386	\$49,781

(a) Fair Value through Profit or Loss ("FVTPL") Marketable Securities

Gain on marketable securities designated as FVTPL for the year ended December 31, 2025 was \$19.1 million (December 31, 2024 - \$nil) and was recorded through profit or loss.

(b) Fair Value through Other Comprehensive Income ("FVTOCI") Marketable Securities

Changes in fair value of marketable securities designated as FVTOCI for the year ended December 31, 2025 was a gain of \$126.8 million (December 31, 2024 - loss of \$5.8 million), net of tax, and were recorded through other comprehensive income and will not be transferred into earnings or loss upon disposition or impairment. The Company made the irrevocable election to designate these equity securities as FVTOCI because these financial assets are not held for trading and are not contingent consideration recognized in a business combination. As at December 31, 2025, the carrying value of all shares designated at FVTOCI was \$154.2 million (December 2024 - \$48.5 million).

15. DIVESTITURES

On December 17, 2025, the Company announced that it had entered into a definitive agreement to sell its subsidiary that owns 100% of the Del Toro Silver Mine ("Del Toro") to Sierra Madre for total consideration in cash and shares of up to \$60 million, comprised of upfront consideration of \$20 million in cash and \$10 million in common shares of Sierra Madre ("Sierra Madre Shares") at a deemed price of CAD\$1.30 per share, payable upon closing, and an additional \$30 million in delayed and contingent consideration in cash or, at Sierra Madre's option, Sierra Madre Shares. Closing of the transaction is conditional upon Sierra Madre completing a concurrent private placement financing of at least CAD\$40 million in gross proceeds and other customary conditions, including approval of the TSXV, Mexican Antitrust approval and approval by the disinterested shareholders of Sierra Madre.

The Company has concluded that as of December 31, 2025, the sale does not meet the IFRS 5 criteria for classification as held for sale, given the uncertainty around satisfying all closing conditions within one year. However, the announcement of the definitive agreement along with the implied price within the contract represents an indicator of impairment reversal under IAS 36. Del Toro is considered a separate CGU within the Company's non-producing properties segment. Therefore, the carrying amount of Del Toro was remeasured to its recoverable amount, being its FVLCD, based on the fair value of the expected proceeds from the sale. This includes the upfront consideration of \$20 million in cash, \$10 million in common shares of Sierra Madre and \$10 million receivable within 18 months of closing in cash or, at Sierra Madre's option, Sierra Madre Shares. The Company has excluded the \$20 million in delayed and contingent consideration from the calculation of the recoverable amount. During the year ended December 31, 2025, the Company recorded a \$20.3 million reversal of impairment related to the Del Toro assets, based on the recoverable amount implied by the definitive agreement. The impairment reversal amount does not increase the carrying amount above what it would have been had no impairment been recognized in prior periods.

Out of the impairment reversal of \$20.3 million related to Del Toro, \$10.6 million was allocated to depletable mining interest, \$6.3 million was allocated to non-depletable mining interest with the remaining \$3.4 million allocated to property, plant and equipment, resulting in an total impairment reversal of \$20.3 million, net of tax. The recoverable amount of Del Toro, being its FVLCD was \$40.0 million, based on the expected proceeds from the sale.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

16. MINING INTERESTS

Mining interests primarily consist of acquisition, development, exploration and exploration potential costs directly related to the Company's operations and projects. Upon commencement of commercial production, mining interests for producing properties are depleted on a units-of-production basis over the estimated economic life of the mine. In applying the units of production method, depletion is determined using quantity of material extracted from the mine in the period as a portion of total quantity of material, based on reserves and resources, considered to be highly probable to be economically extracted over the life of mine plan.

The Company's mining interests are comprised of the following:

	December 31, 2025	December 31, 2024
Depletable properties	\$1,852,627	\$779,890
Non-depletable properties (exploration and evaluation costs, exploration potential)	827,421	254,632
	\$2,680,048	\$1,034,522

Depletable properties are allocated as follows:

Depletable properties	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Total
Cost							
At December 31, 2023	\$183,123	\$—	\$365,472	\$128,879	\$486,665	\$212,990	\$1,377,129
Additions	21,599	—	29,628	2,927	—	—	54,154
Change in decommissioning liabilities	(1,302)	—	(2,346)	(1,362)	6,165	(2,100)	(945)
Transfer from non-depletable properties	2,179	—	—	1,702	—	—	3,881
At December 31, 2024	\$205,599	\$—	\$392,754	\$132,146	\$492,830	\$210,889	\$1,434,218
Additions	11,366	32,188	24,866	6,214	—	—	74,634
Change in decommissioning liabilities	495	(322)	980	1,238	3,239	1,957	7,587
Acquisition of Gatos (Note 4)	—	1,122,262	—	—	—	—	1,122,262
Transfer from non-depletable properties	35,393	—	4,386	1,202	—	—	40,981
At December 31, 2025	\$252,853	\$1,154,128	\$422,986	\$140,800	\$496,069	\$212,846	\$2,679,682
Accumulated depletion, amortization and impairment							
At December 31, 2023	(\$60,000)	\$—	(\$137,530)	(\$106,698)	(\$136,161)	(\$150,424)	(\$590,813)
Depletion and amortization	(23,866)	—	(33,567)	(6,082)	—	—	(63,515)
At December 31, 2024	(\$83,866)	\$—	(\$171,097)	(\$112,780)	(\$136,161)	(\$150,424)	(\$654,328)
Depletion and amortization	(23,202)	(116,590)	(37,676)	(5,844)	—	—	(183,312)
Reversal of impairment (Note 15)	—	—	—	—	—	10,585	10,585
At December 31, 2025	(\$107,068)	(\$116,590)	(\$208,773)	(\$118,624)	(\$136,161)	(\$139,839)	(\$827,055)
Carrying values							
At December 31, 2024	\$121,733	\$—	\$221,657	\$19,366	\$356,669	\$60,466	\$779,890
At December 31, 2025	\$145,785	\$1,037,538	\$214,213	\$22,176	\$359,908	\$73,007	\$1,852,627

(1) Non-producing properties include the San Martin and Del Toro mines. During the year, the Company announced that it has entered into a definitive agreement to sell its 100%-owned, past-producing Del Toro Silver Mine (Note 15).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

Non-depletable properties costs are allocated as follows:

Non-depletable properties	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Exploration Projects ⁽²⁾	Springpole Stream	Total
At December 31, 2023	\$50,483	\$—	\$24,696	\$4,461	\$82,645	\$14,404	\$23,973	\$11,856	\$212,519
Exploration and expenditures evaluation	18,725	—	16,022	1,953	8,472	471	351	—	45,994
Transfer to depletable properties	(2,179)	—	—	(1,702)	—	—	—	—	(3,881)
At December 31, 2024	\$67,029	\$—	\$40,718	\$4,712	\$91,117	\$14,875	\$24,324	\$11,856	\$254,632
Exploration and expenditures	25,221	12,759	17,496	2,478	7,986	451	495	4,153	71,039
Acquisition of Gatos (Note 4)	—	536,427	—	—	—	—	—	—	536,427
Reversal of impairment (Note 15)	—	—	—	—	—	6,304	—	—	6,304
Transfer to depletable properties	(35,393)	—	(4,386)	(1,202)	—	—	—	—	(40,981)
At December 31, 2025	\$56,857	\$549,186	\$53,828	\$5,988	\$99,103	\$21,630	\$24,819	\$16,009	\$827,421

(1) Non-producing properties include the San Martin and Del Toro mines. During the year, the Company announced that it has entered into a definitive agreement to sell its 100%-owned, past-producing Del Toro Silver Mine (Note 15).

(2) Exploration projects include the La Luz, Los Amoles, Jalisco Group of Properties and Jimenez del Tuel projects.

(a) Santa Elena Silver/Gold Mine, Sonora State, Mexico

The Santa Elena mine is subject to a gold streaming agreement with Royal Gold, which requires the Company to sell to Royal Gold 20% of its gold production over the life-of-mine from its leach pad and underground operations. The selling price to Royal Gold is the lesser of the prevailing market price or \$450 per ounce, subject to a 1% annual inflation adjustment. During the year ended December 31, 2025, the Company delivered zero ounces (December 31, 2024 - 47 ounces) of gold to Royal Gold.

The Ermitaño mine has a net smelter return (“NSR”) royalty agreement with Orogen Royalties Inc. that provides them with a 2% NSR royalty of production. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño property. During the year ended December 31, 2025, the Company has incurred \$14.0 million (December 31, 2024 - \$11.3 million) in NSR royalty payments in connection with production from Ermitaño.

(b) Los Gatos Silver Mine, Chihuahua State, Mexico

Following the acquisition, the Company now holds a 70% interest in the Los Gatos underground mine in Chihuahua, Mexico. The remaining 30% is owned by a non-controlling partner. The Los Gatos Silver Mine produces zinc and lead concentrates, both of which contain payable silver, as well as gold in its concentrate form. Zinc and lead contribute approximately 75% and 25% of total revenues, respectively.

The Los Gatos Silver Mine is subject to the terms of an exploration, exploitation and unilateral promise of assignment of rights agreement with La Cuesta International S.A. de C.V. (“La Cuesta”) dated May 4, 2006. The Los Gatos Silver Mine is required to pay a production royalty to La Cuesta of a) 2% net smelter return on production from the concession until all payments reach \$10 million and b) 0.5% net smelter return on production from the concession after total payments have reached \$10 million and c) 0.5% net smelter return on production from other property within a one-kilometer boundary of the Los Gatos Silver Mine. The agreement has no expiration date; however, Gatos may terminate the agreement upon a 30-day notice. During the year ended December 31, 2025, the Company has incurred \$0.7 million (December 31, 2024 - \$nil) in NSR royalty payments in connection with production from Los Gatos.

(c) San Dimas Silver/Gold Mine, Durango State, Mexico

The San Dimas Mine is subject to a gold and silver streaming agreement with WPMI which entitles WPMI to receive 25% of the gold equivalent production (based on a fixed exchange ratio of 70 silver ounces to 1 gold ounce) at San Dimas in exchange for ongoing payments equal to the lesser of \$600 (subject to a 1% annual inflation adjustment commencing in May 2019) and the prevailing market price for each gold ounce delivered. Should the average gold to silver ratio over a six-month period exceed 90:1 or fall below 50:1, the fixed exchange ratio would be increased to 90:1 or decreased to 50:1, respectively. The fixed gold to silver exchange ratio as of December 31, 2025, was 70:1.

During the year ended December 31, 2025, the Company delivered 31,539 ounces (December 31, 2024 - 28,746 ounces) of gold to WPMI at \$641 per ounce (December 31, 2024 - \$635 per ounce).

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(d) La Encantada Silver Mine, Coahuila State, Mexico

In December 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited. Under the terms of the agreement, the Company is required to pay a 100% gross value royalty on the first 1,000 ounces of gold produced annually from the La Encantada property. For the year ended December 31, 2025, the Company has incurred \$0.3 million (December 31, 2024 - \$0.4 million) in royalty payments from gold production at La Encantada.

(e) Jerritt Canyon Gold Mine, Nevada, United States

The Jerritt Canyon Mine is subject to a 0.75% NSR royalty on production of gold and silver from the Jerritt Canyon mines and processing plant. The royalty is applied, at a fixed rate of 0.75%, against proceeds from gold and silver products after deducting treatment, refining, transportation, insurance, taxes and levies charges.

The Jerritt Canyon Mine is also subject to a 2.5% to 5% NSR royalty relating to the production of gold and silver within specific boundary lines at certain mining areas. The royalty is applied, at a fixed rate of 2.5% to 5.0%, against proceeds from gold and silver products.

For the year ended December 31, 2025, the Company has incurred \$nil in royalty payments from gold production at Jerritt Canyon (December 31, 2024 - \$nil).

(f) Springpole Silver Stream, Ontario, Canada

In July 2020, the Company completed an agreement with First Mining Gold Corp. (“First Mining”) to purchase 50% of the life-of-mine payable silver produced from the Springpole Gold Project (the “Springpole Silver Stream”), a development-stage gold project located in Ontario, Canada. First Majestic agreed to pay First Mining consideration of \$22.5 million in cash and shares, in three milestone payments, for the right to purchase silver at a price of 33% of the silver spot price per ounce, to a maximum of \$7.50 per ounce (subject to annual inflation escalation of 2%, commencing at the start of the third anniversary of production). Commencing its production of silver, First Mining must deliver 50% of the payable silver which it receives from the off taker within five business days of the end of each quarter.

The transaction consideration paid and payable by First Majestic is summarized as follows:

- The first payment of \$10.0 million, consisting of \$2.5 million in cash and \$7.5 million in First Majestic common shares (805,698 common shares), was paid to First Mining on July 2, 2020;
- The second payment of \$7.5 million, consisting of \$3.75 million in cash and \$3.75 million in First Majestic common shares (287,300 common shares), was paid on January 21, 2021 upon the completion and public announcement by First Mining of the results of a Pre-Feasibility Study for Springpole; and
- The third payment of \$5.0 million was originally scheduled to be made as a combination of cash and First Majestic common shares. On March 13, 2025, the Company signed an amendment agreement (the “Amended Springpole Stream Agreement”) to the original streaming agreement for the Springpole property (the “Springpole Stream Agreement”) among the Company, Gold Canyon Resources Inc. (a wholly-owned subsidiary of First Mining) and First Mining to accelerate the final tranche payment owed by the Company under the Springpole Stream Agreement, and to make such final payment a cash only payment of \$5 million (previously, this final payment was to be a combination of cash and Common Shares), payable by the Company by March 31, 2025. The Company made this final payment to First Mining prior to March 31, 2025.

In connection with the Springpole Stream Agreement, First Mining also granted First Majestic 32.1 million common share purchase warrants of First Mining (the “First Mining Warrants”) that entitle the Company to purchase one common share of First Mining at CAD\$0.40 expiring July 2, 2025. The fair value of the warrants was measured at \$5.7 million using the Black-Scholes option pricing model.

Under the Amended Springpole Stream Agreement, First Mining agreed to extend the expiry date of the First Mining Warrants to March 31, 2028 and to amend the exercise price to CAD\$0.20. The fair value of the warrants was measured at \$0.8 million using the Black-Scholes option pricing model, with fair value adjustments going through profit and loss.

On December 16, 2025, the Company exercised all of its First Mining Warrants at the exercise price of CAD\$0.20 for a total cash payment of \$4.7 million, and as a result, the Company received 32.1 million common shares of First Mining.

First Mining has the right to repurchase 50% of the silver stream from First Majestic for \$22.5 million at any time prior to the commencement of production at Springpole, and if such a repurchase takes place, the Company will be left with a reduced silver stream of 25% of life-of-mine payable silver production from Springpole. First Mining is a related party with two independent board members who are also directors and/or officers of First Majestic.

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17. PROPERTY, PLANT AND EQUIPMENT

The majority of the Company's property, plant and equipment is used in the Company's operating mine segments. Property, plant and equipment is depreciated using either the straight-line or units-of-production method over the shorter of the estimated useful life of the asset or the expected life of mine. Where an item of property, plant and equipment comprises of major components with different useful lives, the components are accounted for as separate items of property, plant and equipment. Assets under construction are recorded at cost and re-allocated to land and buildings, machinery and equipment or other when they become available for use.

Property, plant and equipment are comprised of the following:

	Land and Buildings ⁽¹⁾	Machinery and Equipment	Assets under Construction ⁽²⁾	Other	Total
Cost					
At December 31, 2023	\$245,260	\$641,029	\$48,738	\$38,445	\$973,472
Additions	381	2,370	24,281	149	27,180
Transfers and disposals	12,173	5,042	(29,697)	1,529	(10,953)
At December 31, 2024	\$257,814	\$648,441	\$43,322	\$40,123	\$989,699
Additions	1,427	11,658	53,605	485	67,175
Acquisition of Gatos (Note 4)	103,465	71,951	9,493	354	185,263
Transfers and disposals	4,200	8,679	(21,343)	201	(8,263)
At December 31, 2025	\$366,906	\$740,729	\$85,078	\$41,163	\$1,233,874
Accumulated depreciation, amortization and impairment reversal					
At December 31, 2023	(\$157,626)	(\$382,139)	\$—	(\$27,413)	(\$567,178)
Depreciation and amortization	(16,720)	(28,282)	—	(3,251)	(48,253)
Transfers and disposals	1,431	2,597	—	334	4,362
At December 31, 2024	(\$172,915)	(\$407,824)	\$—	(\$30,330)	(\$611,069)
Depreciation and amortization	(26,378)	(39,862)	—	(2,931)	(69,171)
Impairment reversal (Note 15)	—	3,448	—	—	3,448
Transfers and disposals	23	3,301	—	52	3,376
At December 31, 2025	(\$199,270)	(\$440,937)	\$—	(\$33,209)	(\$673,416)
Carrying values					
At December 31, 2024	\$84,899	\$240,617	\$43,322	\$9,793	\$378,630
At December 31, 2025	\$167,636	\$299,792	\$85,078	\$7,954	\$560,458

(1) Included in land and buildings is \$50.6 million (2024 - \$10.4 million) worth of land which is not subject to depreciation.

(2) Assets under construction includes certain innovation projects, such as high-intensity grinding ("HIG") mills and related modernization, plant improvements, other mine infrastructures and equipment overhauls.

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(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

Property, plant and equipment, including land and buildings, machinery and equipment, assets under construction and other assets above are allocated by mine as follow:

	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Other ⁽²⁾⁽³⁾	Total
Cost								
At December 31, 2023	\$180,128	\$—	\$183,371	\$168,736	\$216,668	\$163,498	\$61,071	\$973,472
Additions	9,251	—	8,486	3,995	2,689	69	2,690	27,180
Transfers and disposals	(2,507)	—	255	(457)	(1,622)	(1,211)	(5,411)	(10,953)
At December 31, 2024	\$186,872	\$—	\$192,112	\$172,274	\$217,735	\$162,356	\$58,350	\$989,699
Additions	14,060	25,526	16,532	5,707	2,621	517	2,212	67,175
Acquisition of Gatos (Note 4)	—	185,263	—	—	—	—	—	185,263
Transfers and disposals	(4,084)	876	(1,058)	426	(197)	(840)	(3,386)	(8,263)
At December 31, 2025	\$196,848	\$211,665	\$207,586	\$178,407	\$220,159	\$162,033	\$57,176	\$1,233,874
Accumulated depreciation, amortization and impairment								
At December 31, 2023	(\$81,615)	\$—	(\$86,259)	(\$138,721)	(\$82,697)	(\$145,887)	(\$31,999)	(\$567,178)
Depreciation and amortization	(16,314)	—	(16,268)	(7,190)	(6,257)	(92)	(2,130)	(48,253)
Transfers and disposals	1,387	—	518	1,171	275	659	353	4,362
At December 31, 2024	(\$96,542)	\$—	(\$102,009)	(\$144,740)	(\$88,679)	(\$145,320)	(\$33,776)	(\$611,069)
Depreciation and amortization	(13,494)	(27,626)	(16,853)	(6,596)	(2,638)	(16)	(1,948)	(69,171)
Impairment reversal (Note 15)	—	—	—	—	—	3,448	—	3,448
Transfers and disposals	2,846	(982)	823	(133)	36	569	214	3,376
At December 31, 2025	(\$107,190)	(\$28,608)	(\$118,039)	(\$151,469)	(\$91,281)	(\$141,319)	(\$35,510)	(\$673,416)
Carrying values								
At December 31, 2024	\$90,329	\$—	\$90,103	\$27,534	\$129,057	\$17,036	\$24,574	\$378,630
At December 31, 2025	\$89,658	\$183,057	\$89,547	\$26,938	\$128,878	\$20,714	\$21,666	\$560,458

(1) Non-producing properties include the San Martin and Del Toro mines. During the year, the Company announced that it has entered into a definitive agreement to sell its 100%-owned, past-producing Del Toro Silver Mine (Note 15).

(2) Additions classified in "Other" primarily consist of innovation projects and construction-in-progress.

(3) Included in "Other" is property, plant and equipment of \$4.8 million (2024 - \$4.6 million) for First Mint which includes the Company's bullion store and its minting facility located in Nevada.

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18. RIGHT-OF-USE ASSETS

The Company entered into leases to use certain land, buildings, mining equipment and corporate equipment for its operations. The Company is required to recognize right-of-use assets representing its right to use these underlying leased assets over the lease term.

Right-of-use assets are initially measured at cost, equivalent to its obligation for payments over the term of the leases, and subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is recorded on a straight-line basis over the shorter period of lease term and useful life of the underlying asset.

Right-of-use assets are comprised of the following:

	Land and Buildings	Machinery and Equipment	Total
At December 31, 2023	\$8,523	\$18,761	\$27,284
Additions	299	7,693	7,992
Remeasurements	236	921	1,157
Depreciation and amortization	(2,012)	(10,522)	(12,534)
At December 31, 2024	\$7,046	\$16,853	\$23,898
Acquisition of Gatos (Note 4)	281	—	281
Additions	181	185	366
Remeasurements	(242)	5,166	4,924
Depreciation and amortization	(2,244)	(12,757)	(15,001)
At December 31, 2025	\$5,022	\$9,447	\$14,469

19. RESTRICTED CASH

Restricted cash is comprised of the following:

	December 31, 2025	December 31, 2024
Nevada Division of Environmental Protection ⁽¹⁾	\$20,177	\$19,346
SAT Primero tax dispute ⁽²⁾	124,090	86,726
Non-Current Restricted Cash	\$144,267	\$106,072

(1) On November 2, 2021, the Company executed an agreement with the Nevada Division of Environmental Protection ("NDEP") relating to funds required to establish a trust agreement to cover post-closure water treatment cost at Jerritt Canyon. During the year ended December 31, 2022, the Company funded \$17.7 million into a trust; these amounts along with interest earned on the balance are included within non-current restricted cash.

(2) In connection with the dispute between Primero Empresa Minera, S.A. de C.V. ("PEM") and the Servicio de Administracion Tributaria ("SAT") relating to the advanced pricing agreement (Note 29), the SAT froze two PEM bank accounts as security for certain tax reassessments which are being disputed. The balance in these two frozen accounts as at December 31, 2025 was \$124.1 million (2,229 million MXN). This balance consists of Value Added Tax ("VAT") refunds due to PEM. The Company does not agree with SAT's position and has challenged it through the relevant legal channels, both domestically and internationally.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

20. TRADE AND OTHER PAYABLES

The Company's trade and other payables are primarily comprised of amounts outstanding for purchases relating to mining operations, exploration and evaluation activities and corporate expenses. The normal credit period for these purchases is usually between 30 to 90 days.

Trade and other payables are comprised of the following items:

	December 31, 2025	December 31, 2024
Trade payables	\$57,749	\$35,397
Trade related accruals	57,511	23,196
Payroll and related benefits	56,235	32,239
Restructuring obligations	590	709
NSR royalty liabilities (Notes 16(b)(c))	4,812	3,538
Environmental duty and net mineral sales proceeds tax	10,777	2,701
Other accrued liabilities ⁽¹⁾	20,237	6,115
	\$207,911	\$103,895

(1) The Other accrued liabilities balance as at December 31, 2025 includes an accrual of \$9.9 million for mark-to-market movements on silver forward contracts.

21. DEBT FACILITIES

The movement in debt facilities during the year ended December 31, 2025 and year ended December 31, 2024, respectively, are comprised of the following:

	Convertible Debentures (a)	Revolving Credit Facility (b)	Total
Balance at December 31, 2023	\$199,406	\$20,406	\$219,812
Finance costs			
Interest expense	863	2,619	3,482
Accretion	9,679	—	9,679
Repayments of principal	—	(20,000)	(20,000)
Repayments of finance costs	(865)	(2,626)	(3,491)
Balance at December 31, 2024	\$209,083	\$399	\$209,482
Gross proceeds from debt financing	\$350,000	\$—	\$350,000
Portion allocated to equity reserves from debt financing	(102,493)	—	(\$102,493)
Finance costs			
Interest expense	845	1,403	2,248
Accretion	10,796	—	10,796
Repayments of principal	(165,717)	—	(165,717)
Transaction costs	(9,515)	—	(9,515)
Repayments of finance costs	(1,119)	(1,465)	(2,585)
Balance at December 31, 2025	\$291,880	\$337	\$292,216
Statements of Financial Position Presentation			
Current portion of debt facilities	\$426	\$399	\$825
Non-current portion of debt facilities	208,657	—	208,657
Balance at December 31, 2024	\$209,083	\$399	\$209,482
Current portion of debt facilities	\$151	\$337	\$487
Non-current portion of debt facilities	291,729	—	291,729
Balance at December 31, 2025	\$291,880	\$337	\$292,216

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

(a) Convertible Debentures

2021 Senior Convertible Debentures

On December 2, 2021, the Company issued \$230 million of unsecured senior convertible debentures (the “2021 Notes”). The Company received net proceeds of \$222.8 million after transaction costs of \$7.2 million. The 2021 Notes mature on January 15, 2027 and bear an interest rate of 0.375% per annum, payable semi-annually in arrears in January and July of each year.

The 2021 Notes are convertible into common shares of the Company at any time prior to maturity at a conversion rate of 60.3865 common shares per \$1,000 principal amount of 2021 Notes converted, representing an initial conversion price of \$16.56 per common share, subject to certain anti-dilution adjustments.

The Company may not redeem the 2021 Notes before January 20, 2025 except in the event of certain changes in Canadian tax law. At any time on or after January 20, 2025 and until maturity, the Company may redeem all or part of the 2021 Notes for cash if the last reported share price of the Company’s common shares for 20 or more trading days in a period of 30 consecutive trading days exceeds 130% of the conversion price in effect on each such trading day. The redemption price is equal to the sum of:

(i) 100% of the principal amount of the 2021 Notes to be redeemed and (ii) accrued and unpaid interest, if any, to the redemption date.

The Company is required to offer to purchase for cash all of the outstanding 2021 Notes upon a fundamental change, at a cash purchase price equal to 100% of the principal amount of the 2021 Notes to be purchased, plus accrued and unpaid interest, if any, up to the fundamental change purchase date.

The component parts of the convertible debentures, a compound instrument, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instrument is an equity instrument.

At initial recognition, net proceeds of \$222.8 million from the 2021 Notes were allocated into its debt and equity components. The fair value of the debt portion was estimated at \$180.4 million using a discounted cash flow model method with an expected life of five years and a discount rate of 4.75%. This amount is recorded as a financial liability on an amortized cost basis using the effective interest method at an effective interest rate of 5.09% until extinguished upon conversion or at its maturity date.

The conversion option is classified as equity and was estimated based on the residual value of \$42.3 million. This amount is not subsequently remeasured and will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will remain in equity reserves. Deferred tax liability of \$11.4 million related to taxable temporary difference arising from the equity portion of the convertible debenture was recognized in equity reserves.

Transaction costs of \$7.2 million that relate to the issuance of the convertible debentures were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible debentures using the effective interest method.

2025 Senior Convertible Debentures

On December 8, 2025, the Company issued \$350.0 million of unsecured senior convertible debentures (the “2025 Notes”). The Company received net proceeds of \$340.5 million after transaction costs of \$9.5 million. The 2025 Notes mature on January 15, 2031 and bear an interest rate of 0.125% per annum, payable semi-annually in arrears in January and July of each year.

The 2025 Notes are convertible into common shares of the Company at any time prior to maturity at a conversion rate of 44.7227 common shares per \$1,000 principal amount of 2025 Notes converted, representing an initial conversion price of \$22.36 per common share, subject to certain anti-dilution adjustments. In addition, if certain fundamental changes occur, holders of the 2025 Notes may be entitled to an increased conversion rate.

The Company may not redeem the 2025 Notes before January 20, 2029 except in the event of certain changes in Canadian tax law. At any time on or after January 20, 2029 and until maturity, the Company may redeem all or part of the 2025 Notes for cash if the last reported share price of the Company’s common shares for 20 or more trading days in a period of 30 consecutive trading days exceeds 130% of the conversion price in effect on each such trading day. The redemption price is equal to the sum of: (i) 100% of the principal amount of the 2025 Notes to be redeemed and (ii) accrued and unpaid interest, if any, to the redemption date.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

The Company is required to offer to purchase for cash all of the outstanding 2025 Notes upon a fundamental change, at a cash purchase price equal to 100% of the principal amount of the 2025 Notes to be purchased, plus accrued and unpaid interest, if any, up to the fundamental change purchase date.

The component parts of the convertible debentures, a compound instrument, are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instrument is an equity instrument.

At initial recognition, net proceeds of \$340.5 million from the 2025 Notes were allocated into its debt and equity components. The fair value of the debt portion was estimated at \$238.0 million using a discounted cash flow model method with an expected life of five years and a discount rate of 7.59%. This amount is recorded as a financial liability on an amortized cost basis using the effective interest method at an effective interest rate of 7.62% until extinguished upon conversion or at its maturity date.

The conversion option is classified as equity and was estimated based on the residual value of \$102.5 million. This amount is not subsequently remeasured and will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance will remain in equity reserves. Deferred tax liability of \$28.4 million related to taxable temporary difference arising from the equity portion of the convertible debenture was recognized in equity reserves.

Transaction costs of \$9.5 million that relate to the issuance of the convertible debentures were allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the life of the convertible debentures using the effective interest method.

A portion of the 2025 Notes proceeds received were used to redeem 174,708 of the 2021 Notes for total costs of \$214.7 million. The total proceeds were allocated to the carrying value of the debt by \$162.6 million and \$45.0 million to equity reserves, net of a deferred tax recovery of \$7.2 million, for the 2021 Notes. This resulted in gain on the settlement of debt of \$3.4 million. The remaining 55,292 2021 Notes were unconverted as of December 31, 2025, with a carrying value \$52.7 million allocated to debt.

(b) Revolving Credit Facility

On June 28, 2024, the Company amended its senior secured revolving credit facility (the “Revolving Credit Facility”) with the Bank of Montreal, BMO Harris Bank N.A., Bank of Nova Scotia, Toronto Dominion Bank and National Bank of Canada (the “syndicate”) to amend the definition of indebtedness to exclude surety bonds, and to adjust the leverage covenant threshold from 3.00:1.00 (gross) to a 3.50:1.00 (net) leverage ratio. On April 11, 2025, the Revolving Credit Facility was further amended to extend the maturity date to April 11, 2028. The credit limit remains at \$175.0 million. The amendment also incorporated Gatos Silver Inc. into the facility as a material subsidiary and guarantor, and included an accordion feature of \$100 million, which may be activated at the Company’s discretion, subject to lender approval. Interest on the drawn balance will accrue at the Secured Overnight Financing Rate (“SOFR”) plus an applicable range of 2.00% to 3.25% per annum while the undrawn portion is subject to a standby fee with an applicable range of 0.45% to 0.73% per annum, dependent on certain financial parameters of First Majestic. As at December 31, 2025, the applicable rates were 2.00% and 0.45% per annum, respectively. These debt facilities are guaranteed by certain subsidiaries of the Company and are also secured by a first priority charge against the assets of the Company, and a first priority pledge of shares of the Company’s subsidiaries.

The Revolving Credit Facility includes financial covenants, to be tested quarterly on a consolidated basis, requiring First Majestic to maintain the following: (a) a net leverage ratio based on net indebtedness to rolling four quarters adjusted EBITDA of not more than 3.50 to 1.00; and (b) an interest coverage ratio, based on rolling four quarters adjusted EBITDA divided by interest payments, of not less than 4.00 to 1.00. The debt facilities also provide for negative covenants customary for these types of facilities and allows the Company to enter into finance leases, excluding any leases that would have been classified as operating leases in effect immediately prior to the implementation of IFRS 16 - Leases, of up to \$50.0 million. As at December 31, 2025, the Company was in compliance with all of its debt covenants.

At December 31, 2025, the Company had letters of credit outstanding in the amount of \$35.4 million (December 2024 - \$35.4 million) as part of ongoing reclamation and mine closure obligations. As at December 31, 2025 the undrawn portion of the Revolving Credit Facility net of the letters of credit and drawdowns is \$139.6 million (December 2024 - \$139.6 million).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

22. LEASE LIABILITIES

The Company has Category I leases, Category II leases and equipment financing liabilities for various mine and plant equipment, office space and land. Category I leases and equipment financing obligations require underlying assets to be pledged as security against the obligations and all of the risks and rewards incidental to ownership of the underlying asset being transferred to the Company. For Category II leases, the Company controls but does not have ownership of the underlying right-of-use assets.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest rate method.

Certain lease agreements may contain lease and non-lease components, which are generally accounted for separately. For certain equipment leases, such as vehicles, the Company has elected to account for the lease and non-lease components as a single lease component.

The movement in lease liabilities during the periods ended December 31, 2025 and December 31, 2024 are comprised of the following:

	Category I Leases ^(a)	Category II Leases ^(b)	Total
Balance at December 31, 2023	\$4,671	\$32,031	\$36,702
Additions	1,110	7,992	9,102
Remeasurements	—	1,157	1,157
Finance costs	209	2,067	2,276
Repayments of principal	(3,119)	(14,152)	(17,271)
Repayments of finance costs	(209)	(2,053)	(2,262)
Foreign exchange	—	(2,169)	(2,169)
Balance at December 31, 2024	\$2,662	\$24,873	\$27,535
Acquisition of Gatos (Note 4)	—	415	415
Additions	635	185	820
Remeasurements	—	4,924	4,924
Finance costs	165	1,591	1,756
Repayment of principal	(2,003)	(16,146)	(18,149)
Repayments of finance costs	(165)	(1,576)	(1,741)
Foreign Exchange	—	963	963
Balance at December 31, 2025	\$1,294	\$15,229	\$16,523

Statements of Financial Position Presentation

Current portion of lease liabilities	\$1,857	\$14,358	\$16,215
Non-current portion of lease liabilities	805	10,515	11,320
Balance at December 31, 2024	\$2,662	\$24,873	\$27,535
Current portion of lease liabilities	\$1,082	\$9,710	\$10,792
Non-current portion of lease liabilities	212	5,519	5,731
Balance at December 31, 2025	\$1,294	\$15,229	\$16,523

(a) Category I leases

Category I leases primarily relate to financing arrangements entered into for the rental of vehicles and equipment. These leases have remaining lease terms of one year, some of which include options to terminate the leases within a year, with incremental borrowing rates ranging from 7.5% to 8.5% per annum.

(b) Category II leases

Category II leases primarily relate to equipment and building rental contracts, land easement contracts and service contracts that contain embedded leases for property, plant and equipment. These leases have remaining lease terms of one to seven years, some of which include options to terminate the leases within a year, with incremental borrowing rates ranging from 4.5% to 11.8% per annum.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

During the year ended December 31, 2025 and 2024, the amounts of lease payments recognized in the profit and loss are summarized as follows:

	Year Ended December 31, 2025	Year Ended December 31, 2024
Expenses relating to variable lease payments not included in the measurement of lease liability	\$92,486	\$75,789
Expenses relating to short-term leases	28,114	19,059
Expenses relating to low value leases	243	98
	\$120,843	\$94,946

23. DECOMMISSIONING LIABILITIES

The Company has an obligation to undertake decommissioning, restoration, rehabilitation and environmental work when environmental disturbance is caused by the development and ongoing production of a mining operation. Movements in decommissioning liabilities during the years ended December 31, 2025 and 2024 are allocated as follows:

	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non- Operating Properties ⁽¹⁾	Total
Balance at December 31, 2023	\$12,687	\$—	\$14,203	\$11,748	\$101,322	\$11,602	\$151,562
Movements during the year:							
Change in rehabilitation provision	(1,302)	—	(2,346)	(1,362)	6,165	(2,159)	(1,004)
Reclamation costs incurred	(387)	—	—	(140)	(480)	(96)	(1,103)
Accretion expense	1,228	—	1,372	1,136	4,798	1,076	9,610
Foreign exchange gain	—	—	—	—	—	—	—
Balance at December 31, 2024	\$12,226	\$—	\$13,229	\$11,382	\$111,805	\$10,425	\$159,067
Movements during the year:							
Acquisition of Gatos	—	8,112	—	—	—	—	8,112
Change in rehabilitation provision	495	2,165	980	1,237	3,239	1,997	10,114
Reclamation costs incurred	(155)	—	(2)	(124)	(912)	(97)	(1,290)
Accretion expense	1,292	921	1,395	1,208	5,208	1,072	11,096
Balance at December 31, 2025	\$13,858	\$11,198	\$15,601	\$13,703	\$119,340	\$13,397	\$187,098

(1) Non-operating properties include the San Martin and Del Toro Mines, along with the La Luz project. During the year, the Company announced that it has entered into a definitive agreement to sell its 100%-owned, past-producing Del Toro Silver Mine (Note 15).

A provision for decommissioning liabilities is estimated based on current regulatory requirements and is recognized at the present value of such costs. The expected timing of cash flows in respect of the provision is based on the estimated life of the Company's mining operations. The discount rate for Mexico is 9.2% (2024 - 10.6%), while the inflation rate used is based on long-term expected inflation rate of 3.7% (2024 - 3.7%).

At the Jerritt Canyon Gold Mine, the discount rate used is 4.1% (2024 - 4.6%), while the inflation rate is based on the long-term expected inflation rate of 2.4% in the U.S (2024 - 2.2%).

The present value of reclamation liabilities may be subject to change based on changes to cost estimates, remediation technologies or applicable laws and regulations. Changes in decommissioning liabilities are recorded against mining interests.

At December 31, 2025, the reclamation and closure cost obligation for the Jerritt Canyon Gold Mine totaled \$119.3 million. This obligation is secured through \$82.4 million in surety bonds held with the NDEP and the United States Forest Service ("USFS"), with \$35.4 million in letters of credit as collateral for these bonds, to support various reclamation obligation bonding requirements.

Additionally, on November 2, 2021, the Company executed an agreement with the NDEP relating to funds required to establish a trust agreement to cover post-closure water treatment cost at Jerritt Canyon. The amounts were funded into a trust on October 31, 2022 which are included in the decommissioning liabilities provision with a total of \$20.2 million being currently held in this account (Note 19).

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

24. INCOME TAXES

The following is a reconciliation of income taxes calculated at the combined Canadian federal and provincial statutory tax rate to the income tax expense for the year ended December 31, 2025 and 2024:

	Year Ended December 31,	
	2025	2024
Earnings (loss) before tax	\$395,026	(\$195,915)
Combined statutory tax rate	27%	27%
Income tax expense (recovery) computed at statutory tax rate	106,657	(7,143)
Reconciling items:		
Effect of different foreign statutory tax rates on earnings of subsidiaries	7,937	(2,060)
Impact of foreign exchange on deferred income tax assets and liabilities	(67,653)	63,844
Change in unrecognized deferred income tax asset	(15,707)	12,469
7.5% mining royalty in Mexico and Nevada net proceeds tax	37,607	13,539
Other non-deductible expenses	(7,174)	9,660
Impact of inflationary adjustments	(20,324)	(14,228)
Change in tax provision estimates	(2,899)	(3,740)
Losses foregone due to expiry	10,080	—
Value of losses forgone due to tax settlement	5,061	311
Net tax accrual on disputes with tax authority	131,482	—
Withholding Taxes	1,133	205
Other	(2,149)	2,574
Income tax expense	\$184,051	\$75,431

Statements of Earnings Presentation

Current income tax expense	\$273,119	\$31,997
Deferred income tax (recovery) expense	(89,068)	43,434
Income tax expense	\$184,051	\$75,431
Effective tax rate	47%	(285%)

For the year ended December 31, 2025, the effective income tax rate on income from operations was 47% (2024 - (285%)). The significant items impacting the effective income tax rate on income from operations include the tax impact of the deferred tax assets not recognized, foreign exchange effects, inflationary effects, net tax accrual on dispute with tax authorities, and Mexico specific mining tax. The tax provision on earnings is computed after taking account of intercompany transactions such as interest on loans, sales, and other charges and credits among subsidiaries resulting from their capital structure as well as from the various jurisdictions in which operations and assets are owned. For these reasons, the effective tax rate differs from the combined corporate statutory rate in Canada. The Company's effective tax rate and its cash tax cost depend on the laws of numerous countries and the provisions of multiple income tax conventions between various countries in which the Company operates.

The Company recognizes potential liabilities and records tax liabilities for anticipated tax audit issues based on its estimate of whether, and the extent to which, additional taxes will be due. Tax liabilities for uncertain tax positions are recorded by the Company to reflect its best estimate of a probable outcome. As a result of the Mexican Supreme Court's decision regarding the 2012 reassessment for PEM (Note 29), a liability has been recognized with respect to this matter, resulting in an additional tax accrual of \$147.2 million offset by a related \$15.7 million deferred tax recovery, for a net tax accrual of \$131.5 million.

As at December 31, 2025 and 2024, the Company has the following income tax payable balances:

	Year Ended December 31,	
	2025	2024
Current income tax payable	\$239,357	\$22,792
Non-current income tax payable	—	19,685
	\$239,357	\$42,477

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

During the years ended December 31, 2025 and 2024, the movement in deferred tax assets and deferred tax liabilities is shown as follows:

Deferred tax assets	Losses	Provisions	Deferred tax asset not recognized	Other	Total
At December 31, 2023	\$202,608	\$42,207	(\$130,613)	\$21,818	\$136,020
Benefit (expense) to statement of earnings	35,406	2,043	(28,715)	(2,960)	5,774
At December 31, 2024	\$238,014	\$44,250	(\$159,328)	\$18,858	\$141,794
Benefit (expense) to statement of earnings	37,465	13,976	(5,309)	8,514	54,646
Acquired from Gatos		3,042	(3,777)	6,555	5,820
Charge to equity	2,486	—	3,612	1,065	7,163
(Charge) benefit to OCI	21	—	5,062	(18,638)	(13,555)
At December 31, 2025	\$277,986	\$61,268	(\$159,740)	\$16,354	\$195,868

Deferred tax liabilities	Property, plant and equipment and mining interests	Other	Total
At December 31, 2023	\$129,941	(\$3,637)	\$126,304
Benefit to statement of earnings	58,576	(9,367)	49,209
At December 31, 2024	\$188,517	(\$13,004)	\$175,513
Benefit to statement of earnings	(52,143)	17,721	(34,422)
Acquired from Gatos	517,315	526	517,841
Benefit to equity	—	28,446	28,446
Foreign exchange translation adjustment	—	(938)	(938)
At December 31, 2025	\$653,689	\$32,751	\$686,440

Statements of Financial Position Presentation

Deferred tax assets	\$46,375
Deferred tax liabilities	80,094
At December 31, 2024	\$33,719
Deferred tax assets	\$80,386
Deferred tax liabilities	570,958
At December 31, 2025	\$490,572

At December 31, 2025, the Company recognized \$80.4 million (2024 - \$46.4 million) of net deferred tax assets in entities that have had a loss for tax purposes in either 2025 or 2024, or both. In evaluating whether it is probable that sufficient taxable income will be generated to realize the benefit of these deferred tax assets, the Company considered all available evidence, including approved budgets, forecasts and business plans and, in certain cases, tax planning opportunities.

The aggregate amount of taxable temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized, as at December 31, 2025 was \$194.7 million (2024 - \$303.3 million).

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	Year Ended December 31,	
	2025	2024
Non-capital losses	\$513,357	\$460,193
Capital losses	—	32,971
Accrued expenses	1,412	849
Mineral properties, plant and equipment	38,338	39,145
Other	5,188	49,007
	\$558,295	\$582,165

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

As at December 31, 2025 and 2024, the Company has available Canadian, US and Mexican non-capital tax losses, which if not utilized will expire as follows:

Year of expiry	Canadian non-capital losses	US non-capital losses	Mexican non-capital losses	December 31, 2025	December 31, 2024
2026	\$—	\$—	\$17,378	\$17,378	\$19,991
2027	—	—	1,833	1,833	2,759
2028	—	—	48,942	48,942	8,086
2029	—	—	88,677	88,677	45,953
2030	—	—	83,452	83,452	84,046
2031	—	—	64,722	64,722	73,514
2032	—	19,429	9,680	29,109	56,090
2033	—	14,667	76,473	91,140	7,768
2034	—	13,273	75,230	88,503	81,247
2035 and after	85,642	61,576	32,117	179,335	168,081
No expiry	—	349,685	—	349,685	285,569
Total	\$85,642	\$458,630	\$498,504	\$1,042,776	\$833,104
Unrecognized losses	\$—	\$131,541	\$381,816	\$513,357	\$421,199

Impact of Pillar Two Legislation

For the year ended December 31, 2025, Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Company has operations. However, the Pillar Two legislation does not apply to the Company, as its consolidated revenue did not meet the required threshold for applicability of €750 million for two out of the four prior taxation years. The Company will continue to monitor the impact of Pillar Two taxes in the subsequent years.

25. SHARE CAPITAL

(a) Authorized and issued capital

The Company has unlimited authorized common shares with no par value.

The movement in the Company's issued and outstanding capital during the periods is summarized in the consolidated statements of changes in equity.

The Company files prospectus supplements to its short form base shelf prospectus, pursuant to which the Company may, at its discretion and from time-to-time, sell common shares of the Company. The sale of common shares has taken place through "at-the-market" ("ATM") distributions, as defined in National Instrument 44-102 Shelf Distributions, directly on the New York Stock Exchange.

On February 22, 2024, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC (collectively, the "Agents") and filed a prospectus supplement to its short form base shelf prospectus dated August 3, 2023, pursuant to which the Company may, at its discretion and from time-to-time sell through the Agents, common shares of the Company for aggregate gross proceeds of up to \$150.0 million through an ATM program (the "2024 ATM Program"). During the year ended December 31, 2025, no shares were sold under the 2024 ATM Program. The Company incurred \$nil (December 31, 2024 - \$2.3 million) in transaction costs in relation to the 2024 ATM Program, this program expired on September 3, 2025.

On September 24, 2025, the Company filed and obtained a receipt for a final short form base shelf prospectus in each province of Canada (other than Québec), and a registration statement on Form F-10 in the United States, which will allow the Company to undertake offerings (including by way of "at-the-market distributions") under one or more prospectus supplements of various securities listed in the shelf prospectus over a 25-month period commencing as of the date of the receipt of the base shelf prospectus. During the year ended December 31, 2025, no shares were issued under this program.

On September 12, 2024 the Company renewed its ongoing share repurchase program (the "2024 Share Repurchase Program") which permitted it to repurchase up to 10,000,000 shares (3.32% of the Company's issued and outstanding shares as at September 4, 2024) until September 11, 2025. The Share Repurchase Program is a "normal course issuer bid" and will be carried out through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces. All common shares, if any, purchased pursuant to the Share Repurchase Program will be cancelled. The Company believes that from time to time, the market price of its common shares may not fully reflect the underlying value of the Company's business and its future business prospects. The Company believes that at such times, the purchase of common shares would be in the best interest of the Company. During the year ended December 31, 2025, the Company repurchased a total of 768,500 common shares at an average price of CAD\$7.90 per share under its 2024 Share Repurchase Program, resulting in total payments of \$4.3 million, net of transaction costs (December 31, 2024 - \$nil). The 2024 Share Repurchase Program expired on September 11, 2025, and was renewed by the Company on October 14, 2025 (the "2025 Share Repurchase Program"). Under the 2025 Share Repurchase Program, the Company may repurchase up to 24.5 million common shares (5% of the Company's issued and outstanding common shares as at December 31, 2025), and the program expires on October 13, 2026. During the year ended December 31, 2025, the Company repurchased a total of 400,000 common shares at an average price of CAD\$15.58 per share under its 2025 Share Repurchase Program, resulting in total payments of \$4.4 million.

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(b) Stock options

On May 26, 2022, the Company's shareholders approved a new Long-Term Incentive Plan (the "2022 LTIP"). Under the terms of the 2022 LTIP, the maximum number of common shares of the Company reserved for issuance in respect of awards granted under the plan, together with any other security-based arrangements of the Company, cannot exceed 6% of the Company's issued and outstanding shares at the time of granting the award. The Company may grant stock options ("Options") to its directors, employees and consultants under the 2022 LTIP. Options may be granted for a period of time not to exceed ten years from the grant date, and the exercise price of all options will not be lower than the Market Price (as defined in the 2022 LTIP) of the Company's common shares as of the grant date. All Options (other than those granted to the Company's Chief Executive Officer) vest in equal portions over a period of 30 months, with 25% vesting on the first anniversary of the grant date, and an additional 25% vesting each six months thereafter. All Options granted to the Chief Executive Officer vest in equal portions over a period of five years, with 20% vesting on the first anniversary of the grant date, and an additional 20% vesting each 12 months thereafter. Any Options granted prior to May 26, 2022 will be governed by the terms of the plan under which they were granted, namely the 2017 Option Plan and the 2019 Long-Term Incentive Plan (the "2019 LTIP"), as applicable.

Under the terms of the Merger Agreement, the Company issued an aggregate of 8,242,244 First Majestic options in exchange for all existing Gatos options at exercise prices adjusted by the Exchange Ratio. These stock options have a contractual term of 10 years from the original grant dates and entitle the holder to purchase shares of the Company's common stock. All options (other than those granted to non-employee directors) vest in equal portions over a 3-year period. All options granted to non-employee directors vested immediately on the Acquisition Date.

The following table summarizes information about Options outstanding as at December 31, 2025:

Exercise prices (CAD\$)	Options Outstanding			Options Exercisable		
	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Weighted Average Remaining Life (Years)	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Weighted Average Remaining Life (Years)
2.01 - 5.00	292,722	2.81	4.02	211,877	2.64	2.53
5.01 - 10.00	3,164,353	8.21	7.16	1,258,835	8.10	5.00
10.01 - 15.00	2,095,032	12.54	6.92	1,304,244	12.92	5.61
15.01 - 20.00	784,000	16.50	5.10	756,200	16.49	5.01
20.01 - 25.00	322,250	21.56	5.35	309,450	21.55	5.34
	6,658,357	10.96	6.62	3,840,606	12.17	5.10

The movements in Options issued for the year ended December 31, 2025 and year ended December 31, 2024 are summarized as follows:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Number of Options	Weighted Average Exercise Price (CAD \$/Share)
Balance, beginning of the period	7,929,119	11.59	7,366,252	12.32
Granted	1,728,324	9.96	1,483,726	8.12
Replacement options in connection with Gatos acquisition	8,242,244	5.08	—	—
Exercised	(10,419,660)	6.51	(20,625)	7.89
Cancelled or expired	(821,670)	10.67	(900,234)	11.89
Balance, end of the period	6,658,357	10.96	7,929,119	11.59

During the year ended December 31, 2025, the aggregate fair value of Options granted was \$5.7 million (December 31, 2024 - \$4.1 million), or a weighted average fair value of \$3.29 per Option granted (December 31, 2024 - \$2.77).

During the year ended December 31, 2025, total share-based payments expense related to Options was \$6.3 million (December 31, 2024 - \$5.0 million).

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The following weighted average assumptions were used in estimating the fair value of Options granted using the Black-Scholes Option Pricing Model:

Assumption	Based on	Year Ended December 31, 2025	Year Ended December 31, 2024
Risk-free interest rate (%)	Yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life	1.97	3.48
Expected life (years)	Weighted average life of previously transacted awards	4.07	4.04
Expected volatility (%)	Historical volatility of the Company's stock	57.78	58.00
Expected dividend yield (%)	Annualized dividend rate as of the date of grant	0.26%	0.28%

The weighted average closing price of the Company's common shares at date of exercise for the year ended December 31, 2025 was CAD\$10.96 (December 31, 2024 - CAD\$10.53).

(c) Restricted Share Units

Under the 2022 LTIP, the Company may award to its directors, employees and consultants non-transferable Restricted Share Units ("RSUs") based on the Company's share price at the date of grant. Unless otherwise stated, the awards typically have a graded vesting schedule over a three-year period and can be settled either in cash or equity upon vesting at the discretion of the Company. Any RSUs granted prior to May 26, 2022 continue to be governed by the terms of the prior 2019 LTIP.

During the year ended December 31, 2025, a total of 1,094,157 RSUs were awarded by the Company to directors and employees under the 2022 LTIP, of which 232,157 RSUs may only be settled in cash resulting in a total expense of \$3.5 million (December 31, 2024 - \$0.7 million). As at December 31, 2025, there were a total of 323,182 RSUs outstanding that may only be settled in cash, with a total liability of \$3.6 million (December 31, 2024 - \$0.7 million).

The following table summarizes the changes in RSUs intended to be settled in cash for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the year	228,590	7.98	264,280	7.98
Granted	232,157	9.03	—	—
Settled	(73,762)	7.98	—	—
Forfeited	(63,803)	8.15	(35,690)	7.98
Outstanding, end of the year	323,182	8.70	228,590	7.98

The following table summarizes the changes in RSUs intended to be settled in equity for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the year	1,292,598	9.23	880,889	11.91
Granted	862,000	8.73	863,050	7.96
Settled	(567,138)	9.91	(374,408)	12.65
Forfeited	(157,989)	8.64	(76,933)	9.10
Outstanding, end of the year	1,429,471	8.72	1,292,598	9.23

During the year ended December 31, 2025, total share-based payments expense for RSUs that the Company intends to settle in equity was \$4.2 million (December 31, 2024 - \$5.0 million).

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(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

(d) Performance Share Units

Under the 2022 LTIP the Company may award to its directors, employees and consultants non-transferable Performance Share Units ("PSUs"). The amount of units to be issued on the vesting date will vary from 0% to 200% of the number of PSUs granted, depending on the Company's total shareholder return compared to the return of a selected group of peer companies over a three-year period commencing as of the grant date. Unless otherwise stated, the PSU awards typically vest three years from the grant date and can be settled either in cash or equity upon vesting at the discretion of the Company. The fair value of a PSU is based on the Company's share price at the date of grant and will be adjusted based on the number of common shares actually issuable in respect of the PSU, which shall be determined on the vesting date. Any PSUs granted prior to May 26, 2022 continue to be governed by the terms of the prior 2019 LTIP.

During the year ended December 31, 2025, a total of 496,697 PSUs were awarded by the Company to employees under the 2022 LTIP, of which 26,840 PSUs may only be settled in cash, resulting in a total expense of \$0.3 million (December 31, 2024 - \$0.1 million). As at December 31, 2025, there were a total of 47,320 PSUs outstanding that may only be settled in cash, with a total liability of \$0.4 million (December 31, 2024 - \$0.1 million).

The following table summarizes the changes in PSUs intended to be settled in equity granted to employees and consultants for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	949,809	10.03	624,968	12.86
Granted	469,857	8.58	470,500	7.98
Settled	—	—	(51,050)	17.08
Forfeited	(290,775)	11.87	(94,609)	14.69
Outstanding, end of the period	1,128,891	8.96	949,809	10.03

During the year ended December 31, 2025, total share-based payments expense related to PSUs that the Company intends to settle in equity was \$2.2 million (December 31, 2024 - \$2.1 million).

(e) Deferred Share Units

The terms of the 2019 LTIP permitted the Company to grant to its directors, employees and consultants non-transferable Deferred Share Units ("DSUs"), among other awards. Unless otherwise stated, DSUs awarded under the 2019 LTIP typically vested immediately of the grant date. The fair value of DSUs granted under the 2019 LTIP is based on the Company's share price as at the date of grant. All DSUs awarded by the Company will be settled in common shares of the Company.

The following table summarizes the changes in DSUs granted to directors under the 2019 LTIP for the year ended December 31, 2025 and the year ended December 31, 2024:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	30,161	15.99	50,601	15.83
Settled	—	—	(20,440)	15.59
Outstanding, end of the period	30,161	15.99	30,161	15.99

On March 23, 2022, a revised standalone DSU plan was adopted by the Company (the "2022 DSU Plan"). All DSUs issued under the 2022 DSU Plan will be settled in cash only.

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(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

The following table summarizes the changes in DSUs granted to directors for the year ended December 31, 2025 and the year ended December 31, 2024 under the 2022 DSU plan:

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	101,144	9.44	62,332	10.97
Granted	63,310	8.46	75,184	7.98
Settled	—	—	(36,372)	9.03
Outstanding, end of the period	164,454	9.06	101,144	9.44

During the year ended December 31, 2025, total share-based payments expense related to DSU's under the 2022 DSU plan was \$2.1 million (December 31, 2024 - \$0.4 million). As at December 31, 2025, there were a total of 164,454 DSUs outstanding, with a total liability of \$2.7 million (December 31, 2024 - \$0.6 million).

(f) Dividends

The Company declared the following dividends during the year ended December 31, 2025:

Declaration Date	Record Date	December 31, 2025
February 19, 2025	February 28, 2025	\$0.0057
May 7, 2025	May 16, 2025	\$0.0045
August 13, 2025	August 29, 2025	\$0.0048
November 4, 2025	November 14, 2025	\$0.0052
February 18, 2026(1)	February 27, 2026	\$0.0083

(1) These dividends were declared subsequent to the period end and have not been recognized as distributions to owners during the period presented.

26. NON-CONTROLLING INTERESTS

The acquisition of Gatos on January 16, 2025, has resulted in the Company owning 70% of the LGJV. The remaining 30% interest in the LGJV, not held by the Company, is presented as non-controlling interest.

The following table summarizes the financial information for LGJV shown on a 100% basis, except where stated:

	December 31, 2025
Current assets	\$189,272
Non-current assets	1,786,170
Total assets	\$1,975,442
Current liabilities	85,723
Non-current liabilities	516,518
Total liabilities	\$602,241
Net assets	\$1,373,201
Non-controlling interest percentage	30%
Non-controlling interest	\$411,961

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(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

	Year Ended December 31, 2025
Revenue	\$489,757
Expenses	(336,249)
Total net income	\$153,508

Non-controlling interest percentage	30%
Non-controlling interest	\$46,052

	Year Ended December 31, 2025
Cash flows from:	
Operating activities	\$280,061
Investing activities	(73,437)
Financing activities	(137,350)
Dividends and distributions paid to non-controlling interests	(\$41,188)

27. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

The Company's financial instruments and related risk management objectives, policies, exposures and sensitivity related to financial risks are summarized below.

(a) Fair value and categories of financial instruments

Financial instruments included in the consolidated statements of financial position are measured either at fair value or amortized cost. Estimated fair values for financial instruments are designed to approximate amounts for which the instruments could be exchanged in an arm's-length transaction between knowledgeable and willing parties.

The Company uses various valuation techniques in determining the fair value of financial assets and liabilities based on the extent to which the fair value is observable. The following fair value hierarchy is used to categorize and disclose the Company's financial assets and liabilities held at fair value for which a valuation technique is used.

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: All inputs which have a significant effect on the fair value are observable, either directly or indirectly, for substantially the full contractual term.

Level 3: Inputs which have a significant effect on the fair value are not based on observable market data.

There were no transfers between levels 1, 2, and 3 during the year ended December 31, 2025.

The table below summarizes the valuation methods used to determine the fair value of each financial instrument:

Financial Instruments Measured at Fair Value	Valuation Method
Marketable securities - common shares	Marketable securities and silver future contracts are valued based on quoted market prices for identical assets in an active market (Level 1) as at the date of statements of financial position. Marketable securities - stock warrants are valued using the Black-Scholes model based on the observable market inputs (Level 2).
Marketable securities - stock warrants	
Silver futures contracts	
Trade receivables from concentrate sales	A portion of the Company's trade receivables arose from provisional concentrate sales and are classified within Level 2 of the fair value hierarchy and valued using quoted market prices based on the forward London Metal Exchange for copper, zinc and lead and the London Bullion Market Association P.M. fix for gold and silver.

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Financial Instruments Measured at Amortized Cost	Valuation Method
Cash and cash equivalents	Approximated carrying value due to their short-term nature.
Restricted cash	
Trade and other receivables	
Trade and other payables	
Debt facilities	The debt related to the revolving credit facility approximated carrying value as discount rate on these instruments approximate the Company's credit risk. The senior convertible debentures are recognized at amortized cost using the effective interest rate method. The fair value of the Company's senior convertible debentures has been estimated based on the current SOFR rates, applicable margin, premium adjustments, and comparison to discount rates used by the peer group on similar notes, which indicate a total fair value of \$296.3 million (carrying amount: \$291.9 million).

The following table presents the Company's fair value hierarchy for financial assets and financial liabilities that are measured at fair value:

	December 31, 2025			December 31, 2024		
	Carrying value	Fair value measurement		Carrying value	Fair value measurement	
		Level 1	Level 2		Level 1	Level 2
Financial assets						
Trade receivable from concentrate sales subject to provisional pricing	\$61,678	\$—	\$61,678	\$—	\$—	\$—
Marketable securities (Note 14)	\$180,386	\$172,549	\$7,837	\$49,781	\$49,718	\$63

The Company's objectives when managing capital are to maintain financial flexibility to continue as a going concern while optimizing growth and maximizing returns of investments from shareholders.

In addition to the table above, during the period ended December 31, 2025, an impairment reversal was recorded for the Del Toro mine bringing the carrying value of the asset to its recoverable amount, being its FVLCD. The valuation technique used in the calculation of this fair value is categorized as Level 3 as it is based on the implied selling price within the purchase agreement (Note 15).

(b) Capital risk management

The Company monitors its capital structure and based on changes in operations and economic conditions, may adjust the structure by repurchasing shares, issuing new shares, issuing new debt or retiring existing debt. The Company prepares annual budget and quarterly forecasts to facilitate the management of its capital requirements. The annual budget is approved by the Company's Board of Directors.

The capital of the Company consists of equity (comprising of issued capital, equity reserves and retained earnings or accumulated deficit), debt facilities, lease liabilities, net of cash and cash equivalents as follows:

	December 31, 2025	December 31, 2024
Equity	\$3,172,966	\$1,351,071
Debt facilities	292,216	209,482
Lease liabilities	16,523	27,535
Less: cash and cash equivalents	(793,435)	(202,180)
	\$2,688,270	\$1,385,908

The Company's investment policy is to invest its cash in highly liquid short-term investments with maturities of 90 days or less, selected with regards to the expected timing of expenditures from operations. The Company expects that its available capital resources will be sufficient to carry out its development plans and operations for at least the next 12 months.

The Company is not subject to any externally imposed capital requirements with the exception of complying with covenants under the debt facilities (Note 21(b)) and lease liabilities (Note 22(b)). As at December 31, 2025, the Company was in compliance with all of its debt covenants.

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(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

(c) Financial risk management

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, commodity price risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. The Company's credit risk relates primarily to chartered banks, trade receivables in the ordinary course of business, value added taxes receivable and other receivables. At December 31, 2025, the net VAT receivable balance was \$46.9 million (December 31, 2024 - \$44.6 million).

The Company sells and receives payment upon delivery of its silver doré, concentrate and by-products primarily through six international customers. All of the Company's customers have good ratings and payments of receivables are scheduled, routine and fully received within 60 days of submission; therefore, the balance of trade receivables owed to the Company in the ordinary course of business is not significant.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Company's maximum exposure to credit risk. With the exception to the above, the Company believes it is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and our holdings of cash and cash equivalents.

The following table summarizes the maturities of the Company's financial liabilities and commitments as at December 31, 2025 based on the undiscounted contractual cash flows:

	Contractual Cash Flows	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years
Trade and other payables	\$207,911	\$207,911	\$—	\$—	\$—
Debt facilities	411,052	1,980	58,179	875	350,018
Lease liabilities	18,247	10,937	5,496	1,814	—
Commitments	920	920	—	—	—
	\$638,130	\$221,748	\$63,675	\$2,689	\$350,018

At December 31, 2025, the Company had working capital of \$733.6 million (December 31, 2024 - \$224.5 million). Total available liquidity at December 31, 2025 was \$873.2 million (December 31, 2024 - \$364.2 million), including \$139.6 million of undrawn revolving credit facility (December 31, 2024 - \$139.6 million).

The Company believes it has sufficient cash on hand, combined with cash flows from operations, to meet operating requirements as they arise for at least the next 12 months. If the Company needs additional liquidity to meet obligations, the Company may consider drawing on its debt facility, securing additional debt financing and/or equity financing.

Currency Risk

The Company is exposed to foreign exchange risk primarily relating to financial instruments that are denominated in Canadian dollars or Mexican pesos, which would impact the Company's net earnings or loss. To manage foreign exchange risk, the Company may occasionally enter into short-term foreign currency derivatives, such as forwards and options, to hedge its cash flow.

The sensitivity of the Company's net earnings or loss and comprehensive income or loss due to changes in the exchange rates of the Canadian dollar and the Mexican peso against the U.S. dollar is included in the table below:

	December 31, 2025								
	Cash and cash equivalents	Restricted cash	Value added taxes receivable	Trade and other receivables	Other financial assets	Trade and other payables	Foreign exchange derivative	Net assets (liabilities) exposure	Effect of +/- 10% change in currency
Canadian Dollar	\$45,545	\$—	\$—	\$564	\$18,321	(\$6,384)	\$9	\$58,055	\$5,806
Mexican Peso	36,091	124,090	46,931	—	—	(107,505)	—	99,607	9,961
	\$81,636	\$124,090	\$46,931	\$564	\$18,321	(\$113,889)	\$9	\$157,662	\$15,767

From time to time, the Company utilizes certain derivatives to manage its foreign exchange exposures to the Mexican Peso. During the year ended December 31, 2025, the Company had a unrealized gain of \$nil (2024 - \$nil) on fair value adjustments to its foreign currency derivatives. As at December 31, 2025, the Company held \$nil in foreign currency derivatives (December 31, 2024 - \$nil).

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Commodity Price Risk

The Company is exposed to commodity price risk on silver and gold, which have a direct and immediate impact on the value of its related financial instruments and net earnings. The Company's revenues are directly dependent on commodity prices that have shown volatility and are beyond the Company's control. The Company does not use long-term derivative instruments to hedge its commodity price risk to silver or gold.

A portion of the Company's trade receivables arose from provisional concentrate sales and are classified within Level 2 of the fair value hierarchy and valued using quoted market prices based on the forward London Metal Exchange for copper, zinc and lead and the London Bullion Market Association P.M. fix for gold and silver.

The following table summarizes the Company's exposure to commodity price risk and their impact on net earnings:

	December 31, 2025					
	Effect of +/- 10% change in metal prices					
	Silver	Gold	Zinc	Lead	Copper	Total
Metals in inventory	\$2,882	\$1,872	\$160	\$48	\$3	\$4,965
Trade receivable from provisional pricing	\$13,927	\$57	\$3,145	\$19	\$15	\$17,163
	\$16,809	\$1,929	\$3,305	\$67	\$18	\$22,128

Interest Rate Risk

The Company is exposed to interest rate risk on its short-term investments, debt facilities and lease liabilities. The Company's finance leases bear interest at fixed rates. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. The Company's interest-bearing financial assets comprise of cash and cash equivalents which bear interest at a mixture of variable and fixed rates for pre-set periods of time.

As at December 31, 2025, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. Based on the Company's interest rate exposure at December 31, 2025, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

28. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31,	
	2025	2024
Other adjustments to investing activities:		
Loan to Sierra Madre ⁽¹⁾	\$—	(\$5,000)
Purchase of marketable securities	(8,969)	(11,967)
Proceeds from disposal of marketable securities	36,987	18,481
Other strategic investments	707	(695)
	\$28,725	\$819
Net change in non-cash working capital items:		
Increase in trade and other receivables	(\$55,122)	(\$1,509)
(Increase) decrease in value added taxes receivable	(292)	8,123
(Increase) decrease in inventories	(319)	2,268
Decrease in prepaid expenses and other	2,710	552
Decrease in income taxes payable	(10,388)	(2,520)
Increase in trade and other payables	38,963	2,818
(Increase) decrease in restricted cash (Note 19)	(38,195)	19,501
	(\$62,643)	\$29,233
Non-cash investing and financing activities:		
Transfer of share-based payments reserve upon settlement of RSU's, PSU's and DSU's	\$4,006	\$4,329
Transfer of share-based payments reserve upon exercise of options	36,794	57
Acquisition of Gatos	1,453,478	—
Assets acquired by lease	635	(1,110)
	\$1,494,913	\$3,276

(1) On April 29, 2024, the Company entered into an agreement to loan \$5.0 million to Sierra Madre, to be used towards the development and progress of the La Guitarra Mine. The transaction closed on May 7, 2024 ("Closing Date") and was initially repayable to the Company within 24 months ("Maturity Date"). In June 2025, the agreement was amended to extend the Closing Date by one year, now expiring on May 7, 2027. The loan is subject to an interest rate of 15% per year, which will be due and payable starting six months from the Closing Date of the loan.

As at December 31, 2025, cash and cash equivalents include \$8.2 million (December 31, 2024 - \$1.5 million) that are held in-trust as bonds for tax audits in Mexico.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

29. CONTINGENCIES AND OTHER MATTERS

Due to the size, complexity and nature of the Company's operations, various legal and tax matters arise in the ordinary course of business. The Company accrues for such items when a liability is probable and the amount can be reasonably estimated.

(a) Claims and Legal Proceedings Risks

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters is subject to various uncertainties and it is possible that some of these other matters may be resolved in a manner that is unfavourable to the Company and which may result in a material adverse impact on the Company's financial performance, cash flow or results of operations. First Majestic carries liability insurance coverage and establishes provisions for matters that are probable and can be reasonably estimated; however, there can be no guarantee that the amount of such coverage is sufficient to protect against all potential liabilities.

(b) Primero Tax Rulings

When Primero, the previous owner of San Dimas acquired the San Dimas mine in August 2010, it assumed the obligations under a Silver Purchase Agreement ("Old Stream Agreement") that required its subsidiary, PEM, to sell exclusively to Wheaton Precious Metals ("WPMI") up to 6 million ounces of silver produced from the San Dimas mine, and 50% of silver produced thereafter, at the lower of: (i) the spot market price and (ii) \$4.04 per ounce plus an annual increase of 1% ("PEM Realized Price"). In May 2018, the Old Stream Agreement was terminated between WPMI and Silver Trading (Barbados) Limited ("STB") in connection with the Company entering into a new precious metal purchase agreement with WPMI concurrent with the acquisition of Primero by the Company.

In order to reflect the commercial terms and the effects of the Old Stream Agreement, for Mexican income tax purposes, PEM recognized the revenue on these silver sales based on the PEM Realized Price instead of at spot market prices.

To obtain assurances that the Mexican tax authority, Servicio de Administración Tributaria ("SAT") would accept the PEM Realized Price (and not the spot market silver price) as the proper price to use to calculate Mexican income taxes payable by PEM, a mutually binding APA was entered into with the SAT. The APA confirmed the PEM Realized Price would be used as PEM's basis for calculating taxes owed by it on the silver sold to STB under the Old Stream Agreement for taxation years 2010 to 2014.

In August 2015, the SAT initiated a legal proceeding in Mexico seeking to retroactively nullify the APA; however, the SAT did not identify an alternative basis in the legal claim for calculating taxes on the silver sold by PEM for which it received the PEM Realized Price.

In 2019, the SAT issued reassessments for the 2010 (\$37.9 million), 2011 (\$112.3 million) and 2012 (\$211.9 million) tax years for an aggregate amount of \$362.2 million (6,507 million MXN) inclusive of interest, inflation and penalties. In 2021, the SAT issued a reassessment against PEM for the 2013 tax year in the amount of \$191.6 million (3,442 million MXN) inclusive of interest, inflation and penalties. In 2023, the SAT issued reassessments for the 2014, 2015 and 2016 tax years for an aggregate amount of \$488.2 million (8,771 million MXN) inclusive of interest, inflation, and penalties. Most recently, in 2025, the SAT issued a reassessment against PEM for the 2017 tax year in the amount of \$72.6 million (1,305 million MXN) inclusive of interest, inflation and penalties. The aforementioned reassessments for the tax years 2010 to 2017 (inclusive) are collectively referred to in these consolidated financial statements as the "Reassessments". For the 2018 and 2019 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax reassessments for these years have yet to be issued. The Company believes that the Reassessments fail to recognize the applicability of a valid transfer pricing methodology. The

major items in the Reassessments include determination of revenue based on spot market prices of silver, denial of the deductibility of interest expense and service fees, SAT technical error related to double counting of taxes, and interest and penalties.

The Company continues to defend the APA in domestic legal proceedings in Mexico, and the Company has also requested resolution of the transfer pricing dispute pursuant to the Mutual Agreement Procedure ("MAP"), under the relevant avoidance of double taxation treaties, between the competent tax authorities of Mexico, Canada, Luxembourg and Barbados. The SAT has refused to take the necessary steps under the MAP processes contained in the three tax treaties. The Company believes that by its refusal, Mexico is in breach of its international obligations regarding double taxation treaties.

Furthermore, the Company continues to believe that the APA remains valid and legally binding on the SAT.

The Company continues to pursue all available domestic and international remedies under the laws of Mexico and under the relevant tax treaties with respect to the Reassessments and the SAT's actions in seeking to retroactively nullify the APA. Furthermore, as discussed further below, the Company has also made claims against Mexico under Chapter 11 of the North American Free Trade Agreement ("NAFTA") for violation of its international law obligations.

With respect to the reassessment that had been issued by the SAT against PEM for the 2012 tax year (the "2012 Reassessment"), PEM has been challenging such reassessment in the Mexican courts. After the Collegiate Court issued its decision upholding the 2012 Reassessment in December 2024, PEM appealed the decision to the Mexican Supreme Court, and the appeal was admitted by the Supreme Court in February 2025. Following the admission of PEM's appeal, in March 2025, the Ministry of Finance and Public Credit (the "Ministry of Finance") in Mexico challenged such admission by filing its own appeal. On October 30, 2025, the Supreme Court granted the Ministry of Finance's appeal, and therefore, the Supreme Court will not hear PEM's appeal of the Collegiate Court's decision. As a result, the Collegiate Court's decision with respect to the 2012 Reassessment is a final decision under the Mexican court system and there are no further challenges available domestically to PEM in respect of the 2012 Reassessment. However, the Company is assessing what further actions it may wish to take internationally, and notes that the Company's ongoing NAFTA proceedings against Mexico cover the 2010 to 2020 tax years, the disregard of the APA during such years and the Reassessments which have been issued as a result, which includes the 2012 Reassessment.

Domestic Remedies in Mexico

In September 2020, the Company was served with a decision of the Mexican Federal Tax Court on Administrative Matters (the "Federal Tax Court") seeking to nullify the APA granted to PEM, which the Company subsequently appealed. On December 5, 2023, the Mexican Circuit Court issued a decision, which was formally notified to the Company on January 4, 2024. In such decision, the Mexican Circuit Court partially granted constitutional protection to the Company with respect to certain matters, but not others.

Accordingly, on January 18, 2024, PEM filed an extraordinary appeal to the Mexican Supreme Court of Justice with respect to PEM's constitutional arguments that were not accepted in the Mexican Circuit Court's decision. On September 18, 2024, the Supreme Court issued its decision, which was formally notified to the Company on October 15, 2024. The Supreme Court dismissed the Company's appeal regarding the constitutional arguments, but affirmed the validity of certain precedents of the Supreme Court which the Company believes are favourable to PEM and that were not considered by the Federal Tax Court in its original decision in September 2020. The case was sent back to the Federal Tax Court, and on December 4, 2024, the Federal Tax Court issued a new decision which the Company believes did not take into account the Supreme Court precedents. Accordingly, on January 23, 2025, PEM filed a new constitutional lawsuit against the latest decision of the Federal Tax Court and it expects that a decision on this new lawsuit may be issued by the Second Collegiate Court in the second half of 2026.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

International Remedies

i. NAFTA APA Claim

In respect of the APA, the Company submitted a Request for Arbitration (the “Arbitration Request”) dated March 1, 2021 to the International Centre for Settlement of Investment Disputes (“ICSID”), on its own behalf and on behalf of PEM, pursuant to Chapter 11 of NAFTA (the “NAFTA APA Claim”). The NAFTA Arbitration Panel (the “Tribunal”) was fully constituted on August 20, 2021. Various procedural filings have since been made by the Company and Mexico.

Of note, on May 26, 2023, the Tribunal granted certain provisional measures requested by the Company, issuing an order for Mexico to allow the Company to access VAT refunds from January 4, 2023 onwards that had been deposited by the SAT into a bank account of PEM that had been frozen by the SAT, and to deposit all future VAT refunds into a new bank account of PEM which shall remain freely accessible by the Company (the “PM Decision”). The PM Decision was upheld by the Tribunal on September 1, 2023, in response to a request from Mexico to revoke the decision. As a result, Mexico is obligated to comply with the PM Decision which requires payment of VAT refunds owing to PEM as of January 4, 2023 and into the future until the final award is rendered by the Tribunal. On July 9, 2024, the Company received a transfer of \$11.0 million (198.4 million MXN) from the frozen bank account to a new bank account of PEM that the Company had opened in July 2023. The transfer of such funds was carried out by Mexico in partial compliance with its obligations under the PM Decision. However, Mexico still needs to transfer approximately \$4.5 million from the frozen bank account. In addition, in breach of the PM Decision, on August 29, 2024 the SAT froze the new bank account that PEM had opened for the purpose of receiving VAT refunds. Mexico argued that they did not need to comply with the PM Decision whilst their Consolidation Request (detailed below) was still being decided.

Following the rejection of Mexico’s Consolidation Request in July 2025, the suspension on the arbitration proceedings for the NAFTA APA Claim was lifted, and the Company informed the Tribunal of Mexico’s continued non-compliance with the PM Decision. On September 22, 2025, the Tribunal issued Procedural Order No. 8, wherein the Tribunal confirmed that full compliance with the PM Decision requires that all monthly VAT refunds by SAT in favour of PEM, already effected or to be made in the future while the arbitration on the NAFTA APA Claim is ongoing, must be freely available to PEM, by SAT depositing or transferring such amounts to accounts to be maintained freely available to PEM. The Tribunal ordered Mexico to make available to PEM the approximately US\$4.5 million worth of VAT refunds in the first frozen bank account. The Tribunal also confirmed that the freezing by the SAT of PEM’s bank account that had been opened after the PM Decision was rendered for the purpose of receiving VAT refunds was contrary to the PM Decision, and that Mexico must remedy the situation to ensure that the VAT refunds currently in such bank account, and any VAT refunds deposited into such bank account in the future, are freely available to PEM. As of the date of these consolidated financial statements, Mexico has yet to comply with the Tribunal’s latest order on this matter.

On February 12, 2024, Mexico filed a request (the “Consolidation Request”) with ICSID pursuant to the procedure in Article 1126 of NAFTA to consolidate the NAFTA APA Claim and the NAFTA VAT Claim (defined further below) into one arbitration proceeding. A separate three-person tribunal to consider the Consolidation Request (the “Consolidation Tribunal”) was constituted on May 8, 2024, and the first procedural hearing of the Consolidation Tribunal took place on July 16, 2024. On January 8, 2025, a pre-hearing conference call took place among the Company, Mexico and the Consolidation Tribunal, and an in-person hearing was held in Washington, D.C. from January 27 to 28, 2025, at which the Consolidation Tribunal heard the Company’s arguments against the Consolidation Request, and Mexico’s arguments in support of the Consolidation Request. Following the hearing, both Mexico and the Company submitted post-hearing briefs to the Consolidation Tribunal on February 19, 2025.

On July 28, 2025, the Consolidation Tribunal rendered its decision (the “Consolidation Decision”) and rejected the Consolidation Request. It also lifted the suspension on the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim effective immediately as of the date of its order, being July 28, 2025. Accordingly, the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim reconvened after having been suspended for over a year. On October 21, 2025, the Company filed its Ancillary Claims Memorial in order to add the claims covered by the NAFTA VAT Claim as ancillary claims to the NAFTA APA Claim. In addition, on December 10, 2025, the Company filed an amendment to its Arbitration Request to increase its damages claim against Mexico with respect to the NAFTA APA Claim to \$1.09 billion.

If the SAT’s attempts to retroactively nullify the APA are successful, the SAT can be expected to enforce any Reassessments for 2010 through 2014 against PEM in respect of its sales of silver pursuant to the Old Stream Agreement. Such an outcome would likely have a material adverse effect on the Company’s results of operations, financial condition and cash flows. Should the Company ultimately be required to pay tax on its silver revenues based on spot market prices without any mitigating adjustments, the incremental income tax for the years 2010-2019 would be \$319.2 million (5,735 million MXN), before taking into consideration interest or penalties.

Based on the Company’s consultations with third party advisors, the Company believes PEM filed its tax returns in compliance with applicable Mexican law and that the APA is valid, therefore, at this time, other than with respect to the 2012 Reassessment, no liability has been recognized in the financial statements with respect to this matter.

To the extent it is ultimately determined that the pricing for silver sales under the Old Stream Agreement is significantly different from the PEM Realized Price, and while PEM would have rights of appeal in connection with any reassessments, it is likely to have a materially adverse effect on the Company’s business, financial position and results of operations.

ii. NAFTA VAT Claim

On March 31, 2023, the Company filed a new Notice of Intent on its own behalf and on behalf of PEM under the “legacy investment” claim provisions contained in Annex 14-C of the Canada-United States-Mexico Agreement (“CUSMA”) and Chapter 11 of NAFTA to invite the Government of Mexico to engage in discussions to resolve the dispute regarding the ongoing denial of access to PEM’s VAT refunds (“NAFTA VAT Claim”) within the stipulated 90-day consultation period. The Company submitted its Arbitration Request for the NAFTA VAT Claim to ICSID on June 29, 2023 in order to preserve its legacy claim within NAFTA’s applicable limitation period, and the Arbitration Request was registered by ICSID on July 21, 2023.

Following the Consolidation Decision, on October 21, 2025, the Company filed its Ancillary Claims Memorial with the Tribunal for the NAFTA APA Claim. On January 22, 2026, Mexico informed ICSID that it no longer objected to the discontinuance of the arbitration proceedings in respect of the NAFTA VAT Claim, and the Company received confirmation from ICSID that the NAFTA VAT Claim proceedings had been discontinued effective as of January 27, 2026.

While the Company remains confident in its position with regards to its NAFTA APA Claim, it continues to engage with the Government of Mexico in consultation discussions so as to amicably resolve these disputes.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

(c) La Encantada Tax Re-assessments

In December 2019, as part of the ongoing annual audits of the tax returns of Minera La Encantada, S.A. de C.V. (“MLE”) and Corporacion First Majestic S.A. de C.V. (“CFM”), the SAT issued tax assessments for fiscal 2012 and 2013 for corporate income tax in the amount of \$41.6 million (747 million MXN) and \$30.3 million (544 million MXN) including interest, inflation and penalties, respectively. In December 2022, the SAT issued tax assessments to MLE for fiscal years 2014 and 2015 for corporate income tax in the amount of \$19.1 million (343 million MXN) and \$240.4 million (4,318 million MXN). In 2023, the SAT issued a tax assessment to MLE for the fiscal year 2016 for corporate income tax in the amount of \$3.4 million (61 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of \$7.3 million (130 million MXN). The major items relate to a forward silver purchase agreement, and the denial of the deductibility of mine development costs and service fees. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MLE’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(d) San Martin Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of Minera El Pilon, S.A. de C.V. (“MEP”), the SAT issued tax assessments for fiscal 2014, 2015 and 2016 for corporate income tax in the total amount of \$26.7 million (505 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of \$3.4 million (65 million MXN) including interest, inflation, and penalties. The majority of these tax assessments related to a prior forward silver purchase agreement to which MEP was a party, and to the denial of the deductibility of mine development costs. Pursuant to ongoing discussions, the Company and SAT came to a resolution whereby the Company paid the SAT additional income taxes in the amount of \$5.2 million (95.3 million MXN) in 2025 whereby amounts related to the forward silver purchase agreement were removed from the assessed amounts for the relevant years. The tax assessments for fiscal 2014, 2015, 2016, and 2017 for corporate income tax now total \$24.8 million (445 million MXN), including interest, inflation and penalties. In 2025, the SAT issued an additional tax assessment for fiscal 2018 in the amount of \$5.4 million (96 million MXN) including interest, inflation, and penalties. The Company continues to defend the validity of the deductibility of the mine development costs and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MEP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(e) La Parrilla Tax Re-assessments

In 2023 and 2024, as part of the ongoing annual audits of the tax returns of First Majestic Plata, S.A. de C.V. (“FMP”) (an indirect wholly-owned subsidiary of the Company which was the owner of the Company’s La Parrilla property which was disposed of in 2023), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of \$30.1 million (542 million MXN) including interest, inflation and penalties. In 2025, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the total amount of \$2.6 million (47 million MXN) including interest, inflation and penalties. The majority of these tax assessments relate to a prior forward silver purchase agreement to which FMP was a party, and to the denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(f) Del Toro Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of First Majestic Del Toro, S.A. de C.V. (“FMDT”), the SAT issued tax assessment for fiscal 2015 and 2016 for corporate income tax in the total amount of \$28.4 million (511 million MXN) including interest, inflation and penalties. The major items relate to and denial of the deductibility of mine development costs, refining costs, and other expenses. The Company continues to defend the validity of the expenses and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMDT’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(g) CFM Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of CFM, the SAT issued tax assessment for fiscal 2016 for corporate income tax in the total amount of \$82.0 million (1,473 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the Company’s acquisition of SilverCrest Mines Inc. on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest Mines Inc. by First Majestic, although the transaction in question involved the disposition of the shares of one Canadian company by another Canadian company and was reported for tax purposes in Canada. The Company continues to defend the validity of the transaction in question and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes CFM’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(h) First Silver Litigation

In April 2013, the Company received a positive judgment on the First Silver litigation from the Supreme Court of British Columbia (the “Court”), which awarded the sum of \$93.8 million in favour of First Majestic against Hector Davila Santos (the “Defendant”) in connection with a dispute between the Company and the Defendant and his private company involving a mine in Mexico (the “Bolaños Mine”) as set out further below. The Company received the sum of \$14.1 million (representing monies previously held in trust by the Defendant’s lawyer) on June 27, 2013, in partial payment of the April 2013 judgment, leaving an unpaid amount of \$64.3 million (CAD\$81.5 million), not including interest. As part of the ruling, the Court granted orders restricting any transfer or encumbrance of the Bolaños Mine by the Defendant and limiting mining at the Bolaños Mine. The orders also require the Defendant to preserve net cash flow from the Bolaños Mine in a holding account and periodically provide to the Company certain information regarding the Bolaños Mine. After many years of domestic Mexican litigation, the enforceability of the British Columbia judgment was finally recognized by the Mexican Supreme Court in a written judgment on November 11, 2022. The Company is continuing its enforcement efforts in respect of the Defendant’s assets in Mexico. There are no assurances that the Company will be successful in collecting on the remainder of the Court’s judgment in respect of the Defendant’s assets. Therefore, as at December 31, 2025, the Company has not accrued any of the remaining \$64.3 million (CAD\$81.5 million) unrecovered judgment in favour of the Company.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

30. SUBSIDIARIES

The consolidated financial statements of the Company include the following significant subsidiaries as at December 31, 2025 and 2024 as follows:

Name of subsidiary	Operations and Projects	Location	2025 % Ownership	2024 % Ownership
First Majestic Silver Corp.	Parent company and bullion sales	Canada	100%	100%
Gatos Silver Canada Corp. and Minera Luz del Sol S.de R.L.de C.V.	Los Gatos Corporate	Canada	100%	100%
C.V and Minera Plata Real, S. De R.I. De C.V. Operaciones San José De Plata, S. De R.I. De	Los Gatos Silver/Gold Mine	Mexico	70%	0%
Corporación First Majestic, S.A. de C.V.	Holding company	Mexico	100%	100%
Primero Empresa Minera, S.A de C.V.	San Dimas Silver/Gold Mine	Mexico	100%	100%
Nusantara de Mexico, S.A. de C.V.	Santa Elena Silver/Gold Mine	Mexico	100%	100%
Minera La Encantada, S.A. de C.V.	La Encantada Silver Mine	Mexico	100%	100%
First Majestic Plata, S.A. de C.V.(1)	La Parrilla Silver Mine	Mexico	100%	100%
Minera El Pilón, S.A. de C.V.	San Martin Silver Mine	Mexico	100%	100%
First Majestic Del Toro, S.A. de C.V.(2)	Del Toro Silver Mine	Mexico	100%	100%
Majestic Services, S.A. de C.V.	Service company	Mexico	100%	100%
Jerritt Canyon Canada Ltd.	Holding company	Canada	100%	100%
Jerritt Canyon Gold LLC	Jerritt Canyon Gold Mine	United States	100%	100%
First Mint LLC	Minting company	United States	100%	100%
FM Metal Trading (Barbados) Inc.	Metals trading company	Barbados	100%	100%
FMS Trading AG	Metals trading company	Switzerland	100%	100%

(1) La Parrilla was classified as assets held-for-sale up to the date of disposition on August 14, 2023. As of December 31, 2025, the assets and liabilities of La Parrilla have been derecognized (the net carrying value of the disposal group at December 31, 2022 was \$56.4 million). The liabilities of La Parrilla still remain at 100% ownership of the Company as the sale was an asset purchase agreement.

(2) During the year, there was an announcement for the proposed sale of the Del Toro mine (Note 15).

31. KEY MANAGEMENT COMPENSATION

	Year Ended December 31,	
	2025	2024
Salaries, bonuses, fees and benefits		
Independent members of the Board of Directors	\$736	\$567
Other members of key management	7,543	6,128
Share-based payments		
Independent members of the Board of Directors	2,294	656
Other members of key management	4,406	4,547
	\$14,979	\$11,898

32. SUBSEQUENT EVENTS

Declaration of Quarterly Dividend

On February 18, 2026, the Company's Board of Directors approved the declaration of its quarterly common share dividend of \$0.0083 per share, payable on or after March 16, 2026, to common shareholders of record as at the close of business on February 27, 2026. This dividend was declared subsequent to the year end and has not been recognized as a distribution to owners during the period ended December 31, 2025.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR AND QUARTER ENDED DECEMBER 31, 2025

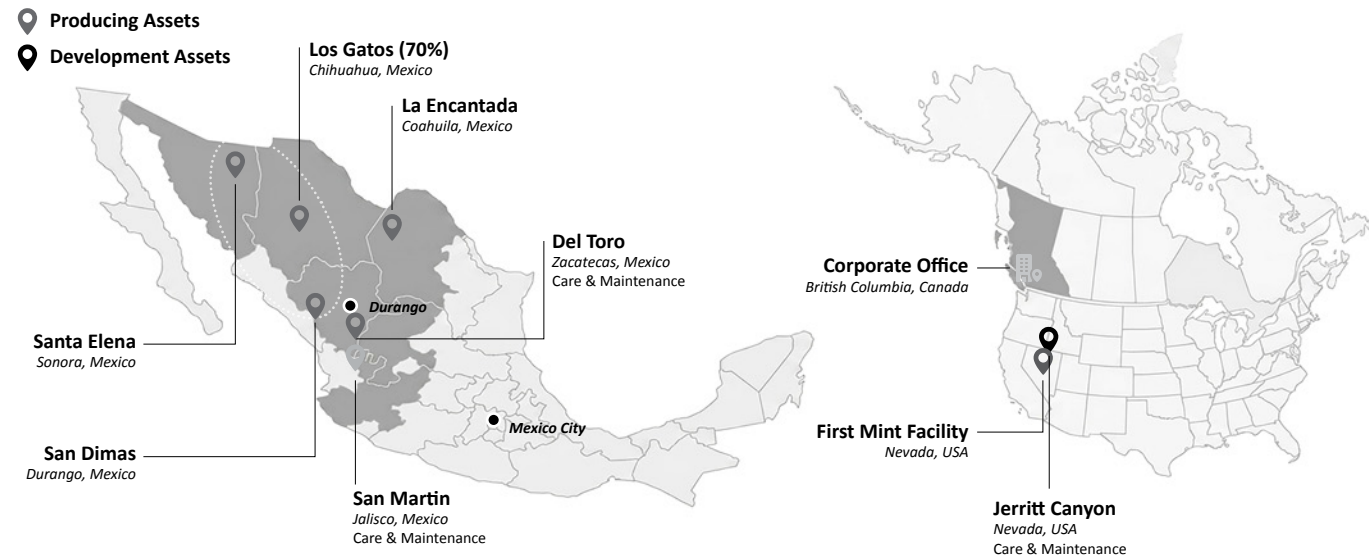
This Management's Discussion and Analysis of Results of Operations and Financial Condition ("MD&A") should be read in conjunction with the audited consolidated financial statements of First Majestic Silver Corp. ("First Majestic" or the "Company") for the year ended December 31, 2025 which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in United States ("US") dollars and tabular amounts are expressed in thousands of US dollars, unless otherwise indicated. Certain amounts shown in this MD&A may not add exactly to total amounts due to rounding differences. Production and certain metrics as specified in each table throughout the MD&A with respect to the Los Gatos Silver Mine are presented on an attributable basis calculated on the basis of the Company's 70% interest in the Los Gatos joint venture and reflect results from January 16, 2025 which is the date of the acquisition by the Company of its interest in the Los Gatos Silver Mine.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained at the end of this MD&A. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of February 18, 2026 unless otherwise stated.

COMPANY OVERVIEW

First Majestic is in the business of production, development, exploration, and acquisition of mineral properties with a focus on silver and gold production in North America. The Company owns four producing mines in Mexico consisting of the Santa Elena Silver/Gold Mine, the San Dimas Silver/Gold Mine, the Los Gatos Silver Mine ("Los Gatos") (through the Company's 70% interest in the Los Gatos joint venture), and the La Encantada Silver Mine. The Company also owns the Jerritt Canyon Gold Mine in Nevada, USA, which the Company placed on temporary suspension on March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. The Company owns two additional mines currently in care and maintenance in Mexico: the San Martin Silver Mine and the Del Toro Silver Mine, as well as several exploration projects. On December 17, 2025, the Company announced that it had entered into a definitive agreement to sell its subsidiary that owns 100% of the Del Toro Silver Mine to Sierra Madre Gold and Silver Ltd. ("Sierra Madre"). In addition, the Company is the 100% owner and operator of its own minting facility, First Mint, LLC ("First Mint").

First Majestic is publicly listed on the New York Stock Exchange ("NYSE") and the Toronto Stock Exchange ("TSX") under the symbol "AG", and on the Frankfurt Stock Exchange under the symbol "FMV"



2025 ANNUAL HIGHLIGHTS

Key Performance Metrics	2025	2024	2023	Change '25 vs '24
Operational				
Ore Processed / Tonnes Milled	4,003,457	2,686,742	2,901,972	49%
Silver Ounces Produced	15,435,506	8,400,796	10,250,755	84%
Gold Ounces Produced	147,433	156,542	198,921	(6%)
Silver Equivalent ("AgEq") Ounces Produced	31,060,764	21,655,427	26,874,417	43%
Cash Costs per Silver Equivalent Ounce ⁽¹⁾	\$15.07	\$14.80	\$14.49	2%
All-in Sustaining Cost per Silver Equivalent Ounce ⁽¹⁾	\$21.17	\$21.11	\$20.16	0%
Total Production Cost per Tonne ⁽¹⁾	\$102.02	\$111.03	\$127.16	(8%)
Average Realized Silver Price per Ounce ⁽¹⁾	\$41.52	\$28.26	\$23.29	47%
Financial (in \$millions)¹				
Revenues	\$1,257.2	\$560.6	\$573.8	124%
Mine Operating Earnings	\$450.0	\$91.9	\$25.6	NM
Earnings before Income Taxes	\$395.0	(\$26.5)	(\$195.9)	NM
Net Earnings	\$211.0	(\$101.9)	(\$135.1)	NM
Operating Cash Flows before Working Capital and Taxes	\$667.2	\$138.6	\$99.2	NM
Cash and Cash Equivalents	\$793.4	\$202.2	\$125.6	NM
Total Assets	\$4,694.9	\$1,979.8	\$1,976.4	137%
Total Non-Current Financial Liabilities	\$1,062.8	\$484.4	\$498.1	119%
Working Capital ⁽¹⁾	\$733.6	\$224.5	\$188.9	NM
Earnings (loss) before Interest, Tax, Depreciation and Amortization ("EBITDA") ⁽¹⁾	\$686.1	\$127.1	(\$41.8)	NM
Adjusted EBITDA ⁽¹⁾	\$679.1	\$143.8	\$144.3	NM
Free Cash Flow ⁽¹⁾	\$470.6	\$107.1	(\$9.0)	NM
Shareholders				
Earnings (loss) per Share ("EPS") - Basic	\$0.34	(\$0.34)	(\$0.48)	200%
Adjusted EPS ⁽¹⁾	\$0.46	(\$0.14)	(\$0.08)	NM

NM - Not meaningful

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Operational Highlights

Annual Production Summary	Los Gatos ⁽¹⁾	San Dimas	Santa Elena	La Encantada	Jerritt Canyon ⁽²⁾	Consolidated
Ore Processed / Tonnes Milled	867,467	928,352	1,101,613	1,106,025	—	4,003,457
Silver Ounces Produced	5,869,370	5,385,150	1,416,862	2,764,123	—	15,435,506
Gold Ounces Produced	3,121	55,724	88,107	137	342	147,433
Silver Equivalent Ounces Produced	8,906,267	10,240,773	9,114,483	2,776,460	22,781	31,060,764
Cash Costs per Silver Equivalent Ounce ⁽³⁾	\$12.91	\$14.97	\$14.36	\$23.61	NM	\$15.07
All-in Sustaining Cost per Silver Equivalent Ounce ⁽³⁾	\$15.15	\$19.62	\$17.96	\$29.26	NM	\$21.17
Total Production Cost per Tonne ⁽³⁾	\$94.34	\$159.29	\$104.73	\$57.26	N/A	\$102.02

NM - Not meaningful

(1) See “Non-GAAP Measures” for further details of these measures.

(2) On March 20, 2023, the Company decided to temporarily suspend all mining activities at Jerritt Canyon. As of April 24, 2023, all activities at the Jerritt Canyon processing plant were suspended. In-circuit recovery efforts performed at Jerritt Canyon during 2025 resulted in production of 342 gold ounces.

(3) All production and non-GAAP results shown in the table above are reported on an attributable basis to account for the 70% ownership of Los Gatos Mine.

- **Met upwardly revised production guidance:** With full year 2025 production of 31.1 million silver equivalent ounces (32.3 million AgEq ounces using the Company’s updated 2025 guidance assumptions for metal prices) including 15.4 million ounces of silver (guidance range: 14.8 – 15.8 million ounces), 147,433 ounces of gold (guidance range: 135,000 – 144,000 ounces), 56.7 million pounds of zinc (guidance range: 52 – 56 million pounds) and 32.3 million pounds of lead (guidance range: 33 – 35 million pounds), the Company met or exceeded both its original and July 2025 upwardly revised production guidance as a result of solid operating execution across all four producing mines in 2025.

Los Gatos drove an attributable production increase of 8.9 million AgEq ounces, while production increased by 18% at La Encantada and 16% at San Dimas compared to the prior year. At La Encantada, AgEq growth reflected improved ore flow as a result of higher mine development rates supported by management initiatives and a new development contractor, while San Dimas benefited from higher throughput and silver grades.

- **Acquisition of Gatos Silver, Inc.:** On January 16, 2025, the Company completed the acquisition of Gatos Silver, inc. (“Gatos”) adding a 70% joint venture interest in the Los Gatos underground silver mine in Chihuahua, Mexico to its portfolio of assets (see news release dated January 16, 2025). The Los Gatos operation was successfully integrated into First Majestic’s existing portfolio in 2025.

- **Record Consolidated Silver Production:** First Majestic produced 15.4 million ounces of silver in 2025, a new annual record for the Company, and an 84% increase from the prior year. The significant jump in silver production can be attributed to the acquisition of Los Gatos, as well as a 19% increase in production at San Dimas and an 18% increase in production at La Encantada.

- **Another High-Grade Gold and Silver Discovery:** On May 28, 2025, the Company announced the discovery of a new, high-grade gold and silver vein - Santo Niño - at the Santa Elena property, approximately 900 metres (“m”) from the Santa Elena plant. This followed the Company’s 2024 discovery of the Navidad/Winter vein hosted system at Santa Elena. Additional drilling at Santo Niño since the discovery announcement has substantially expanded the footprint of gold and silver mineralization (see news release dated December 15, 2025). A maiden Inferred Mineral Resource estimate for Santo Niño is expected to be included in the Company’s Annual Information Form for the year ended December 31, 2025, which will be filed at the end of Q1 2026. At Los Gatos ongoing exploration drilling intersected significant silver and base metals mineralization across all three zones tested: South-East Deepes, Central Deepes and North-West Deepes highlighting continuity of mineralization in areas previously thought to be barren, the results highlight potential Resource upside (see news release dated September 3, 2025). Finally, drilling at San Dimas intersected significant gold and silver mineralization in multiple veins across the property (Elia, Sinaloa, Roberta, Santa Teresa and Coronado) in a variety of targets (Resource conversion, Resource addition and early exploration, news release dated August 18 2025).

- **Record Revenues at First Mint:** Total revenues for First Mint during 2025 were \$49.4 million, representing a significant increase compared to revenues of \$16.0 million in 2024.

- **Inventory:** The Company held 463,156 silver ounces and 2,808 gold ounces in finished goods inventory as at December 31, 2025, inclusive of coins and bullion. The fair market value of this inventory as at December 31, 2025 was \$33.2 million for silver and \$12.1 million for gold, which was not included in revenue during the year.

- **Safety Performance:** The consolidated Total Reportable Incident Frequency Rate (“TRIFR”) for 2025 was 0.55, below the Company’s 2025 target KPI of 0.70. The Lost Time Incident Frequency Rate (“LTIFR”) was 0.12, positioning the Company as best in class amongst its peer group. As a result of the Company’s continued industry leading safety efforts, Santa Elena was recognized for “Excellence in Safety” by the Mexican Mining Chamber, in the Underground Mining category with more than 500 workers.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

- **Cash cost¹:** Cash cost per AgEq ounce for the year was \$15.07, representing a 2% increase compared to \$14.80 per ounce in the prior year. While underlying operating performance improved, the higher cash cost per AgEq ounce was primarily influenced by the strong outperformance of silver prices relative to gold, lead and zinc throughout 2025 which resulted in a lower AgEq conversion ratio for by-product metals. This lower AgEq ratio reduced the number of reported AgEq ounces attributed to by-product production, making cash costs per AgEq ounce appear higher and less favourable despite strong performance and economic fundamentals. However, as a primary silver producer, this price environment is favourable and strengthens the Company’s overall economics. Additionally, higher metal prices and increasing production contributed to higher royalties and increased worker participation costs, causing an increase in cash costs. Finally, the modest year-over-year increase in cash cost was impacted by lower AgEq production at Santa Elena, primarily due to reduced silver and gold grades from the deeper levels of the Ermitaño mine, in line with the mine plan.

- **All-in sustaining cost (“AISC”)¹:** AISC per AgEq ounce in the year was \$21.17, representing a slight increase compared to \$21.11 in the prior year. The increase in AISC per AgEq ounce was mainly due to the impacts on cash costs as described above. This was offset by a decrease in corporate general and administrative (“G&A”) expenses per AgEq ounce compared to 2024, reflecting restructuring efforts implemented to optimize the workforce and reduce labour costs.

Financial Highlights

- **Record Treasury and Working Capital Position:** The Company ended the year with a record \$937.7 million cash in treasury, representing a significant increase compared to \$308.3 million at the end of 2024, and the highest treasury position in the Company’s history. Cash in treasury includes \$144.3 million that is held in restricted cash, representing a 36% increase when compared to \$106.1 million as at December 31, 2024. Further, working capital reached a record high of \$733.6 million, excluding \$144.3 million in restricted cash, a significant improvement compared to \$404.8 million as at December 31, 2024. Refer to the “Liquidity, Capital Resources and Contractual Obligations” section below for further details.

- **Record Revenue:** The Company generated record revenue of \$1,257.2 million in 2025, representing a 124% increase compared to \$560.6 million in 2024. This significant revenue growth was driven by a higher average realized silver price of \$41.52 per AgEq ounce, which represented a 47% increase when compared to 2024 and resulted in revenues increasing by \$399.7 million. Revenues also increased due to a 50% increase in the total number of payable AgEq ounces sold compared to 2024. This was mainly driven by the addition of Los Gatos, which contributed \$489.8 million in revenue during the year. Improved production at San Dimas contributed \$301.6 million in revenue, representing a 52% increase compared to \$198.2 million in revenue from San Dimas in 2024. Additional contributions came from Santa Elena, which contributed \$346.4 million in revenue, representing a 20% increase when compared to \$288.2 million in revenue from Santa Elena in 2024. Finally, La Encantada contributed \$100.9 million in revenue, representing a 54% increase when compared to \$65.3 million in revenue from La Encantada in 2024, driven by strong operational performance. The total revenue increase resulting from the increase in payable AgEq ounces sold was \$301.8 million. Additionally, record sales at First Mint contributed \$49.4 million in revenue, representing a significant increase compared to revenues of \$16.0 million from First Mint in 2024, at an average silver price of \$46.32 per ounce for the year.

- **Record Mine operating earnings:** During the year, the Company recognized mine operating earnings of \$450.0 million, representing a significant increase compared to \$91.9 million in 2024. The increase was primarily driven by the addition of Los Gatos, which contributed \$203.4 million in mine operating earnings in the year. Continued operational improvements at San Dimas resulted in mine operating earnings of \$66.2 million, a significant improvement compared to a \$9.0 million loss in 2024. The remaining sites contributed \$180.5 million in mine operating earnings, representing a 79% increase compared to \$100.9 million in 2024. Mine operating earnings during the year also benefited from a higher average realized silver price per AgEq ounce compared to 2024. The increase in mine operating earnings was partially offset by higher maintenance costs across all operational mine sites along with higher worker participation costs due to higher metal prices and improved production. Mine operating earnings were further impacted by a higher non-cash depletion expense, primarily driven by the addition of Los Gatos and increased overall production. The Company’s operating earnings are inclusive of \$183.3 million in non-cash depletion expense.

- **Record Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes in the year was \$667.2 million, representing a significant increase compared to \$138.6 million in 2024. This improvement was primarily driven by an increase in mine operating earnings, excluding depletion, depreciation and amortization of \$497.6 million resulting from strong performance at San Dimas, Los Gatos, and La Encantada.

- **Record EBITDA¹:** EBITDA for the year ended December 31, 2025 was \$686.1 million, a significant improvement compared to \$127.1 million in 2024. The increase in EBITDA was primarily attributable to improved mine operating earnings in 2025 as compared to 2024, along with a gain on the reversal of impairment of \$20.3 million following the announced proposed sale of the Company’s subsidiary that owns the Del Toro Silver Mine during the year.

- **Record Adjusted EBITDA¹:** Adjusted EBITDA normalized for non-cash or non-recurring items such as an impairment reversal, unrealized gains on marketable securities, a gain on settlement of senior convertible notes, share based payments, restructuring costs, acquisition costs and abnormal maintenance costs for the year ended December 31, 2025 was \$679.1 million, a significant improvement compared to \$143.8 million in 2024.

- **Record Net Earnings:** Net earnings for the year were \$211.0 million (EPS of \$0.34), representing a significant increase compared to a net loss of \$101.9 million (EPS of (\$0.34)) in 2024. The increase in net earnings was primarily driven by the \$358.1 million increase in mine operating earnings, a non-cash deferred income tax recovery of \$89.1 million (EPS of \$0.19), compared to a non-cash deferred income tax expense of \$43.4 million (EPS of (\$0.15)) in 2024, and an impairment reversal of \$20.3 million (EPS of \$0.04) related to the proposed sale of Del Toro. This was partially offset by a non-cash current income tax expense of \$273.1 million (EPS of (\$0.57)), compared to \$32.0 million (EPS of (\$0.11)) in 2024, and a non-cash depletion and depreciation expense of \$263.4 million (EPS of (\$0.55)), compared to \$124.0 million (EPS of (\$0.42)) in 2024, primarily driven by the addition of Los Gatos and higher production at La Encantada and San Dimas. Net earnings during the year did not include \$126.8 million in gains from the Company’s portfolio of marketable securities, which are included within other comprehensive income.

¹ This measure does not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

- **Record Adjusted Net Earnings¹:** Adjusted net earnings normalized for non-cash or non-recurring items such as deferred income tax, an impairment reversal on the proposed sale of Del Toro, unrealized gains on marketable securities, a gain on settlement of senior convertible notes, share based payments, a tax provision relating to the 2012 reassessment for PEM (Refer to Note 24 of the financial statements), restructuring costs, acquisition costs and abnormal maintenance costs for the year ended December 31, 2025 was \$216.0 million (Adjusted EPS of \$0.46), compared to an adjusted net loss of \$41.8 million (Adjusted EPS of (\$0.14)) in 2024.
- **Capital Expenditures:** The Company's attributable capital expenditures in the year were \$191.7 million (\$212.8 million on a 100% basis) representing a 51% increase compared to \$127.3 million in 2024 driven by the addition of the Los Gatos mine, along with the Company's continued focus on growth and mine development in line with its updated 2025 guidance. Total attributable capital expenditures consisted of \$82.8 million for underground development (2024 - \$54.2 million), \$59.5 million in property, plant and equipment ("PP&E") (2024 - \$27.2 million) and \$43.8 million in exploration (2024 - \$46.0 million). On a 100% basis, these amounts were \$92.5 million, \$67.2 million, and \$47.6 million relating to underground development, PP&E and exploration, respectively. Capital expenditures also included \$5.0 million related to the investment in First Mining following the Amended Springpole Stream Agreement (\$4.2 million related to capital expenditures), and \$1.4 million related to corporate projects.

Corporate Update:

- **Sale of the Del Toro Silver Mine:** On December 17, 2025, the Company announced that it had entered into a definitive agreement to sell its subsidiary that owns 100% of the Del Toro Silver Mine ("Del Toro") to Sierra Madre for total consideration in cash and shares of up to \$60 million, comprised of upfront consideration of \$20 million in cash and \$10 million in common shares of Sierra Madre ("Sierra Madre Shares") at a deemed price of CAD\$1.30 per share, payable upon closing, and an additional \$30 million in delayed and contingent consideration in cash or, at Sierra Madre's option, Sierra Madre Shares. Closing of the transaction is conditional upon Sierra Madre completing a concurrent private placement financing of at least CAD\$40 million in gross proceeds and other customary conditions, including approval of the TSXV, Mexican Antitrust approval and approval by the disinterested shareholders of Sierra Madre. The financing closing condition has been satisfied, as Sierra Madre announced the closing of a \$57.5 million private placement financing of subscription receipts on January 30, 2026.
- **Senior Management Update:** As part of First Majestic's continued growth strategy and ongoing succession planning, Mani Alkhafaji was promoted to the new role of President & Chief Corporate Development Officer of First Majestic, with Keith Neumeyer continuing to serve as Chief Executive Officer of First Majestic, and both of these changes were effective as of January 1, 2026.

¹ This measure does not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

2025 FOURTH QUARTER HIGHLIGHTS

Key Performance Metrics	2025-Q4	2025-Q3	Change Q4 vs Q3	2024-Q4	Change Q4 vs Q4
Operational⁽²⁾					
Ore Processed / Tonnes Milled	1,058,276	997,002	6%	745,124	42%
Silver Ounces Produced	4,165,334	3,863,673	8%	2,353,865	77%
Gold Ounces Produced	41,417	35,681	16%	39,506	5%
Silver Equivalent ("AgEq") Ounces Produced	7,845,686	7,651,058	3%	5,713,289	37%
Cash Costs per Silver Equivalent Ounce ⁽¹⁾	\$16.66	\$14.83	12%	\$13.82	21%
All-in Sustaining Cost per Silver Equivalent Ounce ("AISC") ⁽¹⁾	\$23.48	\$20.90	12%	\$20.34	15%
Total Production Cost per Tonne ⁽¹⁾	\$103.07	\$102.53	1%	\$96.63	7%
Average Realized Silver Price per Silver Equivalent Ounce ⁽¹⁾	\$58.96	\$39.03	51%	\$30.80	91%
Financial (in \$millions)					
Revenues	\$463.9	\$285.1	63%	\$172.3	169%
Mine Operating Earnings	\$237.8	\$99.1	140%	\$48.2	NM
Net Earnings (Loss)	\$105.2	\$43.0	145%	(\$13.5)	NM
Operating Cash Flows before Non-Cash Working Capital and Taxes	\$301.0	\$141.3	113%	\$62.4	NM
Capital Expenditures	\$53.8	\$52.1	3%	\$36.1	49%
Cash and Cash Equivalents	\$793.4	\$435.4	82%	\$202.2	NM
Total Assets	\$4,694.9	\$4,235.5	11%	\$1,979.8	137%
Total Non-Current Financial Liabilities	\$1,062.8	\$1,000.1	6%	\$484.4	119%
Working Capital ⁽¹⁾	\$733.6	\$542.4	35%	\$224.5	NM
Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") ⁽¹⁾	\$338.8	\$128.6	163%	\$62.0	NM
Adjusted EBITDA ⁽¹⁾	\$305.4	\$138.6	120%	\$64.8	NM
Free Cash Flow ⁽¹⁾	\$250.4	\$98.8	153%	\$68.4	NM
Shareholders					
Earnings (loss) per Share ("EPS") – Basic & Diluted	\$0.17	\$0.06	183%	(\$0.04)	NM
Adjusted EPS ⁽¹⁾	\$0.30	\$0.07	NM	\$0.03	NM

NM - Not meaningful.

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

(2) Operational metrics shown in the table above are reported on an attributable basis to account for the Company's 70% ownership of Los Gatos.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Fourth Quarter Production Summary	Los Gatos ⁽¹⁾⁽⁴⁾	Santa Elena	San Dimas	La Encantada	Jerritt Canyon ⁽²⁾	Consolidated
Ore Processed / Tonnes Milled	226,900	283,721	243,807	303,848	—	1,058,276
Silver Ounces Produced	1,491,235	358,185	1,315,711	1,000,203	—	4,165,334
Gold Ounces Produced ⁽³⁾	894	25,083	15,066	32	342	41,417
Silver Equivalent Ounces Produced ⁽³⁾	2,091,621	2,279,397	2,449,162	1,002,725	22,781	7,845,686
Cash Costs per Silver Equivalent Ounce ⁽²⁾	\$16.12	\$15.97	\$16.25	\$19.72	NM	\$16.66
All-in Sustaining Cost per Silver Equivalent Ounce ⁽²⁾	\$18.81	\$19.44	\$21.62	\$25.95	NM	\$23.48
Total Production Cost per Tonne ⁽²⁾	\$103.74	\$102.65	\$153.97	\$62.11	N/A	\$103.07

NM - Not meaningful.

- All production and non-GAAP results shown in the table above are reported on an attributable basis, meaning they reflect only the portion of results corresponding to the Company’s 70% ownership of the Los Gatos Silver Mine.
- These measures do not have a standardized meaning under the Company’s financial reporting framework and the methods used the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.
- Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed in Q4 2025 resulted in production of 342 gold ounces or 22,781 AgEq ounces at Jerritt Canyon.
- AgEq ounces for the Los Gatos Silver Mine include 14,238,927 lbs. zinc, 8,108,949 lbs. lead and 235,886 lbs. copper (70% attributable basis).

Fourth Quarter Operational Highlights

- Record Quarterly Silver Production:** The Company produced 4.2 million silver ounces in the fourth quarter of 2025, representing a 77% increase when compared to 2.4 million silver ounces produced in the fourth quarter of 2024. Total silver production in the quarter included 1.5 million ounces of attributable silver production from Los Gatos.
- Increased Silver Equivalent Production:** The Company produced 7.8 million AgEq ounces in the fourth quarter of 2025 (8.9 million AgEq ounces using the Company’s updated 2025 guidance assumptions for metal prices), representing a 37% increase compared to 5.7 million AgEq ounces produced in Q4 2024. This growth was primarily driven by a 77% increase in attributable consolidated silver production, including contributions from Los Gatos, as well as improved production at San Dimas.
- Record Quarterly Revenues at First Mint:** Total revenues for First Mint during the fourth quarter of 2025 were \$22.7 million, representing a 150% increase compared to revenues of \$9.1 million in the fourth quarter of 2024. The average realized silver price for the quarter was \$69.74 per ounce, representing a 127% increase compared to the average realized silver price of \$30.76 per ounce in the fourth quarter of 2024.
- Continued Active Exploration Program:** During the fourth quarter, the Company completed a total of 57,305 m of drilling across its mines in Mexico and the United States. During the quarter, up to 27 drill rigs were active consisting of five rigs at Los Gatos, six rigs at Santa Elena, 13 rigs at San Dimas, one rig at La Encantada and two rigs at Jerritt Canyon.
- Cash Costs:** Cash costs per attributable payable AgEq ounce for the quarter were \$16.66, representing a 21% increase when compared with \$13.82 per ounce in the fourth quarter of 2024. This increase in cash costs was primarily attributed to an increase in mining and milling costs due to higher mining and throughput rates. Additionally, higher metal prices and increasing production contributed to higher royalties and increased worker participation costs, causing an increase in cash costs. Despite the improvement in production, AgEq ounces were impacted by a rising silver price which outperformed other by-product metals and compressed the AgEq conversion ratio, resulting in fewer reported AgEq ounces and correspondingly increased cash costs per AgEq ounce. Cash costs during the quarter were also impacted by the strengthening of the Mexican peso against the US dollar, which averaged 9% stronger relative to the US dollar, compared to the fourth quarter of 2024.
- AISC:** AISC per attributable payable AgEq ounce in the fourth quarter was \$23.48, an increase of 15% compared to \$20.34 per ounce in the fourth quarter of 2024. This increase was primarily attributable to the increase in cash cost, as previously mentioned. The increase in AISC was partially offset by a decrease in corporate G&A expenses per AgEq ounce compared to the fourth quarter of 2024, reflecting restructuring efforts implemented to optimize the workforce and reduce labour costs.

Fourth Quarter Financial Highlights

- Record Quarterly Revenue:** In the fourth quarter, the Company generated a fourth consecutive quarterly revenue record of \$463.9 million, representing a 169% increase compared to \$172.3 million in the fourth quarter of 2024. The higher revenues were largely driven by a higher average realized silver price per AgEq ounce of \$58.96, which represented a 91% increase when compared to the fourth quarter of 2024 and resulted in revenues increasing by \$221.9 million. The revenue growth was also driven by a 33% increase in payable AgEq ounces sold, mainly due to the addition of Los Gatos, which contributed \$187.4 million in revenue. Improved production at San Dimas contributed \$105.2 million in revenue, representing an 87% increase compared to \$56.1 million in revenue from San Dimas in the fourth quarter of 2024. Additional contributions came from Santa Elena, which contributed \$116.8 million in revenue, representing a 36% increase compared to \$86.2 million in revenue from Santa Elena in the fourth quarter of 2024, and the strong performance at La Encantada which contributed \$41.2 million in revenue, representing a 64% increase compared to \$25.2 million in revenue from La Encantada the fourth quarter of 2024. The total revenue increase resulting from an increase in payable AgEq ounces sold was \$72.5 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

- Record Mine Operating Earnings:** The Company achieved record mine operating earnings of \$237.8 million, a significant improvement compared to mine operating earnings of \$48.2 million in the fourth quarter of 2024. The increase was driven primarily by the addition of the Los Gatos mine, which contributed \$106.8 million in mine operating earnings in the fourth quarter. Strong performance at San Dimas, Santa Elena and La Encantada contributed additional mine operating earnings of \$37.1 million, \$25.2 million, and \$11.4 million, respectively, compared to the fourth quarter of 2024. Mine operating earnings during the quarter also benefited from a higher average realized silver price per AgEq ounce compared to the fourth quarter of 2024. Mine operating earnings were partially offset by a higher non-cash depletion expense, primarily driven by the addition of Los Gatos and increased overall production. The Company’s operating earnings are inclusive of \$49.0 million in non-cash depletion expense.
- Record Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes paid in the quarter was \$301.0 million, representing a significant increase in operating cash flow compared to \$62.4 million in the fourth quarter of 2024. This improvement was primarily driven by an increase in mine operating earnings, excluding depletion, depreciation and amortization of \$227.3 million resulting from strong performance at San Dimas and Los Gatos.
- Record EBITDA¹:** EBITDA for the quarter was \$338.8 million, representing a significant increase compared to \$62.0 million in the fourth quarter of 2024. The increase in EBITDA was primarily attributable to improved mine operating earnings in the fourth quarter of 2025 as compared to the same period in 2024, along with a gain on the reversal of impairment of \$20.3 million following the announced proposed sale of Del Toro during the quarter.
- Record Adjusted EBITDA¹:** Adjusted EBITDA normalized for non-cash or non-recurring items such as an impairment reversal, unrealized gains on marketable securities, a gain on the settlement of senior convertible notes, and share based payments for the year ended 2025 was \$305.4 million, representing a significant increase compared to \$64.8 million in the fourth quarter of 2024.
- Record Quarterly Net Earnings:** Net earnings for the quarter were \$105.2 million (EPS of \$0.17), representing a significant increase compared to a net loss of \$13.5 million (EPS of (\$0.04)) in the fourth quarter of 2024. The increase in net earnings was primarily attributed to the higher mine operating earnings, a non-cash deferred income tax recovery of \$52.5 million (EPS of \$0.11), compared to a non-cash deferred income tax expense of \$18.3 million (EPS (((\$0.06))) in the fourth quarter of 2024, and a one-time \$20.3 million reversal of impairment (EPS of \$0.04) related to the proposed sale of Del Toro. This was partially offset by a non-cash current income tax expense of \$209.0 million (EPS of (\$0.43)), compared to \$15.3 million (EPS of (\$0.05)) in 2024, a non-cash depletion and depreciation expense of \$72.4 million (EPS of (\$0.15)), compared to \$34.7 million (EPS of (\$0.11)) in the fourth quarter of 2024, primarily driven by higher production and the addition of Los Gatos. Net earnings did not include \$41.9 million in gains from the Company’s portfolio of marketable securities, which are included within other comprehensive income.
- Record Adjusted Net Earnings¹:** Adjusted net earnings normalized for non-cash or non-recurring items such as an impairment reversal, unrealized gains on marketable securities, a gain on debt settlement of senior convertible notes, the tax provision relating to the 2012 reassessment for PEM (Refer to Note 24 of the Financial statements), share-based payments and deferred income tax was \$144.4 million (adjusted EPS of \$0.30), compared to an adjusted net earnings of \$7.6 million (adjusted EPS of \$0.03) in the fourth quarter of 2024.
- Capital Expenditures:** The Company’s attributable capital expenditures in the fourth quarter were \$48.2 million (\$53.8 million on a 100% basis), representing a 33% increase compared to \$36.1 million in total capital expenditures in the fourth quarter of 2024 driven by the addition of the Los Gatos mine, along with the Company’s continued focus on growth and mine development in line with its updated 2025 guidance. Total attributable capital expenditures consisted of \$21.6 million in PP&E (2024 - \$10.7 million), \$13.5 million in underground development (2024 - \$13.6 million), and \$13.2 million in exploration (2024 - \$11.9 million). On a 100% basis, these amounts totalled \$24.1 million, \$15.6 million, and \$14.1 million relating to PP&E, underground development, and exploration, respectively.

ACQUISITION OF GATOS SILVER INC.

On January 16, 2025, the Company completed its acquisition of Gatos pursuant to a merger agreement that was entered into between the parties on September 4, 2024 (the “Merger Agreement”), and as a result of such acquisition, Gatos became a wholly-owned subsidiary of the Company. The Company issued an aggregate of 177,433,006 common shares of the Company to acquire all of the issued and outstanding shares of common stock of Gatos (in addition to a nominal amount of cash in lieu of fractional First Majestic common shares), resulting in former Gatos shareholders holding approximately 38% of the issued and outstanding common shares of the Company post-closing on a fully diluted basis at the closing of the transaction. In addition, the Merger Agreement provided for the issuance by First Majestic of options to purchase an aggregate of 8,242,244 First Majestic options in exchange for all existing Gatos options at exercise prices adjusted by the exchange ratio of 2.55 (“the Exchange Ratio”). All existing RSUs and DSUs of Gatos were settled for an aggregate of 2,207,762 First Majestic common shares.

Gatos holds a 70% interest in the Los Gatos Joint Venture (“LGJV”), which owns the producing Los Gatos underground silver mine in Chihuahua, Mexico. The Los Gatos mine consists of approximately 103,000 hectares of mineral rights, representing a highly prospective and under-explored district with numerous silver-zinc-lead epithermal mineralized zones identified as priority targets. The acquisition was completed in order to support the Company’s growth strategy by adding another cornerstone asset within a world-class mining jurisdiction to the Company’s portfolio.

Management has concluded that Gatos constitutes a business and, therefore, the acquisition is accounted for in accordance with IFRS 3 - Business Combinations. Given the delivery of the consideration and the fulfillment of the covenants as per the Merger Agreement, the transaction was deemed to be completed with First Majestic identified as the acquirer. Based on the opening market price of the Company’s common shares on January 16, 2025 (the “Acquisition Date”), the total consideration for the Gatos acquisition was \$1.05 billion. The Company began consolidating the operating results, cash flows and net assets of Gatos from January 16, 2025 onwards.

¹ This measure does not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The determination of the fair value of assets acquired and liabilities assumed is based on a detailed valuation of Gatos’ net assets, utilizing income, market, and cost valuation methods conducted with the assistance of an independent third party. The determination of the fair value of assets acquired and liabilities assumed was previously reported based on preliminary estimates at the Acquisition Date. During the second quarter of 2025, the Company finalized the full and detailed valuation of the fair value of the net assets of Gatos acquired using income, market, and cost valuation methods with the assistance of an independent third party.

Consideration and Purchase Price Allocation

Total consideration for the acquisition was valued at \$1.05 billion on the Acquisition Date. The following table summarizes the consideration paid as part of the purchase price:

Total Consideration

177,433,066 Consideration Shares issued to Los Gatos shareholders with an accounting fair value of \$5.68 per share ⁽¹⁾	\$1,007,819
2,207,762 DSUs and RSUs of Los Gatos converted to First Majestic common shares with an accounting fair value of \$5.68 per share ⁽¹⁾	12,540
8,242,244 Options of Los Gatos converted to First Majestic Options wi option ⁽³⁾	26,023
Other consideration ⁽²⁾	7,841
Total consideration	\$1,054,223

(1) Fair value of Consideration Shares was estimated at \$5.68 per share based on the opening price of First Majestic’s common shares on the New York Stock Exchange on January 16, 2025.

(2) Other consideration is made up of cash payments for withholding taxes and payments made for fractional shares.

(3) The fair value of Options was estimated using the Black-Scholes method as at the Acquisition Date, using the following assumptions:

Risk-free interest rate (%)	2.94% - 3.05%
Expected life (years)	3.99
Expected Volatility (%)	58%
Expected dividend yield (%)	0.28%

The following table summarizes the purchase price allocated to the identifiable assets and liabilities of Gatos based on their estimated fair values on the Acquisition Date:

Allocation of Purchase Price

Cash and cash equivalents ⁽²⁾	\$167,401
Inventories	19,107
Trade and other receivables ⁽¹⁾	19,644
VAT receivables	2,026
Prepaid expenses and other	6,505
Mining interest	1,658,689
Property, plant and equipment	185,261
Right-of-use assets	281
Trade and other payables	(65,037)
Income taxes payable	(12,717)
Lease obligations	(415)
Decommissioning liabilities	(8,112)
Deferred tax liabilities	(511,314)
Net assets acquired	\$1,461,319
Non-controlling interests	(407,096)
Net assets attributable to the Company	\$1,054,223

(1) Trade and other receivables are expected to be fully recoverable.

(2) Cash acquired by the Company on the Acquisition Date was \$159.6 million net of withholding taxes on RSU settlements amounting to \$7.8 million.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Financial and operating results of Gatos are included in the Company’s consolidated financial statements effective January 16, 2025. During the year ended December 31, 2025, the acquisition of Gatos contributed \$489.8 million in revenues and \$151.5 million in net earnings to the Company’s financial results since January 16, 2025.

Had the business combination been effective as at January 1, 2025, the Company’s pro forma revenues and net earnings for the year ended December 31, 2025 would have been \$1,274.7 million and \$214.2 million, respectively. Total transaction costs of \$5.6 million related to the acquisition were expensed during the year.

The Company used discounted cash flow models to determine the fair value of the depletable mining interest. The expected future cash flows are based on estimates of future silver, gold, lead, zinc and copper prices, estimated quantities of mineral reserves and mineral resources, expected future production costs and capital expenditures based on the life of mine plans at the Acquisition Date. The discounted future cash flow models used a 6.00% discount rate based on the Company’s assessment of country risk, project risk and other potential risks specific to the acquired mining interest.

The significant assumptions used in the determination of the fair value of the mining interests were as follows:

Average prices:	
Silver	\$28.50
Gold	\$2,200
Zinc	\$1.25
Lead	\$1.10
Copper	\$4.50
Discount rate	6.0%
Average grades over life of mine:	
Silver	150 g/t
Gold	0.21 g/t
Zinc	3.84%
Lead	2.01%
Copper	0.20%
Average recovery rate:	
Silver	88.20%
Gold	54.20%
Zinc	63.10%
Lead	88.10%
Copper	74.00%
Discount rate	6.00%
Mine life (years)	10

The Company used a market approach to determine the fair value of exploration potential by comparing the costs of other precedent market transactions on a dollar per hectare basis. Those amounts were used to determine the range of area-based resources multiples implied within the value of transactions by other market participants. Additionally, the Company completed a secondary valuation by comparing the costs of other precedent transactions within the industry on a dollar per in situ ounce basis and selected a multiple within this range for additional ounces identified outside of the life-of-mine. Management made a significant assumption in the determination of the fair value of exploration potential by using an implied multiple of \$5,208 per hectare or \$3.16 per silver equivalent ounce for a total of \$536.4 million. The Company accounted for exploration potential through inclusion within non-depletable mineral interest.

2026 PRODUCTION OUTLOOK AND COST GUIDANCE UPDATE

This section provides management’s updated production outlook and cost guidance for 2026. These are forward-looking estimates and are subject to the cautionary note at the end of this MD&A regarding the risks associated with relying on forward-looking statements. Actual results may vary based on production throughputs, grades, recoveries and changes in economic circumstances.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

In 2026, the Company expects to achieve total attributable production from its four operating mines in Mexico of between 13.0 to 14.4 million ounces of silver, 116,000 to 129,000 ounces of gold, 52.4 to 58.2 million pounds of zinc, 34.2 to 38.1 million pounds of lead, and 1.1 to 1.3 million pounds of copper. The decrease in forecasted production relative to 2025 is partially driven by lower metal grades resulting from a reduced cut-off grade due to improved economics as a result of higher forecasted metal prices in 2026, partially offset by higher throughput with mill and mine throughput expansion projects currently underway, with anticipated completion in H2 2026.

A mine-by-mine breakdown of the Company’s 2026 production and cost guidance is included in the table below.

2026 Full Year Mine-by-Mine Guidance

Operation	Silver Oz (M)	Gold Oz (k)	Lead Lbs (M)	Zinc Lbs (M)	Copper Lbs (M)	Cash Cost (\$ per AgEq Oz) ²	AISC (\$ per AgEq Oz) ²
Los Gatos (70%), Mexico	4.8 – 5.4	2.9 – 3.1	34 – 38	52 – 58	1.1 – 1.3	14.88 – 15.62	18.01 – 19.04
Santa Elena, Mexico	1.3 – 1.5	64 – 71	—	—	—	20.04 – 21.06	24.90 – 26.40
San Dimas, Mexico	4.0 – 4.4	49 – 55	—	—	—	18.55 – 19.56	24.63 – 26.30
La Encantada, Mexico	2.8 – 3.1	—	—	—	—	24.20 – 25.52	30.54 – 32.50
Operations Total	13.0 – 14.4	116 – 129	34 – 38	52 – 58	1.1 – 1.3	\$18.64 – \$19.62	\$23.81 – \$25.31

Corporate							
Corp. G&A and Services	—	—	—	—	—	—	2.34 – 2.60
Total:							
Total Consolidated	13.0 – 14.4	116 – 129	34 – 38	52 – 58	1.1 – 1.3	\$18.64 – \$19.62	\$26.15 – \$27.91

(1) Certain amounts shown in the above table may not add exactly to the total amount due to rounding differences.

(2) Cash Costs and AISC are non-GAAP measures and are not standardized financial measures under the Company’s financial reporting framework. The Company calculates cash costs and consolidated AISC in the manner set out in the table below. These measures have been calculated on a basis consistent with historical periods. See “Non-GAAP Measures” on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

For 2026, the Company will report cash costs and all-in sustaining costs (“AISC”) guidance on a cost per unit basis, using a fixed gold-to-silver ratio of 75:1 with the following metal price assumptions: silver: \$52.00/oz, gold: \$3,900/oz, lead: \$0.90/lb., zinc: \$1.35/lb., copper: \$4.80/lb. The foreign currency assumption is MXN:USD 18.25:1.

The Company is projecting its 2026 consolidated AISC to be \$26.15 to \$27.91 on a per consolidated payable AgEq ounce basis. Although strong silver production and higher silver prices improve overall economics, the lower AgEq conversion ratio used in reporting reduces the number of AgEq ounces over which costs are allocated. As a result, reported cash costs and AISC per AgEq ounce appear higher, despite stronger underlying economics. Applying the Company’s 2025 guidance assumptions for metal prices and the USD/MXN exchange rate, 2026 AISC would be approximately \$23.60 per AgEq ounce, at the mid-point.

Excluding non-cash items, the Company anticipates its 2026 AISC to be within the range of \$25.45 to \$27.14 per payable AgEq ounce. An itemized AISC cost table is provided below:

All-In Sustaining Cost Calculation	FY 2026 (\$ per AgEq oz)
Total Cash Costs per Payable Silver Ounce	18.64 – 19.62
General and Administrative Costs	1.85 – 2.05
Sustaining Development Costs	0.85 – 0.90
Sustaining Property, Plant and Equipment Costs	1.64 – 1.82
Profit Sharing	1.63 – 1.81
Lease Payments	0.84 – 0.94
Share-based Payments (non-cash)	0.50 – 0.55
Accretion and Reclamation Costs (non-cash)	0.20 – 0.22
All-In Sustaining Costs (AgEq Oz)	\$26.15 – \$27.91
All-In Sustaining Costs: (AgEq Oz excluding non-cash items)	\$25.45 – \$27.14

(1) AISC is a non-GAAP measure and is calculated based on the Company’s consolidated operating performance. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles, the definition of “sustaining costs” and the distinction between sustaining and expansionary capital costs. See “Non-GAAP Measures” on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

(2) Consolidated AISC includes general and administrative cost estimates and non-cash costs of \$2.55 to \$2.82 per AgEq ounce.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

CAPITAL INVESTMENTS IN 2026

In 2026, the Company plans to invest between \$213 million to \$236 million in capital expenditures consisting of \$58 million to \$66 million for sustaining activities and \$154 million to \$171 million for expansionary projects. This represents an approximate 16% increase compared to the 2025 revised capital expenditure guidance of \$193 million and is aligned with the Company’s future growth strategy of increasing exploration and development activities.

Key initiatives include plant expansion at Santa Elena to 3,500 tpd, mine throughput increase at Los Gatos to 4,000 tpd, ongoing studies and early-stage mine development at the Navidad and Santo Niño discoveries, and the acquisition of the remaining haulage fleet at La Encantada to support higher mining and throughput rates. These investments are fully aligned with the Company’s long-term growth strategy.

Area	Sustaining (\$M)	Expansionary (\$M)	Total (\$M)
Underground Development	19 – 22	66 – 73	85 – 94
Exploration	—	41 – 45	41 – 45
Property, Plant and Equipment	37 – 41	34 – 38	71 – 79
Corporate Projects	2 – 3	13 – 15	16 – 18
Total	\$58 – \$66	\$154 – \$171	\$213 – \$236

The Company is planning approximately 266,000 m of exploration drilling in 2026, representing another year of significant exploration after the 265,057 m of exploration drilling completed in 2025. The 2026 drilling program is expected to consist of:

- At San Dimas, approximately 117,000 m of drilling is planned with infill, step-out and exploratory holes focused on near mine and brownfield targets including major ore controlling structures in the West, Central and Sinaloa blocks. Exploration efforts represent a balanced approach to adding Inferred Mineral Resources along known veins, converting Inferred to Indicated Mineral Resources and identifying new veins in locations where post mineral cover has deferred work to date. Additionally, the exploration team anticipates returning to the Tayoltita, El Cristo, and Santa Rita areas where little to no exploration has taken place in several years.
- At Santa Elena, approximately 78,000 m of drilling is planned. Drilling at Santa Elena is expected to focus on converting Inferred to Indicated Mineral Resources at the Santo Niño Discovery, continuing to drill test extensions of the Navidad and Santo Niño projects and testing several greenfield targets within a 10-kilometre radius around the processing plant where a new geologic understanding of district geology has highlighted the presence of large areas with exploration upside.
- At Los Gatos, approximately 61,000 m of drilling is planned. Exploration is expected to be split between testing new areas which have the potential to host large volumes of mineralization and infill drilling at the recently identified NW and Central Deeps mineralization.

The Company plans to complete approximately 50,000 m of underground development in 2026, compared to 40,514 m completed in 2025. The 2026 development program consists of approximately 22,000 m at San Dimas, 7,200 m at Santa Elena, 12,000 m at Los Gatos, and 8,700 m at La Encantada. At San Dimas, the Company is planning to concentrate development metres in the Perez, Roberta and Elia Veins. At the Santa Elena district, underground development is expected to focus on Ermitaño, Luna and the Santa Elena veins. At the Los Gatos district, development is to take place in all segments (NW, Central and SE) of the mine. At La Encantada, the Company plans to continue to develop the Ojuelas and Milagros ore bodies for 2026 production.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Management may revise the Company's guidance during the year to reflect actual and anticipated changes in metal prices or to the business. There can be no assurance that cost estimates related to the Company's 2026 guidance will prove to be accurate. For further details regarding relevant risks, including those related to the allocation of capital by the Company, see the section entitled "Risk Factors" in the Company's most recently filed AIF.

OVERVIEW OF OPERATING RESULTS

Selected Production Results for the Past Eight Quarters:

PRODUCTION HIGHLIGHTS	2025				2024			
	Q4	Q3	Q2	Q1 ⁽⁹⁾	Q4	Q3	Q2	Q1
Ore processed/tonnes milled								
Los Gatos (70%) ⁽²⁾	226,900	213,262	233,480	193,825	—	—	—	—
Santa Elena	283,721	277,858	269,830	270,203	271,783	259,919	256,427	224,394
San Dimas	243,807	234,156	219,198	231,190	219,388	195,279	183,188	178,957
La Encantada	303,848	271,726	281,296	249,155	253,953	223,200	234,955	185,298
Consolidated	1,058,276	997,002	1,003,804	944,373	745,124	678,397	674,570	588,651
Silver equivalent ounces produced								
Los Gatos (70%) ⁽²⁾	2,091,621	2,125,666	2,436,722	2,252,258	—	—	—	—
Santa Elena	2,279,397	2,256,695	2,318,618	2,259,772	2,719,702	2,685,375	2,580,497	2,280,739
San Dimas	2,449,162	2,690,893	2,464,029	2,636,689	2,235,407	2,110,905	2,114,072	2,364,875
La Encantada	1,002,725	577,803	632,942	562,990	758,181	550,042	589,060	459,110
Jerritt Canyon ⁽⁴⁾	22,781	—	—	—	—	144,093	5,811	57,559
Consolidated	7,845,686	7,651,058	7,852,311	7,711,709	5,713,289	5,490,416	5,289,439	5,162,283
Silver ounces produced								
Los Gatos (70%) ⁽²⁾	1,491,235	1,408,467	1,524,949	1,444,719	—	—	—	—
Santa Elena	358,185	412,669	306,224	339,784	406,009	376,203	376,947	355,205
San Dimas	1,315,711	1,467,344	1,242,717	1,359,378	1,191,893	1,046,340	1,141,906	1,163,792
La Encantada	1,000,203	575,193	628,105	560,622	755,963	545,031	585,329	456,179
Consolidated	4,165,334	3,863,673	3,701,995	3,704,503	2,353,865	1,967,574	2,104,181	1,975,176
Gold ounces produced								
Los Gatos (70%) ⁽²⁾	894	727	706	794	—	—	—	—
Santa Elena	25,083	20,979	20,637	21,408	27,216	27,435	27,176	21,713
San Dimas	15,066	13,945	12,472	14,241	12,264	12,582	12,043	13,543
La Encantada	32	30	49	26	26	—	—	—
Jerritt Canyon ⁽⁴⁾	342	—	—	—	—	1,684	74	647
Consolidated	41,417	35,681	33,864	36,469	39,506	41,701	39,293	35,903
Cash cost per Ounce⁽¹⁾								
Los Gatos (per AgEq Ounce) ⁽²⁾	\$ 16.12	\$ 12.51	\$ 12.44	\$ 10.82	\$ —	\$ —	\$ —	\$ —
Santa Elena (per AgEq Ounce)	\$ 15.97	\$ 15.00	\$ 13.57	\$ 12.92	\$ 10.99	\$ 11.96	\$ 12.25	\$ 12.13
San Dimas (per AgEq Ounce)	\$ 16.25	\$ 14.29	\$ 15.66	\$ 13.82	\$ 15.14	\$ 16.50	\$ 16.66	\$ 15.81
La Encantada (per AgEq Ounce)	\$ 19.72	\$ 24.06	\$ 27.19	\$ 26.03	\$ 20.01	\$ 25.24	\$ 23.69	\$ 25.22
Jerritt Canyon (per Au Ounce)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,491	\$ 1,186	\$ 1,260
Consolidated (per AgEq Ounce)	\$ 16.66	\$ 14.83	\$ 15.08	\$ 13.68	\$ 13.82	\$ 15.17	\$ 15.29	\$ 15.00
All-in sustaining cost per Ounce⁽¹⁾								

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

PRODUCTION HIGHLIGHTS	2025				2024			
	Q4	Q3	Q2	Q1 ⁽⁹⁾	Q4	Q3	Q2	Q1
Los Gatos (per AgEq Ounce) ⁽²⁾	\$ 18.81	\$ 15.36	\$ 13.70	\$ 13.07	\$ —	\$ —	\$ —	\$ —
Santa Elena (per AgEq Ounce)	\$ 19.44	\$ 18.32	\$ 18.58	\$ 15.46	\$ 13.54	\$ 14.38	\$ 15.07	\$ 14.70
San Dimas (per AgEq Ounce)	\$ 21.62	\$ 19.36	\$ 20.10	\$ 17.57	\$ 20.63	\$ 21.44	\$ 21.78	\$ 20.49
La Encantada (per AgEq Ounce)	\$ 25.95	\$ 29.72	\$ 31.94	\$ 31.68	\$ 25.34	\$ 30.10	\$ 27.87	\$ 31.64
Jerritt Canyon (per Au Ounce)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,491	\$ 1,186	\$ 1,260
Consolidated (per AgEq Ounce)	\$ 23.48	\$ 20.90	\$ 21.02	\$ 19.24	\$ 20.34	\$ 21.03	\$ 21.64	\$ 21.53
Production cost per tonne								
Los Gatos ⁽²⁾	\$ 103.74	\$ 96.29	\$ 91.65	\$ 84.46	\$ —	\$ —	\$ —	\$ —
Santa Elena	\$ 102.65	\$ 114.79	\$ 107.02	\$ 94.28	\$ 91.11	\$ 107.80	\$ 107.47	\$ 120.22
San Dimas	\$ 153.97	\$ 154.35	\$ 173.88	\$ 156.10	\$ 149.49	\$ 168.45	\$ 193.02	\$ 200.72
La Encantada	\$ 62.11	\$ 50.26	\$ 58.53	\$ 57.56	\$ 56.88	\$ 60.86	\$ 57.11	\$ 67.80
Consolidated	\$ 103.07	\$ 102.53	\$ 104.45	\$ 97.71	\$ 96.63	\$ 109.81	\$ 113.16	\$ 128.23

- These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.
- All production and non-GAAP results shown in the table above are reported on an attributable basis to account for the 70% ownership of Los Gatos Mine.
- Los Gatos production during Q1 2025 was from January 16, 2025 to March 31, 2025 or 74 days.
- Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed at Jerritt Canyon in 2025 resulted in production of 342 ounces of gold (22,781 AgEq ounces) in Q4.

Operating Results – Consolidated Operations

CONSOLIDATED	2025-Q4	2024-Q4	Change Q4 vs Q4	2025-YTD	2024-YTD	Change '25 vs '24
Ore processed/tonnes milled	1,058,276	745,124	42%	4,003,457	2,686,742	49%
Production						
Silver ounces produced	4,165,334	2,353,865	77%	15,435,506	8,400,796	84%
Gold ounces produced	41,417	39,506	5%	147,433	156,542	(6%)
Pounds of lead produced	8,108,949	—	100%	32,264,292	—	100%
Pounds of zinc produced	14,238,927	—	100%	56,690,291	—	100%
Pounds of copper produced	235,886	—	100%	920,509	—	100%
Silver equivalent ounces produced	7,845,686	5,713,289	37%	31,060,764	21,655,427	43%
Cost						
Cash cost per AgEq Ounce ⁽¹⁾	\$16.66	\$13.82	21%	\$15.07	\$14.80	2%
All-in sustaining costs per AgEq Ounce ⁽¹⁾	\$23.48	\$20.34	15%	\$21.17	\$21.11	0%
Total production cost per tonne ⁽¹⁾	\$103.07	\$96.63	7%	\$102.02	\$111.03	(8%)
Underground development (m)	8,716	8,497	8,135	6,701	32,047	34,046
Exploration drilling (m)	49,183	50,028	47,447	36,274	182,932	143,465

- These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Production

During the year, the Company produced 31.1 million attributable AgEq ounces, consisting of 15.4 million ounces of silver and 147,433 ounces of gold, representing an 84% increase and 6% decrease, respectively, compared to 8.4 million ounces of silver and 156,542 ounces of gold in 2024. Additionally, attributable production reached 32.3 million pounds of lead, 56.7 million pounds of zinc and 920,509 pounds of copper during the year. Total silver production in the year included 5.9 million ounces of attributable silver production from Los Gatos. Production at San Dimas increased by 16% compared to 2024 due to increased throughput and higher silver grades during the year. La Encantada’s operations improved during the year resulting in an 18% increase in total silver production compared to 2024 primarily due to increases in processed ore and higher silver recoveries, primarily due to improved ore flow and mine development rates resulting from management initiatives and the engagement of a new mine development contractor. The decrease in gold production was primarily driven by a 15% decrease at Santa Elena primarily due to lower grade ore from the lower levels of the Ermitaño mine, as expected under the 2025 mining plan.

Total attributable production in the fourth quarter of 2025 was 7.8 million AgEq ounces, consisting of 4.2 million ounces of silver, and 41,417 ounces of gold. These represent a 37% increase, a 77% increase, and a 5% increase, respectively, compared to 5.7 million AgEq ounces, 2.4 million ounces of silver and 39,506 ounces of gold in the fourth quarter of 2024. Additionally, attributable production reached 8.1 million pounds of lead and 14.2 million pounds of zinc and 235,886 pounds of copper during the quarter. Total silver production in the quarter included 1.5 million ounces of attributable silver production from Los Gatos. Production at San Dimas increased by 10% compared to the fourth quarter of 2024 due to increased throughput and gold grades, as well as improved recoveries, partially offset by slightly lower silver grades during the quarter. Finally, La Encantada’s silver production increased 32% compared to the fourth quarter of 2024, primarily due to improved ore flow and mine development rates resulting from management initiatives and the engagement of a new mine development contractor.

Throughout 2025, silver prices have outperformed gold, lead, and zinc. However, silver’s outperformance relative to the Company’s by-product metals results in a lower silver-equivalent AgEq conversion ratio for those by-products. As a result, reported AgEq production and unit cost metrics, including cash costs and AISC per AgEq ounce, may appear less favourable, as fewer AgEq ounces are attributed to by-product production under the lower conversion ratio, despite improved underlying economic performance.

Total ore processed during the year amounted to 4,003,457 tonnes, representing a 49% increase compared to 2.7 million tonnes in 2024. The higher tonnage processed was primarily due to the addition of Los Gatos, along with significantly higher tonnage at La Encantada and San Dimas up 23% and 20%, respectively, and a 9% increase at Santa Elena, compared to 2024. With the addition of a newly engaged contractor at Los Gatos, management expects to have sustained ore throughput of 4,000 tpd, based on operating days, by the second half of 2026. The higher throughput at San Dimas was driven by increased milling rates and above-nameplate mill performance during the year achieved through improved mining rates as a result of continued improvements in drilling and blasting efficiencies, development waste to ore conversion and ore stockpiling earlier in the year.

Total ore processed during the quarter amounted to 1,058,276 tonnes, representing a 42% increase compared to 745,124 tonnes in the fourth quarter of 2024. The higher tonnage processed was primarily due to the addition of Los Gatos, along with significantly higher tonnage at La Encantada and San Dimas up 20% and 11%, respectively, and a 4% increase at Santa Elena, compared to the fourth quarter of 2024. The higher throughput at La Encantada was driven by fewer operational interruptions and improved haulage contractor availability (sustained by the deployment of a new development contractor) compared to the fourth quarter of 2024. Operational improvements at San Dimas supported above-nameplate mill performance during the quarter. Additionally, the Company continues to focus on achieving a sustainably higher mill throughput at Los Gatos by increasing mining rates and has engaged a contractor to increase development rates and is targeting a sustained increase in ore throughput to 4,000 tpd, based on operating days, in the second half of 2026.

Cash Costs and All-In Sustaining Cost per AgEq Ounce

Cash cost per AgEq ounce for the year was \$15.07, a 2% increase compared to \$14.80 per ounce in the prior year. While underlying operating performance improved, the higher cash cost per AgEq ounce was primarily influenced by the strong outperformance of silver prices relative to gold, lead and zinc throughout 2025 which resulted in a lower AgEq conversion ratio for by-product metals. This lower AgEq ratio reduced the number of reported AgEq ounces attributed to by-product production, making cash costs per AgEq ounce appear higher and less favourable despite strong performance and economic fundamentals. However, as a primary silver producer, this price environment is favourable and strengthens the Company’s overall economics. Additionally, higher metal prices and increasing production contributed to higher royalties and increased worker participation costs, causing an increase in cash costs. Finally, the modest year-over-year increase in cash cost was impacted by lower AgEq production at Santa Elena, primarily due to reduced silver and gold grades from the deeper levels of the Ermitaño mine, in line with the mine plan.

AISC per AgEq ounce in the year was \$21.17, representing a slight increase compared to \$21.11 in the prior year. The increase in AISC per AgEq ounce was mainly due to the impact on cash costs as described above. This was offset by a decrease in corporate G&A expenses per AgEq ounce compared to 2024, reflecting restructuring efforts implemented to optimize the workforce and reduce labour costs.

Cash costs per attributable payable AgEq ounce for the quarter were \$16.66, representing a 21% increase when compared with \$13.82 per ounce in the fourth quarter of 2024. Despite the improvement in production, AgEq ounces were impacted by a rising silver price which outperformed other by-product metals and compressed the AgEq conversion ratio, resulting in fewer reported AgEq ounces and correspondingly increased cash costs per AgEq ounce. This increase in cash costs was primarily attributed to an increase in mining and milling costs due to higher mining and throughput rates. Additionally, higher metal prices and increasing production contributed to higher royalties and increased worker participation costs, causing an increase in cash costs. Cash costs during the quarter were also impacted by the strengthening of the Mexican peso against the US dollar, which averaged 9% stronger relative to the US dollar, compared to the fourth quarter of 2024.

AISC per AgEq ounce in the fourth quarter was \$23.48, an increase of 15% compared to \$20.34 per ounce in the fourth quarter of 2024. This increase was primarily attributable to the increase in cash cost, as previously mentioned. The increase in AISC was partially offset by a decrease in corporate G&A expenses per AgEq ounce compared to the fourth quarter of 2024, reflecting restructuring efforts implemented to optimize the workforce and reduce labour costs.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Management continues to undertake a series of cost reduction initiatives across the organization aimed at improving efficiencies, lowering production costs, capital spending, care and maintenance holding costs and corporate G&A costs while also increasing production. Additionally, management continues to integrate Los Gatos into the Company’s business by identifying and realizing synergies. Current initiatives include:

- Negotiating workforce improvement processes with the National Union at San Dimas;
- Reducing remnant pillar extraction at San Dimas within the mine plan and confirming remaining pillars using ore control (termita) drilling processes;
- Managing over-break and under-break to reduce ore dilution impacts and optimize ore extraction at San Dimas, Los Gatos and Santa Elena;
- Increasing mine development rates at Los Gatos and La Encantada to access additional ore;
- Renegotiating consumable contracts and reducing the use of external consultants;
- Optimizing the use of reagent and grinding media consumption;
- Implementing liquified natural gas (“LNG”) - based supplemental power at San Dimas to lower energy costs, improve power and plant reliability, and reduce our carbon footprint;
- At San Dimas, changes in shift line-up and other productivity-enhancing adjustments are being implemented, alongside the use of quality assurance and quality control on operating drilling methods to verify stope positioning, grade, and tonnage. These efforts are also expected to increase development rates and open additional ore stopes;
- A mining contractor was mobilized at Los Gatos in Q4 2025 to accelerate lower ramp and South-East Deeps development rates to gain access to additional ore and support an increase in sustainable throughput to 4,000 tpd in H2 2026;
- Mobilizing a development contractor at La Encantada in Q3 to accelerate ore and waste development allowing access to higher grade ore in Ojuelas and other areas of the mine;
- Temporarily suspending mining at the Santa Elena District underground mine and refocusing on mine extraction from Ermitaño and the development of the Luna resource located east of the Ermitaño ore body with an anticipated decrease in mining cost per tonne;
- Optimizing mine sequencing with the goal of improving ore extraction at San Dimas, Los Gatos, Santa Elena and La Encantada;
- Completing the rebuild of three leaching tanks at the San Dimas plant;
- Internalizing haulage at La Encantada to support increased mill throughput rates and lower unit haulage costs;
- Improving La Encantada metallurgical recoveries through the addition of lead nitrate to processing;
- Lowering holding costs at the Company’s suspended operations including the Jerritt Canyon Gold Mine; and
- Identifying and realizing synergies at Los Gatos, including but not limited to: evaluating global supply chain contracts, minimizing reliance on external consultants, utilizing internal maintenance expertise, capturing corporate G&A savings, enhancing operating efficiencies, reducing overbreak and ore dilution, and optimizing capital expenditures to further reduce costs and improve operational performance.

Development and Exploration

During the year, the Company completed 40,514 m of underground development and 264,363 m of exploration drilling, representing a 26% increase and 45% increase respectively, compared to 32,047 m of underground development and 182,932 m of exploration drilling, respectively, in the previous year.

During the quarter, the Company completed 8,379 m of underground development and 57,305 m of exploration drilling, representing a 4% decrease and 17% increase respectively, compared to 8,716 m of underground development and 49,183 m of exploration drilling, respectively, in the fourth quarter of 2024. During the quarter, up to 27 drill rigs were active consisting of five rigs at Los Gatos, six rigs at Santa Elena, 13 rigs at San Dimas, one rig at La Encantada and two rigs at Jerritt Canyon.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Los Gatos Silver Mine, Chihuahua, Mexico

The Los Gatos Silver Mine is located in the state of Chihuahua, Mexico, approximately 120 kilometres ("km") south of Chihuahua City. The mine operates with a processing capacity of 4,000 tpd, utilizing a flotation circuit to produce high-grade zinc, lead, and copper concentrates. The Los Gatos Silver Mine is part of the larger Los Gatos District, which hosts multiple mineralized zones with significant exploration potential. The Company owns 70% of the Los Gatos Silver Mine through its 70% interest in the Los Gatos Joint Venture, which covers a land package of approximately 103,000 ha.

Los Gatos (disclosed 70% ownership interest)	2025-Q4	2025-Q3	2025-Q2	2025-Q1	2025-YTD
Total ore processed/tonnes milled	226,900	213,262	233,480	193,825	867,467
Average silver grade (g/t)	235	236	230	262	240
Average gold grade (g/t)	0.25	0.22	0.20	0.24	0.23
Average zinc grade (%)	4%	4%	4%	4%	4%
Average lead grade (%)	2%	2%	2%	2%	2%
Average copper grade (%)	0.08%	0.09%	0.07%	0.10%	0.08%
Silver recovery (%)	87%	87%	88%	89%	88%
Gold recovery (%)	50%	48%	47%	53%	49%
Lead Recovery (%)	86%	86%	88%	89%	87%
Zinc Recovery (%)	73%	72%	74%	72%	73%
Copper Recovery (%)	61%	59%	62%	63%	61%
Attributable Production					
Silver ounces produced	1,491,235	1,408,467	1,524,949	1,444,719	5,869,370
Gold ounces produced	894	727	706	794	3,121
Zinc pounds produced	14,238,927	13,894,548	16,063,947	12,492,869	56,690,291
Lead pounds produced	8,108,949	7,653,733	9,014,545	7,487,065	32,264,292
Copper pounds produced	235,886	241,475	205,288	237,860	920,509
Silver equivalent ounces produced	2,091,621	2,125,666	2,436,722	2,252,258	8,906,267
Cost					
Cash cost per AgEq Ounce ⁽¹⁾	\$16.12	\$12.51	\$12.44	\$10.82	\$12.91
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$18.81	\$15.36	\$13.70	\$13.07	\$15.15
Total production cost per tonne ⁽¹⁾	\$103.74	\$96.29	\$91.65	\$84.46	\$94.34
Underground development (m)	1,950	1,359	1,924	1,687	6,920
Exploration drilling (m)	10,954	13,043	11,317	14,880	50,194

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

2025

On January 16, 2025, the Company completed its acquisition of Gatos, and as a result, Gatos became a wholly-owned subsidiary of the Company. Gatos holds a 70% interest in the LGJV, which owns and operates the producing Los Gatos Silver Mine in Chihuahua, Mexico. The Company issued an aggregate of 177,433,006 Common Shares to acquire all of the issued and outstanding common shares of Gatos (in addition to a nominal amount of cash in lieu of fractional Common Shares), resulting in former Gatos shareholders holding approximately 38% of the issued and outstanding Common Shares post-closing on a fully diluted basis. In addition, the Merger Agreement provided for the issuance by the Company of stock options to purchase an aggregate of 8,242,244 Common Shares in exchange for all existing Gatos stock options at exercise prices adjusted by the exchange ratio. All existing restricted share units ("RSUs") and deferred share units ("DSUs") of Gatos were settled on January 28, 2025 for an aggregate of 2,207,762 Common Shares.

In 2025, Los Gatos produced 8,906,267 attributable AgEq ounces, consisting of 5,869,370 ounces of silver, 56,690,291 pounds of zinc, 32,264,292 pounds of lead, 920,509 pounds of copper and 3,121 ounces of gold.

Production at Los Gatos represented 29% of the Company's total production in AgEq ounces in 2025.

The mill processed a total of 867,467 tonnes of ore, with head grades of 240 g/t silver, 4% zinc, 2% lead and 0.23 g/t gold. Management continues to focus on achieving a sustainably higher mill throughput at Los Gatos by increasing mining rates. The Company has engaged a new mining contractor to increase development rates and is targeting a sustained increase in ore throughput at Los Gatos to 4,000 tpd, based on operating days, in the second half of 2026.

Silver, lead, zinc and gold recoveries during the year averaged 88%, 87%, 73%, and 49%, respectively.

Cash cost per AgEq ounce for the year was \$12.91, and AISC per AgEq ounce for the year was \$15.15, the lowest of the Company's four producing mines. AgEq ounces were impacted by a rising silver price which outperformed other by-product metals and compressed the AgEq conversion ratio, resulting in fewer reported AgEq ounces and correspondingly increased cash costs and AISC per AgEq ounce.

During the year, a total of 6,920 m of underground development, and 50,194 m of exploration drilling were completed at Los Gatos. Drilling continued at the South-East Deeps, Central Deeps and North-West Deeps zones, as well as at other greenfield targets. Total exploration costs for the year were \$8.4 million.

2025 Q4

During the fourth quarter, Los Gatos produced 2,091,621 attributable AgEq ounces, consisting of 1,491,235 ounces of silver, 14,238,927 pounds of zinc, 8,108,949 pounds of lead, 235,886 pounds of copper and 894 ounces of gold. Production at Los Gatos improved sequentially from the prior quarter primarily due to improved mobile equipment availability, leading to normalized mining rates.

Production at Los Gatos represented 27% of the Company's total production in AgEq ounces during the quarter.

The mill processed a total of 226,900 tonnes of ore, with head grades of 235 g/t silver, 4% zinc, 2% lead and 0.25 g/t gold. Management continues to focus on achieving a sustainably higher mill throughput at Los Gatos by increasing mining rates. The Company has engaged a new mining contractor to increase development rates, and is targeting a sustained increase in ore throughput at Los Gatos to 4,000 tpd, based on operating days, in the second half of 2026.

Silver, lead, zinc and gold recoveries during the quarter averaged 87%, 86%, 73%, and 50%, respectively.

Cash cost per AgEq ounce for the quarter was \$16.12. AgEq ounces were impacted by a rising silver price which outperformed other by-product metals and compressed the AgEq conversion ratio, resulting in fewer reported AgEq ounces and correspondingly increased cash costs per AgEq ounce. Cash costs during the quarter were also impacted by the strengthening of the Mexican peso which averaged 9%, stronger relative to the US dollar compared to same period of the prior year, increased energy and maintenance costs due to increased production, along with increases in third party smelting and refining charges, driven by a rising silver price. The Company continues to integrate Los Gatos with the business by identifying and realizing synergies to improve operating efficiencies and further reduce costs.

AISC per AqEq ounce for the quarter was \$18.81, affected by increased cash cost and by increased investment in sustaining development and property plant and equipment ("PP&E").

During the quarter, five surface drill rigs completed 10,954 m of exploration drilling on the property, and a total of 1,950 m of underground development drilling were completed at Los Gatos. Drilling continued at the South-East Deeps, Central Deeps and North-West Deeps zones, as well as at other greenfield targets. Total exploration costs in the fourth quarter were \$1.4 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Santa Elena Silver/Gold Mine, Sonora, Mexico

The Santa Elena Silver/Gold Mine is located approximately 150 km northeast of the city of Hermosillo, Sonora, Mexico. The operating plan for Santa Elena involves the processing of ore in a 3,200 tpd cyanidation circuit from underground reserves. Santa Elena consists of a central processing plant that can receive ore from separate underground mining operations, Santa Elena and Ermitaño. The Company owns 100% of the Santa Elena mine including mining concessions totaling 102,244 ha.

Santa Elena	2025-Q4	2024-Q4	Change Q4 vs Q4	2025-YTD	2024-YTD	Change '25 vs '24
Total ore processed/tonnes milled	283,721	271,783	4%	1,101,613	1,012,523	9%
Average silver grade (g/t)	62	67	(7%)	62	69	(10%)
Average gold grade (g/t)	2.91	3.26	(11%)	2.65	3.36	(21%)
Silver recovery (%)	64%	69%	(7%)	65%	68 %	(4%)
Gold recovery (%)	95%	96%	(1%)	94%	95%	(1%)
Production						
Silver ounces produced	358,185	406,009	(12%)	1,416,862	1,514,364	(6%)
Gold ounces produced	25,083	27,216	(8%)	88,107	103,540	(15%)
Silver equivalent ounces produced	2,279,397	2,719,702	(16%)	9,114,483	10,266,313	(11%)
Cost						
Cash cost per AgEq Ounce ⁽¹⁾	\$15.97	\$10.99	45%	\$14.36	\$11.81	22%
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$19.44	\$13.54	44%	\$17.96	\$14.40	25%
Total production cost per tonne ⁽¹⁾	\$102.65	\$91.11	13%	\$104.73	\$105.99	(1%)
Underground development (m)	905	2,364	(62%)	7,584	9,206	(18%)
Exploration drilling (m)	10,846	18,014	(40%)	70,278	58,312	21%

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

2025 vs. 2024

In 2025, Santa Elena produced 9,114,483 AgEq ounces consisting of 1,416,862 ounces of silver and 88,107 ounces of gold. Silver production decreased by 6%, while gold production decreased by 15%, when compared to the prior year. Production was impacted primarily by lower silver and gold grade ore from the Ermitaño mine, as expected under the 2025 mine plan.

The mill processed 1,101,613 tonnes of ore, 9% higher than 2024. Silver and gold head grades averaged 62 g/t and 2.65 g/t respectively, representing a 10% and 21% decrease, respectively, compared to 69 g/t and 3.36 g/t in 2024. Lower gold ore grades from the Ermitaño mine were expected under the 2025 mine plan.

Silver and gold recoveries during the year averaged 65% and 94%, respectively, compared to 68% and 95% in 2024. The slightly lower recoveries were anticipated and are a direct correlation to lower feed grades.

For 2025, cash cost per AgEq ounce was \$14.36, representing a 22% increase compared to \$11.81 per AgEq ounce in 2024, primarily driven by an 11% decrease in AgEq ounces produced compared to 2024. AgEq ounces were impacted by a rising silver price which outperformed other by-product metals and compressed the AgEq conversion ratio, resulting in fewer reported AgEq ounces and correspondingly increased cash costs per AgEq ounce.

Cash cost was also impacted by higher maintenance costs at the mill related to the filter press, higher royalty costs driven by higher realized metal prices, along with the accompanying increases in energy costs as a result of higher maintenance during the year. The cost increases were partially offset by a weaker Mexican peso, which averaged 5% lower against the US dollar compared to the prior year.

AISC per AgEq ounce was \$17.96, representing a 25% increase compared to \$14.40 per AgEq ounce in 2024. This was primarily attributable to the increase in cash costs, along with higher worker participation costs due to higher metal prices and higher PP&E costs compared to 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Santa Elena mine is subject to a gold streaming agreement with Royal Gold Ltd. ("Royal Gold"), which requires the Company to sell to Royal Gold 20% of its gold production from certain mining concessions, over the life-of-mine from its leach pad and underground operations. The selling price to Royal Gold is the lesser of the prevailing market price or \$450 per ounce, subject to a 1% annual inflation adjustment. During the year ended December 31, 2025, the Company delivered nil ounces (December 31, 2024 - 47 ounces) of gold to Royal Gold.

Orogen Royalties Inc., formerly Evrim Resource Corp., retains a 2% net smelter returns ("NSR") royalty from the sale of mineral products extracted from the Ermitaño mining concessions. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR from the sale of mineral products extracted from the Ermitaño mining concessions. For the year ended December 31, 2025, the Company incurred \$14.0 million (December 31, 2024 \$11.3 million) in NSR royalty payments in connection with production from Ermitaño.

During the year, a total of 7,584 m of underground development and 70,278 m of exploration drilling were completed, representing an 18% decrease and 21% increase, respectively, compared to 9,206 m of underground development and 58,312 m of exploration drilling in the prior year. Total exploration costs for the year were \$13.4 million, representing a 20% increase compared to \$11.1 million in the prior year driven by increased drilling metres.

During the year, all mining activity at the Santa Elena underground mine had been temporarily stopped due to expanded ore availability in the Ermitaño and Luna ore bodies, which will reduce mining costs for 2026.

2025 Q4 vs 2024 Q4

Santa Elena produced 2,279,397 AgEq ounces during the quarter, representing a 16% decrease compared to the fourth quarter of 2024, consisting of 358,185 ounces of silver and 25,083 ounces of gold. Silver production decreased by 12%, while gold production decreased by 8%, when compared to the fourth quarter of 2024, primarily due to lower grade silver and gold ore from the lower levels of the Ermitaño mine, as expected under the 2025 mining plan.

The mill processed a quarterly record of 283,721 tonnes of ore in the fourth quarter, representing a 4% increase compared to the fourth quarter of 2024. Silver and gold head grades averaged 62 g/t and 2.91 g/t, respectively, representing a 7% decrease and a 11% decrease respectively. Lower gold ore grades from the Ermitaño mine were expected under the 2025 mine plan.

Silver and gold recoveries during the quarter averaged 64% and 95%, respectively, compared to 69% and 96% in the same period last year. The slightly lower recoveries were anticipated and are a direct correlation to lower feed grades.

Cash costs per AgEq ounce in the fourth quarter were \$15.97, representing a 45% increase compared to \$10.99 per AgEq ounce in the fourth quarter of 2024, primarily driven by a 16% decrease in AgEq ounces produced compared to the fourth quarter of 2024 as expected under the 2025 mining plan. AgEq ounces were impacted by a rising silver price which outperformed other by-product metals and compressed the AgEq conversion ratio, resulting in fewer reported AgEq ounces and correspondingly increased cash costs per AgEq ounce. Cash costs during the quarter were also impacted by the strengthening of the Mexican peso against the US dollar, which averaged 9% stronger relative to the US dollar, compared to the fourth quarter of 2024. Finally, higher maintenance, haulage costs related to additional backfill requirements and royalty costs driven by higher realized silver prices contributed to the movement in cash costs.

AISC per AgEq ounce for the quarter was \$19.44, representing a 44% increase compared to \$13.54 per AgEq ounce in the fourth quarter of 2024. This was primarily attributable to the increase in cash costs and higher sustaining PPE costs, partially offset by lower sustaining development compared to the fourth quarter of 2024.

During the quarter, a total of 905 m of underground development drilling was completed at Santa Elena, representing a 62% decrease when compared with the 2,364 m in the fourth quarter of 2024. During the quarter, six drill rigs, consisting of three surface rigs and three underground rigs, completed 10,846 m of drilling on the property. Drilling focused on testing extensions of the newly discovered Santo Niño and Navidad resources, and further work to support the conversion of Inferred Mineral Resources to Indicated Mineral Resources at Ermitaño-Luna. Total exploration costs in the fourth quarter were \$2.6 million, representing a 15% decrease compared to \$3.1 million in the fourth quarter of 2024. The Company is working to continue to grow and define the mineral deposits at the Navidad and Santo Niño targets to expand the Mineral Resource and Mineral Reserve base for the Santa Elena operation.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

San Dimas Silver/Gold Mine, Durango, Mexico

The San Dimas Silver/Gold Mine is located approximately 130 km northwest of the city of Durango, Durango State, Mexico and consists of 71,868 ha of mining claims located in the states of Durango and Sinaloa, Mexico. San Dimas is the largest producing underground mine in the state of Durango with over 250 years of operating history. The San Dimas operating plan involves processing ore from several underground mining areas with a 2,700 tpd capacity milling operation that produces silver/gold doré bars. The mine is accessible via a 40-minute flight from the Durango International Airport to a private airstrip in the town of Tayoltita, or by improved roadway. The Company owns 100% of the San Dimas mine.

San Dimas	2025-Q4	2024-Q4	Change Q4 vs Q4	2025-YTD	2024-YTD	Change '25 vs '24
Total ore processed/tonnes milled	243,807	219,388	11%	928,352	776,812	20%
Average silver grade (g/t)	189	195	(3%)	203	202	0%
Average gold grade (g/t)	2.05	1.88	9%	2.00	2.13	(6%)
Silver recovery (%)	89%	87%	2%	89%	90%	(1%)
Gold recovery (%)	94%	93%	1%	93%	95%	(2%)
Production						
Silver ounces produced	1,315,711	1,191,893	10%	5,385,150	4,543,931	19%
Gold ounces produced	15,066	12,264	23%	55,724	50,432	10%
Silver equivalent ounces produced	2,449,162	2,235,407	10%	10,240,773	8,825,259	16%
Cost						
Cash cost per AgEq Ounce ⁽¹⁾	\$16.25	\$15.14	7%	\$14.97	\$16.01	(6%)
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$21.62	\$20.63	5%	\$19.62	\$21.06	(7%)
Total production cost per tonne ⁽¹⁾	\$153.97	\$149.49	3%	\$159.29	\$176.33	(10%)
Underground development (m)	3,629	5,473	(34%)	20,885	19,493	7%
Exploration drilling (m)	27,753	26,954	3%	118,323	113,738	4%

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

2025 vs. 2024

In 2025, San Dimas produced 10,240,773 AgEq ounces consisting of 5,385,150 ounces of silver and 55,724 ounces of gold. Silver production increased by 19%, while gold production increased by 10%, when compared to the prior year. The mill processed a total of 928,352 tonnes of ore, an increase of 20% compared to the prior year. Despite annual performance being impacted by lower mined gold grades and multiple weather-related power interruptions in the second quarter, ongoing advancements supported the site's strong production results and reflected the sustained progress in workforce engagement and process optimization.

During the year, silver and gold grades averaged 203 g/t and 2.00 g/t, respectively, compared to 195 g/t and 1.88 g/t in the prior year. Silver and gold recoveries during the year averaged 89% and 93%, respectively, compared to 90% and 95% in the prior year.

During the year, cash cost per AgEq ounce was \$14.97, representing a 6% improvement compared to \$16.01 per AgEq ounce in the prior year. This was primarily attributable to a 16% increase in payable ounces produced compared to the prior year, driven by increased throughput and silver grades. Cash costs improvements were partially offset by higher contractor costs due to the use of mining contractors to support increased mine development and higher ore production, higher energy and diesel generator rental costs relating to higher tonnes milled and weather-related events that impacted the start of previous quarter, along with higher maintenance costs.

AISC per AgEq ounce in 2024 was \$19.62, representing a 7% improvement compared to \$21.06 per AgEq ounce in 2024. This was primarily attributable to decreases in cash costs per AgEq ounce, a decrease in sustaining development costs as the Company focuses on growth and expansion and partially offset by higher profit-sharing costs due to higher production and metal prices.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The San Dimas mine is subject to a gold and silver streaming agreement with Wheaton Precious Metals Corp. ("Wheaton" or "WPMI"), which entitles Wheaton to receive 25% of the gold equivalent production (based on a fixed exchange ratio of 70 silver ounces to 1 gold ounce) at San Dimas in exchange for ongoing payments equal to the lesser of \$600 (subject to a 1% annual inflation adjustment commencing in May 2019) and the prevailing market price for each gold equivalent ounce delivered. Should the average gold to silver ratio over a six-month period exceed 90:1 or fall below 50:1, the fixed exchange ratio would be increased to 90:1 or decreased to 50:1, respectively. The fixed gold to silver exchange ratio as of December 31, 2025 was 70:1. During the year ended December 31, 2025, the Company delivered 31,539 ounces (December 31, 2024 - 28,746 ounces) of gold to WPMI at \$641 per ounce (December 31, 2024 - \$635 per ounce).

During the year, a total of 20,885 m of underground development and 118,323 m of exploration drilling were completed, representing a 7% and 4% increase, respectively, compared to 19,493 m and 113,738 m in the prior year. Total exploration costs were \$13.5 million, representing a 7% increase compared to \$12.6 million in the prior year driven by increased drilling metres.

2025 Q4 vs 2024 Q4

San Dimas produced 2,449,162 AgEq ounces during the quarter, representing a 10% increase compared to the fourth quarter of 2024, consisting of 1,315,711 ounces of silver and 15,066 ounces of gold. Silver production increased by 10%, while gold production increased by 23%, when compared to the fourth quarter of 2024, when compared to the same period last year. The strong quarterly performance was a result of increased throughput and gold grades, as well as improved recoveries, partially offset by slightly lower silver grades. The strong operational performance at San Dimas continued to benefit from enhanced labour practices and improved efficiencies during the quarter. These ongoing advancements supported the site's strong production results and reflect the sustained progress in workforce engagement and process optimization.

The mill processed a total of 243,807 tonnes of ore, representing a significant increase of 11% compared to the fourth quarter of 2024. Silver and gold grades averaged 189 g/t and 2.05 g/t, respectively, representing a 3% decrease and 9% increase, respectively compared to 195 g/t and 1.88 g/t in the same period last year. Higher throughput was driven by increased milling rates and above-nameplate mill performance during the quarter achieved through improved mining rates as a result of continued improvements in drilling and blasting efficiencies, development waste to ore conversion and ore stockpiling earlier in the year.

Silver and gold recoveries during the quarter averaged 89% and 94%, respectively, compared to 87% and 93%, respectively, in the fourth quarter of 2024.

In the fourth quarter, cash cost per AgEq ounce was \$16.25, representing a 7% increase compared to \$15.14 per AgEq ounce in the fourth quarter of 2024. This was primarily attributable to the strengthening of the Mexican peso which averaged 9%, stronger relative to the US dollar compared to the fourth quarter of 2024, along with higher maintenance and energy costs due to increased production, and higher reagent costs due to changes in mineralogy. This was partially offset by an increase in production compared to the fourth quarter of 2024, driven by increased throughput and gold grades.

AISC per AgEq ounce for the quarter was \$21.62, representing a 5% increase compared to \$20.63 per AgEq ounce in the fourth quarter of 2024. This was primarily attributable to the increase in cash costs and worker participation costs due to higher production and stronger metal prices, offset by lower sustaining development costs.

A total of 3,629 m of underground development was completed in the fourth quarter, representing a 34% decrease compared to 5,473 m in the fourth quarter of 2024. During the quarter, a total of 13 drill rigs consisting of two surface rigs and 11 underground rigs completed 27,753 m of exploration drilling on the property, a 3% increase compared to 26,954 m in the fourth quarter of 2024. Drilling focused on the Coronado, Elia, and Regina veins. Total exploration costs were \$3.5 million, representing a 16% increase compared to \$3.1 million in the fourth quarter of 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

La Encantada Silver Mine, Coahuila, Mexico

The La Encantada Silver Mine is an underground mine located in the northern Mexico State of Coahuila, 708 km northeast of Torreon. La Encantada has 4,076 ha of mineral concessions and surface land ownership of 1,343 ha. La Encantada also has a 4,000 tpd cyanidation plant, a camp with 120 houses as well as administrative offices, laboratory, general store, hospital, airstrip and all the necessary infrastructure required for such an operation. The mine is accessible via a two-hour flight from the Durango International Airport to the operation's private airstrip, or via an improved road from the closest city, Muzquiz, Coahuila State, which is 225 km away. The Company owns 100% of the La Encantada mine.

La Encantada	2025-Q4	2024-Q4	Change Q4 vs Q4	2025-YTD	2024-YTD	Change '25 vs '24
Ore processed/tonnes milled	303,848	253,953	20%	1,106,025	897,406	23%
Average silver grade (g/t)	140	126	11%	114	122	(7%)
Silver recovery (%)	73%	73%	0%	68%	67%	1%
Production						
Silver ounces produced	1,000,203	755,963	32%	2,764,123	2,342,502	18%
Gold ounces produced	32	26	23%	137	164	(16%)
Silver equivalent ounces produced	1,002,725	758,181	32%	2,776,460	2,356,393	18%
Cost						
Cash cost per AgEq Ounce ⁽¹⁾	\$19.72	\$20.01	(1%)	\$23.61	\$23.17	2%
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$25.95	\$25.34	2%	\$29.26	\$28.31	3%
Total production cost per tonne ⁽¹⁾	\$62.11	\$56.88	9%	\$57.26	\$60.18	(5%)
Underground development (m)	1,896	877	116%	5,125	3,347	53%
Exploration drilling (m)	1,863	3,044	(39%)	7,158	5,513	30%

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 63 to 73 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

2025 vs. 2024

During the year, La Encantada produced 2,764,123 ounces of silver and 137 ounces of gold for a total of 2,776,460 AgEq ounces, representing an 18% increase compared to 2,356,393 AgEq ounces in 2024.

The mill processed a total of 1,106,025 tonnes of ore, an increase of 23% compared to the prior year. The increase during the year was due to improved water supply for processing in 2025, along with improved ore flow, mine development and mining rates resulting from management initiatives and the engagement of a new mine development contractor. Mining contractors were used to accelerate mine development and stabilize ground conditions during the year.

Silver recoveries for the year were 68%, consistent with recoveries of 67% in 2024. Silver grades during the year averaged 114 g/t, representing a 7% decrease compared to 122 g/t in 2024.

During the year, cash cost per AgEq ounce was \$23.61, representing a 2% increase compared to \$23.17 per AgEq ounce in 2024. This was primarily due to an increase in maintenance costs for mobile equipment to ensure the equipment can keep up with the growing operational demand for increased production, along with higher energy and maintenance costs driven by weather-related power outages experienced at the end of June. These impacts were partially offset by an 18% increase in AgEq ounces produced and a weaker Mexican peso, which averaged 5% lower against the US dollar compared to the prior year. During the year, the Company started to mine in three new zones: San Javier, Milagros, and Bonanza. These areas have shown significant improvements in grades and recoveries, which are expected to improve production and reduce costs per ounce in future periods.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

AISC per AgEq ounce for the year was \$29.26, representing a 3% increase compared to \$28.31 per AgEq ounce in the prior year. The increase in AISC per AgEq ounce was primarily driven by the increase in cash costs, along with increased lease payments, sustaining development costs and higher worker participation costs resulting from higher metal prices.

Metalla Royalty and Streaming Limited ("Metalla") holds a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the year ended December 31, 2025, the Company incurred \$0.3 million (December 31, 2024 - \$0.4 million) in NSR royalty payments from production at La Encantada.

A total of 5,125 m of underground development and 7,158 m of exploration drilling were completed in the year, representing a 53% and 30% increase, respectively, compared to 3,347 m of underground development and 5,513 m of exploration drilling in the prior year. Total exploration costs in 2025 were \$2.4 million, representing a 27% increase compared to \$1.9 million in the prior year driven by the substantial increase in drilling metres.

2025 Q4 vs 2024 Q4

During the quarter, La Encantada produced 1,000,203 ounces of silver, representing a 32% increase compared to the fourth quarter of 2024, driven primarily by a 20% increase in ore processed, and improved grades. Production improved significantly due to improved ore flow and mine development rates resulting from management initiatives and the engagement of a new mine development contractor.

The mill processed a total of 303,848 tonnes of ore, representing a 20% increase compared to 253,953 tonnes of ore in the fourth quarter of 2024, with an average silver grade of 140 g/t, an 11% increase compared to an average silver grade of 126 g/t in the fourth quarter of 2024.

Silver recovery for the quarter was 73%, consistent with 73% in the fourth quarter of 2024.

Cash cost per AgEq ounce for the quarter was \$19.72, representing a 1% improvement compared to \$20.01 per AgEq ounce in the fourth quarter of 2024, primarily due to a 32% increase in AgEq ounces produced compared to the fourth quarter of 2024. This was partially offset by the strengthening of the Mexican peso against the US dollar, which averaged 9% stronger relative to the US dollar, compared to the fourth quarter of 2024, along with higher maintenance, mining contractor, and mine support costs. During the quarter, the Company continued the internalization of the haulage process, which is expected to support higher ore throughput and lower haulage and mining costs. Despite the ore throughput improvements during the quarter, the benefits of this program have not yet been fully realized due to a temporary shortage of haulage trucks.

AISC per AgEq ounce for the quarter was \$25.95, representing a 2% increase compared to \$25.34 per AgEq ounce in the fourth quarter of 2024. This was primarily attributable to the decrease in cash costs, along with decreases in sustaining PPE costs and lease payments, compared to the fourth quarter of 2024, partially offset by higher worker participation costs due to higher metal prices.

A total of 1,896 m of underground development was completed in the fourth quarter at La Encantada, representing a 116% increase when compared with 877 m in the fourth quarter of 2024. During the quarter, one surface drill rig completed 1,863 m of drilling on the property. The Company is currently testing a new exploration target, La Esquina. Total exploration costs in the fourth quarter were \$0.6 million, representing an 18% decrease when compared to \$0.8 million in the fourth quarter of 2024.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

First Mint LLC, Nevada, United States

First Mint, LLC (“First Mint”) is the Company’s operating minting facility located in Nevada, United States. The state-of-the-art facility produces an array of high-quality silver bullion products and provides manufacturing capacity for third-party demand. All products are crafted from silver sourced directly from First Majestic’s mining operations in Mexico providing better margins and controlling the supply chain, while capitalizing on the strong investment demand for physical silver. First Mint allows the Company to sell a greater portion of its silver production directly to its shareholders and bullion customers. First Mint operates some of the most innovative processing equipment in the precious metals industry, including an environmentally friendly flameless tunnel, which uses significantly less electricity and produces near zero emissions when compared to traditional minting processes. The Company owns 100% of First Mint.

First Mint ⁽¹⁾	2025-Q4	2024-Q4	Change Q4 vs Q4	2025-YTD	2024-YTD	Change '25 vs '24
Ounces sold	325,143	294,278	10%	1,067,097	521,979	104%
Financial Results						
Revenue (\$ millions)	\$22.7	\$9.1	149%	\$49.4	\$16.0	NM
Average realized price per ounce - Bullion ⁽²⁾	\$69.74	\$30.76	127%	\$46.32	\$30.66	51%

NM - Not meaningful.

(1) This table is inclusive of sales from both the Company’s bullion store and its minting facility in Nevada, United States.

(2) Average realized silver price per ounce is disclosed on the Company’s financial statements in Note 5 - Segmented Information.

2025 vs. 2024

Commissioning and silver bullion sales by First Mint commenced in March 2024. First Mint achieved ISO 9001 certification in April 2025. This quality certification allows silver products sold by First Mint to be eligible for Individual Retirement Accounts (“IRAs”), permitting investors to hold silver products purchased from First Mint in their IRAs. First Mint enables First Majestic to turn its mined silver into an array of finished bullion products for direct sale to the public and offers manufacturing capacity for third-party custom projects.

During the year, First Mint sold 1,067,097 ounces of silver, representing a significant increase compared to 521,979 ounces in the prior year. The ounces sold through First Mint accounted for 7% of the Company’s total silver production and 11% of the total silver doré production during the year.

Total revenues for the year were an annual record of \$49.4 million, representing a significant increase compared to revenues of \$16.0 million in the prior year. The average realized price for the year was \$46.32 per ounce, representing a significant increase of 51% compared to the average realized price of \$30.66 per ounce in the prior year.

2025 Q4 vs 2024 Q4

During the fourth quarter, First Mint sold 325,143 ounces of silver, representing a 10% increase compared to 294,278 ounces in the fourth quarter of 2024. The ounces sold through First Mint accounted for 8% of the Company’s total silver production and 12% of the total silver doré production during the fourth quarter of 2025.

Total revenues for First Mint during the fourth quarter of 2025 were a quarterly record of \$22.7 million, representing a significant increase compared to revenues of \$9.1 million in the fourth quarter of 2024. The average realized price for the quarter was \$69.74 per ounce, representing a 127% increase compared to the average realized price of \$30.76 per ounce in the fourth quarter of 2024.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Jerritt Canyon Gold Mine, Nevada, United States

2025 vs. 2024

The Jerritt Canyon Gold Mine is an underground and open pit mining complex located in northern Nevada, United States. Jerritt Canyon was discovered in 1972 and has been in production since 1981 having produced over 9.5 million ounces of gold over its 40-year production history. The operation, which was purchased by the Company on April 30, 2021, has one of only three permitted gold processing plants in Nevada that uses roasting in its treatment of ore. This processing plant has a capacity of 4,000 tpd.

Operations at the Jerritt Canyon mine were placed on temporary suspension in March 2023. As of April 24, 2023, all activities at the Jerritt Canyon processing plant were fully suspended. In-circuit recovery efforts performed in the fourth quarter of 2025 resulted in production of 342 gold ounces or 22,781 AgEq ounces at Jerritt Canyon.

During the year, the Company incurred \$14.5 million in holding costs at Jerritt Canyon, representing a 16% decrease compared to \$17.3 million in 2024. The mine holding costs at Jerritt Canyon primarily relate to care and maintenance activities such as water management and treatment, maintaining environmental permits and controls, keeping the plant and infrastructure well-maintained for future processing and maintaining land access. The Company continues to focus on optimizing holding costs and completing technical studies that will support an eventual restart of the operation in the future.

Jerritt Canyon’s exploration program is focused on unexplored targets on the recently permitted U.S. Forest Lands on First Majestic’s large Nevada land package. During the year, the Company completed 18,410 m of surface drilling on the property, representing a significant increase compared to 5,370 m in 2024. Drilling was focused on greenfield exploration and Mineral Resource addition. The Company plans to release the 2025 drill program results in the first quarter of 2026. Total exploration costs were \$6.5 million during the year, representing a 3% decrease compared to \$6.7 million in 2024.

2025 Q4 vs. 2024 Q4

During the fourth quarter, the Company incurred \$3.5 million in holding costs at Jerritt Canyon, representing a 17% decrease compared to \$4.2 million in the fourth quarter of 2024. During the quarter, up to two surface drill rigs completed 5,889 m of drilling on the property, contributing to the Company’s total of 18,410 m of exploration drilling at Jerritt Canyon in 2025, surpassing its guidance of 18,000 m. Total exploration costs amounted to \$2.3 million in the fourth quarter of 2025, representing a 28% increase compared to \$1.8 million in the fourth quarter of 2024.

Del Toro Silver Mine, Zacatecas, Mexico

The Del Toro Silver Mine is located in the Municipality of Chalchihuites, Zacatecas, Mexico. and consists of 3,815 ha of mining concessions and 219 ha of surface rights. The Del Toro operation represents the consolidation of three historical silver mines, the Perseverancia, San Juan and Dolores mines, which are approximately one and three kilometres apart, respectively. Del Toro includes a 2,000 tpd flotation circuit and a 2,000 tpd cyanidation circuit. First Majestic owns 100% of the Del Toro Silver Mine.

Operations at the Del Toro mine have been on care and maintenance since January 2020.

On December 17, 2025, the Company announced that it had entered into a definitive agreement to sell its subsidiary that owns Del Toro to Sierra Madre for total consideration in cash and shares of up to \$60 million, comprised of upfront consideration of \$20 million in cash and \$10 million in Sierra Madre Shares at a deemed price of CAD\$1.30 per share, payable upon closing, and an additional \$30 million in delayed and contingent consideration in cash or, at Sierra Madre’s option, Sierra Madre Shares. Closing of the transaction is conditional upon Sierra Madre completing a concurrent private placement financing of at least CAD\$40 million in gross proceeds and other customary conditions, including approval of the TSXV, Mexican Antitrust approval and approval by the disinterested shareholders of Sierra Madre. The financing closing condition has been satisfied, as Sierra Madre announced the closing of a \$57.5 million private placement financing of subscription receipts on January 30, 2026.

The announcement of the definitive agreement along with the implied price within the contract represents an indicator of impairment reversal. Therefore, the carrying amount of Del Toro was remeasured to its recoverable amount, being its fair value less costs of disposal (“FVLCD”), based on expected proceeds from the proposed sale and contingent consideration with a high likelihood of collectability. This includes the upfront consideration of \$20 million in cash, \$10 million in common shares of Sierra Madre and \$10 million receivable within 18 months of closing in cash or, at Sierra Madre’s option, Sierra Madre Shares. During the year ended December 31, 2025, the Company has recorded a reversal of impairment loss related to the Del Toro assets of \$20.34 million based on the recoverable amount implied by the definitive agreement.

Out of the impairment reversal of \$20.34 million related to Del Toro, \$10.6 million was allocated to depletable mining interest, \$6.3 million was allocated to non-depletable mining interest with the remaining \$3.4 million allocated to PPE, resulting in an total impairment reversal of \$20.34 million. The recoverable amount of Del Toro, being its FVLCD was \$39.97 million, based on the expected proceeds from the sale.

San Martin Silver Mine, Jalisco, Mexico

The San Martin Silver Mine is an underground mine located near the town of San Martin de Bolaños in the Bolaños river valley, in the northern portion of the State of Jalisco, Mexico. San Martin has 33 contiguous mining concessions in the San Martin de Bolaños mining district covering mineral rights for 12,795 hectares, plus an application of a new mining concession covering 24,723 ha to be granted. In addition, the mine includes 160 hectares of surface land where the processing plant, camp, office facilities, maintenance shops, and tailings dams are located, and an additional 640 hectares of surface rights. The 1,300 tpd mill and processing plant consists of crushing, grinding and conventional cyanidation by agitation in tanks and a Merrill-Crowe doré production system. The mine can be accessed via small plane, 150 km from Durango, or 250 km by paved road north of Guadalajara, Jalisco. The San Martin Silver Mine is 100% owned by the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

In July 2019, the Company suspended all mining and processing activities at the San Martin operation due to growing insecurity in the area. Increasing violence and safety concerns resulted in the Company removing all of its remaining employees from the area in 2021. Due to this situation, the Company has been unable to carry out proper care and maintenance of the mine and plant and tailings storage facilities, and the Company has limited information as to the current state of repair at the mine, including the tailings storage facility. The Company has repeatedly requested all applicable governmental authorities to take action to secure the area but, to date, the Mexican government has failed to take any such action and the Company's own efforts have been unsuccessful. The Company is continuing its efforts to work with governmental authorities to take action to secure the area.

Springpole Silver Stream, Ontario, Canada

In July 2020, the Company completed an agreement with First Mining Gold Corp. ("First Mining") to purchase 50% of the life-of-mine payable silver produced from the Springpole Gold Project (the "Springpole Silver Stream"), a development-stage gold project located in Ontario, Canada. First Majestic agreed to pay First Mining consideration of \$22.5 million in cash and shares, in three milestone payments, for the right to purchase silver at a price of 33% of the silver spot price per ounce, to a maximum of \$7.50 per ounce (subject to annual inflation escalation of 2%, commencing at the start of the third anniversary of production). Commencing its production of silver, First Mining must deliver 50% of the payable silver which it receives from the off taker within five business days of the end of each quarter.

The transaction consideration paid and payable by First Majestic is summarized as follows:

- The first payment of \$10.0 million, consisting of \$2.5 million in cash and \$7.5 million in First Majestic common shares (805,698 common shares), was paid to First Mining on July 2, 2020;
- The second payment of \$7.5 million, consisting of \$3.75 million in cash and \$3.75 million in First Majestic common shares (287,300 common shares), was paid on January 21, 2021 upon the completion and public announcement by First Mining of the results of a Pre-Feasibility Study for Springpole; and
- The third payment of \$5.0 million was originally scheduled to be made as a combination of cash and First Majestic common shares. On March 13, 2025, the Company signed an amendment agreement (the "Amended Springpole Stream Agreement") to the original streaming agreement for the Springpole property (the "Springpole Stream Agreement") among the Company, Gold Canyon Resources Inc. (a wholly-owned subsidiary of First Mining) and First Mining to accelerate the final tranche payment owed by the Company under the Springpole Stream Agreement, and to make such final payment a cash only payment of \$5 million (previously, this final payment was to be a combination of cash and Common Shares), payable by the Company by March 31, 2025. The Company made this final payment to First Mining prior to March 31, 2025.

In connection with the Springpole Stream Agreement, First Mining also granted First Majestic 32.1 million common share purchase warrants of First Mining (the "First Mining Warrants") that entitle the Company to purchase one common share of First Mining at CAD\$0.40 expiring July 2, 2025. The fair value of the warrants was measured at \$5.7 million using the Black-Scholes option pricing model.

Under the Amended Springpole Stream Agreement, First Mining agreed to extend the expiry date of the First Mining Warrants to March 31, 2028 and to amend the exercise price to CAD\$0.20. The fair value of the warrants was measured at \$0.8 million using the Black-Scholes option pricing model, with fair value adjustments going through profit and loss.

On December 16, 2025, the Company exercised all of its First Mining Warrants at the exercise price of CAD\$0.20 for a total cash payment of \$4.7 million, and as a result, the Company received 32 million common shares of First Mining.

First Mining has the right to repurchase 50% of the silver stream from First Majestic for \$22.5 million at any time prior to the commencement of production at Springpole, and if such a repurchase takes place, the Company will be left with a reduced silver stream of 25% of life-of-mine payable silver production from Springpole.

Springpole is one of Canada's largest, undeveloped gold projects with permitting underway. In November 2025, First Mining announced results of its updated 2025 Pre-Feasibility Study ("PFS"), which supports a 30,000 tpd open pit mining operation over a 9.4-year mine life. First Mining announced resources of 28.0 million ounces of silver in the Indicated Mineral Resource category and 6.5 million ounces of silver in the Inferred Mineral Resource category, plus 4.8 million ounces of gold in the Indicated Mineral Resource category and 0.8 million ounces of gold in the Inferred Mineral Resource category.

A draft Environmental Impact Statement for Springpole was published in June 2022, and the Federal and Provincial Environment Assessment processes for the project are in progress. The Springpole Project also includes large land holdings of 41,913 ha which are fully encompassed under the Springpole Stream Agreement.

Keith Neumeyer, our Chief Executive Officer and a director of the Company, and Raymond Polman, a director of the Company, are each also directors of First Mining and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Stream Agreement.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

OVERVIEW OF FINANCIAL PERFORMANCE

For the years ended December 31, 2025, 2024, and 2023 (in thousands of dollars, except for per share amounts):

	Annual 2025	Annual 2024	Annual 2023	Variance % 25 vs '24	
Revenues	\$1,257,157	\$560,604	\$573,801	124%	(1)
Mine operating costs					
Cost of sales	543,672	344,703	410,057	58%	(2)
Cost of sales - standby costs	—	—	13,438	100%	(2)
Depletion, depreciation and amortization	263,440	124,001	124,664	112%	(3)
	807,112	468,704	548,159	72%	
Mine operating earnings	450,045	91,900	25,642	NM	
General and administrative	50,365	39,597	38,709	27%	(4)
Share-based payments	18,539	13,490	13,177	37%	(5)
Mine holding costs	20,114	23,666	22,088	(15%)	(6)
Write down on asset held-for-sale	—	—	7,229	0%	
Acquisition costs	5,584	—	—	100%	(7)
Restructuring costs	3,959	—	6,883	100%	(8)
Reversal of impairment	(20,336)	—	125,200	100%	(9)
Loss on sale of mining interest	—	—	3,024	100%	
Foreign exchange (gain) loss	(25,247)	18,902	(11,884)	NM	
Operating gain (loss)	397,067	(3,755)	(178,784)	NM	
Investment and other income	24,188	5,361	9,149	NM	(10)
Finance costs	(26,229)	(28,060)	(26,280)	(7%)	
Earnings (loss) before income taxes	395,026	(26,454)	(195,915)	NM	
Current income tax expense	273,119	31,997	14,005	NM	
Deferred income tax (recovery) expense	(89,068)	43,434	(74,808)	NM	
Income tax expense (recovery)	184,051	75,431	(60,803)	144%	(11)
Net earnings (loss) for the period	\$210,975	(\$101,885)	(\$135,112)	NM	(12)
Net earnings (loss) attributable to:					
Owners of the Company	\$164,923	(\$101,885)	(\$135,112)	NM	
Non-controlling interests	\$46,052	\$—	\$—	100%	
Earnings (loss) per common share					
Basic	\$0.34	(\$0.34)	(\$0.48)	(200%)	(12)
Diluted	\$0.34	(\$0.34)	(\$0.48)	(200%)	(12)

NM - Not meaningful

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

1. **Revenues** in the year ended December 31, 2025 were \$1,257.2 million, representing a 124% increase compared to \$560.6 million in the prior year, primarily attributed to:

- a 47% increase in the average realized silver price, which was \$41.52 per AgEq ounce during the year, compared to \$28.26 per AgEq ounce in the prior year. This resulted in a \$399.7 million increase in revenue compared to the prior year; and
- a 50% increase in payable AgEq ounces sold compared to the prior year. This resulted in a \$301.8 million increase in revenue compared to the prior year. This was driven by the addition of 8.9 million attributable AgEq ounces from the Los Gatos mine, a 16% production increase at San Dimas largely due to a 20% increase in tonnes milled compared to the prior year, a notable 18% production increase at La Encantada, largely due to a 23% increase in tonnes milled compared to the prior year, and a significant increase in silver ounces sold at First Mint compared to the prior year.

Partially offset by:

- a \$5.0 million increase in smelting and refining charges primarily due to the addition of Los Gatos.

2. **Cost of sales** in the year were \$543.7 million, representing a 58% increase compared to \$344.7 million in the prior year primarily attributed to:

- the addition of the Los Gatos Silver Mine on January 16, 2025 which contributed \$143.4 million to cost of sales during the year;
- a \$23.7 million increase in labour, energy costs and maintenance costs across all sites and contractor costs at La Encantada. A mining contractor was engaged during the year at La Encantada to accelerate mine development and support production resulting in an increase compared to the prior year;
- a \$15.4 million increase in 2025 workers participation costs driven by the increase in metal prices and production during the year;
- a \$12.9 million increase in consumables, environmental duties and royalty costs for all sites excluding Los Gatos; and
- a \$5.9 million increase in abnormal costs during the year primarily due to increased waste costs from ore being below cut-off grade at La Encantada, as poor ground conditions impacted mine development activities. Additionally, there were increased maintenance and energy costs at Santa Elena, along with increased diesel generator rental costs and energy charges driven by weather related events at San Dimas.

Partially offset by:

- a weakening of the Mexican peso, which averaged 5% lower against the US dollar compared to the prior year; and
- a \$1.5 million decrease in change in inventory expense compared to the same period of 2024.

3. **Depletion, depreciation and amortization** in the year was \$263.4 million, representing a 112% increase compared to \$124.0 million in the prior year, primarily as a result of:

- the addition of the Los Gatos mine which contributed \$142.9 million; and
- a \$5.1 million increase in depletion and depreciation primarily due to higher produced tonnes at San Dimas.

Partially offset by:

- a decrease of \$4.3 million in depreciation and amortization from Santa Elena, and a decrease of \$4.0 million from Jerritt Canyon.

4. **General and administrative expense** in the year was \$50.4 million, representing a 27% increase compared to \$39.6 million in the prior year. The increase in G&A costs was primarily due to higher worker participation costs driven by improved production and higher metal prices, higher labour costs due to an expanded workforce, higher legal and professional fees, and higher integration-related expenses following the acquisition of Los Gatos. Synergies and cost reductions are expected to reduce G&A costs in 2026 now that the integration of Los Gatos is complete.

5. **Share-based payments** in the year were \$18.5 million, representing a 37% increase compared to \$13.5 million in the prior year, primarily attributed to an increase in the fair value of outstanding stock options, RSUs, performance share units ("PSUs) and DSUs compared to the prior year, as a result of the rise in the Company's share price.

6. **Mine holding costs** in the year were \$20.1 million, representing a 15% decrease compared to \$23.7 million in the same period of the previous year, primarily attributed to:

- a \$2.8 million decrease from Jerritt Canyon due to the optimization of mine holding costs during the year;
- a \$0.8 million decrease from the Santa Elena mine. During the year, all underground mining activity at the Santa Elena mine had been temporarily suspended due to expanded ore availability in the Ermitaño and Luna ore bodies; and
- a \$0.6 million decrease from Del Toro properties. On December 17, 2025, the Company announced that it had entered into a definitive agreement to sell its subsidiary that owns Del Toro.

Partially offset by:

- a \$0.7 million increase from the San Martin property.

7. **Acquisition costs** of \$5.6 million were in relation to due diligence costs and closing fees incurred in connection with the acquisition of Los Gatos.

8. **Restructuring costs** in the year were \$4.0 million related to higher severance costs incurred as the Company optimized its workforce across all sites.

9. **Reversal of impairment** increased by \$20.3 million compared to the prior year, attributed to the announcement of the proposed sale of Del Toro. The reversal of impairment loss is based on the recoverable amount, being its FVLCD, implied by the definitive agreement, compared to the book value of \$19.6 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

10. **Investment and other income** for the year totaled \$24.2 million, representing a significant increase compared to \$5.4 million in the prior year. This was primarily driven by an \$19.1 million gain from investment in marketable securities compared to \$nil in the prior year, \$14.7 million in interest income compared to \$5.2 million in the prior year, and partially offset by a \$9.6 million loss from investments in silver futures contracts compared to a \$0.1 million loss in the prior year as a result of rising metal prices. Investment and other income does not include \$126.8 million gains on marketable securities that are flowing through other comprehensive income.

11. During the year ended December 31, 2025, the Company recorded an **income tax expense** of \$184.1 million, compared to \$75.4 million in the prior year. The increase in income tax expense was primarily due to the tax provision relating to the 2012 reassessment for PEM (Refer to Note 24 of the financial statements), along with the increase in earnings, partially offset by non-cash foreign exchange impact on available Mexican tax pools to account for the strengthening of the Mexico peso relative to the US dollar resulting in an increased deferred tax recovery.

12. As a result of the foregoing, **net earnings** for the year ended December 31, 2025 were \$211.0 million, a significant improvement compared to a net loss of \$101.9 million in the prior year. Additionally, net earnings attributable to owners of the Company were \$164.9 million (EPS of \$0.34) during the year, compared to a net loss of \$101.9 million (EPS of (\$0.34)) in the prior year.

For the quarters ended December 31, 2025 and 2024 (in thousands of dollars, except for per share amounts):

	Fourth Quarter 2025	Fourth Quarter 2024	Variance %	
Revenues	\$463,923	\$172,337	169%	(1)
Mine operating costs				
Cost of sales	153,694	89,424	72%	(2)
Depletion, depreciation and amortization	72,421	34,676	109%	(3)
	226,115	124,100	82%	
Mine operating earnings	237,808	48,237	NM	
General and administrative	14,492	11,411	27%	(4)
Share-based payments	4,851	2,595	87%	(5)
Mine holding costs	5,422	5,493	(1%)	
Restructuring costs	403	—	100%	
Reversal of impairment	(20,336)	—	100%	(6)
Foreign exchange (gain) loss	(10,254)	3,078	NM	
Operating earnings	243,230	25,660	NM	
Investment and other income	22,767	1,275	NM	(7)
Finance costs	(4,357)	(6,783)	(36%)	(8)
Earnings before income taxes	261,640	20,152	NM	
Current income tax expense	208,964	15,290	NM	
Deferred income tax (recovery) expense	(52,518)	18,340	NM	
Income tax expense	156,446	33,630	NM	(9)
Net earnings (loss) for the period	\$105,194	(\$13,478)	NM	(10)
Net earnings (loss) attributable to:				
Owners of the Company	\$83,132	(\$13,478)	NM	
Non-controlling interests	\$22,062	\$—	100%	
Earnings (loss) per common share attributable to owners of the Company:				
Basic	\$0.17	(\$0.04)	NM	(10)
Diluted	\$0.17	(\$0.04)	NM	(10)

NM - Not meaningful

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

1. **Revenues** in the quarter were \$463.9 million, representing a 169% increase compared to \$172.3 million in the same quarter of the prior year primarily attributed to:

- a 91% increase in the average realized silver price, which was \$58.96 per AgEq ounce during the quarter, compared to \$30.80 per AgEq ounce in the fourth quarter of 2024. This resulted in a \$221.9 million increase in revenue compared the fourth quarter of 2024; and
- a 39% increase in payable AgEq ounces sold compared to the same quarter of the prior year. This resulted in a \$72.5 million increase in revenues compared to the same quarter of the prior year. This increase was driven by the addition of 2.1 million attributable AgEq ounces from Los Gatos, a substantial 32% increase in ounces sold at La Encantada, largely due to 20% increase in tonnes milled and an 11% increase in silver grades, along with a 10% production increase at San Dimas, largely attributable to an 11% increase in tonnes milled and a 9% increase in gold grades, compared to the same quarter of the prior year.

2. **Cost of sales** in the quarter were \$153.7 million, representing a 72% increase compared to \$89.4 million in the same quarter of the prior year primarily attributed to:

- the addition of the Los Gatos Silver Mine on January 16, 2025 which contributed \$42.2 million to cost of sales during the fourth quarter;
- a \$13.6 million increase in labour, energy, and maintenance costs across all sites along with contractor costs at La Encantada. A mining contractor was engaged at La Encantada during the year to accelerate mine development and support production resulting in an increase compared to the same quarter of the prior year;
- a \$4.0 million increase in worker participation costs driven by the increase in metal prices and production during the quarter;
- a \$3.8 million increase in consumables, environmental duties and royalty costs for all sites excluding Los Gatos;
- a \$2.6 million increase in change in inventory expense compared to the same quarter of the prior year; and
- the strengthening of Mexican peso, which averaged 9% stronger relative to the US dollar compared to the same quarter of the prior year.

3. **Depletion, depreciation and amortization** in the quarter was \$72.4 million compared to \$34.7 million in the same quarter of the prior year, primarily as a result of:

- the addition of Los Gatos which contributed \$38.4 million; and
- a \$1.6 million increase in depletion and depreciation primarily due to higher produced tonnes at San Dimas and La Encantada.

Partially offset by:

- a decrease of \$2.0 million in depreciation and amortization from Santa Elena.

4. **General and administrative expense** in the quarter was \$14.5 million, representing a 27% increase compared to \$11.4 million in the same quarter of the prior year. The increase in general and administrative costs was primarily due to higher worker participation costs driven by improved production and higher metal prices, higher labour costs due to an expanded workforce, higher legal and professional fees, and higher integration-related expenses following the acquisition of Los Gatos. Synergies and cost reductions are expected to reduce G&A costs in 2026 now that the integration of Los Gatos is complete.

5. **Share-based payments** during the quarter were \$4.9 million, representing an 87% increase compared to \$2.6 million in the same quarter of the prior year, primarily attributed to an increase in the fair value of outstanding stock options, RSUs, PSUs and DSUs compared to the same quarter of the prior year.

6. **Reversal of impairment** increased by \$20.3 million compared to the same quarter of the prior year, attributed to the announcement of the proposed sale of Del Toro. The reversal of impairment loss is based on the recoverable amount implied by the definitive agreement.

7. **Investment and other income** in the quarter was \$22.8 million, representing a significant increase compared to a \$1.3 million gain during the same quarter of the prior year. This was primarily driven by a \$15.0 million gain from investment in marketable securities, compared to a \$0.2 million loss compared to the same quarter in the prior year, \$4.1 million in interest income compared to \$0.5 million in the same quarter of the prior year, a \$3.3 million gain from investment in silver futures contracts compared to \$1.1 million in the same quarter of the prior year. Investment and other income does not include the \$41.9 million gain on marketable securities that are flowing through other comprehensive income.

8. **Finance costs** during the quarter were \$4.4 million, representing a 36% decrease from \$6.8 million in the same quarter of the prior year. This decrease was primarily due to a \$3.4 million gain on the settlement of the 2021 senior convertible notes, partially offset by a \$0.7 million increase in finance costs primarily driven by the issuance of the 2025 convertible notes during the quarter.

9. During the quarter, the Company recorded an **income tax expense** of \$156.4 million, compared to \$33.6 million in same quarter of the prior year. The increase in income tax expense was primarily due to the tax provision relating to the 2012 reassessment for PEM (Refer to Note 24 of the financial statements), along with the increase in earnings, partially offset by non-cash foreign exchange impact on available Mexican tax pools to account for the strengthening of the Mexico peso relative to the US dollar resulting in an increased deferred tax recovery.

10. As a result of the foregoing, **net earnings** for the quarter were \$105.2 million, compared to a net loss of \$13.5 million in the same quarter of the prior year. Additionally, net earnings attributable to owners of the Company were \$83.1 million (EPS of \$0.17) during the quarter, compared to a net loss of \$13.5 million (EPS of \$0.04) in the same quarter of the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following table presents selected financial information for each of the most recent eight quarters:

Selected Financial Information	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$463,923	\$285,063	\$264,229	\$243,942	\$172,337	\$146,087	\$136,166	\$106,014
Cost of sales	\$153,694	\$131,122	\$141,139	\$117,717	\$89,424	\$85,694	\$89,096	\$80,489
Depletion, depreciation and amortization	\$72,421	\$54,860	\$73,739	\$62,420	\$34,676	\$31,871	\$31,608	\$25,846
Mine operating earnings (loss)	\$237,808	\$99,081	\$49,351	\$63,805	\$48,237	\$28,522	\$15,462	(\$321)
Net earnings (loss) after tax	\$105,194	\$42,962	\$56,579	\$6,240	(\$13,478)	(\$26,593)	(\$48,251)	(\$13,563)
Earnings (loss) per share – basic & diluted	\$0.17	\$0.06	\$0.11	\$0.01	(\$0.04)	(\$0.09)	(\$0.17)	(\$0.05)

During the fourth quarter of 2025, mine operating earnings were \$237.8 million, representing a significant increase compared to mine operating earnings of \$48.2 million in the fourth quarter of 2024. The increase was driven primarily by the addition of the Los Gatos mine, which contributed \$106.8 million in mine operating earnings in the fourth quarter. Strong performance at San Dimas, Santa Elena and La Encantada contributed additional mine operating earnings of \$37.1 million, \$25.2 million, and \$11.4 million, respectively, compared to the fourth quarter of 2024. Mine operating earnings during the quarter also benefited from a higher average realized silver price per AgEq ounce compared to the fourth quarter of 2024. Mine operating earnings were partially offset by a higher non-cash depletion expense, primarily driven by the addition of Los Gatos and increased overall production. The Company's operating earnings are inclusive of \$49.0 million in non-cash depletion expense.

Net earnings for the quarter were \$105.2 million, representing a significant improvement compared to a net loss of \$13.5 million in the same quarter of the prior year. The increase in net earnings was primarily attributed to the higher mine operating earnings, a non-cash deferred income tax recovery of \$52.5 million (EPS of \$0.11), compared to a non-cash deferred income tax expense of \$18.3 million (EPS of (\$0.06)) in the fourth quarter of 2024, and a one-time \$20.3 million reversal of impairment (EPS of \$0.04) related to the proposed sale of Del Toro. This was partially offset by a non-cash current income tax expense of \$209.0 million (EPS of (\$0.43)), compared to \$15.3 million (EPS of (\$0.05)) in 2024, a non-cash depletion and depreciation expense of \$72.4 million (EPS of (\$0.15)), compared to \$34.7 million (EPS of (\$0.11)) in the fourth quarter of 2024, primarily driven by higher production and the addition of Los Gatos. Net earnings did not include \$41.9 million in gains from the Company's portfolio of marketable securities, which are included within other comprehensive income.

LIQUIDITY, CAPITAL RESOURCES AND CONTRACTUAL OBLIGATIONS

Liquidity

As at December 31, 2025, the Company had cash and cash equivalents of \$793.4 million, comprised primarily of cash held with reputable financial institutions and invested in cash accounts and highly liquid short-term investments with maturities of three months or less. With the exception of \$8.2 million held in-trust for tax audits in Mexico, the Company's cash and cash equivalents are not exposed to liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations. Cash and cash equivalents exclude \$144.3 million of restricted cash as at December 31, 2025.

On September 24, 2025, the Company filed and obtained a receipt for a final short form base shelf prospectus in each province of Canada (other than Québec), and a registration statement on Form F-10 in the United States, which will allow the Company to undertake offerings (including by way of "at-the-market distributions") under one or more prospectus supplements of various securities listed in the shelf prospectus over a 25-month period commencing as of the date of the receipt of the base shelf prospectus. During the year ended December 31, 2025, no shares were issued under this program.

Working capital as at December 31, 2025 was \$733.6 million, representing a significant increase compared to \$224.5 million as at December 31, 2024. Total available liquidity as at December 31, 2025 was \$873.2 million, including \$733.6 million of working capital and \$139.6 million of undrawn revolving credit facility, and excluding \$144.3 million held in restricted cash.

The following table summarizes the Company's cash flow activity during the year:

	Year Ended December 31,	
	2025	2024
Cash flow		
Cash generated in operating activities	\$526,010	\$151,970
Cash used in investing activities	(28,176)	(114,160)
Cash generated by in financing activities	88,613	42,410
Increase in cash and cash equivalents	\$586,447	\$80,220
Effect of exchange rate on cash and cash equivalents held in foreign currencies	4,808	(3,621)
Cash and cash equivalents, beginning of the year	202,180	125,581
Cash and cash equivalents, end of year	\$793,435	\$202,180

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company’s cash flows from operating, investing and financing activities during the year ended December 31, 2025 are summarized as follows:

- **Cash generated by operating activities** of \$526.0 million, primarily due to:
 - \$667.2 million in cash flows from operating activities before movements in working capital and taxes. Operating cash flows during the quarter were impacted by increases in labour, energy, and maintenance costs across all sites, along with increased contractor costs at La Encantada and Los Gatos, increased worker participation costs driven by increased metal prices and production, and increased consumables, environmental duties, and royalty costs.

Net of:

- \$78.6 million in income tax paid during the year primarily related to the true-up of tax payments made for prior year and the current year performance; and
 - \$62.6 million net decrease in non-cash working capital items during the year, including a \$55.1 million increase in trade and other receivables, \$38.2 million increase in restricted cash and a \$10.4 million decrease in income taxes payable, partially offset by a \$39.0 million increase in trade and other payables, along with a \$2.7 million decrease in prepaid expenses.
- **Cash used in investing activities** of \$28.2 million, primarily related to:
 - \$148.6 million spent on mine development and exploration activities;
 - \$62.1 million spent on the purchase of PPE;
 - \$9.0 million spent on the purchase of marketable securities;
 - \$5.0 million spent in connection with the final payment for the Springpole Silver Stream; and
 - \$0.8 million spent on deposit for acquisition of non-current assets

Net of:

- \$159.6 million cash acquired from the acquisition of Los Gatos, net of acquisition costs; and
- \$37.0 million in proceeds from disposal of marketable securities.

- **Cash provided by financing activities** of \$88.6 million, primarily related to the following:

- \$340.5 million in proceeds from the issuance of 2025 senior convertible debentures, net of transaction costs; and
- \$48.8 million proceeds from the exercise of stock options.

Net of:

- \$214.7 million in payments related to the redemption of a portion of the 2021 convertible debentures;
- \$41.2 million paid to non-controlling interest in Los Gatos comprised of \$23.2 million in dividends and
- \$18.0 million as capital distributions. These distributions are made quarterly to the Los Gatos partners based on their attributable ownership;
- \$18.1 million repayment of lease obligations;
- \$9.8 million for the payment of dividends during the period;
- \$8.7 million spent on share repurchases; and
- \$8.0 million payment of financing costs.

During the year ended December 31, 2025, the Company received \$78.3 million (1,406.3 million MXN) related to VAT filings. In connection with the tax issues relating to PEM, the Servicio de Administracion Tributaria (the “SAT”), the Mexican tax authority, has frozen two PEM bank accounts which, together, contain approximately \$124.1 million as security for certain tax re-assessments that are currently being disputed by PEM, and this amount is reflected in the Company’s restricted cash accounts. The Company does not agree with the SAT’s position regarding its tax re-assessments, which were issued as a result of the SAT unilaterally declaring that the Company’s APA was not valid, and is challenging Mexico’s actions with respect to the APA (Refer to Note 29 of financial statements) through various legal actions, both domestically in Mexico and internationally through NAFTA arbitration proceedings.

Capital Resources

The Company’s objective when managing capital is to maintain financial flexibility to continue as a going concern while optimizing growth and maximizing returns of investments from shareholders.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company continually monitors its capital structure and, based on changes in operations and economic conditions, it may, from time to time, adjust the structure by repurchasing shares, issuing new shares, issuing new debt or retiring existing debt. The Company prepares an annual budget and quarterly forecasts to facilitate management of its capital requirements. The annual budget is approved by the Company’s Board of Directors.

The Company is not subject to any externally imposed capital requirements with the exception of complying with banking covenants defined in its debt facilities. As at December 31, 2025, the Company was in compliance with all of its debt covenants.

The Company is party to a revolving credit facility and an at-the-market finance facility. For further information, see “Liquidity, Capital Resources, and Contractual Obligations - Liquidity”.

Contractual Obligations and Commitments

As at December 31, 2025, the Company’s contractual obligations and commitments are summarized as follows:

	Contractual Cash Flows	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years
Trade and other payables	\$207,911	\$207,911	\$—	\$—	\$—
Debt facilities	411,052	1,980	58,179	875	350,018
Lease liabilities	18,247	10,937	5,496	1,814	—
Commitments	920	920	—	—	—
	\$638,130	\$221,748	\$63,675	\$2,689	\$350,018

As at December 31, 2025, the Company had working capital of \$733.6 million (December 2024 - \$224.5 million) and total available liquidity of \$873.2 million (December 2024 - \$364.2 million), including \$139.6 million (December 2024 - \$139.6 million) of undrawn revolving credit facility.

The Company believes it has sufficient cash on hand, combined with cash flows from operations, to meet operating requirements as they arise for at least the next 12 months.

MANAGEMENT OF RISKS AND UNCERTAINTIES

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, commodity price risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors. Some of these risks and uncertainties are detailed below. For a comprehensive list of the Company’s risks and uncertainties, see the Company’s most recently filed AIF under the heading “*Risk Factors*”. The AIF is available under the Company’s SEDAR+ profile at www.sedarplus.ca, and on EDGAR as an exhibit to the Company’s recently filed Form 40-F.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. The Company’s credit risk relates primarily to chartered banks, trade receivables in the ordinary course of business, value added taxes receivable and other receivables. At December 31, 2025, the net VAT receivable balance was \$46.9 million (December 31, 2024 - \$44.6 million).

The Company sells and receives payment upon delivery of its silver doré, concentrate and by-products primarily through six international customers. All of the Company’s customers have good ratings and payments of receivables are scheduled, routine and fully received within 60 days of submission; therefore, the balance of trade receivables owed to the Company in the ordinary course of business is not significant.

The carrying amount of financial assets recorded in the consolidated financial statements represents the Company’s maximum exposure to credit risk. With the exception to the above, the Company believes it is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company manages liquidity risk by monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. Cash flow forecasting is performed regularly to ensure that there is sufficient capital in order to meet short-term business requirements, after taking into account cash flows from operations and our holdings of cash and cash equivalents.

Indebtedness

As at December 31, 2025, the Company’s total consolidated indebtedness was \$292.2 million, \$0.3 million of which was secured indebtedness.

The Company may be required to use a portion of its cash flow to service principal and interest owing thereunder, which will limit the cash flow available for other business opportunities. The Company may in the future determine to borrow additional funds from lenders. For further details regarding this risk, see the section in the Company’s most recently filed AIF entitled “*Risk Factors – Financial Risks – Indebtedness*”.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Currency Risk

The Company is exposed to foreign exchange risk primarily relating to financial instruments that are denominated in Canadian dollars or Mexican pesos, which would impact the Company’s net earnings or loss. To manage foreign exchange risk, the Company may occasionally enter into short-term foreign currency derivatives, such as forwards and options, to hedge its cash flow.

The sensitivity of the Company’s net earnings or loss and comprehensive income or loss due to changes in the exchange rates of the Canadian dollar and the Mexican peso relative to the US dollar is included in the table below:

	December 31, 2025								
	Cash and cash equivalents	Restricted cash	Value added taxes receivable	Trade and other receivables	Other financial assets	Trade and other payables	Foreign exchange derivative	Net assets (liabilities) exposure	Effect of +/- 10% change in currency
Canadian Dollar	\$45,545	\$—	\$—	\$564	\$18,321	(\$6,384)	\$9	\$58,055	\$5,806
Mexican Peso	36,091	124,090	46,931	—	—	(107,505)	—	99,607	9,961
	\$81,636	\$124,090	\$46,931	\$564	\$18,321	(\$113,889)	\$9	\$157,662	\$15,767

Commodity Price Risk

The Company is exposed to commodity price risk on silver and gold, which have a direct and immediate impact on the value of its related financial instruments and net earnings. The Company’s revenues are directly dependent on commodity prices that have shown volatility and are beyond the Company’s control. The Company does not use long-term derivative instruments to hedge its commodity price risk to silver or gold.

A portion of the Company’s trade receivables arose from provisional concentrate sales and are classified within Level 2 of the fair value hierarchy and valued using quoted market prices based on the forward London Metal Exchange for copper, zinc and lead and the London Bullion Market Association P.M. fix for gold and silver.

The following table summarizes the Company’s exposure to commodity price risk and their impact on net earnings:

	December 31, 2025					
	Effect of +/- 10% change in metal prices					
	Silver	Gold	Zinc	Lead	Copper	Total
Metals in inventory	\$2,882	\$1,872	\$160	\$48	\$3	\$4,965
Trade receivable from concentrate sales subject to provisional pricing	\$13,927	\$57	\$3,145	\$19	\$15	\$17,163
	\$16,809	\$1,929	\$3,305	\$67	\$18	\$22,128

Interest Rate Risk

The Company is exposed to interest rate risk on its short-term investments, debt facilities and lease liabilities. The Company’s finance leases bear interest at fixed rates. The Company monitors its exposure to interest rates and has not entered into any derivative contracts to manage this risk. The Company’s interest-bearing financial assets comprise of cash and cash equivalents which bear interest at a mixture of variable and fixed rates for pre-set periods of time.

As at December 31, 2025, the Company’s exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. Based on the Company’s interest rate exposure at December 31, 2025, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

Political and Country Risk

First Majestic currently conducts foreign operations in Mexico and the United States, and as such the Company’s operations are exposed to various levels of political and economic risks by factors outside of the Company’s control. These potential factors include, but are not limited to: royalty and various tax increases or claims by governmental bodies (including the imposition of import and export tariffs or duties), expropriation or nationalization, trade disputes, foreign exchange controls, high rates of inflation, fluctuations in currency exchange rates, import and export regulations, lawlessness and insecurity caused from organized criminal activities, cancellation or renegotiation of contracts, environmental and permitting regulations, illegal mining operations by third parties on the Company’s properties, labour unrest and surface access issues. The Company currently has no political risk insurance coverage against these risks.

The Company is unable to determine the potential impact of these risks on its future financial position or results of operations. Changes, if any, in mining or investment policies or shifts in political attitude in foreign countries may substantively affect the Company’s exploration, development and production activities.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Uncertainty in the Estimation of Mineral Resources and Mineral Reserves, and Metal Recoveries

There is a degree of uncertainty attributable to the estimation of Mineral Resources and Mineral Reserves (as defined in the Canadian Institute of Mining’s Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines and included by reference in the Canadian Securities Administrators’ National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”)), and undue reliance should not be placed on the Company’s estimates of Mineral Resources and Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Until the parts of the Company’s Mineral Reserves that have been converted to Mineral Resources are actually mined, extracted and processed, the quantity of minerals and their grades must be considered estimates only. In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on, among other things, applicable metal prices, exchange rate assumptions used, underground stability conditions, the ability to maintain constant underground access to all working areas, geological variability, mining methods assumptions used and operating cost escalation. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or dimensions of the geological structures may affect the economic viability of some or all of the Company’s mineral properties and may have a material adverse effect on the Company’s operational results and financial condition. Mineral Reserves on the Company’s properties have been estimated on the basis of economic factors at the time of calculation, including commodity prices and operating costs. Variations in such factors may result in a material reduction to the Company’s estimates of Mineral Reserves and Mineral Resources, or may affect the Company’s ability to extract Mineral Reserves, all of which could have a material adverse effect on the Company’s results of operations and financial condition.

Governmental Regulations, Laws, Licenses and Permits

The Company’s mining, exploration and development projects are subject to extensive laws and regulations which vary based on the jurisdiction in which the projects are located. Such laws and regulations govern various matters, which may include exploration, development, production, price controls, exports, taxes, mining royalties, environmental levies, labour standards, expropriation of property, maintenance of mining claims, land use, land claims of local people, water use, waste disposal, power generation, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety, occupational health, and the management and use of toxic substances and explosives, including handling, storage and transportation of hazardous substances.

Such laws and regulations may require the Company to obtain licenses and permits from various governmental authorities, and there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at the Company’s projects. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, requiring the installation of additional equipment, requiring remedial actions or imposing additional local or foreign parties as joint venture partners, any of which could result in significant expenditures or loss of income by the Company. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, licensing requirements or permitting requirements.

The Company’s income and its mining, exploration and development projects, could be adversely affected by amendments to applicable existing laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in applicable government policies affecting investment, mining and repatriation of financial assets, by shifts in political attitudes, by changes in trade policy and the imposition of tariffs or non-tariff trade barriers, and by exchange controls. The effect, if any, of these factors cannot be accurately predicted.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Company’s mining, exploration and development activities and operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations, and new taxes, could become such that the Company would not proceed with mining, exploration and development at one or more of its properties. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, could result in substantial costs and liabilities for the Company, such that the Company would halt or not proceed with mining, exploration and development at one or more of its properties.

Amendments to Mining and Other Related Laws in Mexico

On May 8, 2023, the Mexican Government enacted a decree amending several provisions of the Mining Law, the Law on National Waters, the Law on Ecological Equilibrium and Environmental Protection and the General Law for the Prevention and Integral Management of Waste (the “Decree”), which became effective on May 9, 2023. The Decree amends the mining and water laws, including: (i) the duration of the mining concession titles; (ii) the process to obtain new mining concessions (through a public tender); (iii) imposing conditions on water use and availability for the mining concessions; (iv) the elimination of “free land and first applicant” scheme; (v) new social and environmental requirements in order to obtain and keep mining concessions; (vi) the authorization by the Mexican Ministry of Economy of any mining concession’s transfer; (vii) new penalties and cancellation of mining concessions grounds due to non-compliance with the applicable laws; (viii) the automatic dismissal of any application for new concessions; and (ix) new financial instruments or collaterals that should be provided to guarantee the preventive, mitigation and compensation plans resulting from the social impact assessments, among other amendments.

These amendments are expected to have an impact on our current and future exploration activities and operations in Mexico, and the extent of such impact is yet to be determined but could be material for the Company. On June 7, 2023, the Senators of the opposition parties (PRI, PAN and PRD) filed a constitutional action against the Decree, which is pending to be decided by Plenary of the Supreme Court of Justice. Additionally, during the second quarter of 2023, the Company filed various *amparo* lawsuits challenging the constitutionality of the Decree. As of the date of this MD&A, these *amparos* filed by First Majestic, along with numerous *amparos* in relation to the Decree that have been filed by other companies, are still pending before the District or Collegiate Courts. On July 15, 2024, the Supreme Court of Justice in Mexico suspended all ongoing *amparo* lawsuits against the Decree whilst the aforementioned constitutional action is being considered by the Supreme Court. As of the date of this MD&A, the Supreme Court has not yet rendered an official ruling on the constitutional action against the Decree that was brought by the opposition parties within the Mexican government.

In addition, on September 15, 2024, the Mexican Congress and a majority of state legislatures approved amendments to the Mexican Constitution to implement certain structural changes to the Mexican judiciary (the “Judiciary Reform”). The Judiciary Reform introduces significant changes to the Mexican judiciary, including (i) shifting from an appointment-based system, largely dependent on qualifications, to a system where judges are elected; and (ii) replacing the Federal Judicial Council with two new entities: the Judicial Administration Body and the Judicial Discipline Tribunal, which will oversee judicial careers, the Judiciary Branch’s budgeting, and disciplinary actions for public officials. Initial judicial elections were held in 2025 and a second stage of the Judiciary Reform is expected to take place in 2027. This second stage is anticipated to include (i) the extension of the election system to the remaining state-level judicial branches that did not participate in the 2025 elections; (ii) the gradual replacement through elections of federal judges and magistrates whose terms will expire between 2025 and 2027; (iii) the enactment of comprehensive amendments to various secondary laws, including the Organic Law of the Federal Judiciary, the Amparo Law, and other related statutes, to fully align them with the new judicial structure; and (iv) the first formal performance evaluation process for the judges and magistrates elected in 2025 to determine their continuity in office. These proposed changes may have impacts on the Mexican court system and litigation in Mexico, the effects of which cannot be predicted at this time.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company’s income and its mining, exploration and development projects, could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in applicable government policies affecting investment, mining and repatriation of financial assets, by changes in the independence and reliability of Mexican courts, by shifts in political attitudes and by exchange controls. The effect, if any, of these factors cannot be accurately predicted.

Evolving Foreign Trade Policies

New tariffs and evolving trade policy between the United States and other countries, including China, Mexico and Canada, may have an adverse effect on the Company’s business and results of operations. There is currently significant uncertainty about the future relationship between the United States and various other countries, including China, Mexico and Canada, with respect to trade policies, treaties, government regulations and tariffs. Any increased restrictions or disruptions on international trade or significant increases in tariffs on goods could potentially disrupt the Company’s existing supply chains and impose additional costs on the Company’s business. The United States government has passed executive orders establishing tariffs against certain goods from Canada and Mexico. As of the date of this MD&A, the extent and duration of such tariffs is unclear and the potential impact of these tariffs on the Company’s operations remains uncertain.

On November 30, 2018, Canada, Mexico and the United States entered into a new trade agreement (the “United States-Mexico-Canada Agreement” or “CUSMA”). Among other things, CUSMA requires its member countries to respect

international labour standards including rights to free association and collective bargaining and to uphold their labour laws. CUSMA came into effect on July 1, 2020, and is subject to review and renewal in July 2026. Under CUSMA’s review mechanism, any member country may elect to withdraw from or decline to renew CUSMA, and the agreement may be subject to renegotiation or amendments. There can be no assurance that CUSMA will remain in force, be renewed on existing terms, or that any newly negotiated terms will not adversely affect the Company’s business or operations. Although management has determined that there have been no material effects to date on its operations regarding these developments, management cannot predict future potentially adverse developments in the political climate involving Canada, the United States and Mexico and thus these may have an adverse and material impact in the future on the Company’s operations and financial performance.

Joint Ventures

The Company holds a 70% interest in the Los Gatos Joint Venture, which owns the producing Los Gatos Silver Mine, and may enter into other joint venture or partnership agreements in the future. Accordingly, the Company’s activities may be subject to the risks associated with the conduct of non-wholly owned projects or joint arrangements. Such risks may include, but are not limited to, inability of joint venture partners to meet their obligations pursuant to the joint venture arrangement, disagreements with joint venture partners on how to develop and operate mines effectively, inconsistent economic or business interests or goals between joint venture partners, disputes between joint venture partners regarding management or other decisions related to the joint venture and inability to have complete control over strategic decisions made in respect of the properties. The potential occurrence of one or more of the foregoing events could have a material impact on the financial position and the results of operations of the Company.

Public Health Crises

Global financial conditions and the global economy in general have at various times in the past and may in the future, experience extreme volatility in response to economic shocks or other events. Many industries, including the mining industry, are impacted by volatile market conditions in response to the

widespread outbreak of epidemics, pandemics or other health crises. Such public health crises and the responses of governments and private actors can result in disruptions and volatility in economies, financial markets and global supply chains as well as declining trade and market sentiment and reduced mobility of people, all of which could impact commodity prices, interest rates, credit ratings, credit risk and inflation. The Company’s business could be materially adversely affected by the effects of such public health crises.

There is no guarantee that the Company will not experience disruptions to some of its active mining operations due to restrictions related to public health crises in the future. Any spread of public health crises could materially and adversely impact the Company’s business, including without limitation, employee health, workforce availability and productivity, limitations on travel, supply chain disruptions, increased insurance premiums, increased costs and reduced efficiencies, the availability of industry experts and personnel, restrictions on the Company’s exploration and drilling programs and/or the timing to process drill and other metallurgical testing and the slowdown or temporary suspension of operations at some or all of the Company’s properties, resulting in reduced production volumes. Although the Company has the capacity to continue certain administrative functions remotely, many other functions, including mining operations, cannot be conducted remotely. Any such disruptions could have an adverse effect on the Company’s production, revenue, net income and business. In addition, parties with whom the Company does business or on whom the Company is reliant, including suppliers and refineries may also be adversely impacted by public health crises which may in turn cause further disruption to the Company’s business, including delays or halts in availability or delivery of consumables and delays or halts in refining of ore from the Company’s mines. The impact of public health crises and government responses thereto may also have an impact on financial markets and could constrain the Company’s ability to obtain equity or debt financing in the future, which may have a material and adverse effect on its business, financial condition and results of operations.

Environmental and Health and Safety Risks

The Company’s activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. Environmental laws and regulations are complex and have tended to become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation rules and permits. Although the Company makes provisions for environmental compliance and reclamation costs, it cannot be assured that these provisions will be adequate to discharge its future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the costs of compliance with such standards are increasing while the enforcement of, and fines and penalties for, non-compliance are also becoming more stringent. In addition, certain types of operations require submissions of, and approval of, environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. The cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company’s operations.

On August 26, 2021, the Nevada Division of Environmental Protection (“NDEP”) issued 10 Notices of Alleged Violation (collectively, the “2021 NOAV”) that alleged the Company (doing business as Jerritt Canyon Gold, LLC) had violated various air permit conditions and regulations applicable to operations at Jerritt Canyon in Elko County, Nevada. The 2021 NOAV are related to compliance with emission monitoring, testing, recordkeeping requirements, and emission and throughput limits.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The Company filed a Notice of Appeal on September 3, 2021, challenging the 2021 NOAV before the Nevada State Environmental Commission (“NSEC”). There is currently no hearing scheduled or any scheduling order in the matter, and the parties have yet to engage in discovery.

On March 8, 2022, NDEP issued an additional four Notices of Alleged Violations (the “2022 NOAV”) to Jerritt Canyon Gold, LLC for alleged exceedances and violations of an Air Quality Operating permit and Mercury Operating Permit to Construct. The 2022 NOAV are related to alleged exceedances of mercury emission limitations, exceedances of operating parameters, installation of equipment, and recordkeeping requirements. The Company filed a Request for Hearing with the Nevada State Environmental Commission on March 18, 2022, that challenged the bases for the alleged 2022 NOAV and any potential penalties associated with the 2022 NOAV. Jerritt Canyon Gold LLC and NDEP agreed to waive the 20-day hearing requirement for the 2022 NOAV and the parties requested that the NSEC withhold scheduling a hearing for the 2022 NOAV at this time. At this time the estimated amount cannot be reliably determined.

The Company intends to, and attempts to, fully comply with all applicable environmental regulations; however, the Company’s ability to conduct adequate maintenance and safety protocols may be considerably constrained or even prevented in areas where its control is impacted by criminal activities, such as the San Martin mine. Due to this situation, the Company has been unable to conduct care and maintenance activities at San Martin since its remaining employees were withdrawn in 2021 and the Company has limited information as to the current state of repair at the mine, including the tailing storage facility. As a result, there may be an increased risk that an environmental incident may occur at this operation and, as applicable Mexican laws impose strict liability on the property owner, the Company could incur material financial liabilities which may not be covered by our insurance policies and suspension of authorizations as a result.

While responsible environmental stewardship is a top priority for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with applicable environmental laws, regulations and permits, or that the costs of complying with current and future environmental laws and permits will not materially and adversely affect the Company’s business, results of operations or financial condition.

Natural Protected Areas Risk

Pursuant to the General Law of Ecological Equilibrium and Environmental Protection (the “General Law”), the government of Mexico may from time to time establish Natural Protected Areas. There are a variety of different levels of environmental protection provided under the General Law which limit the economic activity that may be undertaken in any particular Natural Protected Area. The Mexican government has announced its intention to create additional Natural Protected Areas in Mexico. Although the Company has not received notice from any governmental entity of the creation of any such areas over land which is part of or nearby to any of the Company’s mineral properties, there can be no assurance that any such area will not be established in the future. In the event that a Natural Protected Area is established over land which is a part of or is nearby to any of the Company’s mineral properties in Mexico, the Company’s activities on such properties may be restricted or prevented entirely which may have a material adverse impact on the Company’s business for which the Company may not be entitled to compensation.

Climate Related Risks

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Company’s operations. In addition, the physical risks of climate change may also have an adverse effect on the Company’s operations. These risks include the following:

- Changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Company’s operations to world markets.
- Extreme weather events (such as the recent drought conditions at the La Encantada mine, flooding or freezing conditions) have the potential to disrupt operations at the Company’s mines and may require the Company to make additional expenditures to mitigate the impact of such events. Extended disruptions to supply lines could result in interruption to production.
- The Company’s facilities depend on regular supplies of consumables (diesel, tires, sodium cyanide, etc.) and reagents to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company’s operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on the Company’s operations and profitability.

Substantial Decommissioning and Reclamation Costs

During the year ended December 31, 2025, the Company reassessed its reclamation obligation at each of its operating and non-operating mines based on updated life of mine (“LOM”) estimates, rehabilitation, and closure plans. The total discounted amount of estimated cash flows required to settle the Company’s estimated obligations on its mineral portfolio as of December 31, 2025, is \$187.1 million, which has been discounted using a risk-free rate of 9.2% for the mines in Mexico and 4.1% for the Jerritt Canyon Gold Mine. The estimated decommissioning and reclamation obligations breakdown primarily consists of a \$119.3 million for the reclamation obligation of the Jerritt Canyon Gold Mine, including \$17.6 million related to the environmental trust that was funded on October 31, 2022; \$15.6 million for the San Dimas Silver/Gold Mine; \$13.9 million for the Santa Elena Silver/Gold Mine; \$13.7 million for the La Encantada Silver Mine; \$11.2 million for the Los Gatos Silver Mine; \$8.6 million for the San Martin Silver Mine; and \$4.4 million for the Del Toro Silver Mine. The present value of the reclamation liabilities may be subject to change based on management’s current and future estimates, changes in the remediation technology or changes to applicable laws and regulations. Such changes will be recorded in our accounts as they occur.

The costs of performing the decommissioning and reclamation can be significant and are subject to change. The Company cannot predict what level of decommissioning and reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

Claims and Legal Proceedings Risks

The Company is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Each of these matters is subject to various uncertainties and it is possible that some of these other matters may be resolved in a manner that is unfavourable to the Company and which may result in a material adverse impact on the Company’s financial performance, cash flow or results of operations. First Majestic carries liability insurance coverage and establishes provisions for matters that are probable and can be reasonably estimated; however, there can be no guarantee that the amount of such coverage is sufficient to protect against all potential liabilities.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Title of Properties

The validity of mining or exploration titles or claims or rights, which constitute most of the Company’s property holdings, can be uncertain and may be contested. The Company has used reasonable commercial efforts to investigate the Company’s title or claim to its various properties; however, no assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims and that such exploration and mining titles or claims will not be challenged or impugned by third parties. Mining laws are continually developing and changes in such laws could materially impact the Company’s rights to its various properties or interests therein.

Although the Company has obtained title opinions for certain mineral properties, there is no guarantee that title to such properties will not be challenged or impugned by third parties. The Company has obtained title insurance for its Jerritt Canyon Mine but there is a risk that such insurance could be insufficient, or the Company could not be successful in any claim against its insurer. Accordingly, the Company may have little or no recourse as a result of any successful challenge to title to any of its properties. The Company’s properties may be subject to prior unregistered liens, agreements or transfers, land claims or undetected title defects which may have a material adverse effect on the Company’s ability to develop or exploit the properties.

In Mexico, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions must obtain agreement from surface landowners to obtain suitable access to mining concessions and for the amount of compensation in respect of mining activities conducted on such land. If the Company is unable to agree to terms of access with the holder of surface rights with respect to a particular claim, the Company may be able to gain access through a regulatory process in Mexico; however, there is no guarantee that such process will be successful or timely or that the terms of such access will be favorable to the Company. In any such event, access to the Company’s properties may be curtailed, which may result in reductions in production and corresponding reductions in revenue. Any such reductions could have a material adverse effect on the Company, its business and its results of operations.

Primer Tax Rulings

When Primero, the previous owner of San Dimas acquired the San Dimas mine in August 2010, it assumed the obligations under a Silver Purchase Agreement (“Old Stream Agreement”) that required its subsidiary, PEM, to sell exclusively to Wheaton Precious Metals (“WPMI”) up to 6 million ounces of silver produced from the San Dimas mine, and 50% of silver produced thereafter, at the lower of: (i) the spot market price and (ii) \$4.04 per ounce plus an annual increase of 1% (“PEM Realized Price”). In May 2018, the Old Stream Agreement was terminated between WPMI and Silver Trading (Barbados) Limited (“STB”) in connection with the Company entering into a new precious metal purchase agreement with WPMI concurrent with the acquisition of Primero by the Company.

In order to reflect the commercial terms and the effects of the Old Stream Agreement, for Mexican income tax purposes, PEM recognized the revenue on these silver sales based on the PEM Realized Price instead of at spot market prices.

To obtain assurances that the Mexican tax authority, Servicio de Administración Tributaria (“SAT”) would accept the PEM Realized Price (and not the spot market silver price) as the proper price to use to calculate Mexican income taxes payable by PEM, a mutually binding APA was entered into with the SAT. The APA confirmed the PEM Realized Price would be used as PEM’s basis for calculating taxes owed by it on the silver sold to STB under the Old Stream Agreement for taxation years 2010 to 2014.

In August 2015, the SAT initiated a legal proceeding in Mexico seeking to retroactively nullify the APA; however, the SAT did not identify an alternative basis in the legal claim for calculating taxes on the silver sold by PEM for which it received the PEM Realized Price.

In 2019, the SAT issued reassessments for the 2010 (\$37.9 million), 2011 (\$112.3 million) and 2012 (\$211.9 million) tax years for an aggregate amount of \$362.2 million (6,507 million MXN) inclusive of interest, inflation and penalties. In 2021, the SAT issued a reassessment against PEM for the 2013 tax year in the amount of \$191.6 million (3,442 million MXN) inclusive of interest, inflation and penalties. In 2023, the SAT issued reassessments for the 2014, 2015 and 2016 tax years for an aggregate amount of \$488.2 million (8,771 million MXN) inclusive of interest, inflation, and penalties. Most recently, in 2025, the SAT issued a reassessment against PEM for the 2017 tax year in the amount of \$72.6 million (1,305 million MXN) inclusive of interest, inflation and penalties. The aforementioned reassessments for the tax years 2010 to 2017 (inclusive) are collectively referred to in this MD&A as the “Reassessments”. For the 2018 and 2019 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax reassessments for these years have yet to be issued. The Company believes that the Reassessments fail to recognize the applicability of a valid transfer pricing methodology. The major items in the Reassessments include determination of revenue based on spot market prices of silver, denial of the deductibility of interest expense and service fees, SAT technical error related to double counting of taxes, and interest and penalties.

The Company continues to defend the APA in domestic legal proceedings in Mexico, and the Company has also requested resolution of the transfer pricing dispute pursuant to the Mutual Agreement Procedure (“MAP”), under the relevant avoidance of double taxation treaties, between the competent tax authorities of Mexico, Canada, Luxembourg and Barbados. The SAT has refused to take the necessary steps under the MAP processes contained in the three tax treaties. The Company believes that by its refusal, Mexico is in breach of its international obligations regarding double taxation treaties. Furthermore, the Company continues to believe that the APA remains valid and legally binding on the SAT.

The Company continues to pursue all available domestic and international remedies under the laws of Mexico and under the relevant tax treaties with respect to the Reassessments and the SAT’s actions in seeking to retroactively nullify the APA. Furthermore, as discussed further below, the Company has also made claims against Mexico under Chapter 11 of the North American Free Trade Agreement (“NAFTA”) for violation of its international law obligations.

With respect to the reassessment that had been issued by the SAT against PEM for the 2012 tax year (the “2012 Reassessment”), PEM has been challenging such reassessment in the Mexican courts. After the Collegiate Court issued its decision upholding the 2012 Reassessment in December 2024, PEM appealed the decision to the Mexican Supreme Court, and the appeal was admitted by the Supreme Court in February 2025. Following the admission of PEM’s appeal, in March 2025, the Ministry of Finance and Public Credit (the “Ministry of Finance”) in Mexico challenged such admission by filing its own appeal. On October 30, 2025, the Supreme Court granted the Ministry of Finance’s appeal, and therefore, the Supreme Court will not hear PEM’s appeal of the Collegiate Court’s decision. As a result, the Collegiate Court’s decision with respect to the 2012 Reassessment is a final decision under the Mexican court system and there are no further challenges available domestically to PEM in respect of the 2012 Reassessment. However, the Company is assessing what further actions it may wish to take internationally, and notes that the Company’s ongoing NAFTA proceedings against Mexico cover the 2010 to 2020 tax years, the disregard of the APA during such years and the Reassessments which have been issued as a result, which includes the 2012 Reassessment.

Domestic Remedies in Mexico

In September 2020, the Company was served with a decision of the Mexican Federal Tax Court on Administrative Matters (the “Federal Tax Court”) seeking to nullify the APA granted to PEM, which the Company subsequently appealed. On December 5, 2023, the Mexican Circuit Court issued a decision, which was formally notified to the Company on January 4, 2024. In such decision, the Mexican Circuit Court partially granted constitutional protection to the Company with respect to certain matters, but not others.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Accordingly, on January 18, 2024, PEM filed an extraordinary appeal to the Mexican Supreme Court of Justice with respect to PEM’s constitutional arguments that were not accepted in the Mexican Circuit Court’s decision. On September 18, 2024, the Supreme Court issued its decision, which was formally notified to the Company on October 15, 2024. The Supreme Court dismissed the Company’s appeal regarding the constitutional arguments, but affirmed the validity of certain precedents of the Supreme Court which the Company believes are favourable to PEM and that were not considered by the Federal Tax Court in its original decision in September 2020. The case was sent back to the Federal Tax Court, and on December 4, 2024, the Federal Tax Court issued a new decision which the Company believes did not take into account the Supreme Court precedents. Accordingly, on January 23, 2025, PEM filed a new constitutional lawsuit against the latest decision of the Federal Tax Court and it expects that a decision on this new lawsuit may be issued by the Second Collegiate Court in the second half of 2026.

International Remedies

NAFTA APA Claim

In respect of the APA, the Company submitted a Request for Arbitration (the “Arbitration Request”) dated March 1, 2021 to the International Centre for Settlement of Investment Disputes (“ICSID”), on its own behalf and on behalf of PEM, pursuant to Chapter 11 of NAFTA (the “NAFTA APA Claim”). The NAFTA Arbitration Panel (the “Tribunal”) was fully constituted on August 20, 2021. Various procedural filings have since been made by the Company and Mexico.

Of note, on May 26, 2023, the Tribunal granted certain provisional measures requested by the Company, issuing an order for Mexico to allow the Company to access VAT refunds from January 4, 2023 onwards that had been deposited by the SAT into a bank account of PEM that had been frozen by the SAT, and to deposit all future VAT refunds into a new bank account of PEM which shall remain freely accessible by the Company (the “PM Decision”). The PM Decision was upheld by the Tribunal on September 1, 2023, in response to a request from Mexico to revoke the decision. As a result, Mexico is obligated to comply with the PM Decision which requires payment of VAT refunds owing to PEM as of January 4, 2023 and into the future until the final award is rendered by the Tribunal. On July 9, 2024, the Company received a transfer of \$11.0 million (198.4 million MXN) from the frozen bank account to a new bank account of PEM that the Company had opened in July 2023. The transfer of such funds was carried out by Mexico in partial compliance with its obligations under the PM Decision. However, Mexico still needs to transfer approximately \$4.5 million from the frozen bank account. In addition, in breach of the PM Decision, on August 29, 2024 the SAT froze the new bank account that PEM had opened for the purpose of receiving VAT refunds. Mexico argued that they did not need to comply with the PM Decision whilst their Consolidation Request (detailed below) was still being decided.

Following the rejection of Mexico’s Consolidation Request in July 2025, the suspension on the arbitration proceedings for the NAFTA APA Claim was lifted, and the Company informed the Tribunal of Mexico’s continued non-compliance with the PM Decision. On September 22, 2025, the Tribunal issued Procedural Order No. 8, wherein the Tribunal confirmed that full compliance with the PM Decision requires that all monthly VAT refunds by SAT in favour of PEM, already effected or to be made in the future while the arbitration on the NAFTA APA Claim is ongoing, must be freely available to PEM, by SAT depositing or transferring such amounts to accounts to be maintained freely available to PEM. The Tribunal ordered Mexico to make available to PEM the approximately US\$4.5 million worth of VAT refunds in the first frozen bank account. The Tribunal also confirmed that the freezing by the SAT of PEM’s bank account that had been opened after the PM Decision was rendered for the purpose of receiving VAT refunds was contrary to the PM Decision, and that Mexico must remedy the situation to ensure that the VAT refunds currently in such bank account, and any VAT refunds deposited into such bank account in the future, are freely available to PEM. As of the date of this MD&A, Mexico has yet to comply with the Tribunal’s latest order on this matter.

On February 12, 2024, Mexico filed a request (the “Consolidation Request”) with ICSID pursuant to the procedure in Article 1126 of NAFTA to consolidate the NAFTA APA Claim and the NAFTA VAT Claim (defined further below) into one arbitration proceeding. A separate three-person tribunal to consider the Consolidation Request (the “Consolidation Tribunal”) was constituted on May 8, 2024, and the first procedural hearing of the Consolidation Tribunal took place on July 16, 2024. On January 8, 2025, a pre-hearing conference call took place among the Company, Mexico and the Consolidation Tribunal, and an in-person hearing was held in Washington, D.C. from January 27 to 28, 2025, at which the Consolidation Tribunal heard the Company’s arguments against the Consolidation Request, and Mexico’s arguments in support of the Consolidation Request. Following the hearing, both Mexico and the Company submitted post-hearing briefs to the Consolidation Tribunal on February 19, 2025.

On July 28, 2025, the Consolidation Tribunal rendered its decision (the “Consolidation Decision”) and rejected the Consolidation Request. It also lifted the suspension on the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim effective immediately as of the date of its order, being July 28, 2025. Accordingly, the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim reconvened after having been suspended for over a year. On October 21, 2025, the Company filed its Ancillary Claims Memorial in order to add the claims covered by the NAFTA VAT Claim as ancillary claims to the NAFTA APA Claim. In addition, on December 10, 2025, the Company filed an amendment to its Arbitration Request to increase its damages claim against Mexico with respect to the NAFTA APA Claim to \$1.09 billion.

If the SAT’s attempts to retroactively nullify the APA are successful, the SAT can be expected to enforce any Reassessments for 2010 through 2014 against PEM in respect of its sales of silver pursuant to the Old Stream Agreement. Such an outcome would likely have a material adverse effect on the Company’s results of operations, financial condition and cash flows. Should the Company ultimately be required to pay tax on its silver revenues based on spot market prices without any mitigating adjustments, the incremental income tax for the years 2010-2019 would be \$319.2 million (5,735 million MXN), before taking into consideration interest or penalties.

Based on the Company’s consultations with third party advisors, the Company believes PEM filed its tax returns in compliance with applicable Mexican law and that the APA is valid, therefore, at this time, other than with respect to the 2012 Reassessment, no liability has been recognized in the financial statements with respect to this matter.

To the extent it is ultimately determined that the pricing for silver sales under the Old Stream Agreement is significantly different from the PEM Realized Price, and while PEM would have rights of appeal in connection with any reassessments, it is likely to have a materially adverse effect on the Company’s business, financial position and results of operations.

ii. NAFTA VAT Claim

On March 31, 2023, the Company filed a new Notice of Intent on its own behalf and on behalf of PEM under the “legacy investment” claim provisions contained in Annex 14-C of the Canada-United States-Mexico Agreement (“CUSMA”) and Chapter 11 of NAFTA to invite the Government of Mexico to engage in discussions to resolve the dispute regarding the ongoing denial of access to PEM’s VAT refunds (“NAFTA VAT Claim”) within the stipulated 90-day consultation period. The Company submitted its Arbitration Request for the NAFTA VAT Claim to ICSID on June 29, 2023 in order to preserve its legacy claim within NAFTA’s applicable limitation period, and the Arbitration Request was registered by ICSID on July 21, 2023.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Following the Consolidation Decision, on October 21, 2025, the Company filed its Ancillary Claims Memorial with the Tribunal for the NAFTA APA Claim. On January 22, 2026, Mexico informed ICSID that it no longer objected to the discontinuance of the arbitration proceedings in respect of the NAFTA Vat Claim, and the Company received confirmation from ICSID that the NAFTA VAT Claim proceedings had been discontinued effective as of January 27, 2026.

While the Company remains confident in its position with regards to its NAFTA APA Claim, it continues to engage with the Government of Mexico in consultation discussions so as to amicably resolve these disputes.

La Encantada Tax Re-assessments

In December 2019, as part of the ongoing annual audits of the tax returns of Minera La Encantada, S.A. de C.V. (“MLE”) and Corporacion First Majestic S.A. de C.V. (“CFM”), the SAT issued tax assessments for fiscal 2012 and 2013 for corporate income tax in the amount of \$41.6 million (747 million MXN) and \$30.3 million (544 million MXN) including interest, inflation and penalties, respectively. In December 2022, the SAT issued tax assessments to MLE for fiscal years 2014 and 2015 for corporate income tax in the amount of \$19.1 million (343 million MXN) and \$240.4 million (4,318 million MXN). In 2023, the SAT issued a tax assessment to MLE for the fiscal year 2016 for corporate income tax in the amount of \$3.4 million (61 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of \$7.3 million (130 million MXN). The major items relate to a forward silver purchase agreement, and the denial of the deductibility of mine development costs and service fees. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MLE’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

San Martin Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of Minera El Pilon, S.A. de C.V. (“MEP”), the SAT issued tax assessments for fiscal 2014, 2015 and 2016 for corporate income tax in the total amount of \$26.7 million (505 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of \$3.4 million (65 million MXN) including interest, inflation, and penalties. The majority of these tax assessments related to a prior forward silver purchase agreement to which MEP was a party, and to the denial of the deductibility of mine development costs. Pursuant to ongoing discussions, the Company and SAT came to a resolution whereby the Company paid the SAT additional income taxes in the amount of \$5.2 million (95.3 million MXN) in 2025 whereby amounts related to the forward silver purchase agreement were removed from the assessed amounts for the relevant years. The tax assessments for fiscal 2014, 2015, 2016, and 2017 for corporate income tax now total \$24.8 million (445 million MXN), including interest, inflation and penalties. In 2025, the SAT issued an additional tax assessment for fiscal 2018 in the amount of \$5.4 million (96 million MXN) including interest, inflation, and penalties. The Company continues to defend the validity of the deductibility of the mine development costs and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MEP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

La Parrilla Tax Re-assessments

In 2023 and 2024, as part of the ongoing annual audits of the tax returns of First Majestic Plata, S.A. de C.V. (“FMP”) (an indirect wholly-owned subsidiary of the Company which was the owner of the Company’s La Parrilla property which was disposed of in 2023), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of \$30.1 million (542 million MXN) including interest, inflation and penalties. In 2025, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the total amount of \$2.6 million (47 million MXN) including interest, inflation

and penalties. The majority of these tax assessments relate to a prior forward silver purchase agreement to which FMP was a party, and to the denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

Del Toro Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of First Majestic Del Toro, S.A. de C.V. (“FMDT”), the SAT issued tax assessment for fiscal 2015 and 2016 for corporate income tax in the total amount of \$28.4 million (511 million MXN) including interest, inflation and penalties. The major items relate to and denial of the deductibility of mine development costs, refining costs, and other expenses. The Company continues to defend the validity of the expenses and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMDT’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

CFM Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of CFM, the SAT issued tax assessment for fiscal 2016 for corporate income tax in the total amount of \$82.0 million (1,473 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the Company’s acquisition of SilverCrest Mines Inc. on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest Mines Inc. by First Majestic. although the transaction in question involved the disposition of the shares of one Canadian company by another Canadian company and was reported for tax purposes in Canada. The Company continues to defend the validity of the transaction in question and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes CFM’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

First Silver Litigation

In April 2013, the Company received a positive judgment on the First Silver litigation from the Supreme Court of British Columbia (the “Court”), which awarded the sum of \$93.8 million in favour of First Majestic against Hector Davila Santos (the “Defendant”) in connection with a dispute between the Company and the Defendant and his private company involving a mine in Mexico (the “Bolaños Mine”) as set out further below. The Company received the sum of \$14.1 million (representing monies previously held in trust by the Defendant’s lawyer) on June 27, 2013, in partial payment of the April 2013 judgment, leaving an unpaid amount of \$64.3 million (CAD\$81.5 million), not including interest. As part of the ruling, the Court granted orders restricting any transfer or encumbrance of the Bolaños Mine by the Defendant and limiting mining at the Bolaños Mine. The orders also require the Defendant to preserve net cash flow from the Bolaños Mine in a holding account and periodically provide to the Company certain information regarding the Bolaños Mine. After many years of domestic Mexican litigation, the enforceability of the British Columbia judgment was finally recognized by the Mexican Supreme Court in a written judgment on November 11, 2022. The Company is continuing its enforcement efforts in respect of the Defendant’s assets in Mexico. There are no assurances that the Company will be successful in collecting on the remainder of the Court’s judgment in respect of the Defendant’s assets. Therefore, as at December 31, 2025, the Company has not accrued any of the remaining \$64.3 million (CAD\$81.5 million) unrecovered judgment in favour of the Company.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

OTHER FINANCIAL INFORMATION

Off-Balance Sheet Arrangements

As at December 31, 2025, the Company had no material off-balance sheet arrangements such as contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that generate financing, liquidity, market or credit risk to the Company, other than contingent liabilities and vendor liability and interest, as disclosed in this MD&A and the consolidated financial statements and the related notes.

Share Repurchase Program

On September 12, 2024 the Company renewed its ongoing share repurchase program (the “2024 Share Repurchase Program”) which permitted it to repurchase up to 10,000,000 shares (3.32% of the Company’s issued and outstanding shares as at September 4, 2024) until September 11, 2025. The Share Repurchase Program is a “normal course issuer bid” and will be carried out through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces. All common shares, if any, purchased pursuant to the Share Repurchase Program will be cancelled. The Company believes that from time to time, the market price of its common shares may not fully reflect the underlying value of the Company’s business and its future business prospects. The Company believes that at such times, the purchase of common shares would be in the best interest of the Company. During the year ended December 31, 2025, the Company repurchased a total of 768,500 common shares at an average price of CAD\$7.90 per share under its 2024 Share Repurchase Program, resulting in total payments of \$4.3 million, net of transaction costs (December 31, 2024 – \$nil). The 2024 Share Repurchase Program expired on September 11, 2025, and was renewed by the Company on October 14, 2025 (the “2025 Share Repurchase Program”). Under the 2025 Share Repurchase Program, the Company may repurchase up to 24.5 million common shares (5% of the Company’s issued and outstanding common shares as at December 31, 2025), and the program expires on October 13, 2026. During the year ended December 31, 2025, the Company repurchased a total of 400,000 common shares at an average price of CAD\$15.58 per share under its 2025 Share Repurchase Program, resulting in total payments of \$4.4 million.

Related Party Disclosures

In July 2020, the Company entered into the Springpole Stream Agreement with First Mining to purchase 50% of the payable silver produced over the life of the Springpole Gold Project for total consideration of \$22.5 million in cash and shares, over three payments. Keith Neumeyer, our Chief Executive Officer and a director of the Company, and Raymond Polman, a director of the Company, are each also directors of First Mining and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Stream Agreement.

With the exception of the agreement with First Mining, the only significant transaction with related parties during the year ended December 31, 2025 was on December 16, 2025 when the Company exercised all of its First Mining Warrants for a total cash payment of \$4.7 million.

Outstanding Share Data

As at February 18, 2026, the Company has 493,137,289 common shares issued and outstanding. In addition, the following awards that were granted under the Company’s long-term incentive plan were outstanding as at February 18, 2026:

Stock options	5,870,355
Restricted share units (share-settled)	1,496,107
Deferred share units (share-settled)	30,161
Performance share units (share-settled)	1,153,641
Total	8,550,264

On December 2, 2021, the Company issued an aggregate of \$230 million principal amount of 0.375% unsecured convertible debentures due January 15, 2027 (the “2021 Notes”). The 2021 Notes may be converted by the holders, in whole or in part, at any time. The initial conversion rate for the 2021 Notes is 60.3865 common shares per \$1,000 principal amount of the 2021 Notes, equivalent to an initial conversion price of approximately \$16.56 per common share (subject to certain adjustment provisions, one of which requires an adjustment in connection with the payment of any dividends by the Company). In 2025, the Company repurchased 174,708 of the 2021 Notes for total costs of \$214.7 million, and the remaining 55,292 2021 Notes were were unconverted as of December 31, 2025.

On December 8, 2025, the Company issued an aggregate of \$350 million principal amount of 0.125% unsecured convertible debentures due January 15, 2031 (the “2025 Notes”). The 2025 Notes may be converted by the holders, in whole or in part, at any time. The initial conversion rate for the 2025 Notes is 44.7227 common shares per \$1,000 principal amount of the 2025 Notes, equivalent to an initial conversion price of approximately \$22.36 per common share (subject to certain adjustment provisions, one of which requires an adjustment in connection with the payment of any dividends by the Company).

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Dividends

On December 7, 2020, the Company announced that it had adopted a dividend policy under which the Company intends to pay quarterly dividends of 1% of the Company’s net revenues commencing after the completion of the first quarter of 2021. Payment of the dividends under the dividend policy is subject to the discretion of the Board of Directors. The Company may also declare special dividends from time to time, in cash or in kind, at the discretion of the Board of Directors. The Company will review the dividend policy on an ongoing basis and may amend the policy at any time in light of the Company’s then current financial position, profitability, cash flow, debt covenant compliance, legal requirements and other factors considered relevant. All of the Common Shares are entitled to an equal share of any dividends declared and paid. There are currently no restrictions that could prevent the Company from paying dividends.

Over the past three years, the Company has declared the following dividends:

Year Ended December 31,	Declaration Date	Amount per Common Share
2025	November 5	\$0.0052
	August 14	\$0.0048
	May 7	\$0.0045
	February 20	\$0.0057
2024	November 6	\$0.0048
	July 31	\$0.0046
	May 7	\$0.0037
	February 21	\$0.0048
2023	November 2	\$0.0046
	August 3	\$0.0051
	May 4	\$0.0057
	February 23	\$0.0054

SUBSEQUENT EVENTS

The following significant events have occurred subsequent to December 31, 2025:

On January 15, 2026, the Company announced that it is increasing its dividend per common share from 1% to 2% of net quarterly revenues earned from January 1, 2026 onwards divided by the number of common shares of the Company outstanding as at the record date for the dividend (with respect to net quarterly revenues generated from the Los Gatos Silver Mine, 70% of such revenue, being the revenue that is attributable to the Company, is used for the purposes of the Company’s quarterly dividend calculation). The first payment at this increased dividend level will be made in May of this year when the Company pays its dividend for Q1 2026 in respect of revenue earned from January 1, 2026 onwards.

On February 8, 2026, Daniel Muñoz Quintanilla resigned as a director of the Company.

On February 18, 2026, the Company’s Board of Directors approved the declaration of its quarterly common share dividend of \$0.0083 per share, payable on or after March 16, 2026, to common shareholders of record as at the close of business on February 27, 2026. This dividend was declared subsequent to the year end and has not been recognized as a distribution to owners during the period ended December 31, 2025.

ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Critical Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, events or actions, actual results may differ from these estimates.

Fair Value Estimates in the Acquisition of Gatos Silver, Inc.

In business combinations, it generally requires time to obtain the information necessary to identify and measure the following as of the acquisition date:

- (i.) The identifiable assets acquired and liabilities assumed;
- (ii.) The consideration transferred in exchange for an interest in the acquiree;
- (iii.) Exploration potential and any resulting goodwill.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports in its audited consolidated financial statements provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

The fair value of assets acquired and liabilities assumed requires that management make judgments and estimates taking into account information available at the time of the acquisition about future events including, but not restricted to, estimates of mineral reserves and resources, exploration potential, future metal prices, future operating costs and capital expenditures and discount rates.

During the allowable measurement period, the Company will retrospectively adjust the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The Company may also recognize additional assets or liabilities if new information is obtained about facts and circumstances that existed as of the acquisition date and, if known, would have resulted in the recognition of those assets and liabilities as of that date. The measurement period ends as soon as the Company receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable and shall not exceed one year from the acquisition date.

The fair value of assets acquired and liabilities assumed are subject to change for up to one year from the Acquisition Date. If new information arises which would impact management’s assessment of the fair value at the Acquisition Date, any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised. Consequently, the final allocation of the purchase price may result in different adjustments than those shown in the audited consolidated financial statements.

Consideration for the acquisition of Gatos Silver, Inc.

Acquisitions of businesses are accounted for using the acquisition method. The consideration of each business combination is measured, at the date of the exchange, as the aggregate of the fair value of assets given, liabilities incurred or assumed and equity instruments issued by the Company to the former owners of the acquiree in exchange for control of the acquiree. Management made judgments and estimates in calculating the value of the shares and options transferred, including but not limited to share price, volatility, rate of quarterly dividends and the discount rate.

Determination of Control or Significant Influence in Los Gatos Joint Venture (the “LGJV”)

As a result of the Gatos Silver acquisition, the Company now holds a 70% interest in the LGJV. Judgment is required to determine whether the Company controls or has significant influence over the LGJV, which impacts the accounting treatment to consolidate or account for the investment using the equity method, respectively. The assessment required judgment related to factors including, but not limited to, the relevant activities of the LGJV and the substantive rights of the shareholders to approve, among other things, operating policies, budgets, and financing plans. The Company determined that, based on its ability to direct the activities that most significantly affect the returns of the LGJV, it had obtained control over LGJV as of January 16, 2025.

Revenue Recognition

Revenue from concentrate sales to independent smelters is recognized when control of the asset is transferred to the customer. Contracts typically provide for provisional payments based on assays and quoted metal prices, with final settlement based on commodity prices during specified quotational periods, ranging from one month prior to shipment to three months after arrival at the smelter. Sales revenue is initially recognized on a provisional basis using the Company’s best estimate of contained metal and adjusted subsequently. Revenue on provisionally priced sales is recognized based on significant fair value estimates using forward market prices and quantities. At each reporting date, mark-to-market adjustments are made to provisionally priced metal based on the contract’s quotational period. In periods of high price volatility, mark-to-market adjustments for unsettled metal quantities can be significant. Provisional sales quantities are adjusted upon receipt of new information.

New Accounting Policies

Non-Controlling Interest

Non-controlling interest represents equity interests in subsidiaries owned by external parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Non-controlling interest is allocated a share of net income and other comprehensive income, which is recognized directly in equity, even if the results of the non-controlling interest show a deficit balance.

The Company treats transactions with non-controlling interests as transactions with equity shareholders. Changes in the Company’s ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions. Non-controlling interests are measured either at fair value or at the non-controlling interests’ proportionate share of the recognized amounts of the acquirers’ identifiable net assets as at the date of acquisition. The choice of measurement basis is made on a transaction by transaction basis. The Company elected to measure the non-controlling interest of the LGJV at the date the Company acquired control, based on the proportionate share of the entity’s recognized net assets.

Revenue Recognition

The Company’s primary product is silver and gold. Other metals, such as zinc, lead, and copper produced as part of the extraction process are considered to be by-products arising from the production of silver and gold. Smelting and refining charges are net against revenue from the sale of metals.

Revenue relating to the sale of metals is recognized when control of the metal or related services are transferred to the customer in an amount that reflects the consideration the Company expects to receive in exchange for the metals.

When considering whether the Company has satisfied its performance obligation, it considers the indicators of the transfer of control, which include, but are not limited to, whether: the Company has a present right to payment; the customer has legal title to the asset; the Company has transferred physical possession of the asset to the customer; and the customer has the significant risks and rewards of ownership of the asset

Metals in doré sold are priced on date of transfer of control. Final weights and assays are adjusted on final settlement which is approximately one month after delivery. Metals in concentrate sold are provisionally priced at the date of transfer of control as the final selling price is subject to movements in the monthly average prices up to the final settlement date, typically one to three months after delivery to the customer. For this purpose, the transaction price can be measured reliably for those products, such as silver, gold, zinc, lead and copper, for which there exists an active and freely traded commodity market such as the London Metals Exchange and the value of product sold by the Company is directly linked to the form in which it is traded on that market.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Sales revenue is commonly subject to adjustments based on an inspection of the product by the customer. In such cases, sales revenue is initially recognized on a provisional basis using the Company’s best estimate of contained metal, and adjusted subsequently. Revenues are recorded under these contracts at the time control passes to the buyer based on the expected settlement period. Revenue on provisionally priced sales is recognized based on estimates of the fair value of the consideration receivable, which is determined using forward market prices and estimated quantities. At each reporting date, provisionally priced metal is marked to market based on the forward selling price for the quotational period stipulated in the contract. Variations between the price recorded at the date when control is transferred to the buyer and the actual final price set under the smelting contracts are caused by changes in metal prices.

Revenue from the sale of coins, ingots and bullion is recorded when the products have been shipped and funds have been received. When cash was received from customers prior to shipping of the related finished goods, the amounts are recorded as unearned revenue until the products are shipped.

New and amended IFRS Accounting Standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) that were effective for annual periods that begin on or after January 1, 2025. Their adoption has not had any material impact on the disclosures or on the amounts reported in the financial statements.

Lack of Exchangeability (Amendments to IAS 21)

The amendments clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. In addition, the amendments require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments were applied effective January 1, 2025 and did not have a material impact on the Company’s consolidated financial statements.

Future Changes in Accounting Policies Not Yet Effective as at December 31, 2025:

At the date of authorization of the financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective. Management does not expect that the adoption of the Standards listed below will have a material impact on the financial statements of the Company in future periods, except if indicated.

Presentation and Disclosure in Financial Statements (Amendment to IFRS 18)

In April 2024, the IASB released IFRS 18 Presentation and Disclosure in Financial Statements. IFRS 18 replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to: i) present specified categories and defined subtotals in the statement of earnings, ii) provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements, iii) improve aggregation and disaggregation. Some of the requirements in IAS 1 are moved to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IFRS 7 Financial Instruments: Disclosures. The IASB also made minor amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share in connection with the new standard. IFRS 18 requires retrospective application with specific transition provisions.

The amendments are effective for annual reporting periods beginning on or after January 1, 2027, although earlier application is permitted. The Company is currently evaluating the impact of IFRS 18 on the Company’s consolidated financial statements.

Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

The amendments provide guidance on the derecognition of a financial liability settled through electronic transfer, as well as the classification of financial assets for:

- Contractual terms consistent with a basic lending arrangement;
- Assets with non-recourse features;
- Contractually linked instruments.

Additionally, the amendments introduce new disclosure requirements related to investments in equity instruments designated at fair value through other comprehensive income (“FVOCI”), and additional disclosures for financial instruments with contingent features.

These amendments are effective for annual reporting periods beginning on or after January 1, 2026, although earlier application is permitted. The amendment is not expected to have a material impact on the Company’s consolidated financial statements.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

NON-GAAP MEASURES

The Company has included certain non-GAAP measures including “Cash costs per silver equivalents ounce”, “All-in sustaining cost (“AISC”) per silver equivalent ounce”, “AISC per gold ounce”, “Production cost per tonne”, “Average realized silver price per silver equivalent ounce”, “Average realized gold price”, “Adjusted net earnings”, “Adjusted earnings per share”, “Earnings before interest, tax, depreciation and amortization” (“EBITDA”), “Adjusted EBITDA”, “Free cash flow” and “Working capital” to supplement its consolidated financial statements, which are presented in accordance with IFRS Accounting Standards. The terms IFRS Accounting Standards and generally accepted accounting principles (“GAAP”) are used interchangeably throughout this MD&A.

The Company believes that these measures, together with measures determined in accordance with IFRS Accounting Standards, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP measures do not have any standardized meaning prescribed under IFRS Accounting Standards and the methods used by the Company to calculate such measures may differ from methods used by other companies with similar descriptions, therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

Cash Cost per AgEq Ounce, AISC per AgEq Ounce, AISC per Au Ounce, and Production Cost per Tonne

Cash costs per AgEq ounce and total production cost per tonne are non-GAAP performance measures used by the Company to manage and evaluate operating performance at each of the Company’s operating mining units, in conjunction with the related GAAP amounts. These metrics are widely reported in the mining industry as benchmarks for performance but do not have a standardized meaning and are disclosed in addition to IFRS Accounting Standards measures. Management and investors use these metrics for comparing the costs against peers in the industry and for assessing the performance of each mine within the portfolio.

Management calculates the cash costs per ounce and production costs per tonne by:

- starting with the production costs (GAAP) from the income statement;
- adding back duties and royalties, smelting and refining costs as well as transportation and selling costs, which form a part of the cost of sales on the financial statements and provide a better representation of total costs incurred;
- cash costs are divided by the payable silver equivalent ounces produced; and
- production costs are divided by the total tonnes milled.

AISC is a non-GAAP performance measure and was calculated by the Company based on guidance provided by the World Gold Council (“WGC”). WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining versus expansionary capital expenditures. AISC is a more comprehensive measure than cash cost per ounce and is useful for investors and management to assess the Company’s operating performance by providing greater visibility, comparability and representation of the total costs associated with producing silver from its current operations, in conjunction with related

GAAP amounts. AISC helps investors to assess costs against peers in the industry and help management assess the performance of each mine within the portfolio in a standardized manner.

The Company defines sustaining capital expenditures as “costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of productive output without resulting in an increase in the life of assets, future earnings, or improvements in recovery or grade. Sustaining capital includes costs required to improve/enhance assets to minimum standards for reliability, environmental or safety requirements. Sustaining capital expenditures excludes all expenditures at the Company’s new projects and certain expenditures at current operations which are deemed expansionary in nature.”

Expansionary capital expenditures are defined by the Company as “costs incurred to extend existing assets beyond their current productive capacity and beyond their planned levels of productive output, resulting in an increase in the life of the assets, increasing their future earnings potential, or improving their recoveries or grades which would serve to increase the value of the assets over their useful lives”. Development and exploration work which moves inferred resources to measured or indicated resources and adds to the Net Present Value of the assets is considered expansionary in nature. Expansionary capital also includes costs required to improve/enhance assets beyond their minimum standard for reliability, environmental or safety requirements.

Consolidated AISC includes total production costs (GAAP measure) incurred at the Company’s mining operations, which forms the basis of the Company’s total cash costs. Additionally, the Company includes sustaining capital expenditures, corporate general and administrative expenses, share-based payments, operating lease payments and reclamation cost accretion. AISC by mine does not include certain corporate and non-cash items such as general and administrative expense and share-based payments. The Company believes this measure represents the total sustainable costs of producing silver from current operations and provides additional information of the Company’s operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of silver production from current operations, new projects and expansionary capital at current operations are not included. Certain other cash expenditures, including tax payments, dividends and financing costs are also not included.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following tables provide detailed reconciliations of these measures to cost of sales, as reported in notes to our consolidated financial statements.

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Three Months Ended December 31, 2025					
	Los Gatos ⁽¹⁾	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$10,441	\$11,970	\$15,252	\$7,559	\$—	\$45,222
Milling cost	5,027	11,836	9,189	7,061	—	33,113
Indirect cost	8,070	5,317	13,098	4,257	—	30,742
Total production cost (A)	\$23,539	\$29,123	\$37,539	\$18,877	\$—	\$109,077
Add: transportation and other selling cost	3,133	373	337	113	—	3,194
Add: smelting and refining cost	2,164	116	377	207	—	2,864
Add: environmental duty and royalties cost	804	5,808	986	476	—	8,074
Add: change in inventory	(203)	933	456	22	843	2,555
Total cash cost (B)	\$29,436	\$36,353	\$39,695	\$19,695	\$843	\$125,764
Workers' participation	868	1,356	6,682	1,180	—	10,086
General and administrative expenses	—	—	—	—	—	14,142
Share-based payments	—	—	—	—	—	4,851
Accretion of decommissioning liabilities	167	324	349	301	—	1,141
Sustaining capital expenditures	3,868	4,148	5,815	3,471	—	17,451
Operating lease payments	14	2,056	287	1,263	—	3,972
All-In Sustaining Costs (C)	\$34,353	\$44,237	\$52,828	\$25,910	\$843	\$177,407
Payable silver equivalent ounces produced (D)	1,826,668	2,275,976	2,443,035	998,648	21,026	7,565,354
Payable gold ounces produced (E)	N/A	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	226,900	283,721	243,807	303,848	—	1,058,276
Cash cost per AgEq ounce (B/D)	\$16.12	\$15.97	\$16.25	\$19.72	NM	\$16.66
AISC per AgEq ounce (C/D)	\$18.81	\$19.44	\$21.62	\$25.95	NM	\$23.48
Production cost per tonne (A/F)	\$103.74	\$102.65	\$153.97	\$62.11	N/A	\$103.07

(1) All production and costs shown in the table above are reported on an attributable basis to account for the Company's 70% ownership of the Los Gatos mine.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(expressed in thousands of U.S. Dollars,
except ounce and per ounce amounts)

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Three Months Ended December 31, 2024				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$10,005	\$13,513	\$4,779	\$—	\$28,297
Milling cost	9,622	7,457	6,042	—	23,121
Indirect cost	5,137	11,825	3,623	—	20,585
Total production cost (A)	\$24,764	\$32,795	\$14,444	\$—	\$72,003
Add: transportation and other selling cost	292	265	145	—	867
Add: smelting and refining cost	126	274	171	—	1,003
Add: environmental duty and royalties cost	3,816	301	297	—	4,424
Add: change in inventory	845	116	55	—	545
Total cash cost (B)	\$29,843	\$33,751	\$15,112	\$—	\$78,842
Workers' participation	906	3,989	335	—	5,230
General and administrative expenses	—	—	—	—	11,039
Share-based payments	—	—	—	—	2,595
Accretion of decommissioning liabilities	307	344	284	—	935
Sustaining capital expenditures	3,779	7,116	2,331	—	13,248
Operating lease payments	1,945	792	1,073	—	4,137
All-In Sustaining Costs (C)	\$36,780	\$45,992	\$19,135	\$—	\$116,026
Payable silver equivalent ounces produced (D)	2,715,622	2,229,818	755,090	—	5,700,530
Payable gold ounces produced (E)	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	271,783	219,388	253,953	—	745,124
Cash cost per AgEq ounce (B/D)	\$10.99	\$15.14	\$20.01	\$—	\$13.82
AISC per AgEq ounce (C/D)	\$13.54	\$20.63	\$25.34	\$—	\$20.34
Production cost per tonne (A/F)	\$91.11	\$149.49	\$56.88	N/A	\$96.63

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Year Ended December 31, 2025					
	Los Gatos ⁽¹⁾	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	40,793	50,944	62,879	21,711	—	176,327
Milling cost	17,429	43,228	34,418	26,105	—	121,180
Indirect cost	23,620	21,196	50,586	15,520	—	110,923
Total production cost (A)	81,843	115,368	147,883	63,336	—	408,430
Add: transportation and other selling cost	12,433	1,241	1,185	373	39	15,500
Add: smelting and refining cost	3,997	432	1,258	590	10	6,287
Add: environmental duty and royalties cost	2,582	17,420	3,143	1,313	8	24,466
Add: change in inventory	(367)	(3,732)	(584)	(336)	842	(4,177)
Total cash cost (B)	\$100,488	\$130,729	\$152,885	\$65,276	\$899	\$450,506
Workers' participation	2,349	9,380	24,962	1,733	—	38,424
General and administrative expenses	—	—	—	—	—	49,007
Share-based payments	—	—	—	—	—	18,539
Accretion of decommissioning liabilities	643	1,294	1,398	1,208	—	4,543
Sustaining capital expenditures	14,240	13,606	18,961	8,096	—	55,374
Operating lease payments	19	8,405	2,184	4,597	—	16,558
All-In Sustaining Costs (C)	\$117,739	\$163,414	\$200,390	\$80,910	\$899	\$632,951
Payable silver equivalent ounces produced (D)	7,741,087	9,100,809	10,215,168	2,765,033	21,026	29,843,123
Payable gold ounces produced (E)	N/A	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	867,467	1,101,613	928,352	1,106,025	—	4,003,457
Cash cost per AgEq ounce (B/D)	\$12.91	\$14.36	\$14.97	\$23.61	NM	\$15.07
AISC per AgEq ounce (C/D)	\$15.15	\$17.96	\$19.62	\$29.26	NM	\$21.17
Production cost per tonne (A/F)	\$94.34	\$104.73	\$159.29	\$57.26	N/A	\$102.02

(1) All production and costs shown in the table above are reported on an attributable basis to account for the Company's 70% ownership of the Los Gatos mine and includes production starting on January 16, 2025.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Year Ended December 31, 2024				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$47,094	\$56,272	\$17,583	\$—	\$120,949
Milling cost	38,978	30,610	21,777	20	91,386
Indirect cost	21,244	50,136	14,649	—	86,029
Total production cost (A)	\$107,316	\$137,018	\$54,009	\$20	\$298,363
Add: transportation and other selling cost	1,092	1,089	308	90	2,788
Add: smelting and refining cost	466	1,257	495	809	3,027
Add: environmental duty and royalties cost	12,766	1,212	752	22	14,752
Add: change in inventory	(549)	374	(1,201)	2,403	1,027
Total cash cost (B)	\$121,091	\$140,950	\$54,363	\$3,344	\$319,957
Workers' participation	3,913	15,396	1,327	—	20,636
General and administrative expenses	—	—	—	—	38,106
Share-based payments	—	—	—	—	13,490
Accretion of decommissioning liabilities	1,228	1,374	1,137	—	3,739
Sustaining capital expenditures	13,342	25,932	5,397	—	44,854
Operating lease payments	8,075	1,809	4,215	—	15,533
All-In Sustaining Costs (C)	\$147,649	\$185,461	\$66,439	\$3,344	\$456,315
Payable silver equivalent ounces produced (D)	10,250,914	8,803,195	2,346,606	201,410	21,602,125
Payable gold ounces produced (E)	N/A	N/A	N/A	2,321	N/A
Tonnes milled (F)	1,012,523	776,812	897,406	—	2,686,742
Cash cost per AgEq ounce (B/D)	\$11.81	\$16.01	\$23.17	\$16.60	\$14.80
AISC per AgEq ounce (C/D)	\$14.40	\$21.07	\$28.31	\$16.60	\$21.11
Production cost per tonne (A/F)	\$105.99	\$176.33	\$60.18	\$—	\$111.03

Average Realized Silver Price per Silver Equivalent Ounce

Revenues are presented as the net sum of invoiced revenues related to delivered shipments of silver or gold doré bars, including associated metal by-products of lead and zinc after having deducted refining and smelting charges, and after elimination of intercompany shipments of silver, silver being minted into coins, ingots and bullion products.

The average realized silver price is a non-GAAP performance measure that allows management and investors to assess the Company's ability to sell ounces produced, in conjunction with related GAAP amounts. Management calculates this measure by taking total revenue reported under GAAP and adding back smelting and refining charges to arrive at the gross reportable revenue for the period. Gross revenues are divided into payable silver equivalent ounces sold to calculate the average realized price per ounce of silver equivalents sold. The streaming and royalty agreements in place between the Company and Royal Gold (formerly Sandstorm Gold Ltd.) as well as Wheaton, impacts the total revenues reported on the financial statements given the reduced prices provided to these vendors in line with the terms of the agreements. Therefore, management adjusts revenue to exclude smelting and refining charges as well as revenues earned through agreements with these vendors. This provides management with a better picture regarding its ability to convert ounces produced to ounces sold and provides the investor with a clear picture of the price that the Company can currently sell the inventory for, excluding pre-arranged agreements.

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Revenues as reported	\$463,923	\$172,337	\$1,257,157	\$560,604
Add back: smelting and refining charges	3,793	1,003	8,000	3,027
Gross revenues	\$467,716	173,340	1,265,157	563,631
Less: Royal Gold gold revenues	—	(12)	—	(23)
Less: Wheaton gold revenues	(5,587)	(4,452)	(20,209)	(18,247)
Gross revenues, excluding Royal Gold, Wheaton (A)	\$462,129	\$168,875	\$1,244,948	\$545,361
Payable silver equivalent ounces sold	8,439,173	6,079,727	32,678,110	21,745,706
Less: Payable silver equivalent ounces sold to Royal Gold	—	(2,331)	—	(4,168)
Less: Payable silver equivalent ounces sold to Wheaton	(601,019)	(593,817)	(2,696,924)	(2,440,570)
Payable silver equivalent ounces sold, excluding Royal Gold and Wheaton (B)	7,838,154	5,483,579	29,981,186	19,300,968
Average realized silver price per silver equivalent ounce (A/B)	\$58.96	\$30.80	\$41.52	\$28.26
Average market price per ounce of silver per COMEX	\$55.20	\$28.29	\$40.08	\$27.49

Average Realized Gold Price per Ounce

Revenues are presented as the net sum of invoiced revenues related to delivered shipments of silver or gold doré bars, including associated metal by-products of lead and zinc after having deducted refining and smelting charges, and after elimination of intercompany shipments of silver, silver being minted into coins, ingots and bullion products.

The average realized gold price is a non-GAAP performance measure that allows management and investors to assess the Company’s ability to sell ounces produced, in conjunction with related GAAP amounts. Management calculates this measure by taking total revenue reported under GAAP and adding back smelting and refining charges to arrive at the gross reportable revenue for the period. Silver revenues are deducted from the reportable revenue for the period in order to arrive at the gold revenue for the period. Gross gold revenues are divided into gold ounces sold to calculate the average realized price per ounce of gold sold. The streaming and royalty agreements in place between the Company and Royal Gold as well as Wheaton, impacts the total revenues reported on the financial statements given the reduced prices provided to these vendors in line with the terms of the agreements. Therefore, management adjusts revenue to exclude smelting and refining charges as well as revenues earned through agreements with these vendors. This provides management with a better picture regarding its ability to convert ounces produced to ounces sold and provides the investor with a clear picture of the price that the Company can currently sell the inventory for, excluding pre-arranged agreements.

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Gross revenue, excluding Royal Gold, Wheaton	\$462,128	\$168,875	\$1,244,948	\$545,361
Less: Silver revenues	(281,021)	(82,178)	(724,324)	(240,738)
Less: Lead Revenue	(13,431)	—	(41,023)	—
Less: Zinc Revenue	(28,859)	—	(87,690)	—
Less: Copper Revenue	(1,272)	—	(2,714)	—
Gross gold revenues, excluding Royal Gold, Wheaton (A)	\$137,545	\$86,697	\$389,198	\$304,624
Gold ounces sold	42,666	39,542	146,957	155,770
Less: Gold ounces sold to Wheaton	(8,686)	(6,990)	(31,539)	(28,746)
Less: Gold ounces sold to Royal Gold	—	(26)	—	(47)
Gold ounces sold, excluding Royal Gold and Wheaton (B)	33,980	32,526	115,418	126,977
Average realized gold price per ounce (A/B)	\$4,048	\$2,665	\$3,372	\$2,399
Average market price per ounce of gold	\$4,152	\$2,390	\$3,440	\$2,319

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
Free Cash Flow

Free cash flow is a non-GAAP liquidity measure which is determined based on operating cash flows less sustaining capital expenditures. Management uses free cash flow as a critical measure in the evaluation of liquidity in conjunction with related GAAP amounts. It also uses the measure when considering available cash, including for decision-making purposes related to dividends and discretionary investments. Further, it helps management, the Board of Directors and investors evaluate a Company’s ability to generate liquidity from operating activities.

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Operating cash flows	\$267,892	\$81,654	\$526,010	\$151,970
Less: Sustaining capital expenditures ⁽¹⁾	17,451	13,248	55,374	44,854
Free cash flow	\$250,441	\$68,406	\$470,636	\$107,116

(1) Sustaining capital expenditures are based on the attributable expenditures from Los Gatos relating to the Company’s 70% ownership of the entity.

Adjusted Earnings per Share (“Adjusted EPS”)

The Company uses the financial measure “Adjusted EPS” which is a non-GAAP measure, to supplement earnings per share (GAAP) information in its consolidated financial statements. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, the Company and certain investors and analysts use this information to evaluate the Company’s performance.

Management uses adjusted earnings per share as a critical measure of operating performance in conjunction with the related GAAP amounts. The only items considered in the adjusted earnings-per-share calculation are those that management believes (1) may affect trends in underlying performance from year to year and (2) are not considered normal recurring cash operating expenses.

Adjusted earnings per share is used for forecasting, operational and strategic decision making, evaluating current Company and management performance, and calculating financial covenants. Management believes that excluding certain non-cash and non-recurring items from the calculation increases comparability of the metric from period to period, which makes it useful for management, the audit committee and investors, to evaluate the underlying core operations. The presentation of Adjusted EPS is not meant to be a substitute for EPS presented in accordance with IFRS Accounting Standards, but rather should be evaluated in conjunction with such IFRS Accounting Standards measure.

To calculate adjusted earnings per share, management adjusts from net earnings (GAAP), the per-share impact, net of the tax effects of adjustments, of the following:

- share based payments;
- realized and unrealized gains and losses from investment in derivatives and marketable securities; and
- other infrequent or non-recurring losses and gains.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following table provides a detailed reconciliation of net earnings (losses) as reported in the Company's consolidated financial statements to adjusted net earnings and Adjusted EPS:

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net earnings (loss) attributable to owners of the company as reported	\$83,132	(\$13,478)	\$164,923	(\$101,885)
Adjustments for non-cash or unusual items:				
Reversal of impairment	(20,336)	—	(20,336)	—
Current tax expense relating to PEM tax provision	147,161	—	147,161	—
Deferred income tax (recovery) expense	(52,518)	18,340	(89,068)	43,434
(Gain) loss from investment in marketable securities	(14,956)	184	(19,117)	(21)
Share-based payments	4,851	2,595	18,539	13,490
Acquisition costs	—	—	5,584	—
Abnormal costs (1)	—	—	7,731	1,759
Restructuring costs	403	—	3,959	—
Write-down of mineral inventory	—	—	—	1,465
Gain on debt settlement	(3,363)	—	(3,363)	—
Adjusted net earnings (loss)	\$144,374	\$7,641	\$216,012	(\$41,758)
Weighted average number of shares on issue - basic	490,935,773	301,810,960	479,581,196	295,544,681
Adjusted EPS	\$0.30	\$0.03	\$0.46	(\$0.14)

(1) Abnormal costs in 2025 include elevated waste costs from ore below cut-off grade at La Encantada, as poor ground conditions impacted mine development activities. Additionally, abnormal costs included elevated maintenance and energy costs at Santa Elena along with higher diesel generator rental costs and energy charges driven by weather related events at San Dimas. Abnormal costs in 2024 relate to \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") and Adjusted EBITDA

The Company uses the financial measures "EBITDA" and "Adjusted EBITDA" which are both non-GAAP measures, to supplement net earnings (GAAP) information in its consolidated financial statements. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, the Company and certain investors and analysts use this information to evaluate the Company's performance.

Management uses EBITDA and Adjusted EBITDA as a critical measure of operating performance in conjunction with the related GAAP amounts. EBITDA is profit before net finance expense, provision for income taxes, and depreciation and amortization. The only items considered in the Adjusted EBITDA calculation are those that management believes (1) may affect trends in underlying performance from year to year and (2) are not considered normal recurring cash operating expenses.

EBITDA and Adjusted EBITDA is used for forecasting, operational and strategic decision making and evaluating current Company and management performance. Management believes that excluding certain non-cash and non-recurring items from the EBITDA calculation increases comparability of the metric from period to period, which makes it useful for management, the audit committee and investors, to evaluate the underlying core operations. The presentation of EBITDA and Adjusted EBITDA is not meant to be a substitute for net earnings presented in accordance with IFRS Accounting Standards, but rather should be evaluated in conjunction with such IFRS Accounting Standards measure.

To calculate EBITDA, management adjusts from net earnings (GAAP) by adding back finance costs, depletion, depreciation and amortization, and income taxes. To calculate Adjusted EBITDA, management adjusts from EBITDA, net of the tax effects of adjustments, the following:

- share-based payments;
- realized and unrealized gains and losses from investment in derivatives and marketable securities; and
- other infrequent or non-recurring losses and gains.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following table provides a detailed reconciliation of net earnings (losses) as reported in the Company's consolidated financial statements to EBITDA and Adjusted EBITDA:

	Three Months Ended December 31,		Year Ended December 31,	
	2025	2024	2025	2024
Net earnings (loss) as reported	\$105,194	(\$13,478)	\$210,975	(\$101,885)
Add back:				
Finance costs	4,357	6,783	26,229	28,060
Depletion, depreciation and amortization	72,771	35,048	264,798	125,492
Income taxes	156,446	33,630	184,051	75,431
EBITDA	338,768	61,983	686,053	127,098
Adjustments for non-cash or unusual items:				
Impairment Reversal	(20,336)	—	(20,336)	—
(Gain) loss from investment in marketable securities	(14,956)	184	(19,117)	(21)
Share-based payments	4,851	2,595	18,539	13,490
Abnormal costs (1)	—	—	7,731	1,759
Restructuring costs	403	—	3,959	—
Write-down of mineral inventory	—	—	—	1,465
Acquisition costs	—	—	5,584	—
Gain on debt settlement	(3,363)	—	(3,363)	—
Adjusted EBITDA	\$305,367	\$64,762	\$679,050	\$143,791

(1) Abnormal costs in 2025 include elevated waste costs from ore below cut-off grade at La Encantada, as poor ground conditions impacted mine development activities. Additionally, abnormal costs included elevated maintenance and energy costs at Santa Elena along with higher diesel generator rental costs and energy charges driven by weather related events at San Dimas. Abnormal costs in 2024 relate to \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

Working Capital and Available Liquidity

Working capital is determined based on current assets and current liabilities as reported in the Company's consolidated financial statements. The Company uses working capital as a measure of the Company's short-term financial health and operating efficiency. Available liquidity includes the Company's working capital and undrawn revolving credit facility.

	December 31, 2025	December 31, 2024
Current Assets	\$1,192,701	\$368,821
Less: Current Liabilities	(459,139)	(144,307)
Working Capital	\$733,562	\$224,514
Available Undrawn Revolving Credit Facility	139,640	139,640
Available Liquidity	\$873,202	\$364,154

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

The Company’s management, with the participation of its President & Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), has evaluated the effectiveness of the Company’s disclosure controls and procedures. Based upon the results of that evaluation, the Company’s CEO and CFO have concluded that, as of December 31, 2025, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

The Company’s management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in the rules of the United States Securities and Exchange Commission and the Canadian Securities Administrators. The Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the IASB. The Company’s internal control over financial reporting includes policies and procedures that:

- maintain records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary for preparation of financial statements in accordance with IFRS Accounting Standards as issued by IASB;
- provide reasonable assurance that the Company’s receipts and expenditures are made only in accordance with authorizations of management and the Company’s Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the Company’s consolidated financial statements.

The Company’s internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company’s policies and procedures.

The Company’s management evaluated the effectiveness of our internal controls over financial reporting based upon the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management’s evaluation, our CEO and CFO concluded that our internal controls over financial reporting was effective as of December 31, 2025. There have been no significant changes in our internal controls during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. Refer to the “Report of Independent Registered Public Accounting Firm” section of the financial statements for the independent registered public accounting firm’s attestation regarding the Company’s internal control over financial reporting.

Management excluded from its assessment the internal controls, policies and procedures of Gatos, which the Company acquired on January 16, 2025. On a combined basis, Gatos’ total assets and net assets as of December 31, 2025 constitute approximately 45% and 49%, respectively, of the audited consolidated financial statement amounts as of December 31, 2025. On a combined basis, Gatos’ total revenues and net profit for the year ended December 31, 2025 constitute approximately 39% and 72%, respectively, of the audited consolidated financial statement amounts as of December 31, 2025. This limitation of scope is in accordance with section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of disclosure controls and procedures (“DC&P”) or internal control over financial reporting (“ICFR”) to exclude a business that the issuer acquired not more than 365 days before the end of the financial period to which the CEO’s and CFO’s certification of annual filings relates. With the exception of the internal controls of Gatos, there have been no significant changes in our internal controls during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Limitations of Controls and Procedures

The Company’s management, including the CEO and CFO, believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, may not prevent or detect all misstatements because of inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CAUTIONARY STATEMENTS

Cautionary Note regarding Forward-Looking Statements

Certain information contained herein this MD&A constitutes forward-looking statements under applicable securities laws (collectively, “forward-looking statements”). These statements relate to future events or the Company’s future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to: commercial mining operations; anticipated mineral recoveries; projected quantities of future mineral production; statements with respect to the Company’s business strategy; future planning processes; redemption and/or conversion of the Company’s securities; interpretation of drill results and other technical data; anticipated development, expansion, exploration activities and production rates and costs and mine plans and mine life; assumptions used in determining the fair value of mining interests; metal price assumptions and mining cost assumptions; statements related to production outlook and cost guidance, including, but not limited to, estimates of silver equivalent production and annual cash costs; statements relating to potential capital investments; exploration efforts on the Navidad and Santo Niño (as defined herein) systems at the Santa Elena property; the security situation at the San Martin mine; the estimated cost and timing of plant improvements at the Company’s operating mines and development of the Company’s development projects; statements with respect to water source development and water inventory levels at La Encantada; the timing of completion of exploration and drilling programs and the results thereof;

MANAGEMENT’S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

the restarting of operations or potential plans at the Company’s temporarily suspended and/or non-operating mines; the temporary suspension of mining activities at Jerritt Canyon; future exploration activities at Jerritt Canyon and the costs thereof; anticipated reclamation and decommissioning activities and associated costs; conversion of mineral resources to proven and probable mineral reserves; analyses and other information that are based on forecasts of future results; estimates of amounts not yet determinable; statements with respect to the Company’s future financial position including operating efficiencies, cash flow, capital budgets, credit risk, liquidity risk, costs and expenditures, cost savings, allocation of capital, the Company’s share price, and statements with respect to the recovery of value added tax receivables and the tax regime in Mexico; the implementation and effect of cost reduction initiatives; implementation of LNG supplemental power; retention of contractors; the continued integration of the Los Gatos mine with the business through identifying and realizing synergies; the preparation of technical reports and completion of preliminary economic assessments; viability of the Company’s projects; potential metal recovery rates; sales of bullion direct to customers; timing and payment of dividends; the operations of mines that are not wholly-owned or that are owned through joint arrangements; the potential impact of tariffs imposed by governments; the potential impact of amendments to or expiry of CUSMA; the impact of amendments to accounting policies; the adoption of new critical accounting judgements and estimates; effectiveness of internal controls and procedures; the validity of the APA between the SAT and PEM; statements with respect to the recovery of value added tax receivables and the tax regime in Mexico; the conduct, timing, or outcome of outstanding litigation, arbitration, regulatory proceedings, negotiations or proceedings under NAFTA or other claims and the compliance by counterparties with judgments or decisions; the continued development and future operations of the Company’s minting facility; the Share Repurchase Program (as defined herein); future regulatory trends, future market conditions, future staffing levels and needs and assessment of future opportunities of the Company; the Company’s plans with respect to enforcement of certain judgments in favour of the Company and the likelihood of collection under those judgments; the Company’s ability to comply with future legislation or regulations including amendments to Mexican mining legislation and the Company’s intent to comply with future regulatory and compliance matters; expectations regarding the effects of potential public health crises on the Company’s operations, the global economy and the market for the Company’s products and securities; and other statements identified as such in the documents incorporated by reference herein. All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “forecast”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements”.

Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management made in light of management’s experience and perception of historical trends, current conditions and expected future developments at the dates the statements are made, and involve known and unknown risks, uncertainties and other factors that may cause actual events or results to differ materially from those anticipated in such forward-looking statements. These forward-looking statements involve risks and uncertainties relating to, among other things, global economic conditions, including public health threats, the inherent risks involved in the mining, exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, changes in commodity prices and, particularly, silver and gold prices, changes in exchange rates, the possibility of project delays or cost overruns or unanticipated excessive operating costs and expenses, access to skilled mining development and mill production personnel, labour relations, costs of labour, results of exploration and development activities, accuracy of resource estimates, uncertainties related to the necessity of financing, the availability of and costs of financing needed in the future, uninsured risks,

the adverse effects of violence and criminal activity around the Company’s projects and properties, defects in title, availability and costs of materials and equipment, inability to meet future financing needs on acceptable terms, conflicts with joint venture partners, climate change events including, but not limited to, drought conditions, flooding or freezing, changes in national or local governments, changes in applicable legislation or application thereof, timeliness of government approvals, actual performance of facilities, equipment, and processes relative to specifications and expectations and unanticipated environmental impacts on operations, availability of time on court calendars in Canada and elsewhere, the recognition of Canadian judgments under Mexican law, the possibility of settlement discussions, the risk of appeal of judgment, the insufficiency of a defendant’s assets to satisfy a judgment amount, and other factors described in the Company’s most recently filed AIF under the heading “Risk Factors”.

The Company believes that the expectations reflected in any such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included herein this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. Actual results may differ materially from those expressed or implied by such forward-looking statements.

Technical Information

Scientific and technical information contained in this MD&A has been reviewed and approved by Gonzalo Mercado, P. Geo., the Company’s Vice-President, Exploration & Technical Services and a “Qualified Person” as defined under NI 43-101. For more detailed information regarding the Company’s material mineral properties, please refer to the Company’s most recently filed AIF which is available under our SEDAR+ profile at www.sedarplus.ca, and on EDGAR as an exhibit to our most recently filed Form 40-F.

Cautionary Note to United States Investors Concerning Estimates of Mineral Reserves and Resources

This Management’s Discussion and Analysis has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from SEC requirements applicable to domestic United States issuers. Accordingly, the disclosure in this Management’s Discussion and Analysis regarding our mineral properties is not comparable to the disclosure of United States issuers subject to the SEC’s mining disclosure requirements.

Additional Information

Additional information on the Company, including the Company’s most recently filed AIF and the Company’s audited consolidated financial statements for the year ended December 31, 2025, is available under the Company’s profile on SEDAR+ at www.sedarplus.ca and on the Company’s website at www.firstmajestic.com.



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