# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

# FORM 40-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2024** Commission File Number **001-34984**

# FIRST MAJESTIC SILVER CORP.
(Exact name of registrant as specified in its charter)

| **British Columbia, Canada** | **1041** | **Not Applicable** |
|---|---|---|
| (Province or other jurisdiction of incorporation or organization) | (Primary Standard Industrial Classification Code Number) | (I.R.S. Employer Identification Number) |

**Suite 1800 - 925 West Georgia Street**
**Vancouver, British Columbia V6C 3L2, Canada**
**(604) 688-3033**

(Address and telephone number of Registrant's principal executive offices)

**National Registered Agents, Inc.**
**1090 Vermont Avenue N.W., Suite 910**
**Washington D.C. 20005**
**(202) 371-8090**

(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities to be registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol | Name of each exchange on which registered |
|---|---|---|
| **Common Shares, no par value** | **AG** | **New York Stock Exchange** |

Securities registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

For annual reports, indicate by check mark the information filed with this Form.

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report. **301,913,238**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act. Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

## NOTE TO UNITED STATES READERS - DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

First Majestic Silver Corp. (the "**Company**" or the "**Registrant**") is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this annual report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States. The Company prepares its financial statements (the "**Audited Financial Statements**") in accordance with IFRS Accounting Standards ("**IFRS Accounting Standards**") as issued by the International Accounting Standards Board ("**IASB**").

The Annual Information Form ("**AIF**") filed as Exhibit 99.1 to this annual report on Form 40-F has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**") and the Canadian Institute of Mining, Metallurgy and Petroleum ("**CIM**") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended. These definitions differ from the definitions in the United States Securities and Exchange Commission ("**SEC**") rules and regulations applicable to domestic United States companies.

Accordingly, information contained in this annual report on Form 40-F and the documents incorporated by reference herein containing descriptions of the Company's mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder.

## ANNUAL INFORMATION FORM

The AIF is filed as Exhibit 99.1 to, and incorporated by reference in, this annual report on Form 40-F.

## AUDITED ANNUAL FINANCIAL STATEMENTS

The Audited Consolidated Financial Statements as at and for the years ended December 31, 2024 and 2023, including the report of the independent registered public accounting firm with respect thereto, are filed as Exhibit 99.2 to, and incorporated by reference in, this annual report on Form 40-F. Our independent registered public accounting firm is Deloitte LLP, Vancouver, British Columbia, Canada (PCAOB ID No. 1208).

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company's management's discussion and analysis of results of operations and financial condition for the year ended December 31, 2024 is filed as Exhibit 99.3 to, and incorporated by reference in, this annual report on Form 40-F.

## CERTIFICATIONS

See Exhibits 99.4, 99.5, 99.6 and 99.7, which are included as Exhibits to this annual report on Form 40-F.

## DISCLOSURE CONTROLS AND PROCEDURES

**Evaluation of Disclosure Controls and Procedures**

At the end of the period covered by this annual report on Form 40-F, 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, 2024, 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 SEC 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 the 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 control 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 control over financial reporting was effective as of December 31, 2024.

There has been no change in the Company's internal control over financial reporting during the year ended December 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

The Company's independent registered public accounting firm, Deloitte LLP, has audited the Audited Consolidated Financial Statements as at December 31, 2024, and 2023 and for each of the two years in the period ended December 31, 2024 filed as Exhibit 99.2, and has issued an attestation report dated February 19, 2025 on the Company's internal control over financial reporting based on the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

**Limitations of Controls and Procedures**

The Company's management, including the President & Chief Executive Officer and Chief Financial Officer, believes 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 error or mistake. 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.

## AUDIT COMMITTEE

**Audit Committee**

The Company's Board of Directors (the "**Board**") has a separately designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act. The members of the Company's audit committee are identified on page 150 of the AIF, filed as Exhibit 99.1 and incorporated by reference herein. In the opinion of the Board, all members of the audit committee are independent (as determined under Rule 10A-3 of the Exchange Act and the rules of the New York Stock Exchange) and are financially literate.

**Audit Committee Financial Expert**

The Board has determined that Colette Rustad, CPA, CA, is an audit committee financial expert, as such term is defined in Form 40-F, in that she has an understanding of generally accepted accounting principles and financial statements; is able to assess the general application of accounting principles, including, in connection with the accounting for estimates, accruals and reserves; has experience preparing, auditing, analyzing or evaluating financial statements that entail accounting issues of equal breadth and complexity to the Company's financial statements (or actively supervising another person who did so); has an understanding of internal controls and procedures for financial reporting; and has an understanding of audit committee functions.

## CODE OF ETHICS

The Company has adopted a written Code of Ethical Conduct that qualifies as a "code of ethics" within the meaning of such term in Form 40-F. A copy of this code is available on the Company's website at http://www.firstmajestic.com or to any person without charge, by written request addressed to: First Majestic Silver Corp., Attention: General Counsel & Corporate Secretary, Suite 1800 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, Canada, or by email (info@firstmajestic.com).

If any amendment to the Code of Ethical Conduct is made, or if any waiver from the provisions thereof is granted, the Company may elect to disclose the information about such amendment or waiver required by Form 40-F to be disclosed, by posting such disclosure on the Company's website, which may be accessed at www.firstmajestic.com.

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

Deloitte LLP acted as the Company's independent registered public accounting firm for the financial year ended December 31, 2024. See page 152 of the AIF, which is attached hereto as Exhibit 99.1, for the total amount billed to the Company by Deloitte LLP for services performed in the last two financial years by category of service (for audit fees, audit-related fees, tax fees and all other fees) in United States dollars.

## AUDIT COMMITTEE PRE-APPROVAL POLICIES AND PROCEDURES

See Appendix "A" of the AIF filed as Exhibit 99.1 hereto and incorporated by reference herein.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors, or relationships with unconsolidated special purpose entities.

## CASH REQUIREMENTS

The information provided under the heading "Management's Discussion and Analysis - Liquidity, Capital Resources and Contractual Obligations" contained in Exhibit 99.3 hereto contains the Company's disclosure of contractual and non-contractual obligations and liquidity and is incorporated by reference herein.

## MINE SAFETY DISCLOSURE

Not applicable.

## DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

## RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION

The Company adopted an Incentive Compensation Recovery Policy (the "**Clawback Policy**") on November 1, 2023 as required by NYSE listing standards and pursuant to Rule 10D-1 of the Exchange Act. The Clawback Policy is filed as Exhibit 97 to this Form 40-F.

At no time during or after the fiscal year ended December 31, 2024 (as of the date of this Annual Report), was the Company required to prepare an accounting restatement that required recovery of erroneously awarded compensation pursuant to the Clawback Policy and, as of December 31, 2024, there was no outstanding balance of erroneously awarded compensation to be recovered from the application of the Clawback Policy to a prior restatement.

## NEW YORK STOCK EXCHANGE DISCLOSURE

<u>Presiding Director at Meetings of Non-Management Directors</u>

The Company schedules regular sessions in which the Company's "non-management directors" (as that term is defined in the rules of the New York Stock Exchange) meet without management participation. Thomas F. Fudge, Jr. serves as the presiding director (the "**Presiding Director**") at such sessions. Each of the Company's non-management directors, except Raymond Polman, is "independent" within the meaning of the rules of the New York Stock Exchange.

The Company also holds additional sessions at least four times per year in which the Company's independent directors meet without participation from management or non-independent directors.

<u>Communication with Non-Management Directors</u>

Shareholders may send communications to the Company's non-management directors by writing to Thomas F. Fudge, Jr., Chair of the Board, c/o the General Counsel & Corporate Secretary, First Majestic Silver Corp., Suite 1800 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, Canada. Communications will be referred to the Presiding Director for appropriate action. The status of all outstanding concerns addressed to the Presiding Director will be reported to the Board as appropriate.

<u>Board Committee Mandates</u>

The Charters of the Company's audit committee, compensation committee, corporate governance & nominating committee and sustainability committee are each available for viewing on the Company's website at www.firstmajestic.com.

NYSE Statement of Governance Differences

As a Canadian corporation listed on the New York Stock Exchange (the "**NYSE**"), the Company is not required to comply with most of the NYSE corporate governance standards, so long as it complies with Canadian corporate governance practices. In order to claim such an exemption, however, the Company must disclose the significant difference between its corporate governance practices and those required to be followed by U.S. domestic companies under the NYSE's corporate governance standards. The Company has included a description of such significant differences in corporate governance practices on its website, which may be accessed at www.firstmajestic.com.

**UNDERTAKINGS**

The Company undertakes to make available, in person or by telephone, representatives to respond to inquiries made by SEC staff, and to furnish promptly, when requested to do so by SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

**CONSENT TO SERVICE OF PROCESS**

The Company filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with respect to the class of securities in relation to which the obligation to file this annual report on Form 40-F arises.

**EXHIBIT INDEX**

| Exhibit | Description |
|---|---|
| 97 | Incentive Compensation Recovery Policy |
| 99.1 | Annual Information Form of the Company for the year ended December 31, 2024 |
| 99.2 | Audited consolidated financial statements of the Company and the notes thereto as of and for the years ended December 31, 2024 and 2023, together with the reports of the independent registered public accounting firm |
| 99.3 | Management's Discussion and Analysis for the year ended December 31, 2024 |
| 99.4 | CEO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 99.5 | CFO Certification pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 |
| 99.6 | CEO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.7 | CFO Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 |
| 99.8 | Consent of Ramon Mendoza Reyes, P. Eng. |
| 99.9 | Consent of Persio P. Rosario, P. Eng. |
| 99.10 | Consent of María Elena Vázquez Jaimes, P. Geo. |
| 99.11 | Consent of Phillip J. Spurgeon, P. Geo. |
| 99.12 | Consent of Brian Boutilier, P.Eng. |
| 99.13 | Consent of David Rowe, CPG |
| 99.14 | Consent of Joaquin Merino-Marquez, P. Geo. |
| 99.15 | Consent of Gonzalo Mercado, P.Geo. |
| 99.16 | Consent of Michael Jarred Deal, RM SMEP |
| 99.17 | Consent of David W. Wanner, P.E. |
| 99.18 | Consent of Andrew Pocock, P.Eng. |
| 99.19 | Consent of Stephan Blaho, P. Eng., PEO |
| 99.20 | Consent of Matthew L. Fuller, L.E.G., P.Geo. |
| 99.21 | Consent of Dawn H. Garcia, PG, CPG |
| 99.22 | Consent of Adam Johnston, FAusIMM CP (Metallurgy) |
| 99.23 | Consent of Ibrahim Karajeh, P.Eng., PEO, PMP |
| 99.24 | Consent of William Richard McBride, P. Eng., PEO |
| 99.25 | Consent of Mathew Oommen, Registered Member SME |
| 99.26 | Consent of Ronald Turner, MAusIMM CP |

| Exhibit | Description |
|---|---|
| 99.27 | Consent of Deloitte LLP, Independent Registered Public Accounting Firm |
| 101.INS | Inline XBRL Instance Document–the instance document does not appear in the Interactive Data File as its XBRL tags are embedded within the Inline XBRL document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) |

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

Date: March 31, 2025.

**FIRST MAJESTIC SILVER CORP.**

By: *\/s\/ Keith Neumeyer*
Keith Neumeyer
President & Chief Executive Officer

**INCENTIVE COMPENSATION RECOVERY POLICY**

(Adopted by the Board of Directors of First Majestic Silver Corp. (the "**Company**")
on November 1, 2023, effective as of October 2, 2023)

## 1. INTRODUCTION

The Board of Directors of the Company believe that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's compensation philosophy. The Board has therefore adopted this policy (the "**Policy**"), which provides for the recovery of erroneously awarded incentive compensation in the event that the Company is required to prepare an accounting restatement due to material non-compliance of the Company with any financial reporting requirements under applicable Canadian or United States federal securities laws. This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), related rules, and the rules and listing standards of the Toronto Stock exchange (the "**TSX**"), the New York Stock Exchange (the "**NYSE**") and/or any other securities exchange on which the Company's shares are listed in the future.

## 2. ADMINISTRATION

This Policy shall be administered by the Board or, if so designated by the Board, the Compensation Committee (the "**Committee**"), in which case, all references herein to the Board shall be deemed references to the Committee. Any determinations made by the Board shall be final and binding on all affected individuals.

## 3. COVERED EXECUTIVES

Unless and until the Board determines otherwise, for purposes of this Policy, the term "**Covered Executive**" means a current or former employee who is or was identified by the Company as the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance) any other officer who performs a policy-making function, any other person (including any executive officer of the Company's subsidiaries or affiliates) who performs similar policy-making functions for the Company "Policy-making function" excludes policy-making functions that are not significant. For avoidance of doubt, "Covered Executives" will include at least the following Company personnel: President & Chief Executive Officer; Chief Financial Officer; Chief Operating Officer; General Counsel & Corporate Secretary; Vice President - Corporate Development & Investor Relations; Vice President - Corporate Communications & Marketing; Vice President - Operations (Mexico); Vice President - Metallurgy and Innovation; Vice President - Exploration & Technical Services; Vice President & General Manager - First Mint; Vice President - Human Resources; Vice President - Taxation; and Vice President - Treasury.

This Policy covers Incentive Compensation (as defined below) received by a person after beginning service as a Covered Executive and who served as a Covered Executive at any time during the performance period for that Incentive Compensation.

## 4. RECOVERY: ACCOUNTING RESTATEMENT

In the event of an "Accounting Restatement" (as defined below), the Company will take all appropriate action (as more particularly discussed in paragraph 4(e)) to recover reasonably promptly any excess Incentive Compensation (as determined in accordance with paragraph 4(d)) received by any Covered Executive during the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, including transition periods resulting from a change in the Company's fiscal year as provided in Rule 10D-1 of the Exchange Act. Incentive Compensation is deemed "**received**" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

(a) Definition of Accounting Restatement.

For the purposes of this Policy, an "**Accounting Restatement**" means the Company is required to prepare an accounting restatement of its financial statements filed with the Securities and Exchange Commission (the "**SEC**") due to the Company's material noncompliance with any financial reporting requirements under the applicable Canadian or United States federal securities laws (including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period).

The determination of the time when the Company is "**required**" to prepare an Accounting Restatement shall be made in accordance with applicable Canadian or United States federal securities laws and applicable securities exchange rules and regulations.

An Accounting Restatement does not include situations in which financial statement changes did not result from material non-compliance with financial reporting requirements, such as, but not limited to retrospective: (i) application of a change in accounting principles; (ii) revision to reportable segment information due to a change in the structure of the Company's internal organization; (iii) reclassification due to a discontinued operation; (iv) application of a change in reporting entity, such as from a reorganization of entities under common control; (v) adjustment to provision amounts in connection with a prior business combination; and (vi) revision for stock splits, stock dividends, reverse stock splits or other changes in capital structure.

(b) Definition of Incentive Compensation.

For purposes of this Policy, "**Incentive Compensation**" means equity-based compensation that is subject to performance based vesting criteria) and all other compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure, including, for example, bonuses or awards under the Company's short and long-term incentive plans, and contributions of such bonuses or awards to the Company's deferred compensation plans or other employee benefit plans. Incentive Compensation does not include equity-based compensation or any other awards which are granted or earned without regard to attainment of Financial Reporting Measures, such as time-based awards, discretionary awards and awards based wholly on subjective standards, strategic measures, or operational measures.

(c) Financial Reporting Measures.

"**Financial Reporting Measures**" are those that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements (including non-GAAP financial measures) and any measures derived wholly or in part from such financial measures. For the avoidance of doubt, Financial Reporting Measures include stock price and total shareholder return. A measure need not be presented within the financial statements or included in a filing with applicable securities regulatory authorities to constitute a Financial Reporting Measure for the purposes of this Policy.

(d) Excess Incentive Compensation: Amount Subject to Recovery.

The amount(s) to be recovered from the Covered Executive will be the amount(s) by which the Covered Executive's Incentive Compensation for the relevant period(s) exceeded the amount(s) that the Covered Executive otherwise would have received had such Incentive Compensation been determined based on the restated amounts contained in the Accounting Restatement. All amounts shall be computed without regard to taxes paid.

For Incentive Compensation based on Financial Reporting Measures such as stock price or total shareholder return, where the amount of excess compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the Board will calculate the amount to be reimbursed based on a reasonable estimate of the effect of the Accounting Restatement on such Financial Reporting Measure upon which the Incentive Compensation was received. The Company will maintain documentation as the calculation of that reasonable estimate and will provide such documentation to the applicable national securities exchange or other regulator upon request.

(e) Method of Recovery.

The Board will determine, in its sole discretion, the method(s) for recovering reasonably promptly excess Incentive Compensation hereunder. Such methods may include, without limitation:

(i) requiring reimbursement of compensation previously paid;

(ii) cancellation of outstanding incentive compensation awards;

(iii) forfeiting any compensation contribution made under the Company's deferred compensation plans, as well as any matching amounts and earnings thereon;

(iv) offsetting the recovered amount from any compensation that the Covered Executive may earn or be awarded in the future (including, for the avoidance of doubt, recovering amounts earned or awarded in the future to such individual equal to compensation paid or deferred into tax-qualified plans or plans subject to the Employee Retirement Income Security Act of 1974 (collectively, "**Exempt Plans**"); *provided that,* no such recovery will be made from amounts held in any Exempt Plan of the Company);

(v) taking any other remedial and recovery action permitted by law, as determined by the Board; or

(vi) any combination of the foregoing.

The determination of the Board with respect to forms of recovery need not be uniform with respect to one or more individuals and recovery is required by the Board regardless of whether the individual in question specifically contributed to the need for the restatement or correction.

**5. NO INDEMNIFICATION OR ADVANCE**

Subject to applicable law, the Company shall not indemnify, including by paying or reimbursing for premiums for any insurance policy covering any potential losses, any Covered Executives against the loss of any erroneously awarded Incentive Compensation, nor shall the Company advance any costs or expenses to any Covered Executives in connection with any action to recover excess Incentive Compensation.

## 6. INTERPRETATION

The Board is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted applicable securities regulatory authorities or any securities exchange on which the Company's securities are listed.

## 7. EFFECTIVE DATE

The effective date of this Policy is October 2, 2023 (the "**Effective Date**"). This Policy applies to Incentive Compensation received by Covered Executives on or after the Effective Date that results from attainment of a Financial Reporting Measure based on or derived from financial information for any fiscal period ending on or after the Effective Date. Without limiting the scope or effectiveness of this Policy, Incentive Compensation granted or received by Covered Executives prior to the Effective Date remains subject to the Company's prior Incentive Compensation Clawback Policy contained in the Company's Code of Ethical Conduct. In addition, this Policy is intended to be and will be incorporated as an essential term and condition of any Incentive Compensation agreement, plan or program that the Company establishes or maintains on or after the Effective Date.

## 8. AMENDMENT AND TERMINATION

The Board may amend this Policy from time to time in its discretion, and shall amend this Policy as it deems necessary to reflect changes in regulations adopted by the applicable regulatory authorities, including under Section 10D of the Exchange Act, and to comply with any rules or listing standards adopted by the TSX, the NYSE and/or any other securities exchange on which the Company's shares are listed in the future.

## 9. OTHER RECOVERY RIGHTS

The Board intends that this Policy will be applied to the fullest extent of the law. Upon receipt of this Policy, each Covered Executive is required to complete the Receipt and Acknowledgement attached as Schedule "A" to this Policy. The Board may require that any employment agreement or any agreement relating to Incentive Compensation received on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recovery under this Policy is in addition to, and not in lieu of, any (i) other remedies or rights of compensation recovery that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, or similar agreement relating to Incentive Compensation, unless any such agreement expressly prohibits such right of recovery, and (ii) any other legal remedies available to the Company. The provisions of this Policy are in addition to (and not in lieu of) any rights to repayment the Company may have under Section 304 of the Sarbanes-Oxley Act of 2002 and other applicable laws.

## 10. IMPRACTICABILITY

The Company shall recover any excess Incentive Compensation in accordance with this Policy, except to the extent that certain conditions are met and the Board has determined that such recovery would be impracticable, all in accordance with applicable securities law, including Rule 10D-1 under the Exchange Act, and the rules and listing standards of the TSX, the NYSE and/or any other securities exchange on which the Company's shares are listed in the future.

**11. SUCCESSORS**

This Policy shall be binding upon and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

*           *           *

**Schedule "A"**

**INCENTIVE-BASED COMPENSATION CLAWBACK POLICY
RECEIPT AND ACKNOWLEDGEMENT**

I, ________________________________________, hereby acknowledge that I have received and read a copy of the Incentive Compensation Recovery Policy. As a condition of my receipt of any Incentive Compensation as defined in the Policy, I hereby agree to the terms of the Policy. I further agree that if recovery of excess Incentive Compensation is required pursuant to the Policy, the Company shall, to the fullest extent permitted by governing laws, require such recovery from me up to the amount by which the Incentive Compensation received by me, and amounts paid or payable pursuant or with respect thereto, constituted excess Incentive Compensation. If any such reimbursement, reduction, cancelation, forfeiture, repurchase, recoupment, offset against future grants or awards and/or other method of recovery does not fully satisfy the amount due, I agree to immediately pay the remaining unpaid balance to the Company.

| | |
|---|---|
| ______________________________ | ______________________________ |
| Signature | Date |

FIRST MAJESTIC
SILVER CORP.

# ANNUAL INFORMATION FORM
## FOR THE YEAR ENDED DECEMBER 31, 2024

**March 31, 2025**

Suite 1800 – 925 West Georgia Street, Vancouver, B.C.  V6C 3L2, Canada
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## PRELIMINARY NOTES

### Date of Information

Unless otherwise indicated, all information contained in this Annual Information Form ("**AIF**") of First Majestic Silver Corp. ("**First Majestic**" or the "**Company**") is as of December 31, 2024.

### Financial Information

The Company's financial results are prepared and reported in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**") and are presented in United States dollars.

### Forward-looking Information

Certain statements contained in this AIF constitute forward-looking information or 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 that 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. Forward-looking statements include, but are not limited to: future financings, the redemption and/or conversion of the Company's securities, statements with respect to the Company's business strategy, future planning processes, commercial mining operations, anticipated mineral recoveries, projected quantities of future mineral production, interpretation of drill results and other technical data, anticipated development, expansion, exploration activities and production rates and mine plans and mine life, metal price assumptions and mining cost assumptions, the security situation at the San Martin mine, construction and operations of the replacement well at La Encantada, statements with respect to water source development and water inventory levels at La Encantada, exploration efforts on the Navidad Vein (as defined herein) at the Santa Elena property, the operations of the Company's Central Laboratory (as defined herein), the estimated cost and timing of plant improvements at the Company's operating mines and development of the Company's development projects, the timing of completion of exploration and drilling programs and preparation of technical reports, viability of the Company's projects, temporary suspension of mining activities at Jerritt Canyon (as defined herein), anticipated reclamation and decommissioning activities and associated costs, future exploration activities at Jerritt Canyon and the costs thereof, the implementation and effect of cost-reduction initiatives, the management and costs of future mine closures and decommissioning, the restarting of operations or potential interim plans at the Company's temporarily suspended and/or non-operating mines, conversion of mineral resources to proven and probable mineral reserves, potential metal recovery rates, 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, costs and expenditures, cost savings, allocation of capital, the Company's share price, statements with respect to the recovery of value added tax receivables and the tax regime in Mexico, the operations of mines that are not wholly-owned or that are owned through joint arrangements, the conduct, timing, or outcome of outstanding litigation, regulatory proceedings, negotiations or proceedings under NAFTA (as defined herein) or other claims and the compliance by counterparties with judgments or decisions, 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 impact of amendments on accounting policies, the effectiveness of internal controls and procedures, the timing and receipt of pending permits, the validity of the Advanced Pricing Agreement between the Mexican Taxation Authority, Servicio de Administracion Tributaria and the Company's subsidiary, Primero Empresa Minera, S.A. de C.V., the Company's ability to comply with future legislation or regulations, the Company's intent to comply with future regulatory and compliance matters, future regulatory trends, future market conditions, future staffing levels and needs, the Company's ability to attract, train and retain qualified personnel, assessment of future opportunities of the Company, the production, projected quantities of silver bullion production, sales and other commissioning and production risks from the Company's minting facility, operations at the Company's minting facility, the release of the Company's fourth Sustainability Report, payments of dividends by the Company, assumptions of management, maintaining relations with local communities, maintaining relations with employees, renewing contracts related to material properties, 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, the Share Repurchase Program (as defined herein), the potential impact of tariffs imposed by governments, the global economy and the market for the Company's products and securities, those factors identified under the caption "*Risk Factors*" herein, 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. Statements concerning proven and probable mineral reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered as and if the property is developed, and in the case of Measured and Indicated Mineral Resources or Proven and Probable Mineral Reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. 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 involve known and unknown risks, uncertainties and other factors that may cause actual results or events 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 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, relations with local communities and indigenous groups, results of exploration and development activities, accuracy of resource estimates, uncertainties related to the necessity of financing, uninsured risks, defects in title, availability and costs of materials and equipment, inability to meet future financing needs on acceptable terms, 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, climate change events including, but not limited to, drought conditions, 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 the defendant's assets to satisfy the judgment amount, and unanticipated environmental impacts on operations. Additional factors that could cause actual results to differ materially include, but are not limited to, the risk factors described herein. See *"Risk Factors"*.

The Company believes that the expectations reflected in those 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 in, or incorporated by reference into, this AIF should not be unduly relied upon. These statements speak only as of the date of this AIF or as of the date specified in the documents incorporated by reference into this AIF, as the case may be. 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.

**Cautionary Notes to U.S. Investors Concerning Reserve and Resource Estimates**

This AIF 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 the requirements of the United States Securities and Exchange Commission (the "**SEC**") applicable to domestic United States issuers. Accordingly, the disclosure in this AIF regarding our mineral properties is not comparable to the disclosure of United States issuers subject to the SEC's mining disclosure requirements.

**Currency and Exchange Rate Information**

The Company uses the US dollar as its presentation currency. This AIF contains references to both U.S. dollars and Canadian dollars. **All dollar amounts (i.e. "$" or "US$"), unless otherwise indicated, are expressed in U.S. dollars and Canadian dollars are referred to as "C$"**.

On December 31, 2024, the exchange rate of Canadian dollars into US dollars, being the average exchange rate published by the Bank of Canada was US$1.00 equals C$1.4389.

## GLOSSARY OF CERTAIN TECHNICAL TERMS

Following is a description of certain technical terms and abbreviations used in this AIF.

"**AAS**" means atomic absorption spectroscopy.

"**Ag**" means silver.

"**Ag-Eq**" means silver equivalent.

"**Au**" means gold.

"**CAF**" means cut-and-fill.

"**CCD**" means counter-current decantation, a separation technique involving water or solution and a solid.

"**CIL**" means carbon-in-leach.

"**CM**" means contained metal.

"**Concentrate**" means partially purified ore.

"**CRD**" means carbonate replacement deposits.

"**CRMs**" means certified reference materials.

"**Cu**" means copper.

"**Doré**" means a mixture of gold and silver in cast bars, as bullion.

"**FA**" means fire assay.

"**FA-AAS**" means fire assay atomic absorption spectroscopy method.

"**FAGR**" means FA gravimetric finish.

"**Fe**" means iron.

"**FTSF**" means filtered-tailings storage facility.

"**g/t**" means grams per tonne.

"**GC**" means general cut-off grade.

"**GHG**" means greenhouse gas.

"**Grade**" means the metal content of ore in grams per tonne or percent.

"**ha**" means hectare.

"**HQ**" means a standard wire line bit size which produces a core diameter of 63 millimetres.

"**IC**" means incremental cut-off grade.

"**ICP**" means inductively coupled plasma.

"**ICP-MS**" means inductively coupled plasma - mass spectrometry.

"**$ID^2$**" means inverse distance squared.

"**Indicated Mineral Resource**" or "**Indicated Resourc**e" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

"**Inferred Mineral Resource**" or "**Inferred Resourc**e" means that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological grade and continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes.

"**ISO 9001**" is the International Organization for Standardization's standard which sets out the criteria for a quality management system.

"**ISO 14001**" is the International Organization for Standardization's standard which sets out the criteria for an environmental management system.

"**ISO/IEC 17025**" is the International Organization for Standardization's standard which specifies the general requirements for the competence to carry out test and/or calibrations, including sampling.

"**kg**" means kilogram.

"**kt**" means kilotonne.

"**LHS**" means longhole stoping.

"**Life of Mine**" or "**LOM**" means the time in which, through the employment of the available capital, the ore reserves, or such reasonable extension of the ore reserves as conservative geological analysis may justify, will be extracted.

"**LNG**" means liquid natural gas.

"**LVC**" means Lower Volcanic Complex.

"**m**" means metres.

"**M tonnes**" means metric tonne.

"**Ma**" means millions of years.

"**masl**" means metres above sea level.

"**Measured Mineral Resource**" means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill-holes that are spaced closely enough to confirm both geological and grade continuity.

"**Merrill-Crowe**" means a separation technique for extracting silver and gold from a cyanide solution.

"**Mineral Reserve**" means the economically mineable part of a Measured Mineral Resource or Indicated Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A Mineral Reserve includes diluting materials and allowances for losses that may occur when the material is mined.

"**Mineral Resource**" means a concentration or occurrence of diamonds, natural solid inorganic material, or natural solid fossilized organic material including base and precious metals, coal, and industrial minerals in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

"**mm**" means millimetres.

"**Moz Au**" means million ounces of gold.

"**Mt**" means million tonnes.

"**MW**" means megawatts.

"**NQ**" means a standard wire line bit size which produces a core diameter of 48 millimetres.

"**NSR**" means net smelter return.

"**OES**" means optical emission spectroscopy.

"**OK**" means ordinary kriging.

"**OP**" means open pit.

"**Oxides**" means a mixture of valuable minerals and gangue minerals from which at least one of the minerals can be extracted.

"**oz/st Au**" means ounce per short ton of gold.

"**Pb**" means lead.

"**Probable Mineral Reserve**" means the economically mineable part of an Indicated Mineral Resource, and in some circumstances, a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

"**Proven Mineral Reserve**" means the economically mineable part of a Measured Mineral Resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

"**QA/QC**" means quality assurance and quality control.

"**RC**" means reverse circulation, a type of drilling.

"**RDA**" means rock disposal area.

"**Reserves**" means Mineral Reserves.

"**Resources**" means Mineral Resources.

"**RQD**" means rock quality designation.

"**Run of Mine**" or "**ROM**" means ore in its natural, unprocessed state.

"**Specific Gravity**" or "**SG**" means a measurement that determines the density of minerals.

"**SRM**" means standard reference material.

"**Sulphide Minerals**" or "**Sulphides**" means any member of a group of compounds of sulfur with one or more metals.

"**t**" means tonne.

"**$t/m^3$**" means tonnes per cubic metre.

"**TOC**" means total organic carbon.

"**tpd**" means metric tonnes per day.

"**TSF**" means tailings storage facility.

"**µm**" means micrometre.

"**UVG**" means upper volcanic group.

"**Zn**" means zinc.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

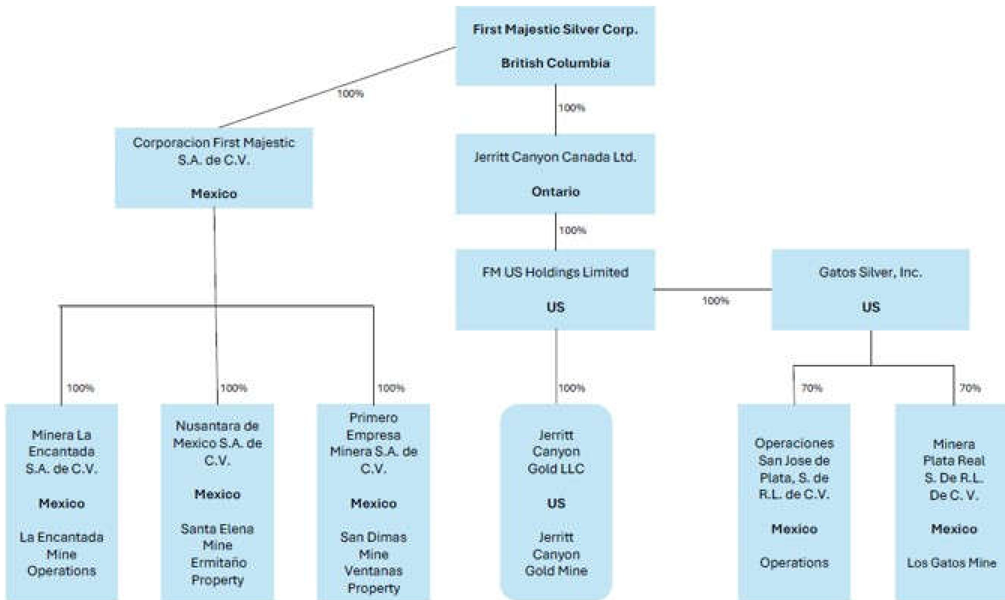
First Majestic Silver Corp. is a company existing under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). Since incorporation, First Majestic has undergone three name changes. The last name change occurred on November 22, 2006, when the Company adopted its current name.

The Company's head office is located at Suite 1800 - 925 West Georgia Street, Vancouver, British Columbia V6C 3L2, Canada, and its registered office is located at Suite 2500 - 666 Burrard Street, Vancouver, British Columbia V6C 2X8, Canada.

The Company is a reporting issuer in each of the provinces of Canada.

### Intercorporate Relationships

The chart set out below illustrates the corporate structure of the Company and its material subsidiaries, their respective jurisdictions of incorporation, the percentage of voting securities held and their respective interests in the Company's material mining properties as of the date of this AIF.



## DESCRIPTION OF BUSINESS

### General

The Company is in the business of the production, development, exploration and acquisition of mineral properties with a focus on silver and gold production, primarily in Mexico. As such, the Company's business is dependent on foreign operations. The common shares of the Company (the "**Common Shares**") trade on the Toronto Stock Exchange ("**TSX**") and on the New York Stock Exchange ("**NYSE**") under the symbol "AG". The Company's Common Shares are also quoted on the Frankfurt Stock Exchange under the symbol "FMV".

The Company presently owns and operates four producing mines in Mexico:

1. the wholly-owned San Dimas Silver/Gold Mine in Durango State ("**San Dimas Silver/Gold Mine**" or "**San Dimas**");

2. the wholly-owned Santa Elena Silver/Gold Mine in Sonora State ("**Santa Elena Silver/Gold Mine**" or "**Santa Elena**");

3. a 70% joint venture interest in the Cerro Los Gatos Silver Mine in Chihuahua, Mexico, acquired in January 2025 ("**Los Gatos Silver Mine**", "**Los Gatos**" or "**Cerro Los Gatos**") and held through a joint venture (the "**Los Gatos Joint Venture**") with Dowa Metal & Mining Co., Ltd. ("**Dowa**"); and

4. the wholly-owned La Encantada Silver Mine in Coahuila State ("**La Encantada Silver Mine**" or "**La Encantada**").

The Company also owns the Jerritt Canyon Gold Mine ("**Jerritt Canyon**") in Elko, Nevada, USA. In 2023, the Company temporarily suspended all operating activities at Jerritt Canyon to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operation. See *"General Development of the Business - Significant Business Developments during the Most Recent Three Years - 2023."*

In addition, the Company owns the following non-material properties, which are:

1. the San Martín Silver Mine in Jalisco State, Mexico ("**San Martín Silver Mine**" or "**San Martín**"), currently under care and maintenance;

2. the Del Toro Silver Mine in Zacatecas State, Mexico ("**Del Toro Silver Mine**" or "**Del Toro**"), currently under care and maintenance; and

3. the La Luz Silver Project ("**La Luz**"), an advanced-stage silver development project in San Luis Potosi State, Mexico.

The Company does not consider San Martin, Del Toro or La Luz to be material properties for the purposes of National Instrument 51-102 *Continuous Disclosure Obligations* ("**NI 51-102**") or for the purposes of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("**NI 43-101**").

In addition, the Company recently established a new, 100%-owned and operated minting facility ("**First Mint"**), located in Las Vegas, Nevada, through a subsidiary of the Company, First Mint, LLC. By vertically integrating the production of investment-grade fine silver bullion, First Mint allows First Majestic to sell a substantially greater portion of its silver production directly to its shareholders and bullion customers. Bullion sales out of First Mint commenced at the end of the first quarter of 2024, following the completion of commissioning for the facility. The First Mint facility provides the Company with a steady supply of high quality, 0.999-fine silver cast bars and silver rounds. In 2024, bullion product sales by First Mint totalled approximately 6% of the Company's silver production.

The Company's business is not materially affected by intangibles such as licences, patents and trademarks, nor is it significantly affected by seasonal changes other than weather. The Company is not aware of any aspect of its business that may be materially affected in the current financial year by renegotiation or termination of contracts.

The Company's business requires personnel with specialized skills and knowledge, certain of which are in high demand and may be in limited supply. Such skills and knowledge include the areas of mining, exploration, engineering, geology, metallurgy, logistical planning, capital projects, mine construction and development, mine operation and mill production, as well as legal, finance, accounting, risk management, mine safety and security, community relations and human resources. Although the Company believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such successes.

On December 31, 2024, the Company had a total of 3,818 employees and/or contractors. In addition, a total of 1,357 employees and/or contractors were working for the Los Gatos Joint Venture as of such date. The Company acquired a 70% interest in the Los Gatos Joint Venture on January 16, 2025. Additional consultants and contractors are also retained from time to time for specific corporate activities, capital projects, development and exploration programs.

## GENERAL DEVELOPMENT OF THE BUSINESS

### History

Since its inception in 2003, First Majestic has been in the business of production, development, exploration and acquisition of mineral properties with a focus on silver and gold production in Mexico and the United States.

Over the past 20 years, the Company has assembled a portfolio of silver and gold mines, properties and projects which presently includes four producing mines which it operates in Mexico, three of which are wholly owned by the Company and one of which, the Los Gatos Silver Mine, is 70% owned by the Company through the Los Gatos Joint Venture. The Company also owns one temporarily suspended mine in Nevada, two mines under care and maintenance, an advanced-stage development silver project as well as several exploration projects.

In September 2023, the Company established its new, 100%-owned and operated minting facility, First Mint, located in Las Vegas, Nevada.

**Significant Business Developments during the Most Recent Three Years**

**2022**

On January 1, 2022, Thomas F. Fudge, Jr. was appointed as Chair of the Company's Board of Directors (the "**Board**").

On January 18, 2022, the Company announced that Andrew Poon, Vice President of Finance of the Company, was appointed as Interim Chief Financial Officer of the Company.

In March 2022, the Company renewed its share repurchase program (the "**Share Repurchase Program**") which it initially commenced in March 2013 and had renewed on an annual basis thereafter. Pursuant to the renewed Share Repurchase Program, the Company was authorized to repurchase up to 10,000,000 Common Shares during the period from March 22, 2022, until March 21, 2023, which represented approximately 3.8% of the 260,181,674 issued and outstanding shares of the Company as of March 9, 2022. During the year ended December 31, 2022, the Company repurchased an aggregate of 100,000 common shares at an average price of CDN $8.52 per share as part of the Share Repurchase Program.

On March 10, 2022, the Board approved and declared a quarterly dividend of US$0.0079 per Common Share, payable on or about April 4, 2022, to shareholders of record as at the close of business on March 21, 2022.

On March 28, 2022, David Soares was appointed Chief Financial Officer of the Company.

On March 31, 2022, the Company amended its senior secured Revolving Credit Facility with the Bank of Nova Scotia, Bank of Montreal and Toronto Dominion Bank by extending the maturity date from November 30, 2022, to March 31, 2025, and increasing the credit limit from $50.0 million to $100.0 million.

On May 12, 2022, the Board approved and declared a quarterly dividend of US$0.0060 per Common Share, payable on or about June 10, 2022, to shareholders of record as at the close of business on May 25, 2022.

At the Company's annual general meeting held on May 26, 2022, Raymond Polman was newly elected as a director of the Company.

In June 2022, following the completion of tax audits, conclusive agreements with the Servicio de Administracion Tributaria (the "**SAT**") were signed by two subsidiaries of the Company, Corporación First Majestic, S.A. de C.V. ("**CFM**") and First Majestic Plata, S.A. de C.V. ("**FMP**"), through Mexico's Office of the Taxpayer Ombudsman ("**PRODECON**") to settle an uncertain tax position concerning Mexican back-to-back loan provisions. The provisions were originally conceived from an anti-avoidance rule and a literal interpretation of the rules would convert most debt financing in Mexico into back-to-back loans. The back-to-back loan provisions establish that interest expense derived from back-to-back loans can be recharacterized as dividends resulting in significant changes to the tax treatment of interest, including withholding taxes. As a result of this recharacterization and in accordance with the conclusive agreement, CFM and FMP made one-time payments of approximately $21.3 million and $6.3 million in fiscal 2022 which were recognized as current tax expense during the year. In addition to the payment made, CFM agreed to surrender certain tax loss carry forwards resulting in a deferred tax expense of approximately $55.7 million.

On July 20, 2022, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC pursuant to which the Company sold an aggregate of 11,269,634 Common Shares for aggregate gross proceeds to the Company of approximately US$100 million (the "**2022 ATM Offering**"). The 2022 ATM Offering was made by way of a prospectus supplement dated July 20, 2022. Sales of Common Shares were made through "at-the-market distributions" as defined in National Instrument 44-102 *Shelf Distributions* ("**NI 44-102**"), by means of ordinary brokers' transactions on the NYSE at prevailing market prices. No offers or sales of Common Shares were made in Canada on the TSX or other trading markets in Canada. The Company completed distributions under the 2022 ATM Offering on January 13, 2023.

On August 4, 2022, the Board approved and declared a quarterly dividend of US$0.0061 per Common Share, payable on or about August 31, 2022, to shareholders of record as at the close of business on August 16, 2022.

On August 23, 2022, and November 1, 2022, the Company announced drill results from its ongoing exploration program at Jerritt Canyon.

On November 9, 2022, the Board approved and declared a quarterly dividend of US$0.0061 per Common Share, payable on or about December 2, 2022, to shareholders of record as at the close of business on November 22, 2022.

In November 2022, the Company announced that it had entered into a royalty purchase agreement to sell a portfolio of royalty interests to Metalla Royalty & Streaming Ltd. ("**Metalla**") for total consideration of $20.0 million in common shares of Metalla. Total consideration consisted of 4,168,056 common shares of Metalla at a deemed price of $4.7984 per share based on a 25-day volume-weighted average price on the NYSE American Exchange. The transaction was successfully closed in December 2022.

**2023**

On February 23, 2023, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC in connection with an "at-the-market" offering by the Company of up to US$100 million of Common Shares (the "**2023 ATM Offering**"). The 2023 ATM Offering was made by way of a prospectus supplement dated February 23, 2023. Sales of Common Shares under the 2023 ATM Offering were made through "at-the-market distributions" as defined in NI 44-102, by means of ordinary brokers' transactions on the NYSE at prevailing market prices. No offer or sales of Common Shares were made in Canada on the TSX or other trading markets in Canada. The Company completed distributions under the 2023 ATM Offering on June 16, 2023, selling an aggregate of 12,200,000 Common Shares for aggregate gross proceeds to the Company of approximately US$79.5 million.

Also on February 23, 2023, the Board approved and declared a quarterly dividend of US$0.0054 per Common Share, payable on or about March 24, 2023, to all shareholders of record as of the close of business on March 10, 2023.

In March 2023, the Share Repurchase Program was renewed. Pursuant to the renewed Share Repurchase Program, the Company was authorized to repurchase up to 5,000,000 Common Shares during the period from March 22, 2023, until March 21, 2024, which represented approximately 1.83% of the 274,479,942 issued and outstanding shares of the Company as of March 10, 2023. During the year ended December 31, 2023, the Company did not repurchase any common shares under the Share Repurchase Program.

On March 20, 2023, the Company announced that it was taking action to reduce overall costs by reducing investments, and temporarily suspending all operating activities and reducing its workforce, at Jerritt Canyon. During the 22 months following the acquisition of the mine, the Company was focused on increasing underground mining rates in order to sustainably feed the processing plant at a minimum of 3,000 tpd in order to generate free cash flow as the Company's plans suggested. Despite these efforts, mining rates remained below this threshold and cash costs per ounce remained higher than anticipated primarily due to ongoing challenges such as contractor inefficiencies and high costs, inflationary cost pressures, lower than expected head grades and multiple extreme weather events affecting northern Nevada, which compounded conditions and caused material headwinds for the operation. The suspension took effect April 24, 2023.

On March 29, 2023 the Company completed the sale of all of the shares of La Guitarra Compañia, S.A. de C.V., its wholly-owned subsidiary which owns the La Guitarra Silver Mine located in the Temascaltepec mining district, Mexico State, to Sierra Madre Gold & Silver Ltd. ("**Sierra Madre**") for total consideration of $35 million. Total consideration consisted of 69,063,076 common shares of Sierra Madre at a deemed price of CDN$0.65 per share, having an aggregate value of $35 million. First Majestic was also granted a 2% net smelter return royalty ("**NSR**") on all mineral production from the La Guitarra concessions, with the NSR subject to a 1% buy-back option for $2 million.

On April 20, 2023, the Company announced that the Exploration and Technical Services Group had been combined into a single group under the leadership of Gonzalo Mercado, who was promoted to Vice President, Exploration and Technical Services. The Company also announced that Ramon Mendoza, the former Vice President of Technical Services, and Persio Rosario, the former Vice President of Innovation, Processing and Metallurgy, had left the Company. The Company also announced that Michael Deal had been promoted to Vice President, Metallurgy and Innovation.

On May 4, 2023, the Board approved and declared a quarterly dividend of US$0.0057 per Common Share, payable on or about June 9, 2023, to all shareholders of record as of the close of business on May 18, 2023.

On May 26, 2023, the NAFTA Arbitration Tribunal (the "**Tribunal**") issued an order requiring the Government of Mexico to permit the Company to withdraw VAT refunds that had been deposited by the SAT into Primero Empresa Minera, S.A. de C.V. ("**PEM**") frozen bank account from January 4, 2023 onwards, and to deposit all future VAT refunds into an account which shall remain freely accessible by the Company (the "**PM Decision**").

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 enacts various amendments to existing laws, including: (i) reductions in the duration of mining concession titles, (ii) revisions to the process to obtain new mining concessions (through a public tender), (iii) imposing additional conditions on water use and availability for mining concessions, (iv) the elimination of the "free land and first applicant" scheme, (iv) imposing additional social and environmental requirements to obtain and keep mining concessions, (v) requiring the authorization by the Ministry of Economy for the transfer of any mining concession, (vi) imposing additional penalties including cancellation of mining concessions due to non-compliance with applicable laws, (vii) dismissing all outstanding applications for new concessions, and (viii) requiring new financial instruments or collateral 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. The extent of the impact of the Decree is yet to be determined as, among other things, the Mexican Government has not yet filed the Regulations in respect of the Decree, but the impact may 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 before the Plenary of the Supreme Court of Justice. During the second quarter of 2023, the Company filed various *amparo* lawsuits, challenging the constitutionality of the Decree. As of the date of this AIF, these *amparos* filed by the Company, 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.

On June 29, 2023 the Company entered into an agreement to amend its senior secured revolving credit facility with the Bank of Nova Scotia, Bank of Montreal and Toronto Dominion Bank by extending the maturity date from March 31, 2025 to June 29, 2026 and increasing the credit limit from $100.0 million to $175.0 million (the "**Revolving Credit Facility**"). As part of this amendment, National Bank Financial was added to the lending syndicate and was made a party to the agreement for the Revolving Credit Facility.

On July 7, 2023 the Company reported a decrease in the production of silver at La Encantada mostly due to drought conditions in the area which limited water availability and reduced the utilization of the ball mills. The Company announced that it had hired a geophysical consultant to help determine pilot well drill targets in an effort to locate additional water sources. A replacement water well was discovered in April 2024.

On July 20, 2023 the Company announced the appointment of Samir Patel as General Counsel & Corporate Secretary, and the departure of Connie Lillico (former Corporate Secretary) and Sophie Hsia (former General Counsel), as a result of a reorganization at the Company.

On July 21, 2023, the Company's request for a second set of arbitration proceedings against Mexico in connection with their ongoing denial of access to PEM's VAT refunds (the "**NAFTA VAT Claim**") was registered by the International Centre for Settlement of Investment Disputes ("**ICSID**").

On July 28, 2023, the Government of Mexico filed a Preliminary Objection to Jurisdiction (the "**Preliminary Objection**"). Under this objection, Mexico requested the Tribunal stay the merits phase of the 2021 arbitration proceedings commenced by the Company against Mexico under Chapter 11 of the North American Free Trade Agreement ("**NAFTA**") with respect to the nullification of the Advanced Pricing Agreement (the "**APA**") that had previously been negotiated and finalized in 2012 between the SAT and PEM, the Company's Mexican subsidiary (the "**NAFTA APA Claim**"), with respect to the San Dimas mine. The Preliminary Objection was dismissed by the Tribunal on December 20, 2023.

On August 3, 2023, the Board approved and declared a quarterly dividend of US$0.0051 per Common Share, payable on or about August 31, 2023, to all shareholders of record as of the close of business on August 16, 2023.

On August 14, 2023, the Company announced the closing of the sale of its 100%-owned past producing La Parrilla Silver Mine located in the state of Durango, Mexico to Golden Tag Resources Ltd. (now known as Silver Storm Mining Ltd.) ("**Silver Storm**") for total consideration of up to US$33.5 million. In consideration of the sale, First Majestic received 143,673,684 common shares of Silver Storm at a deemed price of C$0.19 per share for an approximate value of C$27.0 million or US$20.0 million, representing approximately 40% of the then outstanding common shares of Silver Storm. The Company will also be entitled to receive up to US$13.5 million in either cash or common shares of Silver Storm, payable in three deferred payments upon the occurrence of specific milestones. In addition, the Company participated in Silver Storm's offering of subscription receipts and purchased 18,009,000 Silver Storm subscription receipts at a price of C$0.20 each, which, in accordance with their terms, converted into 18,009,000 common shares and 9,004,500 common share purchase warrants, each exercisable for one additional Silver Storm common share until August 14, 2026 at a price of C$0.34 per share.

In addition, on September 1, 2023, following a request by Mexico to revoke the PM Decision, the Tribunal issued its decision dismissing the request and reaffirming the PM Decision. The Government of Mexico is therefore 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 September 14, 2023, the Company announced the opening of its 100%-owned and operated minting facility, First Mint, located in the State of Nevada. First Mint expands upon First Majestic's existing bullion sales through vertically integrating the production of investment-grade fine silver bullion, allowing First Majestic to sell a substantially greater portion of its silver production directly to its shareholders and bullion customers.

In September 2023, the Company announced that Mani Alkhafaji had been appointed to the role of Vice President, Corporate Development & Investor Relations. The Company also announced that Todd Anthony had left the Company to pursue other opportunities.

On November 2, 2023, the Board approved and declared a quarterly dividend of US$0.0046 per Common Share, payable on or about November 30, 2023, to all shareholders of record as of the close of business on November 15, 2023.

On December 5, 2023, a Mexican court issued a decision partially granting constitutional protection sought by the Company in its defense of the proceeding initiated by the SAT seeking to nullify the APA. On January 18, 2024, PEM filed an extraordinary appeal to the Mexican Supreme Court of Justice with respect to the foregoing decision (see the section in this AIF entitled "*Risk Factors – Financial Risks – Challenges to the APA for 2010 – 2014 tax years – Domestic Remedies*" for further details).

**2024**

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 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. As a result, a new tribunal will be constituted to decide on the Consolidation Request, and the arbitration proceedings for the NAFTA APA Claim and the NAFTA VAT Claim will be stayed until a decision on the Consolidation Request has been reached.

On February 20, 2024, Ana Lopez resigned from the Board.

On February 21, 2024, the Board approved and declared a quarterly dividend of US$0.0048 per Common Share, payable on or about March 28, 2024, to all shareholders of record as of the close of business on March 14, 2024.

On February 22, 2024, the Company entered into an equity distribution agreement (the "**2024 Sales Agreement**") with BMO Capital Markets Corp. and TD Securities (USA) LLC pursuant to which the Company may, at its discretion and from time-to-time until September 3, 2025, sell, through BMO Capital Markets Corp. and TD Securities (USA) LLC, such number of Common Shares as would result in aggregate gross proceeds of up to $150 million. Sales of Common Shares will be made through "at-the-market distributions" as defined in NI 44-102, including sales made directly on the NYSE, or any other recognized marketplace upon which the Common Shares are listed or quoted or where the Common Shares are traded in the United States. No offer or sales of Common Shares will be made in Canada on the TSX or any other trading markets in Canada. During 2024, the Company distributed an aggregate of 14,300,000 Common Shares under the 2024 Sales Agreement for gross aggregate proceeds of $96.2 million.

On March 26, 2024, the Company announced that it had completed commissioning of its First Mint minting facility and that bullion sales have commenced. Initial production by First Mint included limited edition "first-strike" bullion bars of various sizes. First Mint is currently seeking ISO 9001 certification for its bullion products.

On May 7, 2024, Jean des Rivières resigned from the Board.

On May 7, 2024, the Board approved and declared a quarterly dividend of US$0.0037 per Common Share, payable on or about June 7, 2024, to all shareholders of record as of the close of business on May 17, 2024.

On May 27, 2024, the Company's stock ticker symbol on the TSX changed from "FR" to "AG". As a result of the change, "AG" is now the ticker symbol for the Company's Common Shares listed in Canada on the TSX, and in the United States on the NYSE.

On May 28, 2024, the Company announced its 2023 Sustainability Report summarizing the Company's Environmental, Social and Governance performance for the year ended December 31, 2023.

On June 13, 2024, the Company announced drill results from its 2024 exploration program, designed to test new silver and gold mineral targets, at San Dimas Silver/Gold Mine.

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 order to partially comply with the PM Decision.

On July 30, 2024, the Company announced the discovery of a significant new high-grade, vein-hosted gold and silver mineralized system, the Navidad vein system at the Santa Elena Silver and Gold Mine (the "**Navidad Vein**").

On July 31, 2024, the Board approved and declared a quarterly dividend of US$0.0046 per Common Share, payable on or about August 30, 2024, to all shareholders of record as of the close of business on August 16, 2024.

On September 5, 2024, the Company entered into a definitive merger agreement (the "**Merger Agreement**") with Gatos Silver, Inc. ("**Gatos**") pursuant to which the Company agreed to acquire all the issued and outstanding common shares of Gatos (the "**Gatos Transaction**") in exchange for an aggregate of approximately 177,433,006 Common Shares pursuant to a merger under Delaware Law. Gatos was a Delaware incorporated company listed on the New York Stock Exchange and its primary assets consisted of a 70% interest in the Los Gatos Joint Venture which owns the Cerro Los Gatos Silver Mine in Chihuahua, Mexico. For further detail regarding the Cerro Los Gatos Silver Mine, please see "*Mineral Properties - Cerro Los Gatos Silver Mine, Chihuahua, Mexico*" below.

On September 10, 2024, the Company announced a new share repurchase program (the "**2024 Share Repurchase Program**"). Pursuant to the 2024 Share Repurchase Program, the Company is authorized to repurchase up to 10,000,000 of its Common Shares (approximately 3.32% of the 301,616,350 Common Shares that were issued and outstanding as of September 4, 2024) pursuant to a normal course issuer bid in the open market through the facilities of the TSX or alternative Canadian marketplaces during the period commencing September 12, 2024, until September 11, 2025. Since the commencement of the 2024 Share Repurchase Program up to the date of this AIF, the Company has purchased 312,500 Common Shares under the program, and all such shares were cancelled and returned to treasury.

On September 18, 2024, the Supreme Court issued its decision relating to the appeal filed by PEM, whereby 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 and the case was subsequently sent back to the Federal Tax Court.

On November 6, 2024, the Board approved and declared a quarterly dividend of US$0.0048 per Common Share, payable on or about November 29, 2024, to all shareholders of record as of the close of business on November 15, 2024.

On December 3, 2024, the Company announced the Registration Statement on Form F-4 filed in connection with, and a condition of, the Gatos Transaction became effective under the U.S. Securities Act of 1933.

On December 4, 2024, the Federal Tax Court issued a new decision relating to PEM's constitutional arguments (see the section in this AIF entitled "*Risk Factors – Financial Risks – Challenges to the APA for 2010 – 2014 tax years – Domestic Remedies*" for further details).

On December 19, 2024, the Company announced that Gatos had amended and restated its agreements (the "**Amended Agreements**"), with an effective date of January 1, 2025, with its joint venture partner, Dowa, regarding the Los Gatos Joint Venture, the effect of which provides Gatos with control over a variety of decisions that significantly affect the operations of, and the returns generated from, the Los Gatos Joint Venture. As a result, Gatos commenced consolidating the financial results of the LGJV when the Amended Agreements became effective. The Amended Agreements did not affect the ownership interests of Gatos and Dowa in the Los Gatos Joint Venture, being 70% and 30% respectively.

**2025 to Date**

On January 14, 2025, the Company announced that at a special meeting the Company's shareholders had approved the issuance of Common Shares to holders of shares of common stock of Gatos ("**Gatos Shares**") as consideration under the Gatos Transaction.

On January 16, 2025, the Company announced the completion of the Gatos Transaction. Under the terms of the Merger Agreement, Gatos shareholders received 2.55 Common Shares for each Gatos Share and Gatos became a wholly-owned subsidiary of the Company. The Company issued an aggregate of 177,433,006 Common Shares to acquire all of the issued and outstanding Gatos Shares (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 RSUs and DSUs of Gatos were settled on January 28, 2025 for an aggregate of 2,207,762 Common Shares.

On January 23, 2025, the Company announced drill results from its 2024 exploration program at the San Dimas Silver and Gold Mine.

On February 4, 2025, the Company provided new exploration results for the Navidad Vein.

On February 13, 2025, the Company announced its consolidated 2025 production and cost guidance for its producing mines.

On February 20, 2025, the Board approved and declared a quarterly dividend of US$0.0057 per Common Share, payable on or about March 14, 2025, to all shareholders of record as of the close of business on February 28, 2025.

On March 13, 2025, the Company signed an amendment agreement (the "**Amended Springpole Stream Agreement**") to the Springpole Stream Agreement (as defined in the section in this AIF entitled "*Risk Factors - Operational Risks - The Springpole Stream Agreement*") among the Company, Gold Canyon Resources Inc. and First Mining Gold Corp. ("**First Mining**") to accelerate the final tranche payment owed by the Company under the Springpole Stream Agreement, such that it will now be 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. As consideration for entering into the Amended Springpole Stream Agreement, First Mining agreed to extend the expiry date of the common share purchase warrants that were issued to the Company on July 20, 2020, and to amend the exercise price of such warrants. For further details, see the section in this AIF entitled "*Risk Factors - Operational Risks - The Springpole Stream Agreement*".

On March 27, 2025, the Company made its final payment to First Mining under the Amended Springpole Stream Agreement.

**Principal Markets for Silver and Gold**

The Company's products are silver and gold. Silver is a precious metal that is a very important industrial commodity, with growing uses in several technologies, and desirable for jewellery and investment purposes. Silver has a unique combination of characteristics including: durability, malleability, ductility, electrical and thermal conductivity, reflectivity and anti-bacterial properties that make it valuable in numerous industrial applications including solar panels, circuit boards, electrical wiring, semi & superconductors, brazing and soldering, mirror and window coatings, electroplating, chemical catalysts, pharmaceuticals, filtration systems, batteries, televisions, computers, cell phones, household appliances, automobiles and a wide variety of other electronic products.

Product fabrication and bullion investment are two principal sources of gold demand. Gold bullion is held as an asset class for a variety of reasons, including as a store of value and a safeguard against the collapse of paper assets such as stocks, bonds and other financial instruments that are traded in fiat currencies not exchangeable into gold (at a fixed rate) under a "gold standard", as a hedge against future inflation and for portfolio diversification. Governments, central banks and other official institutions hold significant quantities of gold as a component of exchange reserves. Within the fabrication category, there are a wide variety of end uses, the largest of which is the manufacture of jewelry. Other fabrication purposes include official coins, electronics, miscellaneous industrial and decorative uses, dentistry, medals and medallions.

Silver and gold are global commodities predominantly traded on the London Bullion Market, an over-the-counter market and the COMEX, a futures and options exchange in New York, where most fund activity in relation to silver is focused. The London Bullion Market is the global hub of over-the-counter trading in silver and gold and is the metal's main physical market. Here, a bidding process results in a daily reference price known as the fix. Silver and gold are quoted in US dollars per troy ounce. The Company assigns silver and gold from its doré sales to several major metal brokers. The Company also has streaming obligations for gold and silver from its Santa Elena and San Dimas mines, respectively, which are settled directly with the streaming companies, not through its banking relationships.

Silver can be supplied as a primary product from mining silver, or as a by-product from the mining of gold or base metals such as lead and zinc. The Company is a primary silver producer with approximately 43% of its revenue in 2024 from the sale of silver and approximately 57% of its revenue in 2024 from the sale of gold.

The Company also sells a portion of its silver production directly to retail buyers (business to consumer) through First Mint as high quality 0.999-fine silver rounds, cast bars and medallion sets. In 2024, bullion product sales by First Mint totalled approximately 6% of the Company's silver production (see *"Product Marketing and Sales"*).

**Scientific and Technical Information**

Scientific and technical disclosure in this AIF for the material properties is based on technical reports prepared in accordance with NI 43-101 (collectively, the "**Technical Reports**"). The Technical Reports have been filed on SEDAR+ at www.sedarplus.ca. The technical information has been updated with more current information where appropriate. Current Mineral Resource estimates for the Company set out in this AIF were prepared under the supervision of, or were reviewed by, David Rowe, CPG, our Director of Mineral Development. Current Mineral Reserve estimates for the Company set out in this AIF were prepared under the supervision of, or were reviewed by, Andrew Pocock, P.Eng., our Director Reserves. Technical information relating to current and planned exploration programs for the Company set out in this AIF are prepared, reviewed, or carried out under the supervision of Gonzalo Mercado, P.Geo., our Vice-President, Exploration and Technical Services. Gonzalo Mercado, David Rowe, and Andrew Pocock are all Qualified Persons, as that term is defined in NI 43-101.

The Technical Reports are:

1. Technical Report titled "First Majestic Silver Corp., San Dimas Silver/Gold Mine, Durango and Sinaloa States, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020, and prepared by Mr. Ramon Mendoza Reyes, P.Eng., Mr. Joaquin Merino-Marquez, P.Geo., María Elena Vázquez Jaimes, P.Geo., and Mr. Persio P. Rosario, P.Eng.;

2. Technical Report titled "First Majestic Silver Corp., Santa Elena Silver/Gold Mine, Sonora, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates", with an effective date of June 30, 2021, and prepared by Mr. Ramon Mendoza Reyes, P.Eng., Mr. Phillip J. Spurgeon, P.Geo., Ms. María Elena Vázquez Jaimes, P.Geo., and Mr. Persio P. Rosario, P. Eng.;

3. Technical Report titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020, and prepared by Mr. Ramon Mendoza Reyes, P.Eng., Mr. David Rowe, CPG, Ms. María Elena Vázquez Jaimes, P.Geo., Mr. Brian Boutilier, P.Eng., and Mr. Persio P. Rosario, P.Eng.;

4. Technical Report titled "Technical Report on the Jerritt Canyon Mine, Elko County, Nevada, USA" with an effective date of March 31, 2023, and prepared by Mr. Gonzalo Mercado, P.Geo., Mr. David Rowe, CPG, Mr. Michael Jarred Deal, RM SME, Ms. María Elena Vázquez Jaimes, P.Geo., and Mr. David W. Wanner, P.E.; and

5. Technical Report titled “Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico” with an effective date of July 1, 2024, and prepared by Stephan Blaho, P.Eng and PEO, Dawn Garcia, CPG and AIPG, Adam Johnston, FAusIMM CP (Met), Ibrahim Karajeh, PEO and P.Eng, William Richard McBride, P.Eng, Mathew Oommen, MAusIMM and Registered Member SME, Ronald Turner, P.Geo and MAusIMM CP, and Matthew L. Fuller, L.E.G., P.Geo.

**Mineral Properties**

The following properties are material to First Majestic's business: the San Dimas Silver/Gold Mine; the Santa Elena Silver/Gold Mine, the Cerro Los Gatos Silver Mine, the La Encantada Silver Mine and the Jerritt Canyon Gold Mine. The Jerritt Canyon Gold Mine was placed on temporary suspension in April 2023 to focus on exploration, definition, and expansion of the mineral resource estimates, and optimization of mine planning and plant operations.

Production estimates and throughputs for operating mines are quoted as metric tonnes related to the tonnes per day ("**tpd**") capacity of the mine and mill. Production estimates and throughput averages for each mine consider an average of two days of maintenance per month. Annual estimates of production are based on an average of 365 calendar days per year for each of the operating mines, and these mines generally operate 330 days per year even though the throughput rates are based on a 365 calendar days average.

The following map indicates the location of each of the Company's operating mines, care and maintenance mines and its other projects in Mexico and the United States, as of the date of this AIF.


***Summary of Mineral Resource and Mineral Reserve Estimates***

The internal Mineral Resource and Mineral Reserve estimates reported herein represent the most up to date revisions completed by First Majestic. Readers are cautioned against relying upon the Mineral Resource and Mineral Reserve estimates herein, as these estimates are based on certain assumptions regarding future events and performance such as: commodity prices, operating costs, taxes, metallurgical performance, and commercial terms. See "*Forward-looking Information*". Interpretations and Mineral Resource and Mineral Reserve estimates are based on limited sampling information. The following tables set out the Company's Mineral Reserve and Mineral Resource Estimates as of December 31, 2024. Although the Company did not complete the acquisition of Gatos Silver until January 16, 2025, the Company has included the Cerro Los Gatos Mineral Reserves and Resources as of December 31, 2024 for the purposes of this AIF.

From January 1, 2024 to December 31, 2024, the consolidated Proven and Probable Mineral Reserve Estimates for First Majestic's material properties have increased 61% in terms of tonnage, increased 55% in terms of silver metal content, and decreased 11% in terms of gold metal content. The estimates include zinc, lead and copper metal content. The addition of base metals to the Reserve Estimates is due to the acquisition of the Cerro Los Gatos mine. The Cerro Los Gatos Mineral Reserves are reported on a 70% attributable basis to First Majestic. The Santa Elena Mineral Reserve Estimates decrease is due to the site's record production driven depletion. The San Dima's Mineral Reserve Estimates decrease is driven by mining depletion, pillar removal, and updated economic evaluation of certain areas. At La Encantada Reserve Estimates remain roughly unchanged.

**TABLE 1: Mineral Reserve Estimates for the Material Properties with an Effective Date of December 31, 2024**

| Mine | | Mineral | Tonnage | Grades | | | | | | Metal Content | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Category | Type | k tonnes | 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 (k Oz) |
| **CERRO LOS GATOS (70% FM Attributable)** | | | | | | | | | | | | | | | |
| | Proven (UG) | All Mineral Types | 2,187 | 281 | 0.27 | 0.09 | 2.05 | 4.23 | 439 | 19,773 | 19 | 4 | 99 | 204 | 30,892 |
| | Probable (UG) | All Mineral Types | 4,773 | 107 | 0.18 | 0.27 | 2.05 | 3.64 | 274 | 16,421 | 28 | 28 | 216 | 383 | 42,027 |
| | **Total Proven and Probable (UG)** | **Sulphides** | **6,960** | **162** | **0.21** | **0.21** | **2.05** | **3.83** | **326** | **36,194** | **48** | **32** | **314** | **587** | **72,919** |
| **SAN DIMAS** | | | | | | | | | | | | | | | |
| | Proven (UG) | Sulphides | 1,257 | 253 | 3.16 | | | | 529 | 10,230 | 128 | | | | 21,390 |
| | Probable (UG) | Sulphides | 1,972 | 241 | 2.63 | | | | 470 | 15,250 | 167 | | | | 29,810 |
| | **Total Proven and Probable (UG)** | **Sulphides** | **3,229** | **245** | **2.84** | **-** | **-** | **-** | **493** | **25,480** | **294** | **-** | **-** | **-** | **51,200** |
| **SANTA ELENA** | | | | | | | | | | | | | | | |
| | Proven (UG - Ermitano) | Sulphides | 797 | 85 | 3.65 | | | | 518 | 2,173 | 93 | - | - | - | 13,272 |
| | Proven (UG - Santa Elena) | Sulphides | 238 | 138 | 1.47 | | | | 266 | 1,056 | 11 | - | - | - | 2,039 |
| | Probable (UG - Ermitano) | Sulphides | 2,043 | 38 | 1.61 | | | | 229 | 2,503 | 105 | - | - | - | 15,025 |
| | Probable (UG - Santa Elena) | Sulphides | 930 | 143 | 1.23 | | | | 250 | 4,265 | 37 | - | - | - | 7,461 |
| | Probable (Pad) | Oxides | 387 | 27 | 0.42 | | | | 69 | 330 | 5 | - | - | - | 860 |
| | **Total Proven and Probable (UG+Pad)** | **All mineral types** | **4,395** | **73** | **1.78** | **-** | **-** | **-** | **274** | **10,328** | **252** | **-** | **-** | **-** | **38,657** |
| **LA ENCANTADA** | | | | | | | | | | | | | | | |
| | Probable (UG) | Oxides | 3,388 | 137 | - | | | | 137 | 14,883 | - | | | | 14,883 |
| | **Total Probable (UG)** | **Oxides** | **3,388** | **137** | **-** | **-** | **-** | **-** | **137** | **14,883** | **-** | **-** | **-** | **-** | **14,883** |
| **Consolidated FMS** | | | | | | | | | | | | | | | |
| | **Proven (UG)** | **All mineral types** | **4,480** | | | | | | | **33,232** | **252** | **4** | **99** | **204** | **67,593** |
| | **Probable (UG)** | **All mineral types** | **13,493** | | | | | | | **53,653** | **342** | **28** | **216** | **383** | **110,066** |
| | **Total Proven and Probable** | **All mineral types** | **17,972** | | | | | | | **86,885** | **594** | **32** | **314** | **587** | **177,659** |

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 NI 43-101.
2. The Mineral Reserve statement provided in the table above has an effective date of December 31, 2024
2. The Cerro Los Gatos Mineral Reserves are reported on a 70% First Majestic attributable basis.
3. The Reserve estimates were prepared under the supervision of, or were reviewed by, Andrew Pocock, P.Eng., Internal QP for First Majestic, a Qualified Person, as that term is defined in NI 43-101.
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. Silver-equivalent grade (Ag-Eq) is estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the selling contract. The Ag-Eq grade formulas are different for all mines and are presented in each mine section in the AIF
6. Metal prices considered for Mineral Reserve estimates for the Santa Elena, San Dimas and La Encantada properties were $26/oz Ag and $2,400 oz Au; metal price considered for the Cerro Los Gatos property were

$23/oz Ag, $1,850/oz Au, $0.95lb Pb, $1.25lb Zn and $4.0lb Cu.

(a) 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 each mine section of the AIF.

7. 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.
8. The cutoff 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 each mine section in the AIF.
9. Modifying factors for conversion of resources to 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.
10. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces for gold and silver and in million of pounds for zinc, lead and copper. Metal prices and costs are expressed in USD.
11. Numbers have been rounded as required by reporting guidelines. Totals may not sum due to rounding.
12. The technical reports from which the above-mentioned information is derived are cited under the heading “Technical Reports for Material Properties” in the AIF.

From January 1, 2024, to December 31, 2024, the consolidated Measured and Indicated Mineral Resource estimates for the Company's material properties have increased 36% in terms of tonnage, increased 41% in terms of silver metal content, increased 1% in terms of gold metal content, and the estimates now include zinc, lead and copper metal content related to the mineral resources from Cerro Los Gatos. The changes are related to the acquisition of the Cerro Los Gatos mine, updated cutoff grades from new economic parameters including costs, recoveries and metal prices and partially offset by mining depletion. The Cerro Los Gatos Mineral Resources are reported on a 70% First Majestic attributable basis. Exploration drilling results added new Mineral Resources and converted Inferred Resource estimates to Measured and Indicated Resource estimates.

From January 1, 2024, to December 31, 2024, the Inferred Mineral Resource estimates for the Company's properties increased by 29% in terms of tonnage, increased 25% in terms of silver metal content, increased 13% in terms of gold metal content, and the estimates now include zinc, lead and copper metal content related to the mineral resources from Cerro Los Gatos.  The changes are related to the discovery and declaration of a maiden resource estimate for the Navidad project (Santa Elena), the acquisition of the Cerro Los Gatos mine, other expansionary drilling results, and updated cutoff grades from new economic parameters including costs, recoveries and metal prices. The Cerro Los Gatos Mineral Resources are reported on a 70% First Majestic attributable basis.

**TABLE 2: Measured and Indicated Mineral Resource Estimates for the Material Properties, Effective Date of December 31, 2024**

| Mine / Project Category / Area | Mineral Type | Tonnage k tonnes | Grades Ag (g/t) | Au (g/t) | Cu (%) | Pb (%) | Zn (%) | Ag-Eq (g/t) | Metal Content Ag (k Oz) | Au (k Oz) | Cu (M lb) | Pb (M lb) | Zn (M lb) | Ag-Eq (k Oz) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **CERRO LOS GATOS (70% FM Attributable)** | | | | | | | | | | | | | | |
| Total Measured (UG) | All Mineral Types | 1,948 | 363 | 0.36 | 0.11 | 2.61 | 5.37 | 563 | 22,700 | 23 | 5 | 112 | 231 | 35,230 |
| Total Indicated (UG) | All Mineral Types | 4,339 | 130 | 0.22 | 0.32 | 2.59 | 4.61 | 333 | 18,080 | 31 | 30 | 248 | 441 | 46,400 |
| **Total Measured and Indicated (UG)** | **All Mineral Types** | **6,287** | **202** | **0.27** | **0.25** | **2.59** | **4.85** | **404** | **40,780** | **54** | **35** | **360** | **672** | **81,630** |
| **SAN DIMAS** | | | | | | | | | | | | | | |
| Measured (UG) | Sulphides | 1,851 | 361 | 4.69 | | - | - | 776 | 21,490 | 279 | - | - | - | 46,210 |
| Indicated (UG) | Sulphides | 3,025 | 280 | 2.97 | | - | - | 543 | 27,220 | 289 | - | - | - | 52,820 |
| **Total Measured and Indicated (UG)** | **Sulphides** | **4,876** | **311** | **3.63** | | **-** | **-** | **632** | **48,710** | **569** | | **-** | **-** | **99,030** |
| **SANTA ELENA** | | | | | | | | | | | | | | |
| Total Measured (UG) | All Mineral Types | 1,323 | 108 | 3.34 | | | | 492 | 4,590 | 142 | - | - | - | 20,940 |
| Total Indicated (UG) | All Mineral Types | 4,465 | 81 | 1.80 | | | | 282 | 11,670 | 259 | - | - | - | 40,420 |
| **Total Measured and Indicated (UG & Pad)** | **All Mineral Types** | **5,787** | **87** | **2.16** | **-** | **-** | **-** | **330** | **16,260** | **401** | | **-** | **-** | **61,360** |
| **JERRITT CANYON** | | | | | | | | | | | | | | |
| Total Measured (UG + OP) | Sulphides | 6,150 | - | 5.08 | - | - | - | 436 | - | 1,005 | - | - | - | 86,140 |
| Total Indicated (UG + OP) | Sulphides | 5,824 | - | 4.77 | - | - | - | 409 | - | 894 | - | - | - | 76,620 |
| **Total Measured and Indicated (UG & OP)** | **All Mineral Types** | **11,975** | **-** | **4.93** | **-** | **-** | **-** | **423** | **-** | **1,899** | | **-** | **-** | **162,760** |
| **LA ENCANTADA** | | | | | | | | | | | | | | |
| Total Indicated (UG & Tailings) | All Mineral Types | 5,890 | 155 | - | - | - | - | 155 | 29,440 | - | - | - | - | 29,440 |
| **Total Indicated (UG & Tailings)** | **All Mineral Types** | **5,890** | **155** | **-** | **-** | **-** | **-** | **155** | **29,440** | **-** | | **-** | **-** | **29,440** |
| **TOTAL MATERIAL PROPERTIES** | | | | | | | | | | | | | | |
| Total Measured (UG) | All Mineral Types | 11,272 | | | | | | | 48,780 | 1,449 | 5 | 112 | 231 | 188,520 |
| Total Indicated(UG & OP) | All Mineral Types | 23,542 | | | | | | | 86,410 | 1,473 | 30 | 248 | 441 | 245,700 |
| **Total Measured and Indicated (UG & OP)** | **All Mineral Types** | **34,815** | | | | | | | **135,190** | **2,923** | **35** | **360** | **672** | **434,220** |

**TABLE 3: Inferred Mineral Resource Estimates for the Material Properties, Effective Date of December 31, 2024**

| Mine / Project Category / Area | Mineral Type | Tonnage k tonnes | Grades Ag (g/t) | Au (g/t) | Cu (%) | Pb (%) | Zn (%) | Ag-Eq (g/t) | Metal Content Ag (k Oz) | Au (k Oz) | Cu (M lb) | Pb (M lb) | Zn (M lb) | Ag-Eq (k Oz) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **CERRO LOS GATOS (70% FM Attributable)** | | | | | | | | | | | | | | |
| **Inferred Total (UG)** | **All Mineral Types** | **1,942** | **103** | **0.16** | **0.16** | **1.81** | **3.99** | **258** | **6,440** | **10** | **7** | **77** | **171** | **16,100** |
| **SAN DIMAS** | | | | | | | | | | | | | | |
| **Inferred Total (UG)** | **Sulphides** | **5,329** | **250** | **2.89** | **-** | **-** | **-** | **506** | **42,810** | **495** | | **-** | **-** | **86,630** |
| **SANTA ELENA** | | | | | | | | | | | | | | |
| **Inferred Total (UG + Pad)** | **Sulphides** | **6,271** | **85** | **2.41** | **-** | **-** | **-** | **333** | **17,150** | **486** | | **-** | **-** | **67,070** |
| **JERRITT CANYON** | | | | | | | | | | | | | | |
| **Inferred Total (UG & OP)** | **Sulphides** | **12,982** | **-** | **4.63** | **-** | **-** | **-** | **397** | **-** | **1,933** | | **-** | **-** | **165,660** |
| **LA ENCANTADA** | | | | | | | | | | | | | | |
| **Total Inferred (UG + Tailings)** | **All Mineral Types** | **2,438** | **189** | **-** | **-** | **-** | **-** | **189** | **14,800** | **-** | **-** | **-** | **-** | **14,800** |
| **TOTAL MATERIAL PROPERTIES** | | | | | | | | | | | | | | |
| **Total Inferred (UG & OP)** | **All Mineral Types** | **28,962** | | | | | | | **81,200** | **2,924** | **7** | **77** | **171** | **350,260** |

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, 2024. Sample data was collected through a cutoff date of December 31, 2024, for the Material Properties except for the Cerro Los Gatos estimate, which was March 31, 2024. All properties account for relevant technical information and mining depletion through December 31, 2024.
3. The Cerro 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, Internal Qualified Person for First Majestic, per NI 43-101.
5. Silver-equivalent 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 each mine section of the AIF.
6. Metal prices considered for all Mineral Resources estimates for the Santa Elena, San Dimas, Jerritt Canyon and La Encantada properties were $28/oz Ag and $2,400oz Au. Metal prices considered for the Cerro Los Gatos Silver Mine were $23/oz Ag, $1850/oz Au, $0.95/lb Pb, $1.25/lb Zn and $4.0/lb Cu.
7. The cutoff grades and cutoff values used to report Mineral Resources are different for all mines. The cutoff grades, values and economic parameters are listed in the applicable section describing each mine section of the AIF.
8. Mineral Resources are reported within mineable stope shapes or open pit shapes the cutoff values calculated using the stated metal prices and metal recoveries in the mine section of the AIF. The cutoff values include mill recoveries and payable metal factors appropriate to the existing processing circuit.
9. No dilution was applied to the Mineral Resource which are reported on an in situ basis.
10. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands 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 for the material properties is derived are cited under the heading "Technical Reports for Material Properties" of the AIF.

The San Martin and Del Toro mines are currently in temporary suspension of production activities and are considered non-material properties. The Mineral Resource estimates shown below for the non-material properties have an effective date of December 31, 2020.

**TABLE 4: Measured and Indicated Mineral Resource Estimates for the Non-Material Properties**

| Mine / Project | Mineral | Tonnage | Grades | | | | | | Metal Content | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Category / Area | Type | k tonnes | 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 (k Oz) |
| **SAN MARTIN** | | | | | | | | | | | | | | |
| Measured (UG) | Oxides | 70 | 221 | 0.40 | | - | - | 255 | 500 | 1 | | - | - | 580 |
| Indicated (UG) | Oxides | 958 | 277 | 0.53 | | - | - | 321 | 8,520 | 16 | | - | - | 9,890 |
| **Total Measured and Indicated (UG)** | **Oxides** | **1,028** | **273** | **0.52** | | **-** | **-** | **317** | **9,020** | **17** | | **-** | **-** | **10,470** |
| **DEL TORO** | | | | | | | | | | | | | | |
| Indicated (UG) | Sulphides | 440 | 193 | 0.53 | | 3.52 | 5.75 | 414 | 2,720 | 7 | | 34 | 56 | 5,850 |
| Indicated (UG) | Oxides + Transition | 153 | 226 | 0.15 | | 4.97 | - | 351 | 1,110 | 1 | | 17 | - | 1,720 |
| **Total Measured and Indicated (UG)** | **All Mineral Types** | **592** | **201** | **0.43** | | **3.90** | **4.27** | **398** | **3,830** | **8** | | **51** | **56** | **7,570** |
| **TOTAL NON-MATERIAL PROPERTIES** | | | | | | | | | | | | | | |
| Total Measured | All Mineral Types | 70 | | | | | | | 500 | 1 | | - | - | 580 |
| Total Indicated | All Mineral Types | 1,550 | | | | | | | 12,350 | 24 | | 51 | 56 | 17,460 |
| **Total Measured and Indicated (UG)** | **All Mineral Types** | **1,620** | | | | | | | **12,850** | **25** | | **51** | **56** | **18,040** |

1. Mineral Resource estimates have been classified in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101.
2. The Mineral Resource estimates for the other non-material properties were updated December 31, 2020.
3. The Mineral Resource estimates were prepared under the supervision of, or were reviewed by, David Rowe, CPG, Internal QP for First Majestic, a Qualified Person, as that term is defined in NI 43-101. Sample data was collected through a cutoff date of December 31, 2020, for the two non-material properties.
4. Metal prices considered for Mineral Resources estimates of the non-material properties on December 31, 2020, were $22.50/oz Ag, $1,850/oz Au, $0.90/lb Pb and $1.05/lb Zn.
5. Silver-equivalent 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.
6. The cutoff grades and cutoff values used to report Mineral Resources are different for all mines. The cutoff grades, values and economic parameters are listed in the applicable section describing each mine section of the AIF.
7. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces. Totals may not add up due to rounding.

**TABLE 5: Inferred Mineral Resource Estimates for the Non-Material Properties**

| Mine / Project | Mineral | Tonnage | Grades | | | | | | Metal Content | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Category / Area | Type | k tonnes | 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 (k Oz) |
| **SAN MARTIN** | | | | | | | | | | | | | | |
| **Inferred Total (UG)** | **Oxides** | **2,533** | **226** | **0.36** | | **-** | **-** | **256** | **18,400** | **29** | | **-** | **-** | **20,870** |
| **DEL TORO** | | | | | | | | | | | | | | |
| **Inferred Total (UG)** | **All Mineral Types** | **1,186** | **183** | **0.15** | **-** | **3.46** | **1.15** | **293** | **6,970** | **6** | **-** | **91** | **30** | **11,180** |
| **TOTAL NON-MATERIAL PROPERTIES** | | | | | | | | | | | | | | |
| **Total Inferred (UG)** | **All Mineral Types** | **3,719** | | | | | | | **25,370** | **35** | | **91** | **30** | **32,050** |

1. Mineral Resource estimates have been classified in accordance with the CIM Definition Standards on Mineral Resources and Mineral Reserves, whose definitions are incorporated by reference into NI 43-101.
2. The Mineral Resource estimates for the other non-material properties were updated December 31, 2020.
3. The Mineral Resource estimates were prepared under the supervision of, or were reviewed by, David Rowe, CPG, Internal QP for First Majestic, a Qualified Person, as that term is defined in NI 43-101.
4. Sample data was collected through a cutoff date of December 31, 2020, for the two non-material properties.

5. Sample data was collected through a cutoff date of December 31, 2020, for the two non-material properties.
6. Metal prices considered for Mineral Resources estimates of the non-material properties on December 31, 2020, were $22.50/oz Ag, $1,850/oz Au, $0.90/lb Pb and $1.05/lb Zn.
7. Silver-equivalent 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.
8. The cutoff grades and cutoff values used to report Mineral Resources are different for all mines. The cutoff grades, values and economic parameters are listed in the applicable section describing each mine section of the AIF.
9. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces. Totals may not add up due to rounding.

The following table shows the total tonnage mined from each of the Company's producing properties during 2024, including ounces of silver and gold produced from each property and the tonnage mined from Mineral Reserves at each property. A portion of the production from each mine came from material other than Reserves, as set out below under the heading "Material Mined from Areas Not in Reserves".

**TABLE 6: First Majestic 2024 Production**

| Concept | Units | SAN DIMAS | SANTA ELENA | LA ENCANTADA | JERRITT CANYON | TOTAL |
|---|---|---|---|---|---|---|
| Ore Processed | Tonnes | 776,812 | 1,012,523 | 897,406 | - | **2,686,742** |
| Material from Reserves Mined and Processed | Tonnes | 703,356 | 1,012,523 | 220,349 | - | **1,936,228** |
| Material Mined from Areas Not In Reserves | Tonnes | 73,456 | - | 677,057 | - | **750,513** |
| Silver Produced | Ounces | 4,543,931 | 1,514,364 | 2,342,502 | - | **8,400,797** |
| Gold Produced | Ounces | 50,432 | 103,540 | 164 | 2,405 | **156,542** |
| Silver-Equivalent Produced from Gold | Ounces | 4,281,328 | 8,751,949 | 13,891 | 207,463 | **13,254,631** |
| Silver-Equivalent Produced (1) | Ounces | 8,825,259 | 10,266,313 | 2,356,393 | 207,463 | **21,655,427** |

(1) Silver-equivalent ounces are 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. Details as to the method of calculation can be found in the applicable tables in each mine section of the 2024 Annual Information Form.

**<u>San Dimas Silver/Gold Mine, Durango and Sinaloa States, Mexico</u>**

The following description of the San Dimas Silver/Gold Mine (the "**San Dimas mine**") has been based on the Technical Report titled "First Majestic Silver Corp., San Dimas Silver/Gold Mine, Durango and Sinaloa States, Mexico NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimate" with effective date December 31, 2020 (the "**2020 San Dimas Technical Report**") and prepared in accordance with NI 43-101. Reference should be made to the full text of the 2020 San Dimas Technical Report which is available for review on the Company's profile on SEDAR+ at www.sedarplus.ca.

**Project Description, Location, and Access**

The San Dimas mine is an actively producing silver and gold mining complex owned and operated by the Company's wholly owned indirect subsidiary, PEM. The San Dimas mine is located near the town of Tayoltita on the borders of the States of Durango and Sinaloa, approximately 125 kilometres ("**km**") northeast of Mazatlán, Sinaloa, and 150 km west of the city of Durango, in Durango State, Mexico. The San Dimas mine is centered on latitude 24°06'38" N and longitude 105°55'36"W.

Access to the San Dimas mine is by air or road from the city of Durango. The Company maintains a de Havilland Twin Otter aircraft and a helicopter, both of which are based at Tayoltita. Travel from either Mazatlán or Durango to Tayoltita requires an approximate half hour flight by a Twin Otter aircraft. Most of the personnel and light supplies for the San Dimas mine arrive on regular Company flights from Durango. Heavy equipment and supplies are brought in by road from Durango. By road the trip requires approximately 6-7 hours. The mine is accessible and operates year-round.

The San Dimas mine consists of 119 individual concessions covering 71,839 ha. There are no royalties to be paid on the San Dimas mining concessions, other than certain government royalties referenced in the section "*Taxation*".

First Majestic is party to a purchase (streaming) agreement with Wheaton Precious Metals which entitles Wheaton Precious Metals to receive 25% of the gold equivalent production from the San Dimas mine converted at a fixed exchange ratio of silver to gold at 70 to 1 in exchange for ongoing payments equal to the lesser of $639.91 per ounce (as of December 31, 2024, increasing every May 10$^{th}$ by 1%) and the prevailing market price for each gold equivalent ounce delivered under the agreement. The exchange ratio includes a provision to adjust the gold to silver ratio if the average gold to silver ratio moves above or below 90:1 or 50:1, respectively, for a period of six months.

First Majestic (and its predecessor companies) secured surface rights by either acquisition of private and public land or by entering into temporary occupation agreements with surrounding Ejido communities. The surface right agreements in place with the communities provide for use of surface land for exploration activities and mine-related ventilation infrastructure. Current agreements cover the operation for the Company's current LOM plan.

San Dimas holds the necessary permits to operate, including the Environmental License, water rights concessions, and federal land occupation concessions, among others.

**History**

The San Dimas mine area contains a series of epithermal gold silver veins that have been mined intermittently since 1757. Modern mining began in the 1880s and has continued under numerous different owners to the present.

In 1961, Minas de San Luis, a company owned by Mexican interests, acquired 51% of the San Dimas group of properties and assumed operations of the mine. In 1978, the remaining 49% interest in the mine was obtained by Luismin S.A. de C.V (Luismin). In 2002, Wheaton River Minerals Ltd. (Wheaton River) acquired the property from Luismin and in 2005 Wheaton River merged with Goldcorp Inc. (Goldcorp). Under its prior name Mala Noche Inc., Primero Mining Corp. (Primero) acquired the San Dimas mine from subsidiaries of Goldcorp in August 2010. In May 2018, First Majestic acquired a 100% interest in the San Dimas mine through the acquisition of Primero.

Historical production through December 2024 from the San Dimas district is estimated at more than 766 Moz of silver and more than 11.1 Moz of gold, placing the district third in Mexico for precious metal production after Pachuca and Guanajuato. The majority of this production was prior to First Majestic's acquisition of the property in 2018.

Historical mined tonnes and metal production from 2014 to 2024 for the San Dimas mine are shown in Figures 1 & 2 below.

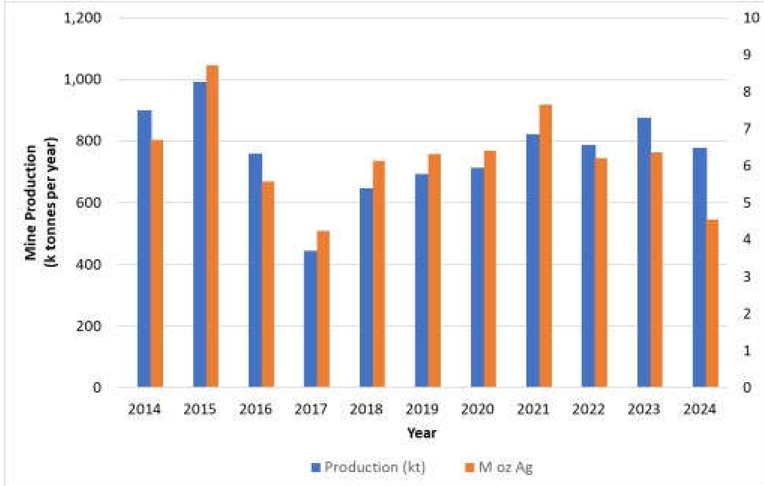



*Figure 1: San Dimas mine and silver production from 2014 to 2024*

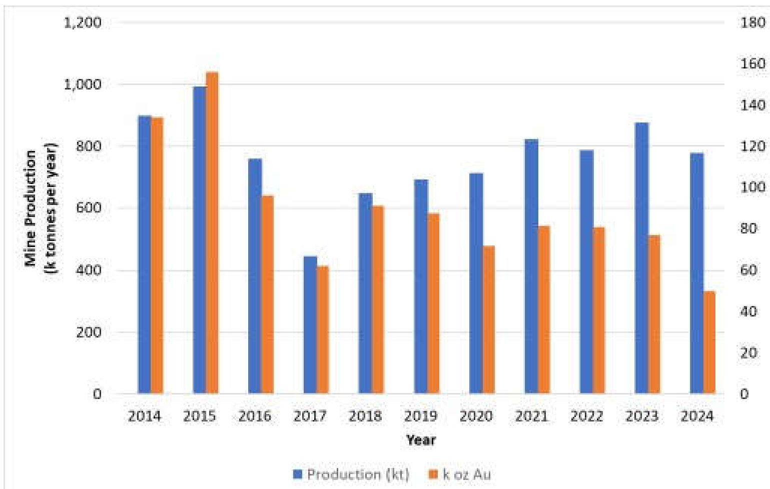



*Figure 2: San Dimas mine and gold production from 2014 to 2024*

**Geological Setting, Mineralization and Deposit Types**

The San Dimas mining district is in the central part of the Sierra Madre Occidental ("**SMO**"), near the Sinaloa-Durango state border. The SMO consists of Late Cretaceous to early Miocene igneous rocks including two major volcanic successions, the LVC and UVG, totalling up to 3,500 m in thickness. The LVC consists of predominantly intermediate volcanic and intrusive rocks formed between 100 Ma and 50 Ma. The UVG volcanism consists of primarily of silicic ignimbrites formed between 35 Ma and 29 Ma and 24 Ma and 20 Ma. The LVC and UVG volcanic rocks are intruded by intermediate rocks and a felsic rocks and basic dikes.

Major north-northwest-trending normal faults with opposite vergence divide the San Dimas district into five fault-bounded blocks that are tilted to the east-northeast or west-northwest. Three deformational events are related to the development of the major faults and structures that host veins and dikes. A late Eocene event produced tension gashes with an east-west to northeast orientation that host the first hydrothermal vein systems. An early Oligocene event produced north-south-trending right-lateral strike-slip that are related to the development of a second set of hydrothermal veins. A late Oligocene-Miocene event produced the tilted fault blocks that affected the entire district and exposed the silver and gold mineralization prior to the deposition of a ~24 Ma ignimbrite package. Veins within these tilted fault blocks generally trend east-northeast, within a corridor approximately 10 kilometers (km) wide. The veins are often truncated by the north-northwest-trending major faults, separating the original veins into segments. The veins have been followed underground from a few metres in strike-length to more than 1,500 m. A total of 118 silver and gold mineralized quartz veins have been recognized in the San Dimas Concessions Group, which represents 38% of the total property area. All Mineral Resources reported for San Dimas are hosted in the deposits that have been found in the San Dimas mine concessions.

Three major stages of mineralization have been recognized in the district: an early stage; an ore forming stage; and a late quartz forming stage. The minerals characteristic of the ore-forming stage consists of white, to light grey, medium to coarse grained crystalline quartz with intergrowths of base metal sulphides (sphalerite, chalcopyrite and galena) as well as pyrite, argentite, polybasite, stromeyerite, native silver and electrum. The veins are formed by filling fractures and typical textures observed include crustiform, comb structure, colloform banding and brecciation.

The vein-hosted mineral deposits within the San Dimas district are considered to be examples of silver- and gold-bearing epithermal quartz veins that formed in a low-sulphidation setting. Vein systems can be laterally extensive, but the associated ore shoots have relatively restricted vertical extent. High-grade ores are commonly form within dilational faults zones near flexures and fault splays. Textures typical of low-sulphidation quartz vein deposits include open-space filling, symmetrical and other layering, crustification, comb structure, colloform banding and complex brecciation.

**Exploration**

The San Dimas district has been the subject of modern exploration and mine development activities since the early 1970s, and a considerable information database has been developed from both exploration and mining activities. Exploration uses information from surface and underground mapping, sampling, and drilling together with extensive underground mine tunneling to help identify targets. Other exploration activities include prospecting, geochemical surface sampling, geophysical and remote sensing surveys.

Most of the exploration activities carried out in the San Dimas mine area, centered around the Piaxtla River where exposures of silver-gold veins were found. Outside of this area, the Lechuguilla and Ventana Concessions Group areas were explored to some extent during 2008 and 2015-16. The remainder of the concessions have had limited or no exploration as they are covered by thick piles of post-mineral ignimbrites.

The most important exploration strategy at San Dimas has been underground mine tunnelling. Tunnelling consists of advancing mine development to the north at the preferred elevation to intersect quartz veins mapped at surface. This method discovered veins with no surface exposure, such as the Jessica vein, which has been a major contributor to silver and gold production of metal produced in recent years. This exploration strategy has been used at San Dimas by all property owners after Luismin, resulting in more than 500 kilometers (km) of underground mine development.

The San Dimas exploration potential remains open in many of the known mineralized zones. As the mine was developed to the north, new veins were found. South of the Piaxtla River, the El Cristo area has potential for new quartz vein discoveries. The West Block is currently being explored by drilling. Opportunities to intercept the projection of fault-offset quartz veins from the Graben Block are considered good.

**Drilling**

Since 1975 the exploration drilling strategy has focused on diamond drilling perpendicular to the preferred vein orientation within the mine zones. Drilling is predominantly done from underground stations, as the rugged topography and the great drilling distance from surface locations to the targets makes surface drilling challenging and expensive. Approximately 1,413,000 m of core drilling has been completed since 2000, with approximately 113,000 m completed in 2024.

**Sampling, Analysis and Data Verification**

Diamond drill core is delivered to the core logging facility where San Dimas geologists select and mark sample intervals according to lithological contacts, mineralization, alteration, and structural features. Sample intervals range from 0.25-1.20 m in length within mineralized structures to 0.5-1.20 m in length when sampling waste rock. Drill core intervals selected for sampling are cut in half using a diamond saw. Softer rocks are split using a hydraulic guillotine splitter. One half of the core is retained in the core box for further inspection and the other half is placed in a sample bag. For smaller diameter delineation drill core, the entire core is sampled for analysis. The sample number is printed with a marker on the core box beside the sampled interval, and a sample tag is inserted into the sample bag. Sample bags are tied with string and placed in rice bags for shipping.

Underground mine production channel samples are used to support mineral resource estimation at San Dimas. Channel sampling for resource estimation is supervised by San Dimas geologists and undertaken using a hammer and chisel. Sample lengths range from 0.20-1.20 m. The samples are taken as a rough channel along a marked line, with an emphasis on representative volume sampling and respecting vein/wall contacts and textural or mineralogical features. The sample is collected on the tarpaulin, broken with a hammer, and quartered and homogenized to obtain a 3 kg sample. The sample is bagged and labelled with sample number and location details. Sketches and photographs are recorded of the face sampled, showing the samples' physical location from surveying and the measured width of each sample. Since 2011, all channel samples are dispatched to the San Dimas Laboratory.

Specific gravity ("**SG**") measurements were systematically taken on drill core since October 2012. Since 2016, SG measurements were collected on 10 cm or longer whole core vein samples using the unsealed water immersion method.

Since 2004, four different laboratories have been used for sample preparation and analysis of drill core and channel samples. These include:

- San Dimas mine laboratory ("**San Dimas Laboratory**") which is used for ore control channel samples and delineation core samples. San Dimas Laboratory is not certified and not independent of First Majestic,
- SGS laboratory in Durango ("**SGS**") which was used for drill core samples and check assays. SGS is certified under ISO 17025 and is independent of First Majestic,
- ALS-Chemex laboratory in Zacatecas ("**ALS**") which is used for check assays. ALS is certified under ISO 17025 and independent of First Majestic,
- First Majestic's Central Laboratory ("**Central Laboratory**"), which relocated from Durango to Santa Elena in 2023, is used as the primary laboratory for drill core and for check assays on channel samples before 2021. The Central Laboratory is certified under ISO 9001 and is not independent of First Majestic.

At San Dimas Laboratory samples are currently dried at 110°C, crushed to 80% passing 2 mm, split into 250 g subsamples and pulverized to 80% passing 75 µm. At SGS samples were dried at 105°C, crushed 75% passing 2 mm, and split into a 250 g subsample and pulverized to 85% passing 75 µm. At the Central Laboratory samples are dried at 100°C, crushed to 85% passing 2 mm, split into a 250 g subsample, and pulverized to 85% passing 75 µm.

Since 2018, samples submitted to the San Dimas Laboratory are analyzed for gold using a 30 g fire assay atomic absorption spectroscopy method (FA-AAS) and by gravimetric finish if the doré bead is greater than 12 mg. Silver is determined using 30 g FA gravimetric finish (FAGR). Between 2013 and 2018, and from May 2021 to December 2024, samples sent to SGS Durango were analyzed for gold by a 30 g FA-AAS method. Samples returning >10 g/t Au were reanalyzed by a 30 g FAGR method. Silver was analyzed by a 2 g, three-acid digestion AAS method. Silver values >300 g/t or 100 g/t were analyzed by a 30 g FAGR method. A multi-element suite was analyzed by a 0.25 g, aqua regia digestion inductively coupled plasma (ICP) optical emission spectroscopy (OES) method.

Samples submitted to the Central Laboratory are analyzed for gold by a two-acid digestion AAS method. Samples with gold values >10 g/t are reanalyzed by a 30 g, FAGR method. Silver values are determined using a 2 g, three-acid digestion AAS method. Older samples with silver values greater than 200 g/t and current samples with silver results greater than 100 g/t were analyzed by a 30 g FAGR method. All exploration samples are analysed by a two-acid multi-element ICP OES method.

There is limited information as to whether a formal quality assurance and quality control (QA/QC) program was in place prior to 2013. From 2013 to 2018, the QA/QC program included insertion of a standard reference material (SRM) and a blank in every batch of 20 samples. In 2013, 5% of the coarse reject and pulp duplicates from core samples were randomly selected for analysis at SGS and 5% of pulp checks from core samples were analyzed at ALS. In 2019, PEM revised the QA/QC program to include insertion of three CRM samples and three blanks in every batch of 50 channel samples analyzed at the San Dimas Laboratory and one CRM and two blanks in every batch of 26 drill core and channel check samples submitted to the Central Laboratory. Since 2021, the QA/QC program included 6% of field coarse and pulp duplicates, 6% of SRMs and CRMs, and 4% of coarse and pulp blanks inserted in the channel and core sample-stream submitted to San Dimas Lab. The QAQC program for samples submitted to Central laboratory and SGS included 6% of field, coarse and pulp duplicates, 6% of CRMs and 4% of coarse and pulp blanks.

Data verification conducted to support the Mineral Resource Estimates included a review of drill hole and channel sample data collected for several veins (the verification dataset) and included data transcription error checks for assay results, drill hole collar and channel location checks, downhole survey deviation checks, visual inspection of core, and an assessment of accuracy and contamination of primary and check channel samples for silver and gold.

No significant transcription errors or grade accuracy and contamination issues were observed.

Numerous site visits were completed by the Qualified Persons ("**QPs**") responsible for this technical report. Site visits focused specifically on data verification reviewed current drill core and channel logging and sampling procedures and inspected drill core, core photos, core logs, and QA/QC reports. Spot checks were completed by comparing lithology records in the database with archived core. No significant issues were observed.

**Mineral Processing and Metallurgical Testing**

Metallurgical testing, along with mineralogical investigation, is periodically performed. Even when the results are within the expected processing performance, the plant is continually running tests to optimize metal recoveries and operating costs. Composite samples are analyzed monthly to determine the metallurgic behaviour of the mineralized material fed into the processing plant. This metallurgical testing is carried out by the site metallurgical laboratory.

Due to the purity of the San Dimas doré, which exceeds 95% silver and gold, minimal penalties are applied by the refineries for the presence of other heavy metals.

**Summary of Mineral Resource and Mineral Reserve Estimates**

All Mineral Resource estimates at San Dimas were completed using block modeling techniques. The Mineral Resource estimates are constrained by the three-dimensional geological interpretation and modelled domains for vein-hosted mineral deposits. Resource geologists constructed the modelled domains using information collected by mine geology staff and interpretations by geologists. Information used included underground geological mapping, drill hole logs and drill hole assays, production channel sampling and assays. The interpreted boundaries of the domain models strictly adhered to the contacts of quartz veins with the surrounding country rock to produce reasonable representations of the deposit locations and volumes.

The selected composite sample length varied by domain with the most common composite sample length being 1.0 m. The assay sample intervals were composited within the limits of the domain boundaries and then tagged with the appropriate domain code. Drill hole and channel composite samples were evaluated for high-grade outliers and those outliers were capped to values considered appropriate for each domain.

Mineral Resources were estimated into sub-block models rotated parallel to the resource domain trend. Parent block grades were estimated using inverse distance weighting to the second power interpolation ("$ID^2$"). The block estimates were made with multiple passes to limit the influence the channel production samples at longer ranges: Pass 1 was a restrictive short-range pass that used channel and drill hole composite samples, and subsequent less restrictive passes used drill hole samples only. An average bulk density value of 2.6 $t/m^3$ was used in estimation for all resource domains.

The Mineral Resource estimates were classified into Measured, Indicated, or Inferred categories based on the confidence in the geological interpretation and models, the confidence in the continuity of metal grades, the sample support for the estimation and reliability of the sample data, and on the presence of underground mining development providing detailed mapping and production channel sample support. Block model estimate to Mine Claim reconciliation has shown estimation performance within industry-expected ranges.

The Mineral Resource estimates for San Dimas are summarized in Table 7 and Table 8 using an NSR cutoff value of $174/t. Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves and have an effective date of December 31, 2024. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. From December 31, 2023 to December 31, 2024, the Measured and Indicated Mineral Resource estimates for San Dimas increased 24% in terms of tonnage, decreased 5% in terms of silver metal content and decreased 9% in terms of gold metal content. The Inferred Mineral Resource estimates increased 35% in terms of tonnage, increased 10% in terms of silver metal content and increased 6% in terms of gold metal content. The changes are primarily related to successful resource addition by exploration drilling, drilling driven conversion of Inferred to Indicated resource estimates, updated cutoff grades from new economic parameters including costs, recoveries and metal prices and partially offset by mining depletion and removal of pillars judged unmineable on further review.

**Table 7: San Dimas Measured and Indicated Mineral Resource Estimate (effective date December 31, 2024)**

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | ktonnes | Ag (g/t) | Au (g/t) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Measured Central Block | Sulphides | 1,169 | 355 | 4.79 | 778 | 13,320 | 180 | 29,240 |
| Measured Sinaloa Graben | Sulphides | 478 | 360 | 4.84 | 789 | 5,540 | 74 | 12,120 |
| Measured Other Areas | Sulphides | 205 | 399 | 3.80 | 735 | 2,630 | 25 | 4,850 |
| **Total Measured** | **Sulphides** | **1,851** | **361** | **4.69** | **776** | **21,490** | **279** | **46,210** |
| Indicated Central Block | Sulphides | 1,326 | 248 | 2.79 | 494 | 10,550 | 119 | 21,070 |
| Indicated Sinaloa Graben | Sulphides | 543 | 245 | 3.07 | 517 | 4,280 | 54 | 9,030 |
| Indicated Tayoltita | Sulphides | 158 | 326 | 4.04 | 684 | 1,660 | 21 | 3,480 |
| Indicated Other Areas | Sulphides | 997 | 335 | 3.00 | 600 | 10,730 | 96 | 19,240 |
| **Total Indicated** | **Sulphides** | **3,025** | **280** | **2.97** | **543** | **27,220** | **289** | **52,820** |
| M+I Central Block | Sulphides | 2,494 | 298 | 3.72 | 627 | 23,870 | 299 | 50,300 |
| M+I Sinaloa Graben | Sulphides | 1,021 | 299 | 3.90 | 645 | 9,820 | 128 | 21,160 |
| M+I Tayoltita | Sulphides | 158 | 326 | 4.04 | 684 | 1,660 | 21 | 3,480 |
| M+I Other Areas | Sulphides | 1,202 | 346 | 3.14 | 623 | 13,360 | 121 | 24,080 |
| **Total M+I** | **Sulphides** | **4,876** | **311** | **3.63** | **632** | **48,710** | **569** | **99,020** |

**Table 8: San Dimas Inferred Mineral Resource Estimate (effective date December 31, 2024)**

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | ktonnes | Ag (g/t) | Au (g/t) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Inferred Central Block | Sulphides | 1,897 | 251 | 3.02 | 518 | 15,330 | 184 | 31,610 |
| Inferred Sinaloa Graben | Sulphides | 526 | 382 | 5.20 | 842 | 6,470 | 88 | 14,260 |
| Inferred Tayoltita | Sulphides | 506 | 261 | 3.10 | 536 | 4,250 | 50 | 8,710 |
| Inferred Other Areas | Sulphides | 2,400 | 217 | 2.24 | 415 | 16,760 | 173 | 32,050 |
| **Total Inferred** | **Sulphides** | **5,329** | **250** | **2.89** | **506** | **42,810** | **495** | **86,630** |

1. Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101.
2. Mineral Resource estimates are based on internal estimates with an effective date of December 31, 2024.
3. Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, Internal Qualified Person for First Majestic, per NI 43-101.
4. Silver-equivalent grade (Ag-Eq) is calculated as follows:
   Ag-Eq = Ag Grade + (Au Grade x Au Recovery x Au Payable x Au Price) / (Ag Recovery x Ag Payable x Ag Price).
5. Metal prices for Mineral Resources estimates were $28.0/oz Ag and $2,400/oz Au. Metallurgical recovery used was 92.6% for silver and 95.6% for gold. Metal payable used was 99.95% for silver and gold.
6. NSR cutoff value considered to constrain resources assumed an underground operation was $174/t and was based on actual and budgeted operating and sustaining costs.
7. Mineral Resources are reported within mineable stope shapes using the NSR cutoff value calculated using the stated metal prices and metal recoveries. The NSR cutoff includes mill recoveries and payable metal factors appropriate to the existing processing circuit.
8. No dilution was applied to the Mineral Resource which are reported on an in situ basis.
9. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces. Totals may not add up due to rounding.
10. Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

For risk factors that could materially impact the Mineral Resource estimates, see "*Uncertainty in the Estimation of Mineral Resources and Mineral Reserves*".

The Mineral Reserves estimation process consists of converting Indicated and Measured Mineral Resources into Mineral Reserves by identifying material that exceeds the mining cutoff grades while conforming to specified geometrical constraints determined by the applicable mining method and modifying factors.

From December 31, 2023 to December 31, 2024, the Proven and Probable Mineral Reserves estimates for San Dimas decreased 11% in terms of tonnage, decreased 16% in terms of silver metal content and decreased 19% in terms of gold metal content.

The Mineral Reserves for the San Dimas mine are presented in Table 9 below.

**Table 9: San Dimas Mineral Reserves Estimates (Effective Date December 31, 2024)**

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | kt | Ag (g/t) | Au (g/t) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Proven Central Block | Sulphides | 780 | 255 | 3.47 | 557 | 6,390 | 86.9 | 13,980 |
| Proven Sinaloa Graben | Sulphides | 293 | 222 | 2.67 | 455 | 2,090 | 25.2 | 4,290 |
| Proven Tayoltita | Sulphides | - | - | - | - | - | - | - |
| Proven Other Areas | Sulphides | 184 | 297 | 2.65 | 528 | 1,750 | 15.7 | 3,120 |
| **Total Proven** | **Sulphides** | **1,257** | **253** | **3.16** | **529** | **10,230** | **127.8** | **21,390** |
| Probable Central Block | Sulphides | 732 | 228 | 2.74 | 467 | 5,370 | 64.5 | 11,010 |
| Probable Sinaloa Graben | Sulphides | 381 | 211 | 2.66 | 443 | 2,580 | 32.6 | 5,430 |
| Probable Tayoltita | Sulphides | 133 | 206 | 2.74 | 445 | 880 | 11.7 | 1,900 |
| Probable Other Areas | Sulphides | 726 | 275 | 2.48 | 492 | 6,420 | 57.8 | 11,470 |
| **Total Probable** | **Sulphides** | **1,972** | **241** | **2.63** | **470** | **15,250** | **166.6** | **29,810** |
| P+P Central Block | Sulphides | 1,512 | 242 | 3.11 | 514 | 11,760 | 151.4 | 24,990 |
| P+P Sinaloa Graben | Sulphides | 674 | 216 | 2.67 | 448 | 4,670 | 57.8 | 9,720 |
| P+P Tayoltita | Sulphides | 133 | 206 | 2.74 | 445 | 880 | 11.7 | 1,900 |
| P+P Other Areas | Sulphides | 910 | 279 | 2.51 | 499 | 8,170 | 73.5 | 14,590 |
| **Total P+P** | **Sulphides** | **3,229** | **245** | **2.84** | **493** | **25,480** | **294.4** | **51,200** |

1. Mineral Reserves are classified per CIM Definition Standards and NI 43-101.
2. Mineral Reserves are effective December 31, 2024, are derived from Measured & Indicated Resources, account for depletion to that date, and are reported with a reference point of mined ore delivered to the plant.
3. Reserve estimates were supervised or reviewed by Andrew Pocock, P.Eng., Internal Qualified Person for First Majestic per NI 43-101.
4. Silver-equivalent grade (Ag-Eq) is calculated as follows:
   Ag-Eq Grade = Ag Grade + Au Grade *( Au Recovery * Au Payable * Au Price) / (Ag Recovery * Ag Payable * Ag Price)
5. Metal prices for Reserves: $26/oz Ag, $2,200/oz Au. Other key assumptions and parameters include: Metallurgical recoveries of 92.6% Ag, 95.6% Au; metal payable of 99.95% Ag & Au, costs ($/t): direct mining $61.91 longhole stoping and $96.55 cut & fill, processing $39.37 mill feed, indirect/G&A $65.51 and sustaining $35.88 for longhole stoping and cut & fill.
6. A two-step cutoff approach was used per mining method: A general cutoff grade defines mining areas covering all associated costs; and a 2nd pass incremental cutoff includes adjacent material covering only its own costs, excluding shared general development access & infrastructure costs which are covered by the general cutoff material.
7. Modifying factors for conversion of resources to reserves include but are not limited to consideration for mining methods, mining recovery, dilution, sterilization, depletion, cutoff grades, geotechnical conditions, metallurgical factors, infrastructure, operability, safety, environmental, regulatory, social and legal factors. These factors were applied to produce mineable stope shapes.
8. Tonnage in thousands of tonnes, metal content in thousands of ounces, prices/costs in USD. Numbers are rounded per guidelines; totals may not sum due to rounding.

For risk factors that could materially impact the Mineral Reserves estimates, see "Uncertainty in the Estimation of Mineral Resources and Mineral Reserves".

The Company is not aware of any known mining, metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral reserve estimates, other than discussed herein.

**Mining Operations**

The San Dimas mine includes five underground gold and silver mining areas: West Block (San Antonio mine), Sinaloa Graben Block (Graben Block), Central Block, Tayoltita Block, and the Arana Hanging-wall Block (Santa Rita mine).

Mining activities are conducted by First Majestic and contractor personnel. Two mining methods are currently in use at San Dimas: Cut-and-Fill, and Longhole Stoping. Cut-and-fill is carried out by either jumbo or jackleg drills, whereas longhole is carried out with pneumatic and electro-hydraulic drills. Primary access is provided by adits and internal ramps. Waste and ore are loaded with diesel scoops and hauled with diesel trucks.

Ground conditions throughout most of the San Dimas underground workings are considered good. Various ground support standards are used systematically in the main haulage ramps, drifts, and underground infrastructure.

Groundwater inflow has not been a significant concern in the San Dimas mine area.

**Processing and Recovery Operations**

The processing plant at San Dimas uses a process that is based on cyanide tank leaching and Merrill-Crowe of ground plant-feed to produce silver/gold doré bars. The installed plant capacity is 2,700 tonnes per day.

The San Dimas processing plant is built as a single train with the crushing area split from the remaining areas and connected through a belt conveyor to transfer the crushed product from the screening underflow to the fine-ore bins. The remaining areas are the following: grinding circuits, leach tanks, CCD tanks, Merrill-Crowe, smelting and tailings filtration and stacking.

**Infrastructure, Permitting and Compliance Activities**

The infrastructure in San Dimas fully supports current mining and mineral processing activities, with part of its facilities located in the town of Tayoltita.

Most of the personnel and light supplies for the San Dimas mine arrive on First Majestic's regular flights from Mazatlán and Durango. Heavy equipment and main supplies are brought by road from Durango and Mazatlán.

The main infrastructure of San Dimas consists of access roads, the San Dimas mines, crushing and processing facilities known as the Tayoltita mill, the Tayoltita/Cupias tailings facilities, an assays laboratory, core shed, offices and staff camp, the Las Truchas hydro-electric generation facilities, a diesel-powered emergency generation plant, a local airport and infrastructure supporting the inhabitants of the Tayoltita townsite including a local clinic, schools and sport facilities.

Electrical power is provided by a combination of First Majestic's own hydroelectric generation system (Las Truchas dam) and the Federal Power Commission supply system ("**CFE**"). First Majestic operates the hydroelectric generation plant, which is interconnected with the CFE power grid, and a series of back-up diesel generators for emergencies. During 2024, Las Truchas contributed approximately ~45% of the site's energy requirements, an improvement from the prior year.

The source of water for industrial use comes partly from mine dewatering stations but mainly from the recycled filtered-tailings water after it has been treated, the balance is sourced from the Santa Rita well which fills from the Piaxtla River. About 80% of the water required for processing activities is being treated and recycled.

Drinking water is supplied by First Majestic to the town of Tayoltita from an underground thermal spring located at the Santa Rita mine.

San Dimas holds all major environmental permits and licenses required by the Mexican authorities to carry out mineral extracting activities in the mining complex. The main environmental permit is the environmental license "Licencia Ambiental Unica" under which the mine operates its industrial facilities in accordance with the Mexican environmental protection laws administered by the Mexican environmental authorities, the Ministry of Environment and Natural Resources ("**SEMARNAT**") as the agency in charge of environment and natural resources. The most recent update to the main environmental permit was approved in July 2019.

The San Dimas mine has implemented the First Majestic Environmental Management System ("**EMS**"), which supports the implementation of environmental policy and is applied to standardize tasks and strengthen a culture focused on minimizing environmental impacts. The EMS is based on the requirements of the international standard ISO 14001:2015 and the requirements to obtain the Certificate of Clean Industry, issued by SEMARNAT, through the Federal Attorney for Environmental Protection in Mexico ("**PROFEPA**"). The EMS includes an annual compliance program to review all environmental obligations.

In February 2024, for the thirteenth consecutive year, the San Dimas mine was awarded the Socially Responsible Company ("**ESR**") designation by the Mexican Center for Philanthropy ("**CEMEFI**").

Environmental liabilities for the operation are typical of those that would be expected to be associated with an operating underground precious metals mine, including the future closure and reclamation of mine portals and ventilation infrastructure, access roads, processing facilities, power lines, filtered tailings deposits and all surface infrastructure that supports the operations. Other potential liabilities include industrial water management, petroleum spills and carbon emissions from mobile equipment. The reclamation work carried out at San Dimas in 2024 includes continued conforming of terraces in the filtered tailings deposits in accordance with the design.

**Capital and Operating Costs**

The LOM plan includes estimates for sustaining capital expenditures for the planned mining and processing activities.

Sustaining capital expenditures will mostly be allocated for on-going development in waste, infill drilling, mine equipment rebuilds, overhauls or replacements, plant maintenance, and tailings management facilities expansion as needed. Table 10 presents the summary of the sustaining capital expenditures.

**Table 10: San Dimas Mining Capital Costs Summary (Sustaining Capital) (in millions)**

| Type | Total | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|
| Mine Development | $53.5 | $12.3 | $12.3 | $12.3 | $13.4 | $3.1 |
| Property, Plant & Equipment | $26.8 | $5.2 | $5.2 | $5.2 | $5.2 | $5.9 |
| Other Sustaining Costs | $5.7 | $1.1 | $1.1 | $1.1 | $1.1 | $1.2 |
| **Total Sustaining Capital Costs** | **$86** | **$18.6** | **$18.7** | **$18.7** | **$19.8** | **$10.2** |
| Near Mine Exploration | $4.5 | $1.2 | $1.1 | $1.1 | $1.0 | $0 |
| **Total Capital Costs** | **$90.5** | **$19.8** | **$19.8** | **$19.8** | **$20.8** | **$10.2** |

Operating costs for San Dimas have been estimated for the underground mining, processing, indirect, and general & administrative costs. First Majestic currently estimates operating costs at an average of $163.0 per tonne of ore processed based on current and projected costs. Operating costs are presented as a weighted average based on mining method.

**Table 11: San Dimas Operating Costs (in millions)**

| Type | $/tonne milled |
|---|---|
| Mining Cost | $64.9 |
| Processing Cost | $38.5 |
| Indirect Costs | $57.1 |
| **Total Production Cost** | **$160.5** |
| Selling Cost | $2.6 |
| **Total Cash Cost** | **$163.0** |

**Exploration, Development and Production**

The following general annual exploration drill programs were executed in 2024:

- 103,000 m near mine underground drill program,
- 10,000 m brownfield surface drill programs on multiple prospects.

This amount of drilling is expected to continue on an annual basis while production continues but amounts required are reviewed annually. In addition, an annual prospect generation program consisting of prospecting, soil and rock geochemical surveys, mapping, or geophysical surveys is conducted.

In 2024, the Company continued operating the Jessica vein, the Regina vein, the Victoria vein, and the Perez vein among other veins. During 2024, 776,812 tonnes of mineralized material were processed with an average grade of 203 g/t Ag and 2.14 g/t Au.

Development continues in the San Dimas mine preparing extraction levels in the Perez vein and new extraction areas in the West and the Sinaloa/Graben blocks.

**Santa Elena Silver/Gold Mine, Sonora State, Mexico**

The following information on the Santa Elena Silver/Gold Mine ("**Santa Elena mine**") is based on a Technical Report prepared in accordance with NI 43-101 and titled "First Majestic Silver Corp. Santa Elena Silver/Gold Mine Sonora, Mexico NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with effective date of June 30, 2021 (the "**Santa Elena Technical Report**"). Reference should be made to the full text of the Santa Elena Technical Report which is available for review on the Company's profile on SEDAR+ at www.sedarplus.ca.

**Property Description, Location and Access**

The Santa Elena mine is an actively producing underground gold and silver mining complex owned and operated by the Company's wholly owned indirect subsidiary, Nusantara de México, S.A. de C.V. ("**Nusantara**"). The property is located in Sonora, Mexico, approximately 150 km northeast of the state capital city of Hermosillo and seven kilometres east of the community of Banámichi. The property is centered on latitude 30°01.3'N and longitude 110°09.5'W.

The Santa Elena mine can be easily accessed year-round by paved highways 90 km east from Hermosillo to Ures, then 50 km north along a paved secondary road to the community of Banámichi, then by a well-maintained gravel road for seven kilometres to the mine site. The Ermitaño mine can be accessed by a 5 kilometre gravel road from the Santa Elena mine. The Santa Elena property complex currently consists of 32 individual concessions covering 102,172 hectares and four concession applications in process which cover 72 hectares, for a total of 102,244 hectares.

In 2017, First Majestic expanded the Santa Elena property complex by purchasing a royalty-free 100% interest in the El Gachi property from Santacruz Silver Mining Ltd. First Majestic expanded the Santa Elena property again in 2018 by completing the acquisition of a 100% interest in the Ermitaño and Cumobabi properties from Evrim Resources Corp. (whose current name is Orogen Royalties Inc.). Upon completion of the acquisition, Orogen Royalties retained a 2% net smelter return (NSR) royalty from the sale of mineral products extracted from the Ermitaño property and retained a 1.5% NSR from the sale of mineral products extracted from the Cumobabi property. On October 1, 2023, Orogen Royalties assigned these two NSRs to Minera Inmet Mexico S.A. de C.V., a wholly-owned subsidiary of Orogen Royalties. In addition, Osisko Gold Royalties Ltd., through its wholly-owned subsidiary Mining Royalties Mexico, S.A de C.V., holds a 2% NSR from the sale of mineral products extracted from the Ermitaño and Cumobabi properties.

In addition to the above-mentioned NSRs on the Ermitaño and Cumobabi properties, the Los Hernandez property is subject to a 2.5% NSR on the sale of mineral products derived from the property that is held by Triple Flag Precious Metals Corp.

First Majestic is party to a purchase (streaming) agreement with Sandstorm Gold Ltd. ("**Sandstorm**") which entitles Sandstorm to receive 20% of the gold production from the leach pad and a designated area of the Santa Elena mine in exchange for ongoing payments equal to the lesser of $482/oz Au (as of December 31, 2024) and the prevailing market price for each gold ounce delivered under the agreement.

Surface rights in the area of the mining concessions are held both privately and through group ownership either as communal or Ejido lands. First Majestic has agreements in place regarding surface rights with Bienes Comunales de Banámichi, Mr. Francisco Maldonado, Dabafa S.P.R. de R.L., Ejido Banámichi, and the Community of Banámichi. As of December 2024, all obligations were met for these agreements.

Santa Elena holds the necessary permits to operate, such as the Environmental License, water rights concessions, and federal land occupation concessions.

**History**

London-based Consolidated Goldfields of Mexico Limited owned and operated the Santa Elena mine in the late 19th century and mined from surface and underground until around 1910. There is no indication of any further significant mining or exploration at Santa Elena until Industrias Peñoles S.A de C.V. drilled two or three holes on the property in the 1960s. During the early 1980s, Tungsteno de Baviacora ("**Tungsteno**") owned the property and mined 45,000 tonnes grading 3.5 g/t Au and 60 g/t Ag from an open cut. Tungsteno periodically surface mined high silica/low fluorine material from Santa Elena.

The property remained under control of Tungsteno until 2009, when SilverCrest Mines Inc. ("**SilverCrest**") acquired the property. SilverCrest commenced production from the Santa Elena open pit in October 2010.

First Majestic acquired the Santa Elena property in October 2015 through its acquisition of SilverCrest, and by year end 2024 has produced 3.9 Mt at 120 g/t Ag and 2.06 g/t Au from underground, plus 2.5 Mt of ore from Ermitaño with 61 g/t Ag and 3.98 g/t Au and has reprocessed 2.5 Mt at 40 g/t Ag and 0.68 g/t Au from the leach pad. The 2014 to 2024 production history is presented in Figures 3 & 4 below.

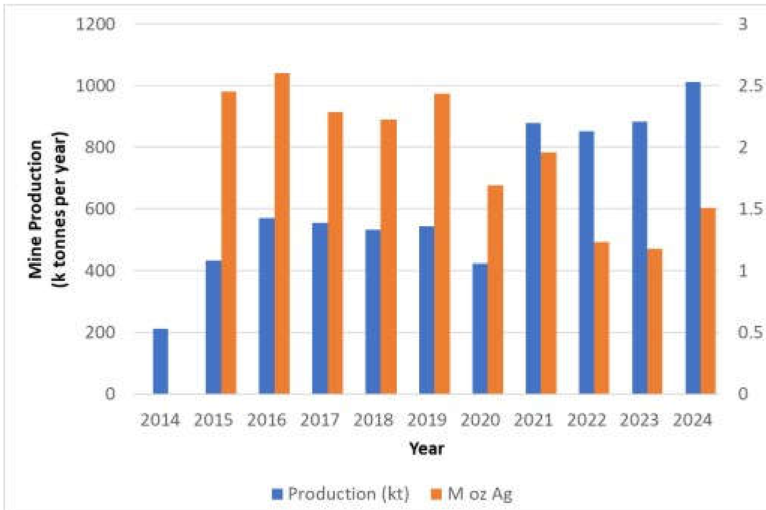



*Figure 3: 2014 to 2024 Santa Elena District mine and silver production.*

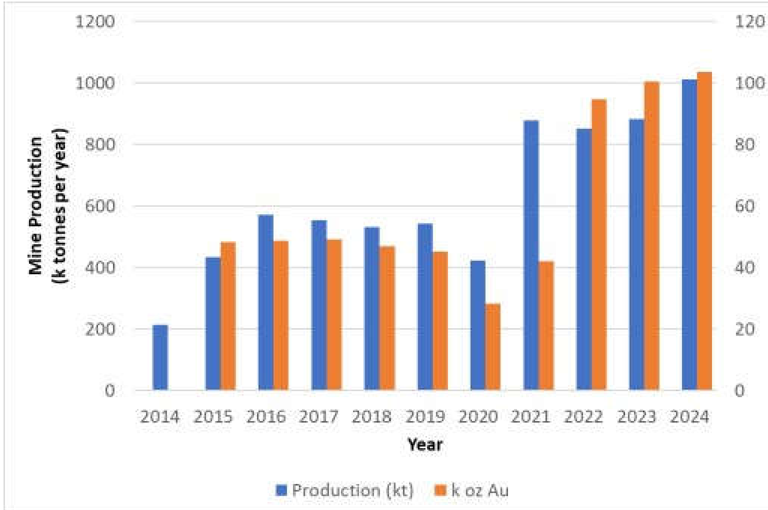



*Figure 4: 2014 to 2024 Santa Elena District mine and gold production.*

**Geological Setting, Mineralization and Deposit Types**

The Santa Elena deposits are hosted in rocks of the Sierra Madre Occidental ("**SMO**"), an igneous province that extends from the USA-Mexican border south to Guadalajara, Mexico. The SMO geological province consists of Late Cretaceous to early Miocene volcanic and sedimentary rocks that formed during two main periods of continental magmatic activity. The first period, concurrent with the Laramide orogeny, produced an intermediate intrusive suite and its volcanic counterpart. These rocks, named the Lower Volcanic Complex ("**LVC**"), include the Late Cretaceous to Paleocene volcanic succession of the Tarahumara Formation and are intruded by the Sonora batholiths. In the late Eocene, volcanism became dominated by rhyolitic ignimbrites. Extensional basins and associated continental sedimentary deposits formed between 27 Ma and 15 Ma in a north-northwest-trending belt along the western half of the SMO.

Many significant porphyry deposits of the SMO occur in the LVC rocks. Northwest-trending fault zones associated with early Eocene east-west directed extension, appear to control epithermal mineralization in the Sonora region. The Santa Elena Main Vein and the Ermitaño Vein have orientations similar to this extensional trend.

The Santa Elena and the Ermitaño deposits are the most significant zones of gold and silver mineralization currently known within the Santa Elena property.

Drilling at the Santa Elena mine has delineated three primary structures occupied by veins. The Main Vein strikes east, dips approximately 55-45° south and is delineated 1,950 m along strike and 750 m down dip. The Alejandra and America Veins are splay of the Main Vein and strike east to east-southeast and dip steeply to the south. Andesite and granodiorite dykes occur adjacent and sub-parallel to the Main Vein.

Drilling at the Ermitaño mine has delineated one primary vein, one secondary vein and several sub-parallel tertiary veins. The Ermitaño Vein strikes east, dips 60° to 80° north, and is delineated 1,800 m along strike and 550 m down dip. The vein is best developed where the structure cuts the older, brittle volcanic rocks.

The mineral deposits of Santa Elena are typical of low sulphidation gold and silver epithermal vein-hosted deposits. Silver and gold mineralization is hosted in quartz veins and stockworks displaying typical epithermal textures, including banded, crustiform and vuggy quartz, bladed calcite (pseudomorph to quartz) and hydrothermal breccia. Sulphide abundance is generally low within the veins and are dominantly pyrite and pyrrhotite with minor galena, sphalerite, and chalcopyrite. Gold occurs typically as native gold, electrum, and silver occurs as electrum, minor acanthite, and argentite.

**Exploration**

There have been several surface and airborne exploration surveys and studies completed within the Santa Elena mineral concessions since 2006, including prospecting, mapping, rock and soil geochemical sampling, petrographic and spectrographic studies, magnetic, electromagnetic, and induced polarization surveys. Most of this work has focused on the Santa Elena and Ermitaño mine areas. The regional satellite and airborne surveys have been useful for developing a conceptual geological framework and local mapping and geochemical soil and rock sampling have been useful for identifying prospective drill targets.

Drilling remains the best and most widely used exploration tool within the Santa Elena property.

**Drilling**

Between 2006 and year-end 2024, more than 490,000 m have been drilled at the Santa Elena District.

During 2024 a total of approximately 58,000 m were drilled.

**Sampling Analysis and Data Verification**

The Santa Elena and Ermitaño Mineral Resource estimates are based on logging and sampling of NQ and HQ diameter core and underground channel samples. The entire length of drill core is photographed and logged for lithology, mineralization, structure, and alteration. Core recovery, rock quality designation (RQD) and specific gravity measurements are also collected. Sampling intervals respect lithology and mineralization boundaries. The core is sawn in half for sampling. Channel samples are collected within a 20 cm wide swath along the line using a hammer and hand chisel and are collected on a tarpaulin and then bagged.

Sample quality control is monitored using CRMs, blanks, and quarter-core field duplicates, coarse reject duplicates, and pulp duplicates. Coarse reject and pulp samples are prepared and inserted by the primary laboratory during sample preparation. Pulp duplicates checks are also periodically submitted to a secondary laboratory to assess between-laboratory bias.

From 2016 to 2024, samples from Ermitaño surface drill holes were dispatched to SGS in Hermosillo, Mexico for sample preparation and to SGS in Durango, Mexico for analysis. Samples from the Santa Elena mine underground drill holes were dispatched to First Majestic's Central Laboratory in Jose La Parrilla, Durango, Mexico which relocated at Santa Elena mine, and to SGS in Hermosillo and Durango. Between 2022 and 2024, samples from Ermitaño surface drillholes were dispatched to First Majestic's Central Laboratory Underground channel samples and underground drill hole samples from Ermitaño were sent to the Santa Elena Laboratory. Since 2021, pulp duplicates checks are sent to ALS. ALS and SGS laboratories are independent of First Majestic. ALS received ISO 9001 certification in 2005 and received accreditation of ISO/IEC 17025 from Standards Council of Canada in 2005 and 2020. The SGS laboratories conform to the ISO/IEC 17025 standard and most regional facilities have been ISO 9001 certified since 2008. First Majestic's Central Laboratory is not independent of First Majestic. The Central Laboratory received ISO 9001 accreditation in mid-2015 and 2017, and the Santa Elena laboratory received ISO 9001:2015 accreditation in September 2021. In September 2023, Santa Elena Laboratory was incorporated under Central Laboratory management.

At SGS, samples are dried crushed and pulverized and then analyzed for 34 elements using aqua regia digestion with an ICP atomic emission spectroscopy finish. Samples are also analyzed for silver by three-acid digestion with an AAS finish. Older samples returning greater than 300 g/t and newer samples returning greater than 100 g/t Ag were reanalyzed for silver by 30 g fire assay with a gravimetric method. Gold is analyzed by a 30 g fire assay with an AAS finish and samples returning >10 g/t Au are reanalyzed for gold by a 30 g fire assay with a gravimetric finish.

At the First Majestic Central Laboratory, samples are dried crushed and pulverized and then analyzed for 34 elements by two-acid digestion with an ICP finish. All samples are also analyzed for silver by three-acid digestion with AAS finish. Older samples returning greater than 200 g/t Ag and recent samples returning greater than 100 g/t Ag were reanalyzed for silver by a 30 g fire assay with a gravimetric finish. Gold is analyzed by two-acid digestion with an AAS finish. Samples returning >10 g/t Au are reanalyzed for gold by a 30 g fire assay with a gravimetric finish.

At the Santa Elena Laboratory, samples were dried crushed and pulverized and then analyzed for silver by a 30 g fire assay gravimetric finish. Gold is analyzed by a 30 g fire assay AA finish. Samples with gold values >10 g/t Au are analyzed by a 30 g fire assay gravimetric method. The assay laboratory in Santa Elena mine has been certified under the ISO 9001:2015 standard, enabling a quality management framework that facilitates consistent quality results and continuous improvement to achieve the best industry practices.

Data verification included data entry error checks, visual inspections of important data, and a review of QA/QC assay results for data collected between 2012 and December 2024 from the Ermitaño, Alejandra, America, Santa Elena Main, and Tortugas veins (the verification dataset). Several site visits were also completed as part of the data verification process at which time drilling, logging, and sampling procedures were observed and cross sections as, core photos, core logs, and QA/QC reports were reviewed. No significant transcription errors or grade accuracy from assessed certified standards and contamination issues were observed.

In early 2024 the gold bias assessment between Central Laboratory and check laboratories (SGS and ALS) indicated a negative marginal 10% bias for the Central Laboratory for results ranging between 3 g/t to 8 g/t (original Central Laboratory assay results were lower than check assay). After applying necessary corrective actions by Central Laboratory, no significant bias was observed in all Au results.

**Mineral Processing and Metallurgical Testing**

Santa Elena is an operating mine and the metallurgical test-work data supporting the initial plant design has been proven and reinforced by plant operating results through the years of operation, combined with more recent metallurgical studies.

Metallurgical testing along with mineralogical investigation is periodically performed, and the plant is continually running tests to optimize metal recoveries and operating costs. Composite samples are analyzed monthly to determine the metallurgic behaviour of the mineralized material fed into the processing plant. The metallurgical testing is carried out by the Central Laboratory at Santa Elena.

Typical metal recoveries for the Santa Elena mineralized material ranged from 91% to 94% for silver and 94% to 97% for gold from the combination of run-of-mine (ROM) production from the underground mine and the leach pad material.

During 2024, metallurgical recoveries for the Ermitaño mineralized material ranged from 66% to 69% for silver and 94% to 96% for gold. Throughout 2024, performance of the new Tailings Press Filter and additional equipment that was commissioned in Q4 2022 improved, resulting in reduced moisture content in the tailings and finer grinding. These improved metallurgical recoveries of silver and gold resulted in increased throughputs quarter on quarter, and reduced rehandling costs of stacking the tailing within the tailing storage facility.

Due to the high purity of the Santa Elena and Ermitaño doré (>95% silver and gold), no penalties are applied by the refineries for the presence of heavy metals.

***Summary of Mineral Resource and Mineral Reserve Estimates***

The block model Mineral Resource estimates for the Santa Elena, Ermitaño, and Navidad deposits are based on the current database of exploration drill holes and production channel samples, the underground level geological mapping, the geological interpretation and model, as well as surface topography and underground mining excavation wireframes. Geostatistical analysis, analysis of semi-variograms, block model resource estimation, and validation of the model blocks were completed.

The drill hole and channel composite samples were evaluated for high-grade outliers and those outliers were capped to values considered appropriate for estimation. Capping of composite sample values was limited to a select few extreme values. Outlier restriction was also used to restrict the influence of high-grade samples.

The dominant gold and silver mineralization trends were identified based on the 3D numeric models for the metal in each domain. To establish the metal grade continuity within the domains, model variograms for composite values were developed along the trends identified, and the nugget values were established from downhole variograms.

Bulk density was derived from SG measurements. Bulk density for the resource domains was either estimated into the block models from the SG data or the mean SG value was assigned.

Block grades were estimated by either inverse distance squared ($ID^2$) or ordinary kriging (OK). The method chosen in each case considered the characteristics of the domain, data spacing, variogram quality, and which method produced the best representation of grade continuity.

All channel samples that were used during construction of the geological models were reviewed. Only those channels that completely cross the mineralized deposit were used during grade estimation.

The grade estimation was completed in two successive passes if channel samples were used. The first pass used all composites, including channel samples, and only estimated blocks within a restricted short distance from the channel samples. The second pass applied less restrictive criteria using drill hole composites only. If only drill hole composites were used, the estimation was often completed with a single pass.

The Mineral Resources were classified into Measured, Indicated, or Inferred categories based on the confidence in the geological interpretation and models, the confidence in the continuity of metal grades, the sample support for the estimation and reliability of the sample data, and on the presence of underground mining development providing detailed mapping and production channel sample support. Block model estimate to Mine Claim reconciliation has shown estimation performance within industry-expected ranges.

The Mineral Resource estimates for Santa Elena, Ermitaño, and Navidad are summarized in Table 12 and Table 13 using the NSR cutoff value appropriate for the mining method assigned to each domain. Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves and have an effective date of December 31, 2024. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

From December 31, 2023 to December 31, 2024, the Measured and Indicated Mineral Resource estimates for Santa Elena increased 15% in terms of tonnage, remained unchanged in terms of silver metal content and decreased 8% in terms of gold metal content. The Inferred Mineral Resource estimates increased 82% in terms of tonnage, increased 63% in terms of silver metal content and increased 119% in terms of gold metal content. The changes to Measured and Indicated Resource estimates are primarily related to mining depletion, partially offset by lower cutoff values driven by metallurgical recoveries and metal price guidance and infill drilling results. The change to Inferred Resource estimates is related primarily to the discovery and first-time reporting of the Navidad silver and gold Resource estimates.

**Table 12: Santa Elena Mineral Resource Estimates, Measured and Indicated Category**
**Effective Date December 31, 2024**

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | ktonnes | Ag (g/t) | Au (g/t) | AgEq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Main Vein, Measured | Sulphides | 272 | 94 | 1.29 | 208 | 820 | 11 | 1,820 |
| Alejandras, Measured, | Sulphides | 102 | 206 | 2.35 | 414 | 670 | 8 | 1,350 |
| Americas, Measured | Sulphides | 66 | 242 | 1.77 | 399 | 510 | 4 | 850 |
| Ermitano, Measured | Sulphides | 783 | 96 | 4.48 | 635 | 2,420 | 113 | 15,970 |
| Ermitano Stockpile, Measured | Sulphides | 100 | 47 | 2.09 | 295 | 150 | 7 | 950 |
| **Total Measured (UG)** | **All Mineral Types** | **1,323** | **108** | **3.34** | **492** | **4,570** | **142** | **20,940** |
| Main Vein, Indicated | Sulphides | 880 | 90 | 1.25 | 201 | 2,560 | 35 | 5,670 |
| Alejandras, Indicated, | Sulphides | 377 | 192 | 1.61 | 334 | 2,330 | 20 | 4,050 |
| Americas, Indicated | Sulphides | 194 | 364 | 1.19 | 469 | 2,270 | 7 | 2,930 |
| Tortugas, Indicated | Sulphides | 89 | 126 | 2.83 | 376 | 360 | 8 | 1,080 |
| Narrow Veins, Indicated | Sulphides | 31 | 129 | 1.90 | 296 | 130 | 2 | 300 |
| Ermitano, Indicated | Sulphides | 2,470 | 46 | 2.26 | 318 | 3,670 | 179 | 25,250 |
| Aitana, Indicated | Sulphides | 36 | 18 | 1.93 | 249 | 20 | 2 | 290 |
| Leach Pad Stockpile, Indicated | Oxides Spent Ore | 387 | 27 | 0.42 | 69 | 330 | 5 | 860 |
| **Total Indicated (UG)** | **All Mineral Types** | **4,465** | **81** | **1.80** | **282** | **11,670** | **259** | **40,430** |
| **Total M+I Santa Elena (UG)** | **All Mineral Types** | **5,787** | **87** | **2.16** | **330** | **16,250** | **401** | **61,360** |

**Table 13: Santa Elena Mineral Resource Estimates, Inferred Category**
**Effective Date December 31, 2024**

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | ktonnes | Ag (g/t) | Au (g/t) | AgEq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Main Vein, Inferred | Sulphides | 434 | 61 | 0.96 | 146 | 850 | 13 | 2,030 |
| Alejandras, Inferred, | Sulphides | 493 | 170 | 1.50 | 303 | 2,700 | 24 | 4,790 |
| Americas, Inferred | Sulphides | 123 | 245 | 0.83 | 319 | 970 | 3 | 1,260 |
| Tortugas, Inferred | Sulphides | 11 | 81 | 1.30 | 196 | 30 | 0 | 70 |
| Narrow Veins, Inferred | Sulphides | 182 | 143 | 2.14 | 332 | 840 | 13 | 1,940 |
| Silvana, Inferred | Sulphides | 408 | 106 | 1.60 | 247 | 1,390 | 21 | 3,240 |
| Ermitano, Inferred | Sulphides | 1,533 | 44 | 2.10 | 296 | 2,170 | 103 | 14,610 |
| Aitana, Inferred | Sulphides | 290 | 41 | 1.91 | 270 | 380 | 18 | 2,520 |
| Soledad, Inferred | Sulphides | 532 | 113 | 2.39 | 401 | 1,930 | 41 | 6,850 |
| Navidad, Inferred | Sulphides | 2,267 | 81 | 3.42 | 408 | 5,910 | 249 | 29,750 |
| **Inferred Total (UG)** | **All Mineral Types** | **6,271** | **85** | **2.41** | **333** | **17,150** | **486** | **67,070** |

1. Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101.
2. Mineral Resource estimates are based on internal estimates with an effective date of December 31, 2024.
3. Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, Internal Qualified Person for First Majestic, per NI 43-101.
4. Silver-equivalent grade (Ag-Eq) is calculated as follows:
   Ag-Eq = Ag Grade + (Au Grade x Au Recovery x Au Payable x Au Price) / (Ag Recovery x Ag Payable x Ag Price).
5. Metal prices used in the Mineral Resources estimates were $28.0/oz Ag and $2,400/oz Au. Metallurgical recoveries were as follows: 92% for silver and 95% for gold for Santa Elena; 92.6% for silver and 94.3% for gold for the heap leach stockpile; 67.2% for silver and 94.4% for gold for Ermitaño; and 86% for silver and 96% for gold for Navidad. Metal payable used was 99.9% for silver and 99.9% gold.
6. The NSR cutoff values used to constrain the Mineral Resources were as follows: $90/t for cut and fill and $85/t for long hole stoping for Santa Elena Mine; $12/t for the heap leach pad; $90/t for Ermitaño; and $100/t for Navidad.
7. Mineral Resources are reported within mineable stope shapes using the NSR cutoff value calculated using the stated metal prices and metal recoveries. The NSR cutoff includes mill recoveries and payable metal factors appropriate to the existing processing circuit.
8. Mineral Resources are reported within stope shapes using the NSR cutoff value calculated using the stated metal prices and metal recoveries. The NSR cutoff includes mill recoveries and payable metal factors appropriate to the existing processing circuit.
9. No dilution was applied to the Mineral Resource which are reported on an in situ basis.
10. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces. 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.

For risk factors that could materially impact the Mineral Resource estimates, see "*Uncertainty in the Estimation of Mineral Resources and Mineral Reserves*".

The Mineral Reserves estimation process consists of converting Indicated and Measured Mineral Resources into Mineral Reserves by identifying material that exceeds the mining cutoff grades while conforming to specified geometrical constraints determined by the applicable mining method and modifying factors.

From December 31, 2023 to December 31, 2024, the Proven and Probable Mineral Reserves estimates for Santa Elena increased 14% in terms of tonnage, decreased 1% in terms of silver metal content and decreased 18% in terms of gold metal content.

The Mineral Reserves for the Santa Elena mine are presented in Table 14.

**Table 14: Santa Elena Mineral Reserves Estimates (Effective Date December 31, 2024)**

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | k tonnes | Ag (g/t) | Au (g/t) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Proven Ermitaño (UG) | Sulphides | 697 | 90 | 3.87 | 550 | 2,022 | 87 | 12,321 |
| Proven Alejandras (UG) | Sulphides | 83 | 153 | 1.79 | 309 | 411 | 5 | 831 |
| Proven Main Vein (UG) | Sulphides | 118 | 108 | 1.32 | 223 | 410 | 5 | 847 |
| Proven America (UG) | Sulphides | 37 | 200 | 1.22 | 306 | 236 | 1 | 362 |
| Proven Ermitaño Stockpile | Sulphides | 100 | 47 | 2.09 | 295 | 151 | 7 | 951 |
| Total Proven | Sulphides | 1,035 | 97 | 3.15 | 460 | 3,230 | 105 | 15,311 |
| Probable Ermitaño (UG) | Sulphides | 2,043 | 38 | 1.61 | 229 | 2,503 | 105 | 15,025 |
| Probable Alejandras (UG) | Sulphides | 353 | 124 | 1.08 | 218 | 1,413 | 12 | 2,480 |
| Probable Main Vein (UG) | Sulphides | 323 | 95 | 1.48 | 224 | 990 | 15 | 2,333 |
| Probable America (UG) | Sulphides | 166 | 306 | 0.61 | 359 | 1,627 | 3 | 1,910 |
| Probable Tortuga (UG) | Sulphides | 88 | 83 | 2.05 | 262 | 234 | 6 | 737 |
| Probable (PAD) | Oxides Spent Ore | 387 | 27 | 0.42 | 69 | 330 | 5 | 860 |
| Total Probable | Oxides + Sulphides | 3,360 | 66 | 1.36 | 216 | 7,098 | 147 | 23,346 |
| P&P Ermitaño (UG) | Sulphides | 2,840 | 51 | 2.18 | 310 | 4,676 | 199 | 28,297 |
| P&P Alejandras (UG) | Sulphides | 437 | 130 | 1.21 | 236 | 1,824 | 17 | 3,311 |
| P&P Main Vein (UG) | Sulphides | 441 | 99 | 1.44 | 224 | 1,400 | 20 | 3,180 |
| P&P America (UG) | Sulphides | 202 | 286 | 0.72 | 349 | 1,863 | 5 | 2,272 |
| P&P Tortuga (UG) | Sulphides | 88 | 83 | 2.05 | 262 | 234 | 6 | 737 |
| P&P (PAD) | Oxides Spent Ore | 387 | 27 | 0.42 | 69 | 330 | 5 | 860 |
| Total Proven & Probable | Oxides + Sulphides | 4,395 | 73 | 1.78 | 274 | 10,328 | 252 | 38,657 |

1. Mineral Reserves are classified per CIM Definition Standards and NI 43-101.
2. Mineral Reserves are effective December 31, 2024, are derived from Measured & Indicated Resources, account for depletion to that date, and are reported with a reference point of mined ore delivered to the plant.
3. Reserve estimates were supervised or reviewed by Andrew Pocock, P.Eng., Internal Qualified Person for First Majestic per NI 43-101.
4. Silver-equivalent grade (Ag-Eq) is calculated as follows:
5. Ag-Eq Grade = Ag Grade + Au Grade *( Au Recovery * Au Payable * Au Price) / (Ag Recovery * Ag Payable * Ag Price)
6. Metal prices for Reserves: $26/oz Ag, $2,200/oz Au. Other key assumptions and parameters include: Metallurgical recoveries of 67.2% Ag, 94.4% Au for Ermitaño and 92% Ag and 95% Au for Santa Elena; metal payable of 99.85% Ag and 99.80% Au; costs ($/t): direct mining $33.33 in Ermitaño and $38.73 in Santa Elena, processing $44.16 mill feed for Ermitaño and $45.48 for Santa Elena, indirect/G&A $20.5, and sustaining of $14.29 for Ermitaño and $15.61 for Santa Elena.

7. A two-step cutoff approach was used per mining method: A general cutoff grade defines mining areas covering all associated costs; and a 2nd pass incremental cutoff includes adjacent material covering only its own costs, excluding shared general development access & infrastructure costs which are covered by the general cutoff material.
8. Modifying factors for conversion of resources to reserves include but are not limited to consideration for mining methods, mining recovery, dilution, sterilization, depletion, cutoff grades, geotechnical conditions, metallurgical factors, infrastructure, operability, safety, environmental, regulatory, social and legal factors. These factors were applied to produce mineable stope shapes.
9. Tonnage in thousands of tonnes, metal content in thousands of ounces, prices/costs in USD. Numbers are rounded per guidelines; totals may not sum due to rounding.

Factors which may materially affect the Mineral Reserve estimates for the Santa Elena mine include fluctuations in commodity prices and exchange rates assumptions used; material changes in the underground stability due to geotechnical conditions that may increase unplanned dilution and mining loss; unexpected variations in equipment productivity; material reduction of the capacity to process the mineralized material at the planned throughput and unexpected reduction of the metallurgical recoveries; higher than anticipated geological variability; cost escalation due to external factors; changes in the taxation considerations; the ability to maintain constant access to all working areas; changes to the assumed permitting and regulatory environment under which the mine plan was developed; the ability to maintain mining concessions and/or surface rights; the ability to renew agreements with the different surface owners in Santa Elena; and the ability to obtain and maintain social and environmental license to operate.

The Company is not aware of any known mining, metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral reserve estimates, other than discussed herein.

**Mining Operations**

The Santa Elena Mine operation consists of the Santa Elena and Ermitaño underground mines. Mining activities are conducted by First Majestic and contractor personnel. In December 2022, active mining operations at the Santa Elena mine were temporarily suspended and all mining was concentrated on the Ermitano mine from 2023 as exploration activities continued in both mines.

The Santa Elena and the Ermitaño deposits vary in dip, thickness, and geotechnical conditions along strike and dip. Multiple mining methods are required to achieve an efficient extraction of mineralized material at site. Three well-established methods were selected for mining extraction at Santa Elena: Longitudinal longhole stoping, Modified Avoca, and Cut-and-fill. The Modified Avoca mining method and Transverse longhole stoping are in use at the Ermitaño project.

Ground conditions throughout most of the Santa Elena underground workings are considered good. Bolting is used systematically in the main haulage ramps, drifts, and underground infrastructure. For those sectors that have poorer rock quality, shotcrete, mesh and/or steel arches are used.

Groundwater inflow has been increasing at depth in the Santa Elena Mine. Dewatering systems consist of main and auxiliary pumps in place in each of the active mine areas. Groundwater inflows in Ermitaño increased when the workings reached the 760 metres above sea level (masl) elevation. A new permanent mine dewatering system was installed in Ermitano in 2023.

The ventilation system consists of a forced air intake system through two main fans located on surface. These fans generate the necessary pressure change for return air to exhaust through the portals and ventilation raises. The ventilation system in Ermitaño is using a pull system with fresh air being drawn through the main twin ramps, Western Emergency Access ramp and one surface vent raise. Spent air is exhausted out of two vent raises to surface at the edges of planned underground operations.

**Processing and Recovery Operations**

The processing plant has been successfully operating for several years and has continuously improved silver and gold metallurgical recoveries. The process is based on cyanide tank leaching and Merrill-Crowe smelting of fine-ground ore to produce silver-gold doré bars.

The process plant is mostly built as a single train with the crushing area split from the remaining areas and connected through a belt conveyor to transfer the crushed product to the fine stockpiles. The current leaching plant includes a grinding ball mill, one Metso-Outotec HIG-Mill, leaching tanks, four counter-current decantation or washing tanks, a previously processed leach-pad, a high-capacity filter plant for dewatering tailings material, a belt-filter facility and a filtered-tailings storage facility ("**FTSF**").

The predominant feed in 2024 was Ermitaño ore. Throughput levels averaged 2,882 tpd in 2024 and increased quarter on quarter averaging 2,640 tpd in Q1, 2,872 tpd in Q2, 2,935 in Q3, and 3,071 in Q4. Q3 and Q4 performance exceeded the projected plant capacity.

**Infrastructure, Permitting and Compliance Activities**

The existing infrastructure can support current and LOM plan mining and mineral processing activities.

Most of the operation's support facilities are located within a 1.5 km radius of the main plant area, facilitating the transportation and logistics of personnel, material, and equipment. Operations personnel are transported by passenger buses from nearby towns. All equipment, supplies and materials are brought in by road.

Most non-local staff and contractor personnel stay in rental homes available in the nearby towns of Banámichi, Huepac and Aconchi. There are multiple hotels available in the area for visitors.

The main infrastructure consists of roads, administrative offices, a first-aid station, warehouse, assay laboratory, diesel and natural gas power generation plants, maintenance shop, water storage tanks, and water supply tank.

The FTSF has 3Mt of optimized storage capacity, which at current throughput rates can support approximately 2.5 additional years of operation. The conversion of the previously operated leach pad to a new filtered tailings storage facility (FTSF 2) can provide 1.8 years of additional capacity at current throughput rates (3,200 tpd), the area is operationally ready, and FMS is awaiting a permit to commence its use. The storage capacity of the Santa Elena FTSF and the leach-pad area is sufficient to support the LOM plan presented in the 2021 Santa Elena Technical Report. Geotechnical investigations and engineering studies are ongoing to prepare an extension to the current FTSF for future usage. For the Santa Elena FTSF there are two permits currently pending: the Environmental Impact Analysis (MIA) and the Change of Land Use (ETJ), submitted on January 26, 2024 and June 25, 2024, respectively.

The electric power required for the Santa Elena mine operation and supporting infrastructure is generated on-site. In 2022 an expansion to the LNG power generation plant was completed and commissioned at site. This expanded plant has an installed capacity of 24MW, supporting the Ermitaño Mine and the new tailings filter-press plant, replacing the diesel generation at the property, significantly reducing greenhouse gas (GHG) emissions and reducing energy costs. In 2024, 99.9% of the site's power was sourced from this LNG plant, with 0.1% supplied by a backup diesel generator.

Industrial water is supplied mainly from the mine dewatering system. Two licensed water-wells are also equipped and regularly pump water to an elevated tank for non-process uses.

The Santa Elena mine has implemented First Majestic's EMS, which supports the implementation of environmental policy and is applied to standardize tasks and strengthen a culture focused on minimizing environmental impacts. The EMS is based on the requirements of the international standard ISO 14001:2015 and the requirements to obtain the Certificate of Clean Industry, issued by the Mexican environmental authorities, SEMARNAT, through PROFEPA. The EMS includes an annual compliance program to review all environmental obligations.

In February 2024 for the tenth consecutive year, the Santa Elena mine was awarded the ESR designation by the CEMEFI. The ESR award is given to companies operating in Mexico that achieve high performance and commitment to sustainable economic, social, and environmentally positive impact in all areas.

Environmental and social studies are routinely performed to characterize existing conditions and to support the preparation of Risk Assessments and Accident Prevention Programs for the operation and are documented as part of the EMS.

Santa Elena holds all major environmental permits and licenses required by the Mexican authorities to carry out mineral extracting activities in the mining complex. The environmental permits that are in place authorize the various works and mining activities that are currently being carried out in the Santa Elena mine, in the surroundings of the site and in the Ermitaño Project.

The main environmental permit is the environmental license "Licencia Ambiental Unica" under which the mine operates its industrial facilities in accordance with the Mexican environmental protection laws administered by SEMARNAT as the agency in charge of environment and natural resources. The most recent update to the main environmental permit was approved in July 2018.

Other permits and authorizations include:

- Environmental risk study (ERA);
- Accident prevention program (PPA);
- Mining waste management plan;
- Environmental impact assessment for the Santa Elena mine, FTSF, and the Ermitaño project;
- Change of land use for the Santa Elena mine and the Ermitaño project;
- Industrial water and mine groundwater discharge; and
- Power generation permits.

Environmental liabilities for the operation are typical of those that would be expected to be associated with an operating underground precious metals mine, including the future closure and reclamation of mine portals and ventilation infrastructure, mining waste deposits, access roads, processing facilities, power lines, filtered tailings and all surface infrastructure that supports the operations. Other potential liabilities include industrial water management, hydrocarbon spills and carbon emissions from mobile equipment. The reclamation work carried out at Santa Elena in 2024 includes the conforming of terraces in the filtered tailings deposits in accordance with the design, and relocation of flora (hydroseeding) and fauna in the Ermitano industrial zone and the access road.

**Capital and Operating Costs**

The LOM plan includes estimates for sustaining capital expenditures for the planned mining and processing activities.

Sustaining capital expenditures will mostly be allocated for on-going development in waste, infill drilling, mine equipment rebuilding, equipment overhauls or replacements, plant maintenance and on-going refurbishing, and for tailings management facilities expansion as needed. Table 15 presents the summary of the sustaining capital expenditures.

**Table 15: Santa Elena Mining Capital Costs Summary (Sustaining Capital) (in millions)**

| Type | Total | 2025 | 2026 | 2027 | 2028 |
|---|---|---|---|---|---|
| Mine Development | $21.4 | $6.7 | $6.6 | $7.5 | $0.5 |
| Property, Plant & Equipment | $35.5 | $10.5 | $11.1 | $9.1 | $4.8 |
| Other Sustaining Costs | $4.8 | $1.4 | $1.5 | $1.2 | $0.6 |
| **Total Sustaining Capital Costs** | **$61.7** | **$18.6** | **$19.2** | **$17.9** | **$5.9** |
| Near Mine Exploration | $10 | $2.7 | $2.6 | $2.4 | $2.3 |
| **Total Capital Costs** | **$71.7** | **$21.3** | **$21.8** | **$20.3** | **$8.2** |

Operating costs for Santa Elena have been estimated for the underground mining including delineation drilling, processing costs, operations indirect, and general and administrative costs. First Majestic currently estimates operating costs at an average of $100.5 per tonne of ore processed based on current and projected costs. Table 16 lists the operating costs per tonne milled. Operating costs are presented as a weighted average based on mining method.

**Table 16: Santa Elena District Operating Costs (in millions)**

| Type | $/tonne milled |
|---|---|
| Mining Cost | $34.9 |
| Processing Cost | $44.2 |
| Indirect Costs | $20.4 |
| **Total Production Cost** | **$99.5** |
| Selling Cost | $1.0 |
| **Total Cash Cost** | **$100.5** |

**Exploration, Development and Production**

The following general annual exploration drill programs were executed in 2024:

- 44,000 m near-mine drill program at the Santa Elena and or Ermitaño mine
- 13,000 m brownfields surface drill program regionally.

This amount of drilling is expected to continue on an annual basis while production continues, amounts required will be reviewed annually. In addition, an annual prospect generation program consisting of prospecting, soil and rock geochemical surveys, mapping, or geophysical surveys is underway.

In 2024, the Company mined exclusively the Ermitano mine. No reprocessing of spent-ore material from the leach-pad was carried out in 2024. During 2024, 1,012,523 tonnes of mineralized material were processed with an average grade of 69 g/t Ag and 3.37 g/t Au.

**Cerro Los Gatos Silver Mine, Chihuahua, Mexico**

The following information on the Los Gatos Silver Mine is based on a Technical Report prepared in accordance with NI 43-101 and titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024 (the "**Los Gatos Technical Report**"). Reference should be made to the full text of the Los Gatos Technical Report which is available for review under Gatos' profile on SEDAR+ at www.sedarplus.ca. The tables and statements in this section, reflecting updates and estimates as of December 31, 2024, and including additional information, have been reviewed and updated by First Majestic Qualified Persons.

**Property Description, Location and Access**

The Los Gatos Silver Mine is an active producing underground silver, lead, zinc, gold, and copper mine located approximately 7 km from the town of San José de Sitio, within the Municipality of Satevó in the State of Chihuahua, Mexico. The mine is approximately 120 km south of the state capital of Chihuahua City. The Esther deposit is an undeveloped Mineral Resource located approximately 4 km south-west of Los Gatos Silver Mine.

The Los Gatos Silver Mine is accessible by automobile from Mexican Federal Highway 24 to km 81 and then turning west on a newly paved road for 40 km west to the community of San José de Sitio, situated near the southeast-end of the concession block. Travel time by automobile is approximately two hours, either from Chihuahua City from the north or Hidalgo del Parral from the south.

The Company holds its interest in the Los Gatos Silver Mine through the Los Gatos Joint Venture which consists of two Mexican companies, Minera Plata Real, S. de R.L. de C.V. ("**MPR**") and Operaciones San José de Plata, S. de R.L. de C.V. ("**OpCo**" and together with MPR, the "**Joint Venture Entities**"), both of which are 70% owned by the Company's wholly owned subsidiary, Gatos, and 30% owned by Dowa. MPR is the owner of mineral rights held in eighteen titled concessions, covering approximately 103,000 hectares (Ha). MPR has purchased surface lands covering the known extents of the Los Gatos Silver Mine and Esther Resource areas, totalling approximately 5,189 hectares, and has negotiated and ratified an access agreement with the community of San José del Sitio for the use of the access road.

On December 19, 2024, Gatos, Dowa (collectively, the "**Partners**"), MPR and OpCo entered into the amended and restated joint venture agreement (the "**A&R JVA**") regarding the Los Gatos Joint Venture to explore, develop and operate the Los Gatos concessions including the Los Gatos Silver Mine in northern Mexico. This agreement came into effect on January 1, 2025. For more details on the A&R JVA, see "*Material Contracts - The A&R JVA*".

Two concessions are subject to royalty contracts. A NSR royalty agreement was established in 2015 with the previous owner of the Los Gatos concession (title 231498) (the "**La Cuesta Royalty Agreement**"). The La Cuesta Royalty Agreement stipulated a 2% royalty on revenue until a threshold of $10 million in payments was reached. Thereafter, the royalty was reduced to 0.5% until $15 million has been paid. $13.42 million had been paid through December 31, 2024. The remaining 0.5% royalty will be retired upon the payment of $1.58 million. The La Cuesta Royalty Agreement also provides for a production payment of 0.5% NSR on production from lands within a 1-kilometres (km) boundary of the Los Gatos concession which is also subject to the previously referenced $15 million maximum.

**History**

The Cerro Los Gatos area has been the subject of very limited historical prospecting and mineral exploration. There are small prospect pits and minor historic workings in the Esther, San Luis, Tren/Margarita, and Paula zones. There is no known record keeping from this small-scale production. Los Gatos was initially recognized by reconnaissance activities by La Cuesta International Inc. ("**La Cuesta**") and La Cuesta applied for the original Los Gatos concession in 2005.

There are no records of historical Mineral Resource and Mineral Reserve estimates before the involvement of MPR and La Cuesta. A feasibility study ("**FS**") was completed on Los Gatos in 2017 (Tetra Tech, 2017) and the project secured financing for construction, commissioning, and start up with first concentrate produced in the second half of 2019.

The Company holds a 70% interest in the Los Gatos Joint Venture that owns the Los Gatos Silver Mine following the acquisition of Gatos completed in January 2025.

Table 17 below depicts the Los Gatos Silver Mine production from 2019 through December 2024.

**Table 17: Cerro Los Gatos Production History**

| PRODUCCION MCLG | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| Tonnes Milled | 000s tonnes | 274.2 | 667.4 | 909.6 | 971.6 | 1071.4 | 1,191.4 |
| Tonnes milled per day | tonnes | 2,247 | 1,829 | 2,492 | 2,662 | 2,935 | 3,255 |
| silver grade | g/t | 232 | 229 | 295 | 368 | 299 | 284 |
| Zinc Grade | % | 3.09 | 3.64 | 3.94 | 4.37 | 3.90 | 4.22 |
| Lead Grade | % | 2.00 | 2.27 | 2.27 | 2.31 | 1.85 | 2.00 |
| Gold Grade | g/t | 0.52 | 0.42 | 0.32 | 0.33 | 0.29 | 0.29 |
| Metal Production contained in concentrate | | | | | | | |
| Ag in Pb and Zn Concentrate | Moz | 1.7 | 4.2 | 7.6 | 10.3 | 9.2 | 9.7 |
| Zn in Zn Concentrate | Mlbs | 11.6 | 34.2 | 49.6 | 60.7 | 57.4 | 69.7 |
| Pb in Pb Concentrate | Mlbs | 9.1 | 27.4 | 39.8 | 43.9 | 38.9 | 46.4 |
| Au in Pb Concentrate | koz | 2.5 | 4.9 | 5.2 | 5.3 | 5.2 | 5.5 |

**Geological Setting, Mineralization and Deposit Types**

The Los Gatos Silver Mine and Esther deposits are embedded within andesites of the Lower Volcanic Series ("**LVS**") of the Sierra Madre Occidental ("**SMO**") volcanic province. On the Los Gatos Joint Venture concessions, the LVS is exposed in a horst feature that stretches from the Los Gatos Silver Mine deposit approximately 25 kilometers (km) to the northwest to the edge of the concession package.

The Los Gatos Silver Mine is an intermediate sulphidation epithermal vein developed within a listric fault zone. Mineralization at the Los Gatos Silver Mine is characterized by silver, lead, zinc, and copper sulphides and their corresponding oxides, along with fluorite, manganese, barite, and traces of gold associated with quartz and calcite veins. The veins vary in orientation from West-Northwest to North-Northwest and vary in thickness up to 25 m.

The Los Gatos Silver Mine deposit is a listric-shaped mineralized horizon hosting steeply to shallowly dipping mineralized-shoots at depth. Mineralization of interest occurs for approximately 1,800 m in length, between an elevation varying roughly between 700 masl and 1,400 masl. The top of the mineralized horizon at the Los Gatos Silver Mine is generally located at an elevation of 1,400 masl. The natural topographic surface is in the order of 1,570 masl ± 50 masl.

The veins at the Los Gatos Silver Mine contain silver, zinc, and lead. Lower concentrations of gold and copper are also associated with the veining. Silver mineralization occurs dominantly as acanthite (argentite) and native silver. Zinc mineralization occurs as sphalerite, zinc silicates and zinc carbonates of variable grain sizes disseminated in quartz vein material, as open-space filling in cavities, and as replacements in the andesitic and dacitic flow units. Sphalerite ranges from yellow to brown in color and is deposited in a similar style but is not always associated with the galena mineralization. Zinc oxides after sphalerite also exists down along fault structures through the deposit. Lead mineralization occurs primarily as galena and lead oxide minerals of varying grain sizes that are disseminated in quartz vein material, as open-space filling in cavities, and as replacements in the andesitic and dacitic flow units. Copper mineralization occurs dominantly as chalcopyrite disseminated within quartz veins. Various other copper minerals are present in trace amounts including azurite, malachite, covellite, chalcocite and native copper. Gold mineral species have not been identified visually but are present in small quantities in assay results.

**Exploration**

Detailed mapping and rock geochemistry has been completed during 2022, 2023 and 2024 on various exploration targets on the Los Gatos Joint Venture concession package outside the Los Gatos Silver Mine and Esther zones.

During 2023, the first phase of a Magneto-Telluric study was completed over the Los Gatos Silver Mine and the Los Gatos fault to the northwest and southeast. The intent of this survey was to attempt to identify structures within the basin that may indicate accumulations of mineralization similar to South-East Deeps.

Regional scale geologic mapping has been conducted over areas of the Los Gatos concession where the Los Gatos Joint Venture controls the surface rights utilizing both local staff from MPR and independent contractors. Limited areas of detailed surface mapping exist in the immediate vicinity of the Esther and the Los Gatos Silver Mine deposits.

During 2023, a drone LiDAR and air photo survey was completed over the Ojito ranch approximately 20 km northwest of the Los Gatos Silver Mine operation. The intent of this survey was to prioritize geological mapping targets. During 2024, drone surveys were carried out along the Los Gatos fault area between the Los Gatos Silver Mine and San Luis and in the Los Veranos area.

**Drilling**

Exploration at the Los Gatos Silver Mine by MPR has been completed primarily by diamond drilling.

Since the acquisition of Los Gatos by MPR, several drilling campaigns have been carried out with different objectives. As of December 31, 2024, 2,351 drill holes relevant to the Los Gatos Joint Venture concessions had been completed by MPR, for a total of 597,007 m drilled.

During 2024 a total of approximately 58,000 m were drilled.

**Sampling Analysis and Data Verification**

At Los Gatos only diamond drill holes ("**DDH**") core samples have been used for resource estimation purposes.

Sample intervals are selected only where the geologist recognizes mineralization. In practice, the core is extensively sampled above the hanging wall and below the footwall on either side of the mineralized zone. Samples are constrained to a minimum length of 80 cm and a maximum of 10 m. Surface drilling is dominantly assayed at 2.0 m intervals with underground (UG) drill core dominantly sampled on 1.5 m intervals. Samples are selected by the geologist as representative for each lithology; however, in the presence of hydrothermal veins and hydrothermal breccias, samples are taken every two metres, unlike the country rock where only representative samples are taken. Geologists mark a cut line along the core to ensure adequate representation of the style of mineralization. A sample sheet is provided to the core cutter containing sample numbers and the “from – to” intervals. NQ and HQ core is sawn in half along its long axis with an electric diamond saw. One half is bagged while the remaining half of the core is stored at the Geological core shack for further geological characterization and storage. The smaller 42 mm diameter core from the UG Termite drill rigs is whole core sampled.

Samples of holes drilled from surface are sent to ALS Chemex in Chihuahua, Mexico for mechanical preparation. After preparation, samples are sent to ALS Vancouver for chemical assay. After analysis, pulp samples are returned to Los Gatos Mine and stored in a secured core storage facility in San José del Sitio, Chihuahua, Mexico.

Core samples from the underground drilling programs undergo mechanical preparation and analysis at an onsite laboratory at the mine.

At ALS samples are dried at 105°C, crushed 70% passing 2 mm, and split into a 250 g subsample and pulverized to 85% passing 75 µm. Samples are analyzed by Ag, Pb, Zn, Cu using four acid digestion inductively coupled plasma - atomic emission spectroscopy (ICP61). Samples with Ag greater than 100 g/t Ag, 1% Pb, Zn, Cu are analyzed by four acids inductively coupled plasma - atomic emission spectroscopy (OG62). Samples with Ag values exceeding 1,500 g/t are analyzed using fire assay with gravimetric finish (GRA21). Samples are analyzed for Au using fire assay with atomic absorption spectroscopy finish (AA23) with a re-run for values exceeding 10 g/t Au, using fire assay with gravimetric finish (GRA21).

At the Los Gatos Mine, laboratory samples are dried at 105 °C, crushed 75% passing 2 mm, split into a 300 g subsample and pulverized to 85% passing 75 µm. Samples are analyzed by Ag using Fire Assay Atomic Spectrometry. Samples are analyzed by Pb, Zn, Cu and Fe using 2-acid digestion with atomic absorption finish.

ALS Chemex Chihuahua is independent of First Majestic and is ISO 17025 accredited. The accreditation of ALS Vancouver encompasses preparation processes completed at ALS Chemex Chihuahua.

Los Gatos Mine laboratory is not certified and not independent of First Majestic.

Sample assays reported by ALS and Los Gatos Mine laboratory are subject to a comprehensive Quality Assurance and Quality Control (QA/QC) program for monitoring Ag, Au, Pb and Zn. The QA/QC procedure includes insertion of control samples to monitor precision, accuracy and contamination for the sampling, mechanical preparation, and assaying stages. Since 2008, the QA/QC controls include pulp blanks, Certified Reference Materials (Standards) and field duplicates. Since 2022, coarse and pulp duplicates are inserted. All quality control results are assessed using statistical analysis and visual inspection of control plots.

The data verification completed to support the 2024 mineral resource estimate includes a detailed internal review of all drilling, surface and underground, that was to be used in the Mineral Resource estimate. This review entailed validating the database geochemical analysis values for Ag, Zn, Pb and Au back to original assay certificate from the relevant laboratory, Los Gatos Mine or ALS-Chemex. The complete UG and surface assay databases were validated against original assay certificates. No significant errors were found during the verification programs. The data verification for the data used for the Resource Model adequately support the geological interpretations, and the analytical and database quality; and therefore, support the use of the data in Mineral Resource estimation.

**Mineral Processing and Metallurgical Testing**

From 2021 to 2024, the Los Gatos geometallurgy team analyzed 801 samples to refine the short-term block model. This included flotation tests on 118 drill core samples (109 analyzed for mineralogy) and 683 underground channel samples. Representativeness was assessed by comparing 248 unprocessed samples to drill core data, confirming they reflected resource and reserve characteristics.

Since 2022, mineralogical studies have examined variability, with 71 geometallurgical samples analyzed at SGS Canada in 2024. Zinc was primarily found as sphalerite, hemimorphite, and chlorite, with sphalerite being >80% liberated. Galena was 79% free, with the remainder tied to sphalerite, pyrite, and gangue minerals. Spatial mapping showed hemimorphite concentrated in the Central and SE zones, while sphalerite varied. Zinc in oxide, silicate, and carbonate forms was deemed unrecoverable by flotation, and reducing pyrite in bulk Cu/Pb concentrates could improve quality.

Lead recovery showed high variability in the Southeast region, requiring further assessment of geological influences. Similarly, zinc, silver, and copper recoveries displayed inconsistencies not fully explained by zone mapping, warranting continued study of geological controls. The zinc oxide risk, identified as hemimorphite, remains stable, with flotation tests indicating future production will align with historical trends.

**Summary of Mineral Resource and Mineral Reserve Estimates**

All Mineral Resource estimates at Cerro Los Gatos were completed using block modeling techniques. The Mineral Resource estimates are constrained by the three-dimensional geological interpretation and modelled domains for vein-hosted mineral deposits. Resource geologists constructed the modelled domains using information collected by mine geology staff and interpretations by geologists. Information used included underground geological mapping, drill hole logs and drill hole assays, production channel sampling and assays. The interpreted boundaries of the domain models strictly adhered to the contacts of mineralized veins with the surrounding country rock to produce reasonable representations of the deposit locations and volumes.

Exploratory Data Analysis ("**EDA**") and geostatistical analysis were completed on the raw and composite datasets to help define the interpolation parameters and Mineral Resource classifications. The Mineral Resources were estimated into sub-block models. Block grades were estimated using Ordinary Kriging (OK) and nested search passes with outlier capping, variography, and estimation plan defined per each estimation domain.

The Mineral Resource estimates were classified into Measured, Indicated, or Inferred categories based on the confidence in the geological interpretation and models, the confidence in the continuity of metal grades, the sample support for the estimation and reliability of the sample data, and on the presence of underground mining development providing detailed mapping and production channel sample support. Block model estimate to Mine Claim reconciliation has shown estimation performance within industry-expected ranges.

Mineral Resources were constrained based on a stope optimization that considered economic NSR cutoff value, price, mining costs, infrastructure constraints, and mining licenses. For the cutoff definition, a NSR calculation was used for generation of the stope optimization shapes.

The Mineral Resource estimates for the Los Gatos Silver Mine are summarized in Table 18 and 19, on a 70% First Majestic attributable basis. Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves and have an effective date of July 1, 2024. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Mineral Resources reflect mining depletion through December 31, 2024. The acquisition of Cerro Los Gatos adds significant base metal content to First Majestic's consolidated Mineral Resources for material properties including zinc, lead, and copper. Mineral Resources at the Los Gatos Silver Mine are reported within stope shapes using a $70.94/tonne net smelter return ("NSR") cutoff calculated using an Ag price of US$23/oz, Zn price of US$1.25/lb, Pb price of US$0.95/lb, Au price of US$1,850/oz and Cu price of US$4.00/lb.

**Table 18: Cerro Los Gatos Mineral Resource Estimates, Measured and Indicated Category**
**Effective Date December 31, 2024 (70% First Majestic Attributable Basis)**

| Category / Area | Mineral Type | Tonnage | Grades | | | | | | Metal Content | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | ktonnes | 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 (k Oz) |
| Measured CLG | All Types | 1,948 | 363 | 0.36 | 0.11 | 2.61 | 5.37 | 563 | 22,702 | 23 | 5 | 112 | 231 | 35,228 |
| Measured Esther | All Types | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Total Measured | All Types | 1,948 | 363 | 0.36 | 0.11 | 2.61 | 5.37 | 563 | 22,702 | 23 | 5 | 112 | 231 | 35,228 |
| Indicated CLG | All Types | 4,143 | 130 | 0.23 | 0.33 | 2.61 | 4.63 | 335 | 17,307 | 31 | 30 | 238 | 422 | 44,633 |
| Indicated Esther | All Types | 196 | 122 | 0.14 | - | 2.17 | 4.30 | 280 | 770 | 1 | - | 10 | 19 | 1,762 |
| Total Indicated | All Types | 4,339 | 130 | 0.22 | 0.32 | 2.59 | 4.61 | 333 | 18,077 | 31 | 30 | 248 | 441 | 46,395 |
| M+I CLG | All Types | 6,091 | 204 | 0.27 | 0.26 | 2.61 | 4.86 | 408 | 40,009 | 53 | 35 | 350 | 653 | 79,862 |
| M+I Esther | All Types | 196 | 122 | 0.14 | - | 2.17 | 4.30 | 280 | 770 | 1 | - | 10 | 19 | 1,762 |
| Total M+I | All Types | 6,287 | 202 | 0.27 | 0.25 | 2.59 | 4.85 | 404 | 40,779 | 54 | 35 | 360 | 672 | 81,624 |

**Table 19: Cerro Los Gatos Mineral Resource Estimates, Inferred Category**
**Effective Date December 31, 2024 (70% First Majestic Attributable Basis)**

| **Category / Area** | **Mineral Type** | **Tonnage** | **Grades** | | | | | | **Metal Content** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **ktonnes** | **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 (k Oz)** |
| CLG | All Types | 1,102 | 81 | 0.22 | 0.29 | 2.01 | 4.21 | 258 | 2,871 | 8 | 7 | 49 | 102 | 9,125 |
| Esther | All Types | 840 | 133 | 0.09 | - | 1.53 | 3.69 | 258 | 3,570 | 2 | - | 28 | 69 | 6,974 |
| **Total Inferred** | **All Types** | **1,942** | **103** | **0.16** | **0.16** | **1.81** | **3.99** | **258** | **6,441** | **10** | **7** | **77** | **171** | **16,099** |

Notes:

1. Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101.
2. Mineral Resource estimates are based on estimates with an effective date of July 1, 2024, and reflect mining depletion through December 31, 2024.
3. Mineral Resources estimates are reported on a 70% FMS attributable basis.
4. Mineral Resource estimates were reviewed by David Rowe, CPG, Internal Qualified Person for First Majestic, per NI 43-101.
5. Silver-equivalent grade (Ag-Eq) is calculated as follows:
   Ag-Eq = Ag Grade + Au Grade *(Au Recovery x Au Payable x Au Price) / (Ag Recovery x Ag Payable x Ag Price)+ Cu Grade*(Cu Recovery x Cu Payable x Cu Price x 685.7) / (Ag Recovery x Ag Payable x Ag Price) + Pb Grade*(Pb Recovery x Pb Payable x Pb Price x 685.7) / (Ag Recovery x Ag Payable x Ag Price) + Zn Grade*(Zn Recovery x Zn Payable x Zn Price x 685.7) / (Ag Recovery x Ag Payable x Ag Price)
6. Metal prices for Mineral Resources estimates were US$23/oz Ag, US$1.25/lb Zn, US$0.95/lb Pb, US$1,850/oz Au and US$4.00/lb Cu. Metallurgical recoveries used were 93.2% Ag, 63.4% Zn, 61.1% Au, between 87.2% - 89.4% Pb and between 66.5% - 82.0% Cu.
7. NSR cutoff value considered to constrain resources assumed an underground operation was $70.94/t and was based on actual and budgeted operating and sustaining costs.
8. Mineral Resources are reported within mineable stope shapes using the NSR cutoff value calculated using the stated metal prices and metal recoveries. The NSR cutoff includes mill recoveries and payable metal factors appropriate to the existing processing circuit.
9. Mineral Resources at Esther are reported within mineable stope shapes using a $52/tonne net smelter return ("NSR") cutoff assuming processing recoveries equivalent to the Los Gatos Silver Mine with metal prices of $22/oz Ag, $1.20/lb Zn, $0.90/lb Pb and $1,700/oz Au. Metallurgical recoveries used were 87.8% Ag, 65.0% Zn, 87.2% Pb and 56.4% Au.
10. The mineral resource estimate for the Esther deposit remains unchanged from that published in the 2024 TR.
11. No dilution was applied to the Mineral Resource which are reported on an in situ basis.
12. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces for gold, silver and silver equivalent, and millions of pounds for coper, lead and zinc. Totals may not add up due to rounding.
13. Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability

For risk factors that could materially impact the Mineral Resource estimates, see "Uncertainty in the Estimation of Mineral Resources and Mineral Reserves".

The Los Gatos Silver Mine assigned block NSR values to the resource block model for three processing recovery/revenue/cost outcomes, differentiated by the Pb/Cu ratio:

- Pb/Cu ratio of ROM ore > 15. Two concentrates, zinc (Zn) and lead (Pb), with Cu not recovered as a payable component.
- Pb/Cu ratio of ROM ore between 7 and 15. Two concentrates, Zn and Pb, with Cu as a payable component of the Pb concentrate.
- Pb/Cu ratio of ROM ore < 7. Three concentrates, Zn, Pb, and Cu.
- Note that final processing scenarios, recoveries and payabilities are determined based on the blended period grades fed to the processing plant and not on individual block values.

The Los Gatos Silver Mine used NSR cutoffs to estimate the Mineral Reserve. The NSR cutoff represents the minimum value that a tonne of mineralized material must generate, considering on-site costs related to mining and processing, to ensure economic viability. This value ensures that only material which can be mined profitably is included in the reserve estimate. For this analysis, six NSR cutoffs were applied, corresponding to three different mining methods and two cost allocation approaches.

Mining recovery and unplanned dilution of host rock were estimated considering the selected mining method, the dip and width of the vein, and the influence of a significant hanging wall fault. In addition, dilution from backfill was evaluated based on the mining method employed and the type of backfill material used.

The Mineable Shape Optimizer (MSO) algorithm, integrated within Deswik mine design software, was employed to generate preliminary stope solids. This process identified the potentially mineable portions of the Mineral Resource that may qualify for inclusion in the Mineral Reserve.

Table 20 presents the Mineral Reserve estimate for the Los Gatos Silver Mine as of July 1, 2024. The estimates are reported on both a 100% and a 70% ownership basis, corresponding to the total Mineral Reserve and Gatos' 70% interest in the Los Gatos Joint Venture. The Los Gatos Joint Venture, through its Mexican subsidiary Minera Plata Real, S. de R.L. de C.V., owns the Los Gatos Silver Mine.

**Table 20: Cerro Los Gatos Mineral Reserve Estimates**
**Effective Date December 31, 2024 (70% First Majestic Attributable Basis)**

| Category Mineral Type | Tonnage | Grades | | | | | | Metal Content | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | k tonnes | 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 (k Oz) |
| **CERRO LOS GATOS (70% FM Attributable)** | | | | | | | | | | | | | |
| Proven | 2,187 | 281 | \0.27 | 0.09 | 2.05 | 4.23 | 439 | 19,773 | 19 | 4 | 99 | 204 | 30,892 |
| Probable | 4,773 | 107 | 0.18 | 0.27 | 2.05 | 3.64 | 274 | 16,421 | 28 | 28 | 216 | 383 | 42,027 |
| Total P+P | 6,960 | 162 | 0.21 | 0.21 | 2.05 | 3.83 | 326 | 36,194 | 48 | 32 | 314 | 587 | 72,919 |

1. Mineral Reserves are classified per CIM Definition Standards and NI 43-101.
2. Mineral Reserves are effective July 1, 2024, are derived from Measured & Indicated Resources, account for depletion to December 31, 2024, are reported on a 70% FMS attributable basis, and are reported with a reference point of mined ore delivered to the plant.
3. Reserve estimates were supervised or reviewed by Andrew Pocock, P.Eng., Internal Qualified Person for First Majestic per NI 43-101.
4. Mineral Reserves are reported within stope shapes using a variable cutoff basis with an Ag price of US$23/oz, Zn price of US$1.25/lb, Pb price of US$0.95/lb, Au price of US$1850/oz and Cu price of US$4.00/lb. Metallurgical recoveries used in the NSR calculation for generation of the stope solids vary based on the block Pb:Cu ratio. For a Pb:Cu ratio >15 the NSR metallurgical recovery parameters were 88.2% Ag, 63.4% Zn, 89.4% Pb, 54.2% Au and 0% Cu, for Pb:Cu of >7 and <15, the NSR metallurgical recovery parameters were 88.2% Ag, 63.4% Zn, 89.4% Pb, 54.2% Au and 60% Cu and for Pb:Cu ratio of <7 the NSR metallurgical recovery parameters used were 88.2% Ag, 63.4% Zn, 87.2% Pb, 54.2% Au and 82% Cu. The metallurgical recovery parameters in the economic analysis, after plant production modeling, average 88.2% Ag, 63.1% Zn, 88.5% Pb, 54.2% Au and 71.5% Cu to concentrates where the metal is payable.

5. Metal Content (MC) is calculated as follows:
   - Zn, Pb and Cu, MC (Mlb) = Tonnage (Mt) * Grade (%) / 100 * 2204.6
   - Ag and Au, MC (Moz) = Tonnage (Mt) * Grade (g/t) / 31.1035; multiply Au MC (Moz) by 1000 to obtain Au MC (koz)
6. Silver equivalent grade in g/t is calculated as follows:
   Ag-Eq = Ag Grade + Au Grade *(Au Recovery x Au Payable x Au Price) / (Ag Recovery x Ag Payable x Ag Price)+ Cu Grade*(Cu Recovery x Cu Payable x Cu Price x 685.7) / (Ag Recovery x Ag Payable x Ag Price) + Pb Grade*(Pb Recovery x Pb Payable x Pb Price x 685.7) / (Ag Recovery x Ag Payable x Ag Price) + Zn Grade*(Zn Recovery x Zn Payable x Zn Price x 685.7) / (Ag Recovery x Ag Payable x Ag Price)
7. Modifying factors for conversion of resources to reserves include but are not limited to consideration for mining methods, mining recovery, dilution, sterilization, depletion, cutoff grades, geotechnical conditions, metallurgical factors, infrastructure, operability, safety, environmental, regulatory, social and legal factors. These factors were applied to produce mineable stope shapes.
8. Tonnage in thousands of tonnes, metal content in thousands of ounces, prices/costs in USD. Numbers are rounded per guidelines; totals may not sum due to rounding.

For risk factors that could materially impact the Mineral Reserves estimates, see "Uncertainty in the Estimation of Mineral Resources and Mineral Reserves".

The Company is not aware of any known mining, metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral reserve estimates, other than discussed herein.

**Mining Operations**

The Los Gatos Silver Mine is an underground mine that produces Ag, Zn, and Pb, with gold (Au) and Cu as by-products. The orebody is characterized by high-grade polymetallic sulphide mineralization in an epithermal vein-style deposit. The deposit consists of four zones called the Northwest (NW), Central (CZ), Southeast Upper (SEU), and Southeast (SE) zones. The Los Gatos Silver Mine effectively addresses several challenges in developing and operating the underground mine, including groundwater management, temperature regulation, and ground control.

The ground conditions in parts of the deposit are adversely affected by proximity to a major hanging wall fault called the Los Gatos fault. This major basin boundary fault ranges from centimeters to tens of meters in width. While the fault itself does not host mineralization, in areas where the mineralized veins are located adjacent to the structure, mining and ground support methods need to be adapted to limit mining dilution and increase mining recovery.

Geotechnical engineers at the Los Gatos Silver Mine have developed a rock support system which is applied to development headings (ramps and drifts), cut-and-fill stopes, longhole stopes, and pillars. The WSP QP has engaged a highly experienced geotechnical engineer to review the rock support designs and who has visited the mine to observe installed rock support and the behaviour of the standing rock mass. Discussions have been held with the Los Gatos Silver Mine technical staff to investigate rock mechanics challenges and identify and mitigate excavation risks.

Various combinations of rock bolts, welded-wire fabric (mesh), shotcrete and cable bolts are utilized in the mine. In addition, stope voids are backfilled with cemented backfill to provide support for remnant pillars and stope spans.

Rock support in the Los Gatos Silver Mine is complicated by major fault structures intersecting the mineralized veins at oblique and high angles. Engineers have applied specific mining methods and rock support techniques to provide secure and safe mine openings.

The unmined rock above the uppermost stopes is referred to as the crown pillar. At the Los Gatos Silver Mine the crown pillar has been evaluated for stability, probability of failure and likelihood of surface subsidence. Since the mineralized veins peter out many tens of meters from the topographic surface and the stopes will be backfilled, there is very little to no likelihood of crown pillar failures, nor of surface subsidence, along the strike of the deposit. The QP is of the opinion that the rock support designs and installation protocols employed by the Los Gatos Silver Mine are adequate to manage the natural and induced stresses in the rock mass and are consistent with observed rock support strategies in mines of similar mining techniques and rock conditions.

The Los Gatos Silver Mine deposit is characterised by the Los Gatos Fault ("**LGF**") and a number of cross faults, including the Falla Aportadora NW, which is a major water-bearing structure. Of the six identified hydrogeological units ("**HGUs**") identified at the Los Gatos Silver Mine, the central gouge zone of the LGF and less-fractured rock masses distal to the fault zones are considered to be of relatively lower permeability. The fractured rock masses on either side of the LGF and areas where cross faults intersect the LGF are considered to be of relatively higher permeability and to be favorable conduits for groundwater flow.

Water flows into the mining area from two sources - rainwater through epiclastics and fracture zones, and upswelling thermal waters via the Lower Gatos Fault.

The strategy for managing water at the Los Gatos Silver Mine is to draw down the water table and thus minimize the rate of inflow of groundwater. The original topographic surface of the Los Gatos Silver Mine deposit ranges from 1,571 to 1,624 metres above sea level (masl). The natural water table was at 1,400 masl and inflows occur below 1,450 masl. A series of 18 wells were drilled from surface to establish dewatering wells and piezometer stations. Once underground development began, additional wells were drilled from underground bays to intercept groundwater within the rock mass before it flowed into the mine for the dual purpose of lowering the water table and reducing the temperature gradient in the mine. Wells have been drilled and pumps installed in the NW and CZ zones with more planned in the SE zones as the mine deepens.

The QP observes that mining productivity and mine development rates increase when the water table has been drawn down below the mining horizon in advance of excavations.

The Los Gatos Silver Mine deposit is situated within a regional aquifer, which poses significant challenges for controlling groundwater inflows into the underground workings. The Los Gatos Silver Mine employs two dewatering systems to manage the groundwater:

- Conventional contact-water dewatering infrastructure.
- A network of dewatering wells.

The Mineral Reserve estimate is based on a detailed mine design and production schedule, both of which were developed using Deswik software. The design process began with the establishment of key criteria for stope production and mine development, ensuring that the mining methods and development sequence align with the overall project objectives and economic constraints.

The Los Gatos Silver Mine employs two primary mining methods: CAF and LHS. The selection between these methods is determined by the geotechnical characteristics of the mineralization and surrounding host rock. These methods are implemented in either longitudinal or transverse orientations, depending on the vein width and geometry.

The mine infrastructure is as follows:

- Access and Underground Facilities: Access to the underground workings is provided through a system of ramps. The Los Gatos Silver Mine has established an underground maintenance shop within a mined-out stope in the NW zone.
- Ventilation System: The mine utilizes a pull-type ventilation system. Exhaust fans, installed at the collars of three return-air raises, draw spent air from the underground workings. Fresh air enters the mine through the main ramp and two principal intake raises.
- Air-Cooling Infrastructure: The Los Gatos Silver Mine operates two dedicated air-cooling plants designed to regulate underground temperatures, maintaining safe and comfortable working conditions.
- Dewatering Infrastructure: The dewatering system at the Los Gatos Silver Mine consists of two components:
    - Conventional Contact-Water Dewatering: This system collects water that enters the mine workings and pumps it to surface.
    - Dewatering Wells: These wells extract groundwater from the aquifer, reducing the inflow into the underground workings.
- Safety Infrastructure: The safety infrastructure at the Los Gatos Silver Mine includes an escapeway raise to surface, a permanent refuge station, and three portable refuge chambers.
- Electric Power: The underground electrical power distribution system includes 19 mobile electrical substations (13,800/480 volts) and three fixed substations (13,800/4,160 volts).
- Underground Communications: The communication system includes a leaky feeder cable network, a fiberoptic backbone, a personnel location system, and video surveillance cameras.

The Los Gatos Silver Mine operates as a fully mechanized mine, utilizing rubber-tired, diesel-powered equipment for all phases of its mining operations. The current fleet includes the following:

- Six two-boom, electric-hydraulic development jumbos
- One cable bolter and seven mechanized rock bolters
- Nine LHDs (Load-Haul-Dump), most equipped for remote-control mucking
- Seven mine trucks with a 40-t payload capacity
- Three production drill rigs (one top-hammer and two down-the-hole)

As of July 1, 2024, the mine department employed a total of 483 individuals. The underground mine operates on a two-shift schedule, with each shift working 10-hours per day. The workforce is organized into three rotational crews, each working 14 days on followed by 7 days off. At any given time, two of the three crews are present onsite, ensuring continuous operation.

The LOM plan projects that the Los Gatos Silver Mine will remain in operation for an additional 8.3 years from the July 1, 2024, effective date of the Los Gatos Technical Report, with production continuing until Q4 of 2032. Over this period, the mine's average annual production is estimated at approximately 1.2 Mt. Notably, around 50% of the total LOM production is planned to be sourced from the Mineral Reserves in the SE Zone.

**Processing and Recovery Operations**

The processing plant at Los Gatos Silver Mine employs a conventional flotation-based process typical of base metal operations. The installed plant capacity was originally designed for 2,500 tonnes per day; however, recent throughput levels have increased to an average of 3,225 tonnes per calendar day from January to June 2024, with the 2024 LOM plan targeting an average of 3,401 tonnes per calendar day and a nominal rate of 3,500 tonnes per calendar day.

The processing plant is built as a single train with the crushing area separated from the remaining sections. The crushing circuit includes a jaw crusher, a semiautogenous grinding (SAG) mill, and a ball mill, which collectively feed the flotation circuit. The flotation process consists of lead and zinc flotation circuits, including rougher, regrind, and cleaner stages, followed by lead and zinc concentrate thickening and tailings thickening.

Since operations began in 2019, the primary sources of processed material have been the Central and NW Zones. Over the remaining Reserve life, increasing contributions from the SE Zone are expected. No significant changes in ore characteristics are anticipated, and the throughput and recovery assumptions applied for future processing are considered reasonable for the LOM. The plant equipment sizing remains robust for the projected throughput.

In early 2023, a fluorine leach circuit was constructed and began operations in June 2023. This circuit is designed to reduce fluorine content in the zinc concentrate to approximately 500 ppm, which has been consistently achieved. Minor silver and zinc losses occur during the leaching process, which have been accounted for in plant production calculations.

**Infrastructure, Permitting and Compliance Activities**

*Infrastructure*

The Los Gatos Silver Mine is an operating mine with significant existing infrastructure in place supporting the operation, including offsite and onsite components. Existing offsite infrastructure comprises grid power distribution to the mine and previously completed road upgrades to facilitate heavy equipment transport during construction, material deliveries and concentrate shipments, in addition to worker traffic. On site infrastructure is comprised of office and maintenance facilities, processing facilities, a TSF, backfill plants, a refrigeration plant, a mine ventilation system, and dewatering ponds for sediment settling and water cooling.

In 2022, the Los Gatos Silver Mine entered into a power purchase agreement to source the entirety of the mine's energy from the solar energy producer Energía Solar de Poniente. This agreement covers all electricity needs of the site, sourcing all site power from a photovoltaic power plant located in Matamoros, Coahuila.

The underground mine operates three air extractive fans to exhaust spent air, with fresh air intake via the decline ramp and two downcast fresh air raises equipped with refrigeration plants and air coolers. The current installed capacity of the ventilation system is 1.3 M CFM and plans are in place for an expansion to provide fresh air to the SE Zone.

The mine dewatering system consists of both surface and underground infrastructure. None of the dewatering wells drilled from surface are currently active, as the water table is now beneath the effective depth of those wells. There are currently five main underground wells in the NW zone, with two more under development. Two underground wells are present in the Central Zone. As the mine expands, capital has been allocated for the anticipated additional dewatering infrastructure in the NW, Central and SE zones that will be required to manage the water underground.

Site infrastructure in addition to production-related installations are typical of a mining operation of this scale, located some distance from supporting populations, and include a concrete batch plant, maintenance shops, administration and engineering building, mine dry for underground personnel, warehouse facilities, security guard house and gates, residential camps and cafeterias.

The Los Gatos Silver Mine TSF has been constructed, and tailings have been deposited in the facility since 2019. Regular dam raises have been constructed to increase the volume of the TSF. The material used in the dam construction is mostly rockfill with some screened filter material. All TSF stages are built using local borrow materials, primarily rockfill excavated and blasted from foundation material within the TSF. The TSF uses downstream construction methods.

The tailings dam has a composite liner consisting of geosynthetic clay liner (GCL) overlain by a 1.5 mm (60-mil), Linear Low-density Polyethylene (LLDPE) geomembrane. The liner extends along the base of the impoundment and the embankment's upstream slope and anchored along the edges of each concurrent construction stage. The lining system is placed on a 0.15-m thick bedding fill.

The original permitted TSF design consists of four Stages (I to IV) with an ultimate crest elevation of 1638.0 m. However, due to a change in the tailings delivery rate to the TSF with the commissioning of the paste plant in the fourth quarter of 2022, the ultimate TSF is planned to have a maximum crest elevation of 1636.0 m (Stage III) which is adequate for the revised and reduced volume of tailings to be stored based on the Mineral Reserve and LOM plan.

To date, four dam raises have been constructed to the existing crest elevation of 1628.0 m. The LOM plan requires two additional raises to be built during 2025 and 2028 to a final maximum crest elevation of 1636.0 m. The 2023 TSF dam height assessment allowed for 10.3 Mt of material processed from July 2023 onwards. It is projected that 40% of the tailings produced by the Process Plant will be sent to the Paste Plant, for use as underground backfill, while the remaining 60% will be sent to the TSF. As a result, tailings accumulated in the TSF are estimated at 9.49 Mt (3.71 Mt stored until June 2024 and 5.78 Mt from July 2024 until mine closure).

The TSF design criteria were established based on the facility size and risk using applicable dam safety and water quality regulations and industry best practice for the TSF embankment on a standalone basis. The dam has a blanket drain in the foundation to control and reduce the water level in the dam due to any infiltration that could occur. Incorporating the blanket drain will improve the stability of the embankment in the event of liner failure. The TSF has an Operations, Maintenance, and Surveillance ("**OMS**") Manual that describes operating and monitoring procedures to confirm the condition of the embankment, foundation, and performance of the TSF dam and impoundment. Regular TSF inspections are completed, including annual inspections by the Engineer of Record.

*Permitting and Compliance*

Mexico has established environmental laws and regulations that apply to the development, construction, operation and closure of mining projects, and the Company has management systems in place to ensure ongoing regulatory compliance. Of particular importance are the air, surface water and groundwater quality monitoring programs. An environmental compliance report is submitted annually to the Mexican environmental authority. There are no outstanding violations issued by the environmental authority against MPR.

The Company has all material permits for the current operations. The Company is waiting on final resolution documents for three permits: the modification of the environmental permit that added the fluorine leach plant to the metallurgical process; a permit for land occupied by the tailings facility (the permit was approved and permitting fees have been paid; however, the Company has not received the signed permit from the government agency); and a permit regarding the use of treated water from the personnel camp sewage treatment facilities. The QP who prepared the Los Gatos Technical Report notes that none of these final resolution permit documents are a high material risk for the current operations.

MPR has produced several social baseline studies that collected information from official statistical sources, as well as interviews and participatory workshops with stakeholders and the local communities in the area of direct influence. The social baseline study was updated in 2023, with consultations carried out in nine communities. A detailed analysis to identify and characterize stakeholders was prepared. The information obtained has been used to identify social impacts in the communities, as well as social risks for the mining operations. The Company has mitigation measures in place for the highest priority social risks.

MPR has established a community relations office in the nearby town of San José del Sitio, which allows for a permanent point of contact between local communities and the mine. MPR has established various commitments for the hiring of local labour, as well as in the acquisition of services during the life of the project, through agreements with stakeholders. A total of 163 direct employees from the area of influence work for the Los Gatos Silver Mine. Of these employees, 41% are female and 59% are male.

A conceptual mine closure strategy was presented in the closure plan (Tetra Tech, 2018) that was submitted to the Mexican environmental authority. The closure cost estimate was updated at the end of 2023 based on disturbance areas and 2023 local rates for closure activities such as haulage, demolition and removal. The closure cost was estimated at $16.4 million.

**Capital and Operating Costs**

Operating cost estimates were developed based on recent actual costs with minor specific adjustments for business improvement initiatives that are currently being implemented. Operating costs are estimated in 2024 dollars with no inflation or escalation considered. They were prepared on an annual basis using a detailed buildup of individual cost centres and considering specific mine site activity levels and cost drivers. The plant has demonstrated typical operating costs for a facility of its size.

Operating cost expenditures for the LOM for 2024 are estimated at $848.6 M from July 1, 2024, to the planned end of the mine's life in 2032, equivalent to $82.14 per tonne milled. Table 21 summarizes the expected site operating expenses projected to the end of mine life to mine and process the defined Mineral Reserve, segmented by major cost centre of Mining, Processing, which includes TSF operations, and General and Administrative.

**Table 21: 2024 LOM Operating Costs (in millions)**

| Cost Centre | Unit Cost, $/t Milled |
|---|---|
| Mining | 42.16 |
| Processing | 24.77 |
| Indirect | 15.20 |
| **Total Production Cost** | **82.14** |

Note: Numbers may not necessarily add up due to rounding.

There are no expansion plans requiring development capital in the LOM plan.

The projected amounts for sustaining capital in the LOM plan have been updated to an effective date of December 31, 2024 by First Majestic's QPs, as shown below in Table 22 below, and relate to continuing underground mine development, installation of a copper-lead separation circuit, and two additional raises of the TSF dam, as well as other miscellaneous equipment and infrastructure projects.

Table 22 summarizes the sustaining capital expenditures in the 2024 LOM planned for the balance of the mine life (as updated by Fist Majestic's QPs to be effective as of December 31, 2024). Sustaining capital is estimated in 2024 dollars with no inflation or escalation considered. The First Majestic QPs who prepared Table 22 below reviewed the planned annual expenditures and agree that they are reasonable.

**Table 22: 2024 LOM Sustaining Capital (Effective Date: December 31, 2024)**

| Item | Units | LOM Cost |
|---|---|---|
| ***Mine Development*** | | |
| Lateral Development | m | 15,732.00 |
| **Total Mine Development** | **$M** | **83.52** |
| **Infrastructure & Equipment** | | |
| Mine | $M | 47.26 |
| Process Plant | $M | 25.30 |
| Others | $M | 1.95 |
| **Total Infrastructure & Equipment** | **$M** | 74.52 |
| **Total Sustaining Capital** | **$M** | **158.04** |

**Exploration, Development and Production**

The following general annual exploration drill programs were executed in 2024:

- 29,600 m brownfield surface drill program,
- 13,400 m brownfield underground drill program,
- 24,000 m greenfield surface drill programs on multiple prospects.

This amount of drilling is expected to continue on an annual basis while production continues but amounts required are reviewed annually. In addition, an annual prospect generation program consisting of prospecting, soil and rock geochemical surveys, mapping, or geophysical surveys is conducted.

During 2024, 1,191,377 tonnes of mineralized material were processed with an average grade of 284 g/t Ag, 0.29 g/t Au, 4.22% Zn, 2.0% Pb and 0.08% Cu.

Development continues in the Los Gatos Silver Mine preparing new extraction areas.

**La Encantada Silver Mine, Coahuila State, Mexico**

The following information on the La Encantada Silver Mine ("**La Encantada mine**") is based on a Technical Report prepared in accordance with NI 43-101 and titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, Mexico, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with effective date of December 31, 2020 (the "**2020 La Encantada Technical Report**"). Reference should be made to the full text of the 2020 La Encantada Technical Report which is available for review on the Company's profile on SEDAR+ at www.sedarplus.ca.

**Project Description, Location and Access**

La Encantada mine is an actively producing silver mining complex owned and operated by the Company's wholly owned indirect subsidiary, Minera La Encantada, S.A. de C.V. ("**Minera La Encantada**"). The property is in the municipality of Ocampo, State of Coahuila, Mexico, approximately 120 km northwest of the city of Melchor Múzquiz, Coahuila and approximately 120 km north of the town of Ocampo, Coahuila and is centered on latitude 28°21.5'N and longitude 102°33.5'W.

Access to La Encantada is primarily by charter airplane from Durango city (about two hours flying time), or from the city of Torreón, Coahuila (about 1:15 hours flying time). Minera La Encantada operates its own private airstrip at the La Encantada mine. Driving time from the city of Melchor Múzquiz is approximately 2.5 hours by asphalt road, about five hours from the town of Ocampo and about eight hours from the international airport in Torreón city. The mine can be accessed and operated all-year round.

The La Encantada property consist of 22 exploitation concessions covering 4,076 ha. All 22 concessions are currently in good standing and expire between 2030 and 2065. A 100% gross overriding royalty on the first 1,000 payable ounces of gold production at La Encantada is held by Metalla Royalty & Streaming Ltd.

Minera La Encantada owns surface rights covering 2,237 ha on the "Cañon del Regalado" properties. This surface covers access to the mining complex, mine portals, grinding mill and flotation plant (Plant No. 1), cyanidation plant (Plant No. 2), tailings management facilities, the mine camp, offices, and an airstrip. In 2011, the Tenochtitlán Ejido filed a lawsuit against Minera La Encantada in agrarian court claiming title to 1,097 ha of the land owned by Minera La Encantada. The initial lawsuit was decided in favour of Minera La Encantada and was followed by a series of motions and appeals regarding judicial reviews of the subsequent rulings. In August 2021, Minera La Encantada and the Tenochtitlán Ejidal Commisariat (the "**Commisariat**") reached an agreement to settle the lawsuit; however, eight dissenting Ejido members launched a suit against the Agrarian Attorney's Office and the Commisariat to nullify the election of the members of the Commisariat. On July 5, 2024, the Agrarian Court annulled the settlement, but allowed Minera La Encantada to continue using the land and negotiate with the Tenochtitlán Ejido a new land access agreement. The Secretariat of Agrarian, Territorial and Urban Development (SEDATU) filed an appeal against the Agrarian Court's decision, which is pending to be decided by the Superior Agrarian Court.

Minera La Encantada also holds 19,114 ha of surface rights, "Cielo Norteño" or "Rancho El Granizo" property to the North-East of the mine covering an area with water rights. The remainder of the surface rights in the mining concession areas are held privately and through group ownership either as communal lands or Ejido lands.

Minera La Encantada has all necessary permits for current mining and processing operations, including an operating license for mining and mineral processing activities, a mine water use permit, an Environmental Impact Authorization ("**EIA**") for the La Encantada mine, processing plants and tailings management facilities, and a permit for power generation.

**History**

In 1967 Industrias Peñoles S.A.B. de C.V. ("**Peñoles**") and Tormex Industrias S.A. de C.V. established a joint venture partnership ("**Minera La Encantada**") to acquire and develop La Encantada. In July 2004, Peñoles awarded a contract to operate the La Encantada mine, including the processing plant and all mine infrastructure facilities, to the private Mexican company Desmin, S.A. de C.V ("**Desmin**"). Desmin operated the mine and processing plant until November 1, 2006, when First Majestic purchased all the outstanding shares of Desmin. Subsequently, First Majestic reached an agreement to acquire all the outstanding shares of Minera La Encantada from Peñoles. First Majestic is now the sole owner of La Encantada and all its assets, including mineral rights, surface rights position, water rights, processing plants and ancillary facilities.

From November 2006 to June 2010, La Encantada operated a 1,000 tpd flotation plant. All production during this period from the flotation plant was in the form of a lead-silver concentrate. In 2007, La Encantada commenced construction of a cyanidation plant with a capacity of 3,750 tpd, and in 2009 began producing precipitates and silver doré bars. Commercial production was achieved on April 1, 2010, and the flotation circuit was placed in care-and-maintenance in June 2010. During 2011, several modifications were made to the cyanidation plant increasing its capacity to 4,000 tpd. Since that time, the La Encantada operation has only produced doré bars.

During the period of 2010 to 2013, La Encantada reprocessed old tailings from the flotation circuit with approximately 1,000 tpd of ore feed from the underground mine for a combined throughput of 4,000 tpd. Starting in 2014, silver market economic conditions precluded the reprocessing of tailings, and only ore production from underground workings was fed to the mill and the cyanidation plant. In 2015, the plant was expanded to bring the crushing and grinding capacity to 3,000 tpd.

In 2017, La Encantada started the construction of a roasting facility with the objective of increasing recoveries when reprocessing tailings. In 2018, the main components of the roasting system were installed, and commissioning tests were started in the last quarter and continued into 2019. Observations from the commissioning tests revealed materials handling issues at the feed and discharge of the roasting system. Engineering work is in progress to analyze these issues to establish whether there is an option of processing tailings material economically.

Mine production tonnes and silver metal production since 2014 is summarised in Figure 5 below.

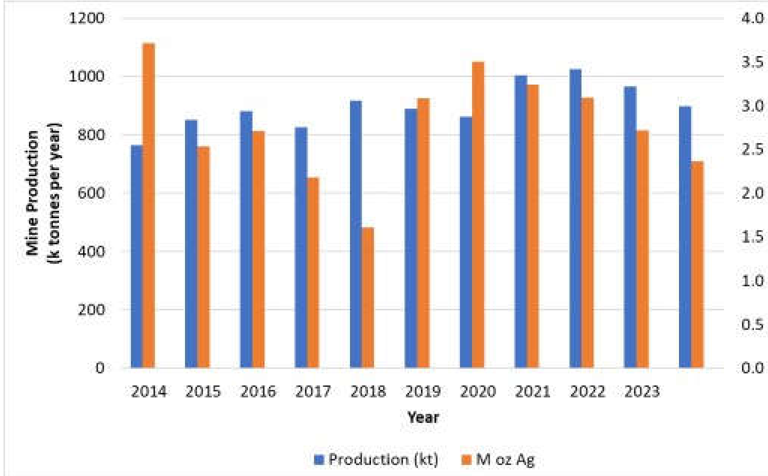



*Figure 5: Mine and silver production since 2014*

**Geological Setting, Mineralization and Deposit Types**

La Encantada is in the Sierra Madre Oriental (SMO) fold and thrust belt where Jurassic and the Cretaceous age Sabinas Basin carbonate rocks overlie the Paleozoic Coahuiltecano terrane. Northeast-southwest oriented compression during the Cretaceous to early Tertiary Laramide Orogeny deformed the Mesozoic sedimentary rocks into a series of north-northwest-trending folds and faults, which gave rise to the SMO fold and thrust belt. Extension in the mid to late Tertiary was accompanied by widespread magmatism, with the related fault zones acting as conduits for the emplacement of shallow level intrusive rocks within the carbonate sedimentary sequence.

The Sabinas Basin Albian age Aurora Formation is the primary host rock for mineralization at La Encantada. The Aurora Formation is a thick limestone sequence comprised of a lower, middle, and upper units. The middle part of the limestone sequence consists mainly of dense, thick-bedded, grayish calcilutite, which forms the distinctive cliff faces at La Encantada. An Eocene-Oligocene age granodiorite stock and rhyolite to basalt dikes intruding the carbonate rocks produced irregular skarn, hornfels and marble aureoles.

La Encantada lies on the southwestern flank of the northwest-trending Sierra de La Encantada anticlinorium where a series of northeast-trending faults and fractures cut obliquely across the regional north-northwest-trending anticlinorium. The northeast-trending normal faults and fractures control the formation of breccia pipes and vein shoots at the intersection with the northwest-trending cross structures.

Because of its spatial relationship to the skarn alteration and mineralization, it is believed that the intrusions are genetically linked to the Ag, Pb and Zn mineralization in the property. Mineralization consists of silver, gold, lead, and zinc in deposits that occur as tabular veins, mantos, massive lens, breccia pipes, and irregular replacement bodies. Oxide minerals include Ag, Fe, Zn, Pb, Cu oxides. Sulphide minerals include native silver, acanthite, pyrite, magnetite, marmatite, galena, chalcopyrite, and covellite. The mineral deposits have been grouped into three geologic mine zones: the La Prieta Complex, the San Javier-Milagros Complex, and the Vein System. The property also holds a substantial silver deposit in tailings.

La Encantada has similarities with polymetallic carbonate replacement deposits (CRD). CRD deposits are typically characterized by irregular shaped pods and lenses and roughly tabular masses of Ag, Pb, Zn mineralization hosted in carbonate rocks and associated with proximal intrusive rocks. Discordant near vertical deposits with irregular elongate shapes are referred to as chimneys and breccia pipes. Tabular sub-vertical replacement deposits are referred to as veins which can contain richer mineral shoots or small chimneys at the intersection of northwest-trending faults and fractures. Oxidized concentrations of silver, iron, lead, and zinc are hosted by carbonate sedimentary formations and sulphide mineralization is hosted at deeper structural levels in skarn alteration.

**Exploration**

Surface exploration work completed by Minera La Encantada includes geological mapping, geochemical sampling, a natural source audio-frequency magneto-telluric geophysical survey, a regional aeromagnetic survey, an Isotopic study, and diamond drilling. Surface geologic mapping and sample geochemistry has been completed at El Camello, Anomaly B, La Escalera and El Plomo. Surface drilling has been carried out at Ojuelas in Prieta Complex, El Camello, El Plomo, Conejo Extension, Brecha Encanto, Veta Sucia and other areas with magnetic analytic signal anomalies. Underground exploration primarily consists of a combination of drilling and mine development along structures.

**Drilling**

Total drilling between March 2011 and December 2024 amounts to more than 145,300 m in surface and underground diamond drillholes and 193 m of hollow stem auger drillholes. Diamond drilling typically recovers HQ size (63.5 mm core diameter) but is reduced to NQ size (47.6 mm core diameter) where required by ground conditions. Data collected from drilling includes collar surveys, downhole surveys, logging (lithology, alteration, mineralization, structure, veins, sampling, etc.), specific gravity (SG), and geotechnical information. Channel samples are also collected to support geologic modeling, resource estimation, and grade control during production.

**Sampling Analysis and Data Verification**

Drill core sample intervals range from 0.2 and 1.3 m in mineralized areas. All drill core intervals selected for sampling are cut in half using a diamond blade saw. One half of the core is retained in the core box and the other half is placed in sample bags for shipment to the laboratory. Sample tickets displaying the sample number are stapled into the core box beside the sampled interval, and a copy is placed in the sample bag. Channel sample intervals range from 0.3 to 1.5 m and are collected by mine geologists using a hammer and a hand chisel to sample a 20 cm wide swath along a sample line drawn on development faces. Sketches are collected of the sampled face, showing the location and length of each sample. Drill core and channel sample intervals are selected to reflect changes in mineralogy, lithology, and structure. All sample bags are sealed to prevent contamination during handling and transportation.

Since 1995 four different laboratories have been used for sample preparation and analysis. These include:

- First Majestic's Central Laboratory (which relocated from Durango to Santa Elena in 2023) is used for drill core and sawn-channel samples and is certified under ISO 9001:2008 since June 2015 and ISO 9001:2015 since June 2018.
- La Encantada's laboratory (La Encantada Laboratory) is used for grade control and production channel sample processing, which was certified under ISO 9001:2015 in November 2022 and is not independent of First Majestic.
- SGS in Durango (SGS) was used for drill core and channel samples prior to 2018 and from May to December 2021 and in 2024 for drill core samples. During 2020 and 2021, SGS was used as a secondary laboratory for check samples. SGS is certified under ISO/IEC 17025 and is independent of First Majestic.
- Bureau Veritas Mineral Laboratories (BV) in Durango was used from 2014-2015 as a secondary lab for check samples. BV is certified under ISO/IEC 17025 and is independent of First Majestic.

At the Central Laboratory, drill core samples are currently dried at 100 °C ± 5°C, crushed to 80% passing 2 mm, split to a 250-gram sub-sample and pulverized to 85% passing 75 µm. All samples are analyzed for 34 elements by a 2-acid digestion ICP method. All drill core and channel samples are also analyzed for silver by a 2 g, 3-acid digestion, atomic absorption method. Samples returning greater than 100 g/t silver are reanalyzed for silver by a 30 g, fire assay gravimetric method.

At La Encantada Laboratory, samples are currently dried at 105°C, crushed to 80% passing 2 mm, split to 200 g and pulverize to 80% passing 75 µm. Samples are analyzed for silver by a 20 g fire assay gravimetric finish method. Copper, iron, lead, manganese, and zinc are analyzed by a 0.1 g 2-acid digestion atomic absorption finish.

Since 2013, samples submitted to the primary laboratories include Standard Reference Materials (SRMs) and CRMs, coarse and pulp blanks, and field, coarse and pulp duplicates. Check samples sent to a secondary laboratory were introduced in 2014 and became a common practice by 2018. All quality control results are assessed using statistical analysis and visual inspection of control plots. This process has resulted in a sample database that the Company believes is free of any significant accuracy, contamination, precision, or between laboratory bias issues.

The data verification completed to support the 2024 mineral resource estimate includes data entry error checks, visual inspections of important data collected between 2013 and 2024 from Buenos Aires, Regalo Breccia, Conejo, La Fe, La Prieta, Milagros, Ojuelas, Tailings Deposit No.4, Vein System areas (the verification data set), and a review of QA/QC assay results. A random 5% selection of drill collar locations, down hole surveys, lithology and Ag and Pb assay results of the verification dataset and specific gravity measurements were verified for transcription errors and significant outliers. Data verification through visual inspection consisted of verifying the position of collars relative to the underground workings, down-hole deviation relative to drill trace, lithology, and assay intervals relative to the three-dimension geological models. The visual inspection also included comparison of lithology and assay intervals with core photos. No significant transcription errors or outliers were observed.

**Mineral Processing and Metallurgical Testing**

The La Encantada mine is an operating mine and the metallurgical test-work data supporting the initial plant design has been proven and reinforced by plant operating results through the years of operation combined with more recent metallurgical studies.

Metallurgical testing, along with mineralogical investigation are performed periodically. The plant is continually running tests to optimize silver recovery and to reduce operating costs, even when the results are within the expected processing performance. Composite samples are analyzed monthly to determine the metallurgic recovery performance of the mineralized material fed into the processing plant. Geometallurgical studies are performed to investigate the similarities and variability related to future ore zones to be mined and processed in the mid and long term. This metallurgical testing is carried out by the site laboratory.

The silver content of the doré produced in La Encantada ranges from 60% to 85% due to the presence of copper, lead and zinc. The silver concentration impacts the treatment charge as this charge is levied by weight on the doré produced.

***Summary of Mineral Resource and Mineral Reserve Estimates***

The block model Mineral Resource estimates for La Encantada were based on the current database of exploration drill holes and production channel samples, the underground level geological mapping, the geologic interpretation and model, as well as the surface topography and underground mining excavation wireframes. Geostatistical analysis, analysis of semi-variograms, block model resource estimation, and validation of the model blocks were completed.

The Mineral Resource estimates for the deposits at La Encantada are constrained by 3D geological interpretation and resource domain models. Silver estimation is restricted to detailed wireframe domain models. The domain model boundaries strictly adhere to the veins and breccia contacts with the surrounding country rock to produce reasonable representations of each deposit location and volume.

The drill hole and channel composite samples were evaluated for high-grade outliers and those outliers were capped to values considered appropriate for estimation. Outlier values at the high end of the grade distributions were identified for silver and lead from analysis of histograms plots, log cumulative probability plots, mean variance plots, and cumulative metal plots. Capping of composite sample values was limited to extreme values. Outlier restriction was also used to restrict the influence of high-grade samples.

Bulk density was derived from specific gravity estimates ("**SG**"). Bulk density for the resource domains was either estimated into the block models from the SG data or the mean SG value was assigned.

Block grades were estimated primarily by inverse distance squared and less commonly by ordinary kriging. The method chosen in each case considered the characteristics of the domain, data spacing, variogram quality, and which method produced the best representation of grade continuity, in the opinion of the resource geologist.

All channel samples that were used during construction of the geological models were reviewed. The Mineral Resources were classified into Indicated or Inferred categories based on the confidence in the geological interpretation and models, the confidence in the continuity of metal grades, the sample support for the estimation and reliability of the sample data, and on the presence of underground mining development providing detailed mapping and production channel sample support.

The Mineral Resource estimates for La Encantada are summarized in Table 23 and Table 24 using the silver cutoff grades appropriate for the mining method assigned to each domain, and an effective date of December 31, 2024. From December 31, 2023 to December 31, 2024, the Measured and Indicated Mineral Resource estimates for La Encantada increased 2% in terms of tonnage and increased 4% in terms of contained silver metal. The Inferred Mineral Resource estimates decreased 4% in terms of tonnage and decreased 5% in terms of contained silver metal. The changes are primarily related to mining depletion, the conversion of Inferred to Indicated resources by infill drilling, and cutoff changes in cutoff grade related to recovery and silver metal prices. Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

**Table 23: La Encantada Mineral Resource Estimate Statement, Indicated Category**
**(Effective date December 31, 2024)**

| Category | Mineral Type | Tonnage | Grades | Metal Content | |
|---|---|---|---|---|---|
| **Indicated** | | **k tonnes** | **Ag (g/t)** | **Ag (k Oz)** | **Ag-Eq (k Oz)** |
| Indicated Ojuelas & Cuerpo 660 (UG) | Oxides + Mixed | 1,100 | 193 | 6,830 | 6,830 |
| Indicated Veins Systems (UG) | Oxides | 892 | 273 | 7,820 | 7,820 |
| Indicated San Javier Milagros Complex (UG) | Oxides | 1,125 | 118 | 4,280 | 4,280 |
| Indicated Tailings Deposit No. 4 | Oxides | 2,773 | 118 | 10,510 | 10,510 |
| Total Indicated (UG + Tailings) | All Mineral Types | 5,890 | 155 | 29,440 | 29,440 |

**Table 24: La Encantada Mineral Resource Estimate Statement, Inferred Category**
**(Effective date December 31, 2024)**

| Category | Mineral Type | Tonnage | Grades | Metal Content | |
|---|---|---|---|---|---|
| **Inferred** | | **k tonnes** | **Ag (g/t)** | **Ag (k Oz)** | **Ag-Eq (k Oz)** |
| Inferred Ojuelas & Cuerpo 660 (UG) | Oxides + Mixed | 293 | 160 | 1,510 | 1,510 |
| Inferred Prieta Complex (UG) | Oxides | 207 | 192 | 1,280 | 1,280 |
| Inferred Veins Systems (UG) | Oxides | 1,260 | 237 | 9,610 | 9,610 |
| Inferred San Javier Milagros Complex (UG) | Oxides | 219 | 96 | 670 | 670 |
| Inferred Tailings Deposit No. 4 | Oxides | 458 | 117 | 1,730 | 1,730 |
| Total Inferred (UG + Tailings) | All Mineral Types | 2,438 | 189 | 14,800 | 14,800 |

1. Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101.
2. Mineral Resource estimates are based on internal estimates with an effective date of December 31, 2024.
3. Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, Internal Qualified Person for First Majestic, per NI 43-101.
4. The Silver-equivalent grade equals the silver grade.
5. Metal price for mineral resource estimates was $28.0/oz Ag.
6. The cutoff grades used to constrain the Mineral Resource estimates are 80 g/t Ag for sub-level caving at Ojuelas, 150 g/t Ag for cut and fill at Conejo, 135 g/t Ag for cut and fill at Vein System (Buenos Aires, 990, Azul y Oro), 105 g/t Ag for bodies in the Vein System (Cuerpo El Regalo, Cuerpo Marisela), 105 g/t Ag for Longhole at Vein System (Bonanza, C236), 70 g/t Ag for bodies at Veta Dique San Francisco, 70 g/t for bodies at San Javier and Milagros Breccias, and 100 g/t Ag for Tailings Deposit No. 4.

7. Mineral Resources are reported within mineable stope shapes using the cutoff grade calculated using the stated metal prices and metal recoveries.
8. No dilution was applied to the Mineral Resource which are reported on an in situ basis.
9. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces. Totals may not add up due to rounding.
10. Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

For risk factors that could materially impact the Mineral Resource estimates, see "*Uncertainty in the Estimation of Mineral Resources and Mineral Reserves*".

**Mineral Reserve Estimates**

The Mineral Reserve estimation process consists of converting Indicated Mineral Resources to Probable Mineral Reserves by identifying material that exceeds the mining cutoff grades while conforming to specified geometrical constraints determined by the applicable mining method and modifying factors.

From December 31, 2023 to December 31, 2024, the Proven and Probable Mineral Reserves estimates for La Encantada decreased 8% in terms of tonnage and decreased 3% in terms of silver metal content.

The Mineral Reserve estimates for La Encantada are tabulated in Table 25 and have an effective date of December 31, 2024.

**Table 25: La Encantada Mineral Reserves Statement (effective date of December 31, 2024)**

| **Category / Area** | **Mineral Type** | **Tonnage** | **Grades** | | **Metal Content** | |
|---|---|---|---|---|---|---|
| | | **k tonnes** | **Ag (g/t)** | **Ag-Eq (g/t)** | **Ag (k Oz)** | **Ag-Eq (k Oz)** |
| Prieta Complex: Ojuelas | Oxides | 1,106 | 154 | 154 | 5,469 | 5,469 |
| Milagros Breccia | Oxides | 1,742 | 88 | 88 | 4,935 | 4,935 |
| Veins Systems | Oxides | 540 | 258 | 258 | 4,479 | 4,479 |
| **Total Probable** | **Oxides** | **3,388** | **137** | **137** | **14,883** | **14,883** |

1. Mineral Reserves are classified per CIM Definition Standards and NI 43-101.
2. Mineral Reserves are effective December 31, 2024, are derived from Measured & Indicated Resources, account for depletion to that date, and are reported with a reference point of mined ore delivered to the plant.
3. Reserve estimates were supervised or reviewed by Andrew Pocock, P.Eng., Internal Qualified Person for First Majestic per NI 43-101.
4. Silver-equivalent grade (Ag-Eq) is silver grade and is included for consistency across all material properties.
5. Metal prices for Reserves: $26/oz Ag. Other key assumptions and parameters include: metallurgical recoveries of 59% for Prieta Complex: Ojuelas, weighted average of 55% for Veins Systems and 70.8% for Milagros Breccia; costs ($/t): direct mining $44.4 cut & fill, $26.7 longhole stoping, $11.77 sub level caving, processing $20.69 mill feed, indirect/G&A $13.41, and sustaining of $6.47.
6. A two-step cutoff approach was used per mining method: A general cutoff grade defines mining areas covering all associated costs; and a 2nd pass incremental cutoff includes adjacent material covering only its own costs, excluding shared general development access & infrastructure costs which are covered by the general cutoff material.
7. Modifying factors for conversion of resources to reserves include but are not limited to consideration for mining methods, mining recovery, dilution, sterilization, depletion, cutoff grades, geotechnical conditions, metallurgical factors, infrastructure, operability, safety, environmental, regulatory, social and legal factors. These factors were applied to produce mineable stope shapes.
8. Tonnage in thousands of tonnes, metal content in thousands of ounces, prices/costs in USD. Numbers are rounded per guidelines; totals may not sum due to rounding.

For risk factors that could materially impact the Mineral Reserves estimates, see "Uncertainty in the Estimation of Mineral Resources and Mineral Reserves".

The Company is not aware of any known mining, metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral reserve estimates, other than discussed herein.

Factors that could affect the Mineral Reserves estimate include changes to metal prices and exchange rates; unplanned dilution; mining recovery; geotechnical conditions; equipment productivities; metallurgical recoveries; mill throughput capacities; operating cost estimates; capital cost estimates; changes to the assumed permitting and regulatory environment under which the mine plan was developed; changes in the taxation conditions; ability to maintain mining concessions and/or surface rights; and ability to obtain and maintain social and environmental license to operate.

The Company is not aware of any known mining, metallurgical, environmental, permitting, legal, title, taxation, socio-economic, marketing, political, or other relevant factors that could materially affect the mineral reserve estimates, other than discussed in the 2020 La Encantada Technical Report.

**Mining Operations**

The La Encantada mine operation consists of an underground mine. Mining activities are conducted by both First Majestic and contractor personnel.

The deposits vary in dip, thickness, and geotechnical conditions along strike and dip. Multiple mining methods are required to achieve the maximum efficient extraction of mineralization. Three well-established methods were selected:

- Inclined and sublevel caving;
- Longhole stoping;
- Cut-and-fill.

Inclined and sub-level caving is well suited for the bulk tonnage deposits at La Encantada such as the San Javier-Milagros breccias and the Ojuelas deposit.

Longhole stoping is being used for near-vertical structures that are relatively consistent along strike and length and have competent wall rock. The minimum planned mining width is 1.4 m, based on a minimum vein width of 1.0 m plus an allowance for 0.2 m on the hangingwall and footwall.

Cut-and-fill is performed using jackleg drilling and is used for vein deposits that are irregular in nature and commonly possess poorer geotechnical conditions. The minimum mining width is 1.3 m, based on a minimum vein width of 1.0 m and an additional 0.15 m was added to both the hanging wall and footwall as planned dilution.

Ground conditions throughout most of the La Encantada mine are considered good. In contrast, the breccia and massive lens-type deposits form weak, soft material that lends itself to caving mining methods. The vein deposits possess fair rock quality and are hosted in competent limestone. Waste pillars are left where necessary to increase stability in longhole stoping.

All working areas are above the water table which is at 1,420 masl. The main water inflow comes from surface filtration during the rainy season.

**Processing and Recovery Operations**

The processing plant has been operating for several years and has continuously improved silver metallurgical recoveries. The metallurgical test-work data supporting the initial plant design has been proven and reinforced by plant operating results through years of operation combined with more recent metallurgical studies.

The processing plant is divided into two areas: Plant No. 1 and Plant No. 2. Plant No. 1 consists of the crushing and grinding circuits, while Plant No. 2 is the leaching circuit. The process is based on cyanide tank leaching and Merrill-Crowe of ground mineralized material (ROM) to produce silver doré bars. The installed plant capacity is for 3,000 tpd for the crushing and grinding area, and 4,500 tpd for the leaching circuit.

The plant-feed material is delivered from the underground ROM and discharged into a steel-made coarse ore-bin with a 300-tonne capacity. The coarse ROM is crushed in a three-stage crushing circuit. The crushing plant has a capacity of 3,000 tpd at 18 operating hours per day.

The grinding section is comprised of three ball mills. The nominal capacity of the three mills are 3,400 tpd. The cyanide leaching circuit process adds cyanide to leach tanks and lime in slurry form is added as a pH modifier.

Most of the overflow solution from the intermediate thickener goes to the primary thickener, which produces pregnant leach solution ("**PLS**") and is fed to the Merrill Crowe system.

Metallurgical testing, together with mineralogical investigation are periodically performed. The plant is continually running tests to optimize silver recovery and to reduce operating costs, even when the results are within the expected processing performance. Composite samples are analyzed monthly to determine the metallurgical recovery performance of the mineralized material fed into the processing plant. Geometallurgical studies are performed to investigate the similarities and variability related to mineralization to be mined and processed in the mid- and long-term. This metallurgical testing is carried out by site laboratory.

Samples from the Ojuelas deposit were tested by the Central Laboratory using current plant parameters. Preliminary results are encouraging as recoveries of 70-75% for silver have been observed.

It has been observed that the presence of manganese limits the recovery of silver. A number of tests were conducted on material with high manganese content with the objective of validating the implementation of roasting as a conditioning stage prior to cyanide leaching. Some of these tests showed silver recoveries in the range of 57-73% and supported the addition of a roasting circuit to treat the material from the Tailings Deposit No. 4, pre-conditioning the material before the leaching process. The roasting circuit is currently inoperative. Roasting tests were also conducted on samples of ROM material from deposits with high manganese content, which is refractory in nature. Mineralized material from the Buenos Aires deposit showed silver recoveries in the range of 68-71% when leached after being roasted.

The metallurgical recovery projections assumed in the LOM plan are supported by the historical performance in the processing plant as well as on the results of recent testing. Variability of silver recovery estimates was addressed in the LOM plan by projecting metallurgical recoveries for different domains based on actual performance of the mineralized material from areas currently in operation, such as San Javier-Milagros complex breccias and the Veta Dique San Francisco. Variability is also monitored for LOM plan purposes by projecting recoveries based on laboratory test-work for domains that are planned to be later in the LOM plan, such as Ojuelas, Conejo, and other vein system deposits. The average yearly silver recovery currently projected in the LOM plan ranges from 55 to 70.8%.

The silver content of the doré produced in La Encantada ranges from 60-85% due to the presence of copper, lead and zinc.

**Infrastructure, Permitting and Compliance Activities**

The existing infrastructure at La Encantada can support current mining and mineral processing activities and the LOM plan.

Most of the operation’s support facilities are located near the Plant No. 1 and include administrative offices, a medical clinic, warehouse, assay laboratory, core shed, fuel storage facilities, mine compressor building, surface maintenance shop, mine dry, water storage tanks and contractor offices. The mine camp is located approximately 1 km west of Plant No. 1 and the First Majestic owned airstrip is approximately 6 km west from the mine camp. Plant No. 2 is located 2 km north-west of Plant No. 1 and holds the leaching and roasting processing facilities, including the tailings filter-press plant.

The La Encantada Tailings Management Facilities (TMF) is comprised of two different storage areas. Tailings Deposit No. 5 (TMF-5) is currently in operation and Tailings Deposit No. 4 is inactive and holds the material considered for potential reprocessing by roasting. Rainwater management for the TMF includes two main diversion channels. Temporary contact water channels have been built to the north of the facility to distribute the contact water downstream where there is an impervious watershed. Contact water is also diverted to two storage ponds for industrial recycling.

The storage capacity of the TMF-5 is 8.5 Mt of filtered tailings. According to the latest survey conducted in February 2025, the remaining storage capacity is estimated to be approximately 1.9 Mt or approximately 1.5 years of service life at current production rate. FMS recently received environmental permits for an expansion of FTSF 5 which adds 7.1 Mt capacity and represents approximately 7.4 years of capacity, which is sufficient to support the LOM plan.

First Majestic's facilities include a camp previously constructed by Peñoles. These facilities were significantly improved in 2020 and include 160 housing units for workers and staff with 440 beds, a new 180-person kitchen/dining area for employees, accommodations for contractor managers and visitors, offices for the union representatives, an elementary school, a chapel, a grocery store, and upgraded medical clinic, and recreational facilities.

Power demand is presently 4,000 MW per month, which is being supplied by five 1.5 MW MTU natural gas generators and one 1.5 MW MTU diesel generator, achieving an average mix of 90% natural gas - 10% diesel generation, significantly reducing the GHG emissions and the energy generation costs.

Fresh water for the offices and employee housing is obtained from a well located in the underground mine. Industrial water for the mine and plant is obtained from a series of wells located ~25 km away from the La Encantada mine. This water is pumped to site and stored in a series of storage tanks located throughout the plant and mine facilities. In the second quarter of 2023, La Encantada experienced limited water availability due to the collapse of one well. After geophysical survey and analysis, construction of the new replacement well commenced in September 2023. In 2024, the Company announced discovery of a new water source with the return to normal operations following the recovery of water inventory levels at La Encantada.

The La Encantada mine has all of the necessary permits for current mining and processing operations, such as an operating license for mining and mineral processing activities, a mine water use permit, an Environmental Impact Authorization ("EIA") for the La Encantada mine, processing plants and TMF, and a permit for power generation.

In February 2024, for the third consecutive year, the La Encantada mine was designated as an ESR by the CEMEFI. The ESR award is given to companies operating in Mexico that achieve high performance and commitment to sustainable economic, social, and environmentally positive impact in all areas.

Environmental liabilities for the operation are typical of those that would be expected to be associated with an operating underground precious metals mine, including the future closure and reclamation of mine portals and ventilation infrastructure, access roads, processing facilities, power lines, filtered tailings deposits and all surface infrastructure that supports the operations. Other potential liabilities include industrial water management, petroleum spills and carbon emissions from mobile equipment. The reclamation work carried out at La Encantada in 2022 includes the conforming of terraces in the filtered tailings deposits in accordance with the design, reforestation and relocation of flora from areas to be impacted by subsidence.

**Capital and Operating Costs**

The LOM plan includes estimates for sustaining capital expenditures for the planned mining and processing activities.

Sustaining capital expenditures will mostly be allocated for on-going development in waste, infill drilling, mine equipment rebuilding, equipment overhauls or replacements, plant maintenance and on-going refurbishing, and for tailings management facilities expansion as needed. Table 26 presents the summary of the sustaining capital expenditures.

**Table 26: La Encantada Mining Capital Costs Summary (Sustaining Capital) (in millions)**

| Type | Total | 2025 | 2026 | 2027 |
|---|---|---|---|---|
| Mine Development | $16.6 | $5.6 | $5.6 | $5.4 |
| Property, Plant & Equipment | $12.4 | $4.2 | $4.2 | $4.0 |
| Other Sustaining Costs | $4.1 | $1.3 | $1.6 | $1.2 |
| **Total Sustaining Capital Costs** | **$33** | **$11** | **$11.4** | **$10.7** |
| Near Mine Exploration | $1.5 | $0.5 | $0.5 | $0.5 |
| **Total Capital Costs** | **$34.6** | **$11.5** | **$11.9** | **$11.2** |

Operating costs for La Encantada have been estimated for the underground mining, processing costs, operation's indirect, and general and administrative costs. First Majestic currently estimates operating costs at an average of $49.9 per tonne of ore processed based on current and projected costs (see Table 27 below). Operating costs are presented as a weighted average based on mining method.

**Table 27: La Encantada Operating Costs (in millions)**

| Type | $/tonne milled |
|---|---|
| Mining Cost | $15.0 |
| Processing Cost | $20.7 |
| Indirect Costs | $13.4 |
| **Total Production Cost** | **$49.1** |
| Selling Cost | $0.8 |
| **Total Cash Cost** | **$49.9** |

**Exploration, Development and Production**

The following general annual exploration drill programs are executed:

- An annual 1,000 m near mine drill program to support mid-term production projections.
- An annual 4,500 m brownfield surface drill program to identify additional mineralization.

This amount of drilling is expected to continue on an annual basis while production continues, and amounts required will be reviewed annually.

In 2024, the Company continued operating the caving system in the San Javier-Milagros Breccia while mining mineralized material from historical mined areas, in particular the La Prieta area, and the extraction of backfill material. Development and mining out of the Ojuelas deposit continues.

Total mill throughput in 2024 was 897,406 million tonnes grading an average of 122 g/t Ag.

Production activities will continue in the underground mine, currently extracting material from the La Prieta complex breccia, the Milagros breccia, continuing production from the Beca Zone of the Ojuelas deposit and from historically mined areas that are out of the Mineral Reserve estimates due to the complexity to drill, survey and compile the estimates.

Mine development is currently focused in preparing the Milagros breccia area for production using the sublevel caving method. Also, development will be focused in preparing the extension of the 660 orebodies in an area known as the Beca zone which sits on the upper part of the Ojuelas orebody.

**Jerritt Canyon Gold Mine, Elko County, Nevada, USA**

The following information on the Jerritt Canyon Gold Mine is based on a Technical Report prepared in accordance with NI 43-101 and titled "Technical Report on the Jerritt Canyon Gold Mine, Elko County, Nevada, USA" with effective date of March 31, 2023 (the "**2023 Jerritt Canyon Technical Report**"). Reference should be made to the full text of the 2023 Jerritt Canyon Technical Report which is available for review on the Company's profile on SEDAR+ at www.sedarplus.ca.

**Property Description and Location**

Jerritt Canyon is owned by Jerritt Canyon Gold LLC ("**JCG**"), an indirect, wholly owned subsidiary of the Company. Jerritt Canyon consists of the SSX Mine, Smith Mine, West Generator Mine, Murray Mine and various infrastructure supporting exploration and potential mining activities.

Jerritt Canyon is located in Elko County, northeastern Nevada. The mill site, shops, and administration and security buildings are located approximately 80 km north of the town of Elko. The Jerritt Canyon property forms an irregular area that extends approximately 33 km north-south and 27 km east-west at its widest and is approximately 308 square km. The Jerritt Canyon property is bounded by 116° 10' west and 115° 78' west longitude and 41° 23' north and 41° 46' north latitude. The Jerritt Canyon property boundaries have been surveyed and are located in the field with wooden stakes.

Jerritt Canyon operations are located on a combination of public and private lands, with the deposits and mining related surface facilities being located primarily on mining claims in United States Forest Service land within the Humboldt-Toiyabe National Forest. The process facilities, offices, shops, and tailings dams are located on private land owned by JCG. Additional claims in the southern part of the land package are mostly located on private land with some located on land administered by the United States Bureau of Land Management.

Land tenure on the Jerritt Canyon property includes patented claims, unpatented claims, and fee land. The Jerritt Canyon property covers a large area that extends approximately 33 km north-south and 27 km east-west at its widest and is approximately 308 square kilometres $(km)^2$.

Certain of the Jerritt Canyon claims and fee lands are subject to a NSR royalty which varies from 1.5% to 10% depending upon the lease agreements with various property owners. The fee land, which was originally purchased to secure access from State Route 225, is subject to a 33% NSR. Certain leased land may be subject to production royalties and/or annual or semi-annual land payments that include advance royalties, land use payments, rentals, loss of grazing, and the use of land for a communications tower. The advance royalties are the minimum amounts the lease holders are entitled to annually. On producing land, these advance royalties may be offset against production royalty payments if certain production royalty thresholds are met or surpassed during the production year. Some of the land payments may be adjusted annually based on consumer/producer price indexes or annual increases. There is also a per ton royalty interest on the Jerritt Canyon processing facilities and an additional 0.5% net smelter returns royalty on the entire Jerritt Canyon property held by Gold Royalty Corp Inc.

Environmental liabilities for the Jerritt Canyon include future closure and reclamation of mine portals and ventilation infrastructure, access roads, processing facilities, power lines, tailings storage facilities and all surface infrastructure that supports the operations. The historic operation of Jerritt Canyon resulted in a number of environmental issues, including air emission exceedances, ground water contamination from a tailings storage facility, lack of water treatment capacity, and surface water contamination from the rock disposal areas. Since the acquisition of Jerritt Canyon, JCG has worked to address legacy environmental issues with the regulators. In 2021 and 2022, the Nevada Division of Environmental Protection(“**NDEP**”) issued a number of notices of alleged violation relating to emission monitoring, testing, record-keeping requirements, and emission and throughput limits, alleged exceedances of a mercury emission limitations, exceedances of operating parameters, and installation of equipment. JCG has appealed the air permit violation notices and has developed an action plan to address the violation notices and all other known environmental issues, including by working in collaboration with the NDEP.

**History**

The Jerritt Canyon deposit was discovered by Food Machinery Corporation in 1972. In 1976, Meridian Gold LLC and Freeport Minerals Company formed a joint venture to explore and develop the gold deposits in the Jerritt Canyon area and, in 1980, mining commenced with production from the North Generator and Marlboro Canyon open pit mines. The first gold production from Jerritt Canyon occurred in July 1981.

Open pit mining was conducted from early 1981 until late 1999, with the mining carried out in the areas of Marlboro Canyon, Alchem, Lower North Generator Hill, Upper North Generator Hill, West Generator, Burns Basin, Mill Creek, Pattani Springs, California Mountains, Dash, Winters Creek, Steer Canyon, and Saval Canyon. The annual production from these areas ranged from approximately 40,000 ounces to 1.4 million ounces.

Underground operations started in 1997 at the SSX mine and continued with some temporary suspensions until March of 2023.

From the commencement of mining in 1981 to March 2023, approximately 9.85 million ounces of gold (“Moz Au”) were produced from approximately 46 million tons of ore mined at an average grade of 6.6 g/t Au. Open pit mining at Jerritt Canyon produced a total of approximately 5.2 Moz Au from approximately 27 Mt of ore at an average grade of 5.9 g/t Au. The underground mines produced a total of approximately 4.65 Moz Au from approximately 18.6 Mt of ore at an average grade of 7.7 g/t Au. Since 2010, the majority of production has come from the SSX and Smith deposits.

The Company acquired Jerritt Canyon from Sprott Mining Inc. in April 2021. From May 2021 to March 2023, JCG produced approximately 155,000 ounces of gold from approximately 1.5 Mt of mineralized material at an average grade of 3.6 g/t Au, which included marginal grade from previously mined surface material located on the project.

On March 20, 2023, First Majestic announced the temporary suspension of mining activities at Jerritt Canyon due to ongoing challenges such as high contractor costs, inflationary cost pressures, lower than expected head grades and multiple extreme weather events affecting northern Nevada during the winter of 2023.

**Geological Setting and Mineralization and Deposit Types**

The Jerritt Canyon district is located in the Great Basin geological province, north and northeast of the Carlin Trend of gold deposits. Carlin type gold mineralization at Jerritt Canyon is hosted by silty carbonate or carbonaceous siliciclastic rocks originally deposited as shelf sedimentary rocks during the Lower Paleozoic. The Paleozoic host rocks have been imbricated, faulted, and folded through several orogenic events through the Upper Paleozoic and Mesozoic. An early phase of intrusive igneous activity is represented by west-northwest mafic igneous dikes of Paleozoic age. Carlin type gold deposits were emplaced in the Middle to Late Eocene during an initial phase of extensional tectonics at which time high potassium calc-alkaline magmatic rocks were emplaced. Mafic and intermediate igneous dikes were emplaced during this phase of igneous activity and trend north-northeast.

The occurrence and distribution of gold mineralization at Jerritt Canyon is controlled both by lithology and structure. Gold mineralization at Jerritt Canyon is hosted by Hanson Creek Formation units I to III and the lower part of the Roberts Mountains Formation. The Saval discontinuity, being the contact between the Hanson Creek and the Roberts Mountain Formations, is interpreted as a primary control on gold mineralization at Jerritt Canyon.

Gold mineralization is hosted by, or spatially associated with, high angle west-northwest- and north-northeast-trending structures. Much of the more continuous gold mineralization occurs within the favourable stratigraphic intervals along the limbs or hinge zones of large anticlinal folds, and at the intersection of the two sets of high angle structures. The mineralized zones form along well defined structural and mineralization trends as stratigraphically controlled tabular pods that are locally stacked upon one another resulting from the presence of more than one favourable stratigraphic unit and/or local thrust and/or high angled fault intersection controls. The deposits are Carlin type, sediment-hosted gold mineralization within carbonaceous sediments. Gold occurs as very fine-grained micron-sized particles as grain boundaries or inclusions in arsenic-rich pyrite rims, and as free grains in carbonaceous-rich and fine-grained, calcareous, clastic sedimentary rocks.

Alteration in the Jerritt Canyon district includes silicification, dolomitization, and reconstitution of organic carbon, decalcification, argillization, and pyritization (typically containing elevated arsenic). The rocks also exhibit hypogene and supergene oxidation and bleaching. The most important alteration types relative to gold deposition are silicification, and reconstitution of organic carbon, pyritization, and decalcification.

**Deposit Types**

Jerritt Canyon is a Carlin-type gold deposit, hydrothermal in origin and usually structurally controlled with specific lithologies as favorable host rock.

Jerritt Canyon is hosted by silty carbonate or carbonaceous siliciclastic rocks originally deposited as shelf sedimentary rocks during the Paleozoic age. The Paleozoic host rocks have been imbricated, faulted, and folded through several orogenic events in the Paleozoic and Mesozoic. An early phase of intrusive igneous activity is represented by west-northwest mafic igneous dikes of Paleozoic age.

Carlin-type gold deposits were emplaced during the Middle to Late Eocene during an initial phase of extensional tectonics at which time high potassium calc-alkaline magmatic rocks were emplaced. Mafic and intermediate igneous dikes were emplaced during this phase of igneous activity and demarcate north-northeast-oriented structures. The primary controls on the occurrence, distribution, and form of the deposits are:

- Favourable host rocks (formation units)
- The reactivation of Paleozoic and Mesozoic structures
- Eocene syn-mineralization normal faults

Mineral deposits at Jerritt Canyon are mostly stratabound or fault hosted. Gold occurs as very fine, micrometer sized, particles in pyrite and arsenian pyrite. Other sulfides are orpiment, realgar, and stibnite. Alteration includes carbonatization, decalcification, and silicification (jasperoid).

There are currently several models for the genesis of Carlin-type gold deposits:

- Epizonal plutons that contributed heat and potentially fluids and metals.
- Meteoric fluid circulation resulting from crustal extension and widespread magmatism.
- Metamorphic fluids, possibly with a magmatic contribution, from deep or mid-crustal levels.
- Upper-crustal orogenic-gold processes within an extensional tectonic regime.

**Exploration**

Exploration activities completed on Jerritt Canyon by the various owners since 1976 have included prospecting, geological mapping, various types of geophysical surveys and various types of geochemistry. Exploration efforts at Jerritt Canyon include a combination of surface and underground geologic mapping at various scales, geochemical sampling (rock chip and soil mainly) and geophysical surveys (gravity, magnetics, DIGHEM EM, etc.). All data sets and information from drilling are combined to determine areas of high prospectivity where further work is completed.

In 2015, JCG contracted a consulting geophysicist to compile and interpret the available historical geophysical survey data for Jerritt Canyon. In early 2017, JCG commissioned further detailed evaluation of the historical gravity data, inversion and examination of DIGHEM EM and magnetic data, inversion and examination of the ground magnetic data, and examination of the Titan survey results.

In the spring of 2017, JCG commissioned Goldspot Discoveries Inc. ("**Goldspot**") to complete a machine learning (AI) compilation, interpretation, and targeting study. The 2017 study incorporated several datasets from Jerritt Canyon including drilling (lithology and assay), surface geology, topography, soil geochemistry, gravity, DIGHEM EM, magnetic, and radiometric data. Goldspot incorporated hyperspectral data into the compilation and interpretation. Based on the 2017 study, Goldspot generated target areas, planned drill holes, and completed a 3D geological model incorporating structural and lithological information in Leapfrog software.

**Drilling**

Drilling is the most widely used exploration tool within Jerritt Canyon. Over 83,000 drill holes for a total of approximately 5,057,800 m have been drilled in the Jerritt Canyon area since 1973. Over the history of the exploration drilling on the Jerritt Canyon, several different drilling techniques have been employed including reverse circulation ("**RC**") surface, RC underground (Cubex), core, air rotary and mud rotary.

Surface RC and diamond drilling is used for exploration purposes at Jerritt Canyon. Widely spaced offsets to open, known mineralization or geological features are the most common drilling targets. Underground core drilling is used by exploration to test mineralization that has often been defined by surface drilling at a spacing of 30m or greater. It is also used to test anomalous areas, or areas of exploration potential defined by surface holes and targets defined by Jerritt Canyon geologists based on the interpretation of stratigraphy, structures, and dikes. Occasionally, core drilling is used for resource de-risking or defining the geometry, volume, and gold grade of a mineralized zone. RC Cubex drill holes are completed for delineation, definition, and extension of resources to support mine planning and near-mine exploration. Cubex drill holes have a maximum length of approximately 90m. Typically, mine development drilling stations are established where a Cubex drill is set up and the target delineated. Delineation drilling is completed along drifts with drill holes fanned to intercept targets at ~7.5m centres, depending on the distance and angle from the drift.

Core and chips are logged, recording lithology, mineralization, structure, and alteration. For core programs, core recovery and rock quality designation are also recorded. Drill collars are typically surveyed using global positioning system or total station instruments. Down-hole surveys have been collected using gyroscopic, Trushot, Reflex EZ-Trac, and magnetic survey tools. Surveys are collected at 3 or 15 m intervals down hole, depending on the survey instrument.

There are no drilling, sampling or recovery factors that could materially impact the accuracy and reliability of the drill results. In the opinion of the authors of the 2023 Jerritt Canyon Technical Report, the quantity and quality of the logged geological data, collar, and downhole survey data collected in the drill programs since 2008 are sufficient to support Mineral Resource estimation.

**Sampling Analysis and Data Verification**

The following sample preparation methods and quality control measures are employed at Jerritt Canyon before the samples are dispatched to analytical laboratories:

- Underground Drill Core Sampling: Sampling intervals are selected following lithology and mineralization for 0.15 to 2 m sample lengths. After the core is marked and photographed, the core is cut in half with a diamond blade saw. After splitting, half of the core is placed in a plastic bag with a unique sample number tag and a matching sample number tag is placed with the matching half core in the core box at the start of each sample interval. The other half of the core is placed back in the core boxes for storage. Quality assurance and quality control samples are inserted into the sample stream as the sample bags are being filled by the core technicians. Sample quality control is monitored using certified reference materials, blanks, quarter core field duplicates, coarse reject, and pulp duplicates. Coarse reject and pulp samples are prepared and inserted by the laboratory during sample preparation. Core sample bags and quality assurance and quality control samples are placed in a plastic pallet tote by the core technicians. Sample laboratory submittals are prepared and included in the sample stream submitted to the designated laboratories.

- Underground Reverse Circulation Sampling (Cubex): Underground Cubex samples are collected by drilling contractors in five-foot intervals from the collar with a sample weight typically between 2.2 and 4.4 kg. The samples are placed in bags and labelled with the relevant hole ID and sample interval. The sample bags are placed in a five-gallon plastic bucket installed under the cyclone on the drill and later into a metal pallet tote. The totes are brought out of the mine by a drilling contractor and taken to the mine laydowns for staging. At the laydown, quality assurance and quality control samples are inserted in the sample stream by Jerritt Canyon geologists. After sample submittals are completed, the Cubex samples are dispatched to the Jerritt Canyon laboratory or external laboratories by Jerritt Canyon geologists. Cubex sample data are first recorded on paper, and then entered into Microsoft Excel and imported into acQuire desktop. Sample quality control is monitored using certified reference materials, blanks, coarse reject, and pulp duplicates. Coarse reject and pulp samples are prepared and inserted by the laboratory during sample preparation.
- Surface Reverse Circulation Sampling: Surface RC samples are collected in five-foot intervals from the collar with a sample weight typically between 2.2 and 4.4 kg. RC samples are collected by drilling contractors using a cyclone/splitter apparatus and placed in bags. Each bag has the hole ID and sample interval written on it with permanent marker. The samples are loaded into plastic pallet totes and transported to a mine laydown for staging. At the laydown, quality assurance and quality control samples are inserted by Jerritt Canyon geologists in the sample stream and sample submittal forms are prepared. The samples and submittal forms are transported to the designated external laboratory by a laboratory representative. RC sample data are entered into acQuire desktop. Sample quality control is monitored using certified reference materials, blanks, field, coarse reject, and pulp duplicates. Field duplicates are taken from a second split of the uncollected portion of the drill cuttings. Coarse reject and pulp samples are prepared and inserted by the laboratory during sample preparation.

The laboratories used for sample preparation and analysis at Jerritt Canyon are summarized below:

| **Laboratory** | **Drilling Period** | **Certification** | **Independent** | **Comments** |
|---|---|---|---|---|
| ALS Limited Vancouver ("**ALS**") | 1993,<br>2001-2013,<br>2021-2022,<br>2024 | ISO 9001<br>ISO/IEC 17025 | Yes | Primary laboratory for surface RC, underground and surface drill-core samples. Check laboratory for samples submitted to AAL. Sample preparation at Elko, Nevada, USA and analysis at the Vancouver laboratory in Canada. |
| American Assay Laboratory ("**AAL**") | 1985,<br>2002,<br>2004-2008,<br>2010-2013,<br>2016-2017 | ISO 9001:2008<br>ISO/IEC 17025:2005 | Yes | Primary laboratory or surface RC, underground and surface drill-core samples. Check laboratory for samples submitted to ALS. Sample preparation and analysis at Sparks, Nevada, USA. |
| Bureau Veritas Commodities Canada Ltd., formerly ACME Laboratories Ltd. ("**Bureau Veritas**") | 2006,<br>2015-2022 | ISO 9001:2008<br>ISO/IEC 17025:2017 | Yes | Primary laboratory for RC surface and underground drill-core samples. Sample preparation at the Sparks, Nevada, USA laboratory. Sample analysis at Bureau Veritas. |

| | | | | |
|---|---|---|---|---|
| Paragon Geochemical Laboratories ("**PGL**") | 2021-2023 | ISO:9001:2015<br>ISO/IEC 17025:2017 | Yes | Primary laboratory for RC Cubex and underground drill-core samples. Sample preparation and analysis at Sparks, Nevada, USA. |
| Jerritt Canyon Laboratory | Pre-2006,<br>2006-2023 | Uncertified | No | Primary laboratory (sample preparation and analysis) for RC Cubex samples, drill-core (pre-2022), production samples (sludge and windrow). Sample preparation laboratory for Cubex and drill-core samples submitted and analyzed at Central Laboratory. |
| First Majestic Central Laboratory ("**Central Laboratory**") | 2022-2023 | ISO 9001-2015 | No | Primary laboratory for RC Cubex and underground drill-core samples. Sample preparation and analysis. Located at San Jose La Parrilla, Durango, Mexico until June 2023 and subsequently relocated to Santa Elena mine. |

From 2007 to 2021, drill core samples have been submitted to ALS, AAL, Bureau Veritas, Paragon Geochemical and Jerritt Canyon laboratories. During 2021 and 2022, samples were prepared at the Jerritt Canyon Laboratory and submitted for analysis to Paragon Geochemical or Central laboratory. Since late 2022, samples have been submitted to Paragon Geochemical or the Central Laboratory for sample preparation and analysis.

For drilling programs prior to 2021, Cubex samples have been prepared and analyzed at the Jerritt Canyon Laboratory. During 2022, samples were prepared and analyzed at Jerritt Canyon Laboratory and ALS. In late 2022, Cubex samples were prepared at the Jerritt Canyon laboratory and analyzed at Paragon Geochemical or the Central Laboratory. Since 2023, Cubex samples are prepared and analyzed at Central Laboratory.

For drilling programs prior to 2020, RC surface samples were submitted to Jerritt Canyon, ALS, AAL, Bureau Veritas, and Paragon Geochemical laboratories. After 2015, RC surface samples were prepared and analyzed at Bureau Veritas. Core samples from the surface drilling program in 2024 were submitted to ALS.

At ALS, samples were dried, weighed, then crushed 70% passing 2 mm, split to a 250 g and pulverized to 85% passing 75 µm. At AAL, samples were dried, weighted, crushed 80% passing 2 mm, split to 300 g and pulverized to 85% passing 75 µm. At ALS and AAL, samples were analyzed for gold using 30 g fire assay with an atomic absorption spectroscopy finish. Samples returning >1 g/t Au were reanalyzed for gold by 30 g fire assay with a gravimetric finish.

At Bureau Veritas and Paragon Geochemical, samples were dried, weighed, then crushed 70% passing 2 mm, and split to a 250 g subsample that was pulverized to 85% passing 75 µm. Gold was analyzed by 30 g fire assay with an AA finish. At Bureau Veritas samples >10 g/t Au were reanalyzed for gold by 30 g fire assay with a gravimetric finish. At Paragon Geochemical, samples >8 g/t Au were reanalyzed by 30 g fire assay with a gravimetric finish.

At Central Laboratory, samples were dried at 105 °C ± 5°C and then crushed to 80% passing 2 mm, split to a 250 g subsample, and pulverized to 85% passing 75 µm. Gold is analyzed by 20 g fire assay with an atomic absorption spectroscopy finish. Samples >10 g/t Au were reanalyzed for gold by 20 g fire assay with a gravimetric finish. Samples also were analyzed for a 31-element suite by aqua regia digestion and inductively coupled plasma-mass spectrometry (ICP-MS).

At the Jerritt Canyon laboratory, samples are dried at 121 C, crushed to 65% passing 2 mm, split to 200 g subsample, and pulverized to 80% passing 75 µm. Samples are analyzed by aqua regia digestion, with an atomic absorption spectroscopy finish. Samples >15 g/t Au are analyzed by fire assay with a gravimetric finish or diluted at bench top with a matrix matched blank. The laboratory also conducts LECO analysis and moisture determination.
From 2008 to 2021, underground drill-core, RC Cubex and surface RC samples submitted to the primary laboratories included in-house prepared reference and certified reference materials, blanks, and pulp duplicates for quality assurance and quality control purposes. Since 2022, field and coarse duplicates were added. All quality control results were assessed using statistical analysis and visual inspection of control plots. An analysis of quality assurance and quality control data collected for Jerritt Canyon from 2008 to 2023 concluded that no significant accuracy, precision, or contamination issues were observed. Data verification from data collected before 2021 included data entry error checks, visual inspections in 3D of important data, review of historical data and assay results collected between 2018 and 2020. No significant transcription errors were observed. Bias related to RC Cubex field sampling procedure has not yet been fully assessed. However, the assessment of accuracy, contamination, and precision at Central, PGL and JC laboratories confirms that assay results are suitable to support Resource Estimation.

Data verification from data collected before 2020 by previous operators included data entry error checks, review of historical data and assay results. No significant transcription errors were observed. Since 2021, data verification consists in data entry errors checks, review of the quality assurance and quality control assay results, verifying the position of collars relative to the underground workings, down-hole deviation relative to drill trace, lithology, and assay intervals relative to the three-dimension geological models.

No significant errors have been detected during this verification and the analysis of quality assurance and quality control data indicates no significant accuracy, precision, or contamination issues from assay results were observed. The data validation and verification procedures carried out since 2007 complied with industry standards and it is considered suitable to support Mineral Resource estimation.

**Mineral Processing and Metallurgical Testing**

The mineralized material at Jerritt Canyon is classified as double refractory ore that contains relatively high concentrations of sulfide sulfur in addition to organic carbon. Since 1989, whole ore roasting started to be applied for processing crushed and milled material. The roasted product is then quenched, cyanide leached and refined to produce gold doré bars.

As a matured operation, there are years of processing data which can be used as the basis for recovery projections. In addition, in 2021, three representative samples were prepared and submitted to the Hazen research laboratory for analytic analysis, X-ray diffraction analysis, and for Bond ball mill work index (BWI) determinations. The analytic results confirmed the presence of organic carbon (0.7 to 0.9 wt%) and sulfide sulfur (1 to 2.3 wt%), the X-ray diffraction analysis showed that quartz, dolomite, muscovite, and calcite are the main minerals in the material, and the comminution testwork demonstrated a soft to moderate level of grindability with Bond ball mill work index ranging from 11 to 13 kWh/t. In 2021, Hazen research laboratory conducted grind, roast and leach recovery tests and these tests suggested that the suitable grind size falls within the range of 75 to 100 µm, which was in accordance with recent processing practice prior to the temporary suspension of mining activities at the mine In March 2023.

The projected gold recovery for Mineral Resource estimates at Jerritt Canyon is 82.3% based on the head grade, relying on the established historical daily gold grade-recovery relationship. This historical gold grade-recovery relationship is updated monthly at a minimum and is also compared to laboratory results to continue to validate it against plant performance.

The operation has been mine limited for many years averaging 2,000-2,500 tonnes processed per day compared to the permitted processing limit of 4,100 tpd. As a result, extensive variability testing has not been completed as all ore mined is processed. The material is sorted by sulfide and organic carbon content and blended to target fuel value in the roaster to obtain necessary roasting temperatures and conditions. Minimal variability testing completed between the Smith Mine and SSX Mine does not indicate a difference in performance.

There are no known deleterious elements in the doré processed. The gold mineralization contains significant levels of mercury but there are controls in the process to manage mercury.

**Mineral Resource Estimates**

The block model Mineral Resource estimates for the Jerritt Canyon deposits are based on the current database of exploration drill holes, the geological interpretations and models, as well as surface topography and underground and open pit mining excavation wireframes. Geostatistical analysis, analysis of semi-variograms, block model resource estimation, and validation of the model blocks were completed.

The drill hole composite samples were evaluated for high-grade outliers and those outliers were capped to values considered appropriate for estimation. Capping of composite sample values was limited to a few extreme values. Outlier restriction was also used to limit the influence of high-grade samples.

The dominant gold mineralization trends were identified based on the modeled host rock geometry for each domain. To establish the gold grade continuity within the domains, model variograms for composite values were developed along the trends identified, and the nugget values were established from downhole variograms.

Block grades were estimated by ordinary kriging. The method chosen considered the characteristics of the domain, data spacing, variogram quality, and which method produced the best representation of grade continuity. The grade estimation was completed in two successive passes. The first pass only estimated blocks within a restricted short distance from the composite samples. The second pass applied less restrictive criteria.

The Mineral Resources were classified into Measured, Indicated, or Inferred categories based on the confidence in the geological interpretation and models, the confidence in the continuity of metal grades, the sample support for the estimation and reliability of the sample data, and on the presence of underground mining development.

The Mineral Resource estimates were evaluated for reasonable prospects for eventual economic extraction by application of input parameters based on assumed mining costs and metallurgical recoveries. Parameters including operating costs, metallurgical recovery, long-term forecast metal prices and other technical and economic factors were used. These economic parameters result in gold resource cutoff grades of 2.47 g/t for estimates potentially amenable to underground mining methods and 0.84 g/t for estimates potentially amenable to open pit mining methods.

Wireframe models of the underground and open pit mining excavations at Jerritt Canyon were evaluated into the block models for all domains. These volumes were used to deplete the block model Mineral Resource estimates prior to reporting estimates. Regions within the mine that are in situ but judged to be un-mineable were also removed from the estimates.

The Mineral Resource estimates for Jerritt Canyon are summarized in Table 28 and Table 29 using the Au cutoff grades appropriate for the underground or open pit mining methods assigned to each domain. Measured and Indicated Mineral Resources have an effective date of December 31, 2024. Mineral Resources do not have demonstrated economic viability. From December 31, 2023 to December 31, 2024, the Measured and Indicated Mineral Resource estimates for Jerritt Canyon increased 10% in terms of tonnage and increased 4% in terms of gold metal content. The Inferred Mineral Resource estimates increased 4% in terms of tonnage and increased 1% in terms of gold metal content. The changes are primarily due to a small decrease in gold cutoff grade for open pits from assumptions mainly related to increased metal price guidance. The new open pit shells captured resources previously assigned to underground resources.

**Table 28: Jerritt Canyon Mineral Resource Estimates, Measured and Indicated Category**
**(Effective date December 31, 2024)**

| Category / Area | Mineral Type | Tonnage | Grades | | Metal Content | |
|---|---|---|---|---|---|---|
| | | k tonnes | Au (g/t) | Ag-Eq (g/t) | Au (k Oz) | Ag-Eq (k Oz) |
| Measured Smith Mine | Sulphides | 3,225 | 4.91 | 421 | 509 | 43,620 |
| Measured SSX Mine | Sulphides | 2,423 | 5.69 | 488 | 443 | 38,000 |
| Measured Saval | Sulphides | 15 | 4.10 | 351 | 2 | 170 |
| Measured Starvation | Sulphides | 42 | 7.31 | 627 | 10 | 850 |
| **Total Measured (UG)** | **Sulphides** | **5,706** | **5.26** | **451** | **964** | **82,650** |
| Indicated Smith Mine (UG) | Sulphides | 1,914 | 5.19 | 445 | 319 | 27,350 |
| Indicated SSX Mine (UG) | Sulphides | 1,423 | 5.73 | 491 | 262 | 22,470 |
| Indicated West Generator (UG) | Sulphides | 299 | 5.93 | 508 | 57 | 4,880 |
| Indicated Murray Mine (UG) | Sulphides | 336 | 6.24 | 535 | 67 | 5,770 |
| Indicated Winters Creek (UG) | Sulphides | 198 | 4.28 | 367 | 27 | 2,330 |
| Indicated Saval (UG) | Sulphides | 78 | 4.10 | 352 | 10 | 890 |
| Indicated Starvation (UG) | Sulphides | 71 | 6.96 | 597 | 16 | 1,370 |
| Indicated Burns Basin (UG) | Sulphides | 41 | 4.04 | 346 | 5 | 460 |
| **Total Indicated (UG)** | **Sulphides** | **4,360** | **5.45** | **467** | **765** | **65,530** |
| **Total Measured and Indicated (UG)** | **Sulphides** | **10,066** | **5.34** | **458** | **1,729** | **148,170** |
| Measured Saval (OP) | Sulphides | 445 | 2.85 | 245 | 41 | 3,500 |
| **Total Measured (OP)** | **Sulphides** | **445** | **2.85** | **245** | **41** | **3,500** |
| Indicated Wright Window (OP) | Sulphides | 164 | 3.31 | 283 | 18 | 1,500 |
| Indicated Saval (OP) | Sulphides | 883 | 2.32 | 199 | 66 | 5,650 |
| Indicated Burns Basin (OP) | Sulphides | 416 | 3.44 | 295 | 46 | 3,950 |
| **Total Indicated (OP)** | **Sulphides** | **1,464** | **2.75** | **236** | **129** | **11,090** |
| **Total Measured and Indicated (OP)** | **Sulphides** | **1,908** | **2.77** | **238** | **170** | **14,590** |
| **Total Measured (UG + OP)** | All Mineral Types | 6,150 | 5.08 | 436 | 1,005 | 86,150 |
| **Total Indicated (UG + OP)** | All Mineral Types | 5,824 | 4.77 | 409 | 894 | 76,620 |
| **Total Measured and Indicated (UG + OP)** | **All Mineral Types** | **11,975** | **4.93** | **423** | **1,899** | **162,770** |

**Table 29: Jerritt Canyon Mineral Resource Estimates, Inferred Category**
**(Effective Date March 31, 2023)**

| Category / Area | Mineral Type | Tonnage | Grades | | Metal Content | |
|---|---|---|---|---|---|---|
| | | k tonnes | Au (g/t) | Ag-Eq (g/t) | Au (k Oz) | Ag-Eq (k Oz) |
| Inferred Smith Mine (UG) | Sulphides | 1,726 | 6.02 | 516 | 334 | 28,630 |
| Inferred SSX Mine (UG) | Sulphides | 6,901 | 4.59 | 394 | 1,019 | 87,310 |
| Inferred West Generator (UG) | Sulphides | 587 | 5.28 | 452 | 100 | 8,540 |
| Inferred Murray Mine (UG) | Sulphides | 1,271 | 5.25 | 450 | 214 | 18,370 |
| Inferred Winters Creek (UG) | Sulphides | 487 | 4.69 | 402 | 74 | 6,300 |
| Inferred Saval (UG) | Sulphides | 196 | 3.68 | 316 | 23 | 1,990 |
| Inferred Starvation (UG) | Sulphides | 44 | 5.40 | 463 | 8 | 650 |
| Inferred Burns Basin (UG) | Sulphides | 182 | 4.33 | 371 | 25 | 2,170 |
| **Total Inferred (UG)** | **Sulphides** | **11,394** | **4.90** | **420** | **1,796** | **153,970** |
| Inferred Wright Window (OP) | Sulphides | 58 | 2.88 | 247 | 5 | 460 |
| Inferred Saval (OP) | Sulphides | 831 | 2.43 | 208 | 65 | 5,560 |
| Inferred Burns Basin (OP) | Sulphides | 699 | 2.94 | 252 | 66 | 5,660 |
| **Total Inferred (OP)** | **All Mineral Types** | **1,589** | **2.67** | **229** | **136** | **11,690** |
| **Total Inferred (UG + OP)** | **All Mineral Types** | **12,982** | **4.63** | **397** | **1,933** | **165,660** |

1. Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101.
2. Mineral Resource estimates are based on internal estimates with an effective date of December 31, 2024.
3. Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, Internal Qualified Person for First Majestic, per NI 43-101.
4. All mineral resource estimates are for deposits considered amenable to underground mining (UG) except those marked by (OP), which assumed open pit assumptions and parameters.
5. Silver-equivalent grade was calculated using the ratio of gold and silver prices.
6. Metal prices for Mineral Resources estimates were $28.0/oz Ag and $2,400/oz Au.
7. The cutoff grade considered to constrain resources assuming an underground operation was of 2.47 g/t Au based on actual and budgeted operating and sustaining costs. Mineral Resources amenable to open pit mining methods are reported above a cutoff grade of 0.84 g/t Au.
8. Underground Mineral Resources are reported within mineable stope shapes using the cutoff grades calculated using the stated metal prices and metal recoveries. Open pit mineral resources are reported within a mineable pit shape and the cutoff grade for open pits.
9. No dilution was applied to the Mineral Resource which are reported on an in situ basis.
10. Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces. Totals may not add up due to rounding.
11. Measured and Indicated Mineral Resources do not have demonstrated economic viability

For risk factors that could materially impact the Mineral Resource estimates, see "Uncertainty in the Estimation of Mineral Resources and Mineral Reserves".

There are currently no Mineral Reserves estimates for Jerritt Canyon.

**Recommendations**

The 2023 Jerritt Canyon Technical Report recommends that mineral exploration continues at the property and that studies be completed to at least pre-feasibility level to support a Mineral Reserve estimation. If Mineral Reserve estimates are promising, then further work may be conducted in support of a re-start of mining operations. The authors recommend a two-phase program of work, with an overall budget recommendation of between $44 million and $73 million.

Phase 1 recommendations are estimated to cost between $21 million to $37 million and consist of:

- Exploration for additional high quality (high grade and continuous) mineralized material:
  - Surface and underground mapping, surface rock and soil sampling, estimated cost of $200,000 to $400,000:
  - Geophysical surveying (seismic, induced polarization, magnetics) estimated cost of $300,000 to $1 million:
  - Drill test geologically prospective, volumetrically large untested areas. Each drill hole in the exploration program will be drilled contingent on the results of the previous drill hole. If no significant alteration, structures, or mineralization are encountered in a drill target area, the drill metres planned for that drill target may be allocated to another drill target. The estimated drilling budget cost is $20 million to $35 million for between 240,000 and 420,000 feet of drilling (estimated at ~$83/foot all in drilling cost).
- Update mine design aiming to improve the capital development per ton of mineralization and increase the expected bulk tonnage mining methods at an estimated cost of $100,000 to $150,000.

Phase 2 recommendations are contingent on the results of Phase 1 and would consist of infill drilling programs and the advance of at least pre-feasibility level studies. Phase 2 is estimated to cost $23 million to $36 million and would consist of:

- Pre-feasibility level studies:
  - Geotechnical studies to improve understanding and modelling of expected rock quality and required ground support, expected cost of $300,000 to $600,000.
  - Hydrogeological studies, tests and upgrades to dewatering wells to improve capability to forecast dewatering rates and water quality, expected cost of $2 million to $4 million.
  - Detailed mine design and Owner-operated vs contractor mining trade-off study. The estimated cost is $300,000 to $600,000.
  - Comminution testing to improve the existing crushing, drying, and grinding circuits. Grind recovery relationships should also be investigated. Another study aspect is to determine how to efficiently modify and weatherize the plant for sustained year-round operation. The estimated cost is $300,000 to $500,000.
  - Evaluation of all major infrastructure to assess required updated/upgrades and operation sustainability including, but not limited to, water management systems, mine infrastructure, site buildings and process equipment. The estimated cost is $200,000 to $500,000.
- Infill Drilling
  - Infill drilling programs designed to increase confidence in the mineral resource estimates. The estimated cost for the infill drilling program is $20 million to $30 million for between 220,000 and 330,000 feet of drilling (estimated cost of $90/ft all in cost).

**Mining Operations**

The Jerritt Canyon property started operations in 1980. Between 1981 and 1999, mining was carried out by open pit. Underground operations began in 1993 with the opening of the Murray mine and West Gen underground mine. Underground operations started in 1997 at SSX, and continued until 2008 with production from the Steer, Murray, MCE, Smith, West Generator, and Saval deposits. In 2009, a new mine plan was prepared. Underground mining from the Smith deposit recommenced in late January 2010 and underground mining at SSX recommenced in early October 2010.

Mining was carried out using the underhand cut-and-fill mining method at the Smith, SSX, Saval II and WestGen mines. A significant portion of the Mineral Resources at Smith and SSX are located below the water table and requires dewatering. Dewatering infrastructure, including pumps, dewatering wells and water treatment facilities are in operation. A regional geohydrological model study is ongoing with the objective of improving the design and sequencing of the dewatering infrastructure.

The Company announced the temporary suspension of mining activities at Jerritt Canyon on March 20, 2023. During the suspension, the Company processed 45k tonnes of above ground stockpiles through the plant. Additional plans for 2025 include:

- Explore for new regional discoveries and expand current known reserves and resources.
- Analyze the optimization of bulk mining and cost-effective mining methods.

- Complete the geohydrological models to support the design of additional dewatering infrastructure.
- Continue the studies to optimize the backfill for ground support.
- Plant optimization and dewinterization studies.

**Processing and Recovery Operations**

The processing facilities at Jerritt Canyon are designed to operate at a rate of 4,500 tpd with an operating availability of 90% and are permitted to operate at 4,100 tpd. The facilities include, primary crushing, ore drying, secondary crushing, tertiary crushing, dry grinding, roasting, thickening, CIL, carbon stripping, carbon reactivation, electrowinning, electrowinning sludge refining, oxygen plant, cooling pond, water evaporation pond, and tailing impoundment.

**Infrastructure, Permitting and Compliance Activities**

Jerritt Canyon was in commercial production for approximately 42 years and the infrastructure to support a mining and milling operation is established. Surface rights to sustain mining operations on the Jerritt Canyon property are secured through current ownership and claim holder rights. The current infrastructure includes:

- Access roads
- Power supply and distribution
- Office buildings
- Warehouse facilities
- Maintenance shops
- Laboratory facilities
- Communication networks
- Onsite security
- TSFs
- Water management systems

The main access road is approximately seven miles long and is a 6.7 m wide paved road between Nevada highway 225 and the mill site. A 30 m wide haul road provides access between the mines and the mill site. This road network is approximately 27 km long.

Power to Jerritt Canyon is purchased from Nevada Energy through a 125 kV, three-phase transmission line. Monthly power consumption is approximately 8.0 MWh.

Water available on site is sufficient to support all mining and milling operations. All water used at Jerritt Canyon is from permitted and certificated water rights held by JCG and regulated by the Nevada Division of Water Resources.

For the management and disposal of tailings and reduction of surplus process solutions, Jerritt Canyon operates one active tailings storage facility ("**TSF 2**") and two main process water storage facilities which include the water storage reservoir ("**WSR**") and the evaporation pond. Jerritt Canyon also operates two process water treatment plants ("**WTP**") to remove process water contaminates in an effort to reduce process water inventories and maintain an overall negative site water balance. JCG is currently in the process of closing and reclaiming TSF-1, which was the first tailing storage facility constructed and continuously operated at Jerritt Canyon between 1980 and 2014.

TSF 2 was originally commissioned in 2013 as TSF 2 Phase 1 to store approximately 3.7 Mt of tailings. In 2018, TSF 2 was expanded as to store an additional 1.5 Mt of tailings. Tailings slurry is delivered to the TSF 2 in a slurry consisting of 40 tons solids to 60 tons water by weight. The TSF 2 Phase 3 was designed to contain an additional 1.1 Mt of tailings and was completed in 2021.

TSF 2 Phase 4 was designed to allow storage of an additional 1.7 Mt of tailings and was completed in Q3-2021. Assuming a production rate of 2,350 tpd, TSF 2 Phase 4 holds a remaining capacity of approximately 9 months.

After TSF 2 Phase 4 is filled to capacity, JCG plans to dispose of future tailings in the previously designed and approved TSF 3, which is the existing WSR that will be converted to accept tailings disposal. The WSR's conversion to TSF 3 will allow disposal of approximately of 2.4 Mt of tailings. At an assumed average production rate of 2,350 tpd, TSF 3 would provide approximately 2.6 years of additional tailings storage.

The process WTP was constructed to eliminate the surplus process water inventory located in the Jerritt Canyon WSR and evaporation pond and to create additional storage capacity for future tailings storage. The process WTP's treated permeate is disposed of in injection wells while its brine concentrate is disposed of in the evaporation pond.

Jerritt Canyon has been in operation since 1981. Prior to and during operation, numerous environmental studies and evaluations have been conducted to support permit applications and operations. Operating permits are in place and current.

The historic operation of Jerritt Canyon resulted in a number of material environmental concerns, including air emission exceedances, ground water contamination from the TSF1 tailings storage facilities, lack of water treatment capacity, and surface water contamination from the Rock Disposal Areas (RDAs). The Company inherited this legacy and has been working diligently to mitigate the concerns since it took over the operation on April 30, 2021.

There are historic environmental issues that may have the potential to impact JCG's ability to extract mineral. These issues are being addressed through discussions with the NDEP. Below is a list of items and actions that may require some additional investment at site:

- Notice of Alleged Violations related to the Class I Air Quality Operating Permit and the Mercury Operating Permit to Construct. Mitigation efforts are in progress and have demonstrated the ability to achieve permit requirements.
- Exceedances of the Reference Value groundwater quality standards for various metals related to the UIC permit. Currently the impacted groundwater is captured and sent to the water treatment plant for treatment and reinjection to groundwater.

- High and increasing concentrations of multiple constituents of concern including TDS and sulfate in surface water associated with seepage from four Rock Disposal Areas (RDAs). These will be addressed though either active or passive remediation systems and are currently covered by an Environmental Trust Fund established by the NDEP. This trust was funded in October 2022 ($17.6M) and shall be reviewed by JCG and the NDEP every third October thereafter (so long as the trust agreement remains in effect) to evaluate its sufficiency to satisfy the post-closure activities of operating and maintaining the water treatment system to address seepage, if any, from the RDAs.
- High and increasing concentrations of multiple constituents of concern including TDS, sulfate and other constituents of concern from multiple groundwater monitoring locations associated with seepage from TSF 1. Currently impacted groundwater is captured through a series of interceptor wells and sent to the WTP for treatment and reuse in the process circuit.
- Water treatment capacity related to water treatment facilities. JCG has made significant improvements to the operation of the water treatment plants resulting in adequate treatment of impacted waters.

On August 26, 2021, the NDEP issued 10 Notices of Alleged Violation (collectively, the "**2021 NOAVs**") that alleged the Company (doing business as JCG) had violated various air permit conditions and regulations applicable to operations at the Jerritt Canyon Mine. The 2021 NOAVs are related to compliance with emission monitoring, testing, recordkeeping requirements, and emission and throughput limits. The Company filed a Notice of Appeal on September 3, 2021, challenging the 2021 NOAVs before the Nevada State Environmental Commission ("**NSEC**"). The Company raised various defenses to the 2021 NOAVs, including that it was not liable for the violations because it was not the owner/operator of the Jerritt Canyon Mine during the period the alleged violations began (on April 30, 2021, the Company acquired Jerritt Canyon Canada Ltd, which, through subsidiaries, owns and operates the Jerritt Canyon Mine). There is currently no hearing scheduled or any scheduling order in the matter, and the parties have yet to engage in discovery.

JCG developed an environmental action plan to address the air permit violations. The action plan consisted of two phases: Phase I involved the analysis and development of remediation solutions, and Phase II included the implementation of these solutions. The remediation plan was jointly developed with third-party experts, JCG and the NDEP.

On March 8, 2022, NDEP issued an additional four Notices of Alleged Violations (collectively, the "**2022 NOAVs**") to JCG for alleged noncompliance of an Air Quality Operating permit and Mercury Operating Permit to Construct. The 2022 NOAVs relate to alleged exceedances of a mercury emission limitations, exceedances of operating parameters, installation of equipment, and recordkeeping requirements. JCG filed a Request for Hearing with the NSEC on March 18, 2022, that challenged the bases for the alleged 2022 NOAVs, and any potential penalties associated with the 2022 NOAVs. Jerritt Canyon Gold and NDEP agreed to waive the 20-day hearing requirement for the NOAVs and the parties request that the NSEC withhold schedule a hearing for the NOAVs at this time. At this time the estimated amount cannot be reliably determined.

In addition to the action plan to address the air permit NOAVs, JCG has developed an action plan to address all other known environmental issues at Jerritt Canyon, working in collaboration with the NDEP. JCG has not received any additional NOAVs since the 2022 NOAV. At this time the estimated amount of any potential fines or penalties for the 2021 NOAV or the 2022 NOAV cannot be reliably determined.

Approved closure and reclamation plans are in place for Jerritt Canyon. Total reclamation expenses incurred in 2024 were $0.5 million. An updated reclamation plan and cost estimate was submitted to NDEP in November 2021. Revised plans were submitted in April 2022 and December 2023. The December 2023 plan is currently under review by NDEP, and approval is expected in mid 2025. The anticipated increase in bonding requirements for Jerritt Canyon is approximately $23-27 million.

**<u>Non-Material Properties</u>**

**San Martín Silver Mine, Jalisco State, Mexico**

The San Martín Silver Mine (San Martin mine) is an underground silver and gold mine and processing facility in Jalisco State, Mexico, approximately 250 km north of the state capital city of Guadalajara, and owned by the Company's wholly owned indirect subsidiary, Minera El Pilón, S.A. de C.V. The Company acquired the San Martin mine in 2006 and operated it until July 2019 when it was placed on temporary suspension due to increased insecurity in the area caused by organized criminal groups and safety concerns for the Company's workforce. Although the Company has made repeated attempts to secure the operations and continue with its care and maintenance program, increasing violence and safety concerns resulted in the Company removing all of its remaining workforce from the area in 2021 and the mine and plant are currently occupied and under the de facto control of an organized criminal group. 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. 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 tailing storage facility. As a result, the Company may face additional unexpected costs in the event of a re-start of mining at San Martin.

The surface infrastructure includes a 1,300 tpd cyanidation processing facility, temporary ore stockpiles, a tailings storage facility, water management and diversion structures, a drill core and logging shack, power substations, and power lines. There are also onsite support facilities for the operations, which are located near the plant and include the main administrative offices, warehouse, assay laboratory, maintenance buildings, cafeteria and other employee housing. Existing underground workshop facilities in the Rosario mine include a washing bay, a lube station, and several repair stations for mobile equipment.

Since its acquisition of the mine in 2006 First Majestic has completed 195,628 m in 1,125 diamond drill-holes. No mining, drilling or exploration has been carried out since the mine was placed on temporary suspension in 2019. A buttressing program was started on tailings impoundment #2 as part of the company's stability and reclamation/closure program but, due to the removal of the Company's workface, has not been completed. The Company continues to request assistance from the Mexican Government and the Canadian Embassy to address the situation.

Table 30 below shows the Mineral Resources for the San Martin mine.

**Table 30: Internal Mineral Resource Estimates for the San Martin Silver Mine**
**(Effective Date of December 31, 2020)**

| Category/ Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | kt | Ag (g/t) | Au (g/t) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Measured Intermedia Zone (UG) | Oxides | 5 | 215 | 0.04 | 218 | 30 | - | 30 |
| Measured La Veladora (UG) | Oxides | 54 | 240 | 0.24 | 261 | 420 | 0.4 | 460 |
| Measured Other Veins (UG) | Oxides | 11 | 128 | 1.34 | 241 | 50 | 0.5 | 90 |
| **Total Measured (UG)** | **Oxides** | **70** | **221** | **0.40** | **255** | **500** | **0.9** | **580** |
| | | | | | | | | |
| Indicated Rosario (UG) | Oxides | 521 | 247 | 0.64 | 301 | 4,130 | 10.7 | 5,030 |
| Indicated Intermedia Zone (UG) | Oxides | 133 | 358 | 0.18 | 373 | 1,530 | 0.8 | 1,590 |
| Indicated La Veladora (UG) | Oxides | 93 | 322 | 0.31 | 348 | 960 | 0.9 | 1,040 |
| Indicated Hediondas (UG) | Oxides | 54 | 299 | 0.84 | 370 | 520 | 1.5 | 640 |
| Indicated La Lima (UG) | Oxides | 39 | 233 | 0.15 | 245 | 290 | 0.2 | 310 |
| Indicated Zuloaga (UG) | Oxides | 52 | 417 | 0.03 | 419 | 690 | - | 700 |
| Indicated Other Veins (UG) | Oxides | 67 | 183 | 1.02 | 269 | 390 | 2.2 | 580 |
| **Total Indicated (UG)** | **Oxides** | **958** | **277** | **0.53** | **321** | **8,510** | **16.3** | **9,890** |
| | | | | | | | | |
| M+I Rosario (UG) | Oxides | 521 | 247 | 0.64 | 301 | 4,130 | 10.7 | 5,030 |
| M+I Intermedia Zone (UG) | Oxides | 138 | 352 | 0.17 | 367 | 1,560 | 0.8 | 1,630 |
| M+I La Veladora (UG) | Oxides | 148 | 292 | 0.29 | 316 | 1,380 | 1.4 | 1,500 |
| M+I Hedionda (UG) | Oxides | 54 | 299 | 0.84 | 370 | 520 | 1.5 | 640 |
| M+I La Lima(UG) | Oxides | 39 | 233 | 0.15 | 245 | 290 | 0.2 | 310 |
| M+I Zuloaga (UG) | Oxides | 52 | 417 | 0.03 | 419 | 690 | - | 700 |
| M+I Other Veins (UG) | Oxides | 78 | 176 | 1.06 | 265 | 440 | 2.6 | 660 |
| **Total Measured and Indicated (UG)** | **Oxides** | **1,028** | **273** | **0.52** | **317** | **9,010** | **17.2** | **10,470** |

| Category / Area | Mineral Type | Tonnage | Grades | | | Metal Content | | |
|---|---|---|---|---|---|---|---|---|
| | | kt | Ag (g/t) | Au (g/t) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Ag-Eq (k Oz) |
| Inferred Rosario (UG) | Oxides | 830 | 219 | 0.53 | 263 | 5,840 | 14.1 | 7,020 |
| Inferred Intermedia Zone (UG) | Oxides | 97 | 303 | 0.20 | 320 | 950 | 0.6 | 1,000 |
| Inferred La Veladora (UG) | Oxides | 27 | 220 | 0.22 | 238 | 190 | 0.2 | 200 |
| Inferred Hediondas (UG) | Oxides | 150 | 253 | 0.65 | 308 | 1,220 | 3.1 | 1,480 |
| Inferred La Lima (UG) | Oxides | 376 | 218 | 0.07 | 223 | 2,630 | 0.8 | 2,700 |
| Inferred Zuloaga (UG) | Oxides | 897 | 245 | 0.08 | 252 | 7,070 | 2.3 | 7,270 |
| Inferred Other Veins (UG) | Oxides | 156 | 100 | 1.63 | 237 | 500 | 8.2 | 1,190 |
| **Inferred Total (UG)** | **Oxides** | **2,533** | **226** | **0.36** | **256** | **18,400** | **29** | **20,860** |

**Del Toro Silver Mine, Zacatecas State, Mexico**

The Del Toro Silver Mine (Del Toro mine) is an underground silver, lead and zinc mine and processing facility located in Zacatecas State, Mexico, approximately 150 km northwest of the state capital city of Zacatecas, and is owned by the Company's wholly owned indirect subsidiary, First Majestic Del Toro S.A. de C.V. The Company operated the mine from 2004 until January 21, 2020 when mining operations were placed on temporary suspension.

Project generation exploration continues, with an emphasis on brownfield and greenfield targets within the property mineral concessions.

The existing surface mining infrastructure includes a 2,000 tpd flotation circuit and a 2,000 tpd cyanidation circuit which is currently in care and maintenance, workshops, analytical laboratory, temporary ore stockpiles, waste rock and tailings storage facilities, water management and diversion structures, offices, drill core and logging shack, water ponds, power substations and power lines. The Del Toro mine includes three main independent underground mining areas which are accessed via surface portals, the San Juan mine, the Dolores mine and the Perseverancia mine.

The Mineral Resource estimates for Del Toro are summarized in Table 31.

**Table 31: Internal Mineral Resource Estimates for the Del Toro Silver Mine (Effective Date of December 31, 2020)**

| Category | Mineral Type | Tonnage | Grades | | | | | Metal Content | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Ag (g/t) | Au (g/t) | Pb (%) | Zn (%) | Ag-Eq (g/t) | Ag (k Oz) | Au (k Oz) | Pb (M lb) | Zn (M lb) | Ag-Eq (k Oz) |
| Indicated Dolores (UG) | Sulphides | 189 | 210 | 0.76 | 2.21 | 0.93 | 338 | 1,270 | 4.6 | 9.2 | 3.9 | 2,050 |
| Indicated San Juan (UG) | Sulphides | 232 | 179 | 0.38 | 4.57 | 9.97 | 484 | 1,330 | 2.8 | 23.4 | 50.9 | 3,610 |
| Indicated Perseverancia (UG) | Sulphides | 14 | 201 | 0.04 | 4.54 | 2.49 | 350 | 90 | - | 1.4 | 0.8 | 160 |
| Indicated Zaragoza (UG) | Sulphides | 5 | 181 | 0.17 | 1.60 | 0.76 | 244 | 30 | - | 0.2 | 0.1 | 40 |
| **Subtotal Indicated (UG)** | **Sulphides** | **440** | **193** | **0.53** | **3.52** | **5.75** | **414** | **2,720** | **7.4** | **34.2** | **55.7** | **5,860** |
| Indicated Dolores (UG) | Oxides + Transition | 44 | 238 | 0.29 | 2.48 | - | 317 | 330 | 0.4 | 2.3 | - | 440 |
| Indicated San Juan (UG) | Oxides + Transition | 57 | 279 | 0.13 | 6.41 | - | 434 | 510 | 0.2 | 8.0 | - | 800 |
| Indicated Perseverancia (UG) | Oxides + Transition | 52 | 159 | 0.07 | 5.47 | - | 289 | 270 | 0.1 | 6.2 | - | 480 |
| **Subtotal Indicated (UG)** | **Oxides + Transition** | **153** | **226** | **0.15** | **4.97** | **-** | **351** | **1,110** | **0.7** | **16.7** | **-** | **1,720** |
| **Total Indicated (UG)** | **All Mineral Types** | **592** | **201** | **0.43** | **3.90** | **4.26** | **398** | **3,830** | **8.1** | **50.9** | **55.7** | **7,580** |
| **Category** | **Mineral Type** | **Tonnage** | **Grades** | | | | | **Metal Content** | | | | |
| | | | **Ag (g/t)** | **Au (g/t)** | **Pb (%)** | **Zn (%)** | **Ag-Eq (g/t)** | **Ag (k Oz)** | **Au (k Oz)** | **Pb (M lb)** | **Zn (M lb)** | **Ag-Eq (k Oz)** |
| Inferred Dolores (UG) | Sulphides | 158 | 223 | 0.46 | 2.39 | 0.74 | 328 | 1,140 | 2.3 | 8.3 | 2.6 | 1,670 |
| Inferred San Juan (UG) | Sulphides | 182 | 186 | 0.12 | 4.08 | 4.49 | 366 | 1,080 | 0.7 | 16.4 | 18.1 | 2,130 |
| Inferred Perseverancia (UG) | Sulphides | 12 | 93 | 0.11 | 3.12 | 3.52 | 234 | 40 | - | 0.9 | 1.0 | 90 |
| Inferred Zaragoza (UG) | Sulphides | 144 | 149 | 0.20 | 2.57 | 2.64 | 269 | 690 | 0.9 | 8.2 | 8.4 | 1,250 |
| **Subtotal Inferred (UG)** | **Sulphides** | **496** | **185** | **0.25** | **3.08** | **2.73** | **322** | **2,950** | **3.9** | **33.7** | **29.8** | **5,130** |
| Inferred Dolores (UG) | Oxides + Transition | 83 | 167 | 0.32 | 2.91 | - | 258 | 450 | 0.8 | 5.4 | - | 690 |
| Inferred San Juan (UG) | Oxides + Transition | 360 | 196 | 0.02 | 3.30 | - | 273 | 2,270 | 0.2 | 26.1 | - | 3,160 |
| Inferred Perseverancia (UG) | Oxides + Transition | 247 | 165 | 0.08 | 4.64 | - | 277 | 1,310 | 0.6 | 25.3 | - | 2,200 |
| **Subtotal Inferred (UG)** | **Oxides + Transition** | **690** | **182** | **0.08** | **3.74** | **-** | **272** | **4,030** | **1.6** | **56.8** | **-** | **6,050** |
| **Inferred Total (UG)** | **All Mineral Types** | **1,186** | **183** | **0.15** | **3.46** | **1.15** | **293** | **6,980** | **5.5** | **90.5** | **29.8** | **11,180** |

For risk factors that could materially impact the Mineral Resource estimates, see "Uncertainty in the Estimation of Mineral Resources and Mineral Reserves".

### Risk Factors

Investment in securities of the Company should be considered speculative due to the high-risk nature of the Company's business and the present stage of the Company's development. The following risk factors, as well as risks currently unknown to the Company, could materially adversely affect the future business, operations and financial condition of the Company and could cause them to differ materially from the estimates described in forward-looking statements herein relating to the Company or the Company's business, property or financial results, each of which could cause investors to lose part or all of their investment in the Company's securities. The risks set out below are not the only risks the Company faces; risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also materially and adversely affect the Company's business, financial condition, results of operations and prospects. Investors should carefully consider the following risk factors along with the other information set out in this AIF prior to making an investment in the Company. While First Majestic engages in certain risk management practices, there can be no assurance that such measures will limit the occurrence of events that may negatively impact the Company as many factors are beyond the control of the Company. In addition to the other information presented in this AIF, the risk factors that follow should be given special consideration when evaluating an investment in the Company's securities.

**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, as most recently seen during the COVID-19 pandemic. 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, as most recently seen during the COVID-19 pandemic. 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.

**Operational Risks**

***Inaccuracies in Production and Cost Estimates***

From time to time, the Company prepares estimates of future production and future production costs for operations. No assurance can be given that production and cost estimates will be achieved. These production and cost estimates are based on, among other things, the following factors: the accuracy of Mineral Reserve estimates; the accuracy of assumptions regarding ground conditions and physical characteristics of ores, such as hardness and presence or absence of particular metallurgical characteristics; equipment and mechanical availability; labour; and the accuracy of estimated rates and costs of mining and processing, including the cost of human and physical resources required to carry out the Company's activities. Failure to achieve production or cost estimates, or increases in costs (including as a result of inflation), could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Actual production and costs may vary from estimates for a variety of reasons, including actual ore mined varying from estimates of grade, tonnage, dilution and metallurgical and other characteristics; short-term operating factors relating to the Mineral Reserves, such as the need for sequential development of ore bodies and the processing of new or different ore grades; and risks and hazards associated with mining described under "Operating Hazards and Risks" in this section of the AIF. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue. Costs of production may also be affected by a variety of factors including: dilution, widths, ore grade and metallurgy, labour costs, costs of supplies and services (such as, for example, fuel and power), general inflationary pressures and currency exchange rates. Failure to achieve production estimates could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

***Future Exploration and Development Activities***

The Company has projects at various stages of development and there are inherent risks in the development, construction and permitting of all new mining projects or in restarting production at any of the Company's non-producing mines. Exploration and development of mineral properties involves significant financial risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Major expenses may be required to establish economic reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting precious metals from ore. The Company cannot ensure that its current exploration and development programs will result in profitable commercial mining operations. Also, substantial expenses may be incurred on exploration projects which are subsequently abandoned or otherwise disposed of due to poor exploration results or the inability to define resources which can be developed and mined economically.

The economic feasibility of development projects or of the Company’s non-producing mines is reliant upon many factors, including the accuracy of Mineral Reserve and Mineral Resource estimates, metal recoveries, capital and operating costs, government regulations relating to prices, taxes, royalties, land tenure, land use, importing, exporting, environmental protection, and metal prices, which are highly volatile. Commencing production at development projects or restarting production at any of the Company’s non-producing mines may also be subject to the successful completion of economic evaluations or feasibility studies, issuance of necessary governmental permits and availability of adequate financing. Furthermore, material changes in developing resources into economically viable Mineral Reserves can be affected by commodity prices, development costs and other economic factors, ore grades, widths and dilution or metal recoveries at any project.

***Uncertainty in the Estimation of Mineral Resources and Mineral Reserves***

There is a degree of uncertainty attributable to the estimation of Mineral Resources and Mineral Reserves and undue reliance should not be placed on the Company's estimates of Mineral Reserves and Mineral Resources. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Until the parts of the Company's Mineral Resources that have been converted to Mineral Reserves 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, 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.

Risk factors that could materially impact the Mineral Reserve and/or Mineral Resource estimates include: metal price and exchange rate assumptions; changes to the assumptions used to generate the silver-equivalent cut-off grade; changes in the interpretations of mineralization geometry and continuity of mineralized zones; changes to geological and mineralization shape and geological and grade continuity assumptions; changes to geotechnical, mining and metallurgical recovery assumptions; finding historically mined areas in zones where resources are assumed to be in-situ; changes to the assumptions related to the continued ability to access the site, retain mineral and surface right titles, maintain environment and other regulatory permits and maintain the social license to operate. The production channel sampling method has some risk of non-representative sampling that could result in poor precision and accuracy.

Development projects have no operating history upon which to base estimates of future cash flow. Estimates of Proven and Probable Mineral Reserves, Measured Mineral Resources, Indicated Mineral Resources and Inferred Mineral Resources are, to a large extent, based upon detailed geological and engineering analysis. Due to the uncertainty of Inferred Mineral Resources, there is no assurance that Inferred Mineral Resources will be upgraded to Proven or Probable Mineral Reserves as a result of continued exploration.

***Need for Additional Mineral Reserves***

Because mines have limited lives based primarily on Proven and Probable Mineral Reserves, the Company must continually replace and expand its Mineral Reserves as the Company's mines produce metals. The ability of the Company to maintain or increase its annual production of metals and the Company's future growth and productivity will be dependent in significant part on its ability to identify and acquire additional commercially mineable mineral rights, to bring new mines into production and to continue to invest in exploration and development at the Company's existing mines or projects in order to develop resources into minable economic Mineral Reserves.

Failure to identify additional mineral reserves may result in the reduction of mineral production at one or more of the Company's mines and may result in a mine ceasing to be economic, which ultimately may lead to the temporary or permanent closure of the mine. Mine closure involves long-term management of permanent engineered structures and potential acid rock drainage, achievement of environmental closure standards, orderly termination of employees and contractors and, ultimately, relinquishment of the site. The successful completion of these and other associated tasks is dependent on sufficient financial resources and the ability to successfully implement negotiated agreements with relevant governmental authorities, communities, unions, employees and other stakeholders. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental impacts and corporate reputation damage if desired outcomes cannot be achieved.

***Operating Hazards and Risks***

The operation and development of a mine or mineral property involves many risks which a combination of experience, knowledge and careful evaluation may not be able to overcome. These risks include:

- major or catastrophic equipment failures;
- mine, embankment and/or slope failures;
- deleterious elements materializing in the mined resources;
- environmental hazards and catastrophes;
- risks associated with the integrity and stability of tailings storage facilities, including failure or leakages;
- industrial accidents and explosions;
- encountering unusual or unexpected geological formations;
- changes in the cost of consumables, power costs and potential power shortages;
- labour shortages (including due to public health issues or strikes);
- availability of water supplies;
- theft, fraud, organized crime, civil disobedience, protests and other security issues;
- ground fall and underground cave-ins; and
- natural phenomena, such as inclement or severe weather conditions, floods, droughts, rockslides and earthquakes.

These occurrences could result in environmental damage and liabilities, work stoppages and delayed production, increased production costs, damage to, or destruction of, mineral properties or production facilities, personal injury or death, asset write-downs, monetary losses, liabilities to third parties and other liabilities.

***Infrastructure***

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources, water supplies and, in certain cases, air access are important determinants for capital and operating costs. The lack of availability on acceptable terms or the delay in the availability of any one or more of these items could prevent or delay exploitation or development of the Company's projects and may require the Company to construct alternative infrastructure (for example, powerlines and other energy-related infrastructure). If adequate infrastructure is not available in a timely manner, there can be no assurance that the exploitation of the Company's projects will be commenced or completed on a timely basis, if at all; the resulting operations will achieve the anticipated production volume, or the construction costs and ongoing operating costs associated with the exploitation and/or development of the Company's mines and other projects will not be higher than anticipated. In addition, unusual weather phenomena, sabotage, terrorism, non-governmental organization ("**NGO**") and governmental or other community or indigenous interference in the maintenance or provision of such infrastructure could adversely affect the Company's business, operations and profitability.

While the Company believes that it has adequate infrastructure to support current operations, future developments could limit the availability of certain aspects of the infrastructure. The Company could be adversely affected by the need for new infrastructure. There can be no guarantee that the Company will be successful in maintaining adequate infrastructure for its operations which could adversely affect the Company's business, operations and profitability.

Future increases in metal prices may lead to renewed increases in demand for exploration, development and construction services and equipment used in mineral exploration and development activities. Such increases could result in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability and may cause delays due to the need to coordinate the availability of services or equipment, any of which could materially decrease project exploration and development and/or increase production costs and limit profits.

***Aviation Risk***

Certain of the Company's mineral properties are accessed primarily through air travel, including airplane and helicopter. An airplane or helicopter incident resulting in loss of life, facility shutdown or regulatory action could result in liability to the Company. In addition, any such incident may result in reduced access or loss of access to a particular facility which the Company may or may not be able to mitigate by alternative air or ground-based travel methods. Accordingly, any such incident could have a material adverse effect on the operations of the Company.

***Governmental Regulations, 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; (iv) new social and environmental requirements in order to obtain and keep mining concessions, (v) the authorization by the Mexican Ministry of Economy of any mining concession's transfer, (vi) new penalties and cancellation of mining concessions grounds due to non-compliance with the applicable laws, (vii) the automatic dismissal of any application for new concessions, and (viii) 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 AIF, 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 AIF, 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. 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. In October 2024, opposition parties (PRI and PAN), along with certain judges and members of the Mexican Congress, filed constitutional actions with the Mexican Supreme Court of Justice against the Judiciary Reform. The Supreme Court of Justice has accepted the constitutional actions for its review.

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.

***Joint Ventures***

The Company holds a 70% interest in the Los Gatos Joint Venture, which owns the producing Los Gatos Silver Mine in Chihuahua, Mexico, 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.

***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 significant tariffs against certain goods from Canada and Mexico and Canada has announced retaliatory tariffs against certain US goods, while Mexico has threatened retaliatory tariffs but has not enacted any as of the date of this AIF. As of the date of this AIF, the extent and duration of such tariffs is unclear and the potential impact of these tariffs on the Company's operations remains uncertain.

NAFTA is an agreement signed in 1994 by Canada, Mexico and the United States creating a trilateral trade bloc in North America. On November 30, 2018, the three countries entered into a new trade agreement (variously referred to as USMCA or United States- Mexico -Canada Agreement) to replace NAFTA, and such agreement has now been ratified by all three countries. Among other things, USMCA requires its member countries to respect international labour standards including rights to free association and collective bargaining and to uphold their labour laws. 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.

***Natural Protected Areas Risk***

Pursuant to the General Law of Ecological Equilibrium and Environmental Protection, 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 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.

***Environmental and Health and Safety Regulation 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. However, 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 NDEP issued 10 Notices of Alleged Violation (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 the Jerritt Canyon in Elko County, Nevada. The 2021 NOAV are related to compliance with emission monitoring, testing, recordkeeping requirements, and emission and throughput limits.

The Company filed a Notice of Appeal on September 3, 2021, challenging the 2021 NOAV before the 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 relate 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 NOAV. Jerritt Canyon Gold and NDEP agreed to waive the 20-day hearing requirement for the NOAVs and the parties request that the NSEC withhold schedule a hearing for the NOAVs 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. Although the Company has repeatedly requested all applicable governmental authorities to take action to secure the area, to date, the Mexican government has failed to take any such action and the Company's own efforts have been unsuccessful. 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 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.

***Health and Safety Hazards***

Workers involved in mining operations are subject to many inherent health and safety risks and hazards, including, but not limited to, contraction of COVID-19, rock bursts, cave-ins, floods, falls of ground, tailings dam failures, chemical hazards, mineral dust and gases, use of explosives, noise, electricity and moving equipment (especially heavy equipment) and slips and falls, which could result in occupational illness or health issues, personal injury, and loss of life, and/or facility and workforce evacuation. These risks cannot be eliminated completely and are managed through the Company’s safety management systems, and any incidents may adversely affect the Company’s reputation, business and future operations.

***Tailings Storage Facility Management***

In order to manage the risk in the operation of mining tailings storage facilities ("**TSF**"), the Company invests in the best available technologies and best practices that safely facilitate the handling and storage of mine tailings, in particular the operation of press filters and belt filters in Mexico, and automated pump-back and monitoring systems in Nevada at the Company's Jerritt Canyon mine. Tailing filter presses are also installed at two of the Company's suspended operations at the Del Toro and San Martin mines. All of the Company's operating tailing storage facilities in Mexico are Filtered Tailings Storage Facilities, except at the Los Gatos Silver Mine, where a "wet" TSF is operated. All TSFs are monitored continuously by an internal geotechnical team that specializes in mine waste, and are audited annually by third party consultants to meet local and international safety guidelines. In addition, at the TSF for the Los Gatos Silver Mine, a real-time monitoring platform was established which provides easy online access for key data review. The Jerritt Canyon mine TSF is a wet deposition facility, and the Company completed a lined, 12 ft. raise for additional storage for another 2+ years of operation in 2021. A life-of-mine tailing deposition optimization study was completed in 2022 by Patterson & Cooke for Jerritt Canyon, and the study outlines the need to finalize the conversion of the water storage reservoir into a third TSF (TSF 3) to provide additional capacity for one and a half additional years of production.

Prior to removal of its workforce at the San Martin mine in 2021, the Company increased the rock supporting abutment to TSF2 to further increase this TSF's factor of safety to international standards and is 98% complete with this project. Due to the safety concerns and subsequent removal of the Company's workforce, to date this project has not been fully completed. The Company has also been unable to conduct ongoing care and maintenance activities on the San Martin TSF since 2021. As a result, the Company has limited information as to the current state of repair at the mine, including the TSF and is unable to confirm the continued compliance of the TSF with federal and state safety guidelines. The Company's inability to conduct care and maintenance and to complete the rock supporting abutment project may increase the risk of overflow or failure of the TSF. An overflow or failure of this TSF could result in significant environmental contamination in the local area and could result in the Company incurring material financial liabilities for clean-up and/or penalties. In such a situation, the Company may be unable to conduct adequate clean-up activities in the event that the security conditions at the San Martin mine are not remedied by the Mexican government.

The Company complies, to the extent the local security conditions allow it to, with applicable regulations, which establish the procedure to characterize tailings deposits, as well as the specifications and criteria for the characterization and preparation of the deposit sites, construction, operation and closure of tailings deposits. During construction of the Company's paste TSF, the designs and operation of the Company TSFs are guided by international standards such as the Canadian Dam Association ("**CDA**"), where the minimum required operational stability factors are established. The designs and current stability conditions have also been reviewed by third party consultants through the Dam Safety Inspection reports, carrying out the risk analysis and classification according to international standards of both the CDA and the International Commission on Large Dams. However, due to the security conditions at the San Martin mine, the Company has been unable to have the stability conditions at the TSF reviewed since October 2022.

The Company may be exposed to liability if accidents and/or contamination arise as a result of any failure in or overflow of its TSFs. Such failures or overflows could result from various risks and hazards, including natural hazards like earthquakes and flooding, uncertainty in the behaviour of rock formations beneath the TSF foundations, industrial accidents, involuntary failures in the design and management of the TSF and failure to carry out adequate care and maintenance.

To the extent that the Company is subject to unfunded or uninsured environmental liabilities, the payment for such liabilities would reduce funds otherwise available and could have a material adverse effect on the Company. Should the Company be unable to fund fully the cost of remedying an environmental problem, the Company may be required to suspend operations or enter into interim compliance measures pending completion of required remediation, which could have a material adverse effect on the Company.

***Title to 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 material 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 (as set out below under the heading "*Local Groups and Civil Disobedience*"); 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.

***Local Groups and Civil Disobedience***

In Mexico, an Ejido is a form of communal ownership of land recognized by Mexican federal laws with respect to groups of farmers known as Ejidos. While mineral rights are administered by the federal government through federally issued mining concessions, in many cases, an Ejido may control surface rights over communal property. While the Company has agreements with the Ejidos that may impact the Company's properties, some of these agreements may be subject to renegotiation from time to time. Changes to the existing agreements may have a significant impact on operations at the Company's mines.

If the Company is not able to reach an agreement for the use of the lands with the Ejido, the Company may be required to modify its operations or plans for the development of its mines. In the event that the Company conducts activities in areas where no agreements exist with owners which are Ejidos, the Company may face legal action from the Ejido.

1,254 hectares of land included in the San Dimas mine and for which the Company holds legal title are subject to legal proceedings commenced in 2008 by the Ejido Guarisamey asserting title to the property. These proceedings do not name the Company or the Company's subsidiaries as a party and the Company therefore had no standing to participate in them. The defendants were prior owners of the land who were not provided notice of the lawsuit. This resulted in a default judgment which the Company is seeking to nullify through the commencement of a claim of fraudulent proceedings, which proceedings remain in the initial stages.

If the Company is not successful in these proceedings, the San Dimas mine could face higher costs associated with agreed or mandated payments that would be payable to the Ejidos for use of the properties.

The Company's operations have in the past and may in the future be subject to protest, roadblocks, or other forms of civil disobedience or public expressions against its activities, including action organized criminal groups or the Company's own employees. There can be no assurance that there will not be further disruptions to workforce availability or site access at any of our projects in the future, which could negatively impact production from the projects and, ultimately, the long-term viability of the projects, any of which may have a material adverse impact on our operations.

***Community Relations and Social License to Operate***

The Company's relationships with communities near where the Company operates are critical to ensure the future success of existing operations and the construction and development of future projects. There is an increasing level of public interest worldwide relating to the perceived effect of mining activities on the environment and on communities impacted by such activities. Certain NGOs, some of which oppose globalization and resource development, are often vocal critics and attempt to interfere with the mining industry and its practices. Adverse publicity generated by such NGOs or others related to extractive industries generally, or their operations specifically, could have an adverse effect on the Company's reputation or financial condition and may impact the Company's relationship with the communities in which it operates. While the Company believes that it operates in a socially responsible manner, there is no guarantee that the Company's efforts in this respect will mitigate this potential material risk.

***Political and Country Risk***

The Company currently conducts mining operations in Mexico and the US, 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: mining royalty and various tax increases or claims by governmental bodies (including the imposition of import and export tariffs or duties), expropriation or nationalization, foreign exchange controls, trade disputes, high rates of inflation, extreme fluctuations in currency exchange rates, import and export regulations, 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 Mexico or the US may substantively affect the Company's exploration, development and production activities.

***Violence and other Criminal Activities in Mexico***

Certain areas of Mexico have experienced outbreaks of localized violence, threats, thefts, kidnappings and extortion associated with drug cartels and other criminal organizations in various regions. Any increase in the level of violence, or a concentration of violence in areas where the projects and properties of the Company are located, could have an adverse effect on the results and the financial condition of the Company. In July 2019, the Company announced the temporary suspension of all mining and processing activities at the San Martin operation due to a growing level of insecurity in the area and safety concerns for the Company's workforce. Increasing violence and safety concerns resulted in the Company removing all of its remaining employees from the area in 2021 and the mine and plant have been occupied and are currently under the de facto control of an organized criminal group. 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 cause the applicable governmental authorities to take action to secure the area.

The Company has in the past experienced several incidents of significant theft of products and equipment and other incidents of criminal activity have occasionally affected the Company's employees, including, but not limited to, the Company's employees at the San Martin operations. The Company maintains extensive security at each of its operating facilities and has implemented detailed and timely assaying protocols and enhanced security procedures in an effort to reduce the probability of such events in the future, however, there can be no guarantee that the Company's security will be sufficient or that such protocols and procedures will be effective at preventing future occurrences of theft or other criminal activity. If similar events occur in the future, there could be a significant impact on the Company’s sale of silver and on its gross and net revenues. Previous losses due to theft have in large part been recovered under the Company's insurance policies, however, any such losses in the future may not be mitigated completely or at all by the Company’s insurance policies. Produced metals that are subject to a streaming agreement may still be subject to payment under the agreement where such metals have been stolen, whether or not the resulting losses are covered by insurance.

***Changes in Climate Conditions***

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) 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.

***Mine Closure Risks; Substantial Decommissioning and Reclamation Costs***

Mine closure involves long-term management of permanent engineered structures and potential acid rock drainage, achievement of environmental closure standards, orderly termination of employees and contractors and, ultimately, relinquishment of the site. The successful completion of these and other associated tasks is dependent on sufficient financial resources and the ability to successfully implement negotiated agreements with relevant governmental authorities, communities, unions, employees and other stakeholders. The consequences of a difficult closure range from increased closure costs and handover delays to ongoing environmental impacts and corporate reputation damage if desired outcomes cannot be achieved. There can be no assurance that any future mine closures will be successfully managed to the satisfaction of all stakeholders.

During the year ended December 31, 2024, the Company reassessed its reclamation obligation at each of its operating and non-operating mines based on updated 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, 2024, is $159.1 million, which has been discounted using a risk-free rate of 10.6% for the mines in Mexico and 4.6% for the Jerritt Canyon Gold Mine. The estimated decommissioning and reclamation obligations breakdown primarily consists of $111.8 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; $13.2 million for the San Dimas Silver/Gold Mine; $11.4 million for the La Encantada Silver Mine; $12.2 million for the Santa Elena Silver/Gold Mine; $6.6 million for the San Martin Silver Mine; and $3.4 million for the Del Toro Silver Mine. In addition, the Company estimates obligations at the newly acquired Los Gatos Silver Mine of approximately $12.9 million. 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 must be funded by the Company's operations. These costs 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.

***Key Personnel***

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in mining, exploration, development and finance of mining properties is limited and competition for such persons can be intense. As the Company's business activity grows, the Company will require additional key operational, financial, administrative and mining personnel. Although the Company believes it will be successful in attracting, training and retaining qualified personnel, there can be no assurance of such successes. If the Company is not successful in attracting and training and in retaining qualified personnel, the efficiency of the Company's operations could be affected, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

***Employee Relations***

The Company's ability to achieve its future goals and objectives is dependent, in part, on maintaining positive relations with its employees and minimizing employee turnover. In certain of the Company's operations employees in Mexico are represented by unions and the Company has experienced labour strikes and work stoppages in the past, which were resolved in a relatively short period. However, in some instances, labour strikes and work stoppages may take longer to resolve. Such work stoppages may have a material adverse effect on production from the affected mines and on the Company's business, results of operations and financial condition. There can be no assurance that the Company will not experience future labour strikes or work stoppages or that, if it does, that such labour strikes or work stoppages will be resolved speedily. Union agreements are periodically renegotiated and there can be no assurance that any future union contracts will be on terms favorable to the Company. Any labour strikes, work stoppages or adverse changes in such legislation or in the relationship between the Company and its employees may have a material adverse effect on the Company's business, results of operations and financial condition.

Although none of the employees at the Jerritt Canyon Mine are currently represented by a union there can be no guarantee that such employees will not unionize in the future and that there will not be work stoppages or other labour unrest at such mine. In the event that some or all of the employees at the Jerritt Canyon Mine unionize in the future then we may be subject to higher labour costs at such operation.

***Competition***

The mining industry is highly competitive in all its phases. The Company competes with a number of companies which are more mature or in later stages of production and may be better positioned to attract talent, equipment and materials. These companies may possess greater financial resources, more significant investments in capital equipment and mining infrastructure for the ongoing development, exploration and acquisition of mineral interests, as well as for the recruitment and retention of qualified employees and mining contractors. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

***Acquisitions and Dispositions***

As part of the Company's business strategy, it has sought and expects to continue to seek new exploration, mining and development opportunities with a focus on silver and gold and to dispose of properties if appropriate opportunities arise. As a result, the Company may from time to time acquire additional mineral properties or securities of issuers which hold mineral properties, such as its acquisition of the Jerritt Canyon Mine in April 2021 and the acquisition of Gatos in January 2025. In pursuit of such acquisition opportunities, the Company may fail to select appropriate acquisitions or negotiate acceptable arrangements, including arrangements to finance acquisitions or integrate the acquired businesses and their personnel into the Company’s operations, and such acquired businesses may be subject to unanticipated liabilities. In addition, the Company may be required to provide contractual indemnities to a proposed purchaser of its properties. Each of the agreements for the sale of the La Guitarra Mine and the La Parrilla Mine contain extensive representations and warranties from the Company and a misrepresentation thereunder or breach by the Company of any of the other terms or conditions of either these agreements or any future sale agreements could lead to potential liability, which may have a material adverse impact on the Company's financial performance, cash flow and results of operations.

Prior to any acquisition, extensive due diligence of the proposed acquisition is completed and the Company, however such due diligence may fail to identify all potential issues with respect to any particular acquisition target. The ability to realize the benefits of an acquisition will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on the Company's ability to realize the anticipated growth opportunities and synergies, efficiencies and cost savings from integrating our business and the acquired business following completion of the acquisition. This integration will require the dedication of substantial management effort, time and resources which may divert management's focus and resources from other strategic opportunities following completion of the acquisition and from operational matters during this process.

The Company cannot assure that it can complete any acquisition, disposition or business arrangement that it pursues, or is pursuing, on favourable terms, or that any acquisitions, dispositions or business arrangements completed will ultimately benefit the Company. In addition, future acquisitions by the Company may be completed through the issuance of debt or equity, and in the case of equity, the interests of shareholders in the net assets of the Company may be diluted.

***Conflicts of Interest***

Certain directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. In addition, Keith Neumeyer, the Company's Chief Executive Officer, and Raymond Polman, a director of the Company, are each directors of First Mining Gold Corp. ("**First Mining**") and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Stream Agreement, which is outlined below in the section "The Springpole Stream Agreement". The directors of the Company are required by law and the Company's policies to act honestly and in good faith with a view to the best interests of the Company and those of the Company's stakeholders and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises, any director in a conflict is required to disclose his or her interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and the Company's financial position at that time. All employees, including officers, are required to disclose any conflicts of interest pursuant to the Company's Code of Ethical Conduct. Such conflicts of the Company's directors and officers may result in a material and adverse effect on the Company's profitability, results of operation and financial condition. As a result of these conflicts of interest, the Company may miss the opportunity to participate in certain transactions, which may have a material adverse effect on the Company's financial position.

***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 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. See *"Insurance Risk"* below. In addition, the Company may in the future be subjected to regulatory investigations or other proceedings, and may be involved in disputes with other parties, which may result in a significant impact on its financial condition, cash flow and results of operations.

***Enforcement of Judgments/Bringing Actions***

The Company is organized under the laws of, and headquartered in, British Columbia, Canada. In addition, the majority of the Company's assets are located outside of Canada and the United States. As a result, it may be difficult or impossible for an investor to enforce judgments against the Company and its directors and officers obtained in United States courts or Canadian courts in courts outside of the United States and Canada based upon the civil liability provisions of United States federal securities laws or applicable Canadian securities laws or bring an original action against the Company and its directors and officers to enforce liabilities based upon such United States or Canadian securities laws in courts outside of the United States and Canada.

*Anti-Corruption and Anti-Bribery Laws*

The Company's operations are governed by, and involve interactions with, many levels of government in numerous countries. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Corruption of Foreign Public Officials Act* (Canada) and the *Foreign Corrupt Practices Act* (United States) and similar laws in the other jurisdictions in which it operates or maintains a public listing. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents. The Company's internal procedures and programs may not always be effective in ensuring that it, its employees, contractors or third-party agents will comply strictly with all such applicable laws. All employees, directors and contractors are subject to the Company's Anti-Bribery and Corruption Policy. Annual training on the policy is provided to all supervisory employees. If the Company becomes subject to an enforcement action or is found to be in violation of such laws, this may have a material adverse effect on the Company's reputation, result in significant penalties, fines and/or sanctions, and/or have a material adverse effect on the Company's operations.

*Critical Operating Systems*

Cyber threats have evolved in severity, frequency and sophistication in recent years, and target entities are no longer primarily from the financial or retail sectors. Individuals engaging in cybercrime may target corruption of systems or data, or theft of sensitive data. The Company's mines and mills are for the most part automated and networked such that a cyber-incident involving the Company's information systems and related infrastructure could negatively impact its operations. A corruption of the Company's financial or operational data or an operational disruption of its production infrastructure could, among other potential impacts, result in: (i) loss of production or accidental discharge; (ii) expensive remediation efforts; (iii) distraction of management; (iv) damage to the Company's reputation or its relationship with suppliers and/or counterparties; or (v) in events of noncompliance, which events could lead to regulatory fines or penalties. Cyber threats also involve risks to information technology, data loss or damage caused by viruses, exposure of confidential information, which may include unintended disclosure of personal details in company records about employees, contractors, or consultants, loss of control over computer systems and security breaches. Any of the foregoing could have a material adverse effect on the Company's business, results of operations and financial condition.

While the Company invests in robust security systems to detect and block inappropriate or illegal access to its key systems and works diligently to ensure data and system integrity, there can be no assurance that a critical system is not inadvertently or intentionally breached and compromised. This may result in business interruption losses, equipment damage, or loss of critical or sensitive information.

*Operating a Minting Facility*

There are various operational risks that arise when owning and operating a minting facility including, but not limited to, risks associated with the commissioning and production at First Mint, reliability of machinery and down-time due to machinery breakdown or maintenance needs, product quality control, security of the facility and the bullion products, and establishing branding and marketing for the new facility. If any such matters arise there may be an adverse effect on the business of First Mint.

## Financial Risks

### *Metal Prices May Fluctuate*

The Company's revenue is primarily dependent on the sale of silver and gold and movements in the spot price of silver or gold may have a direct and immediate impact on the Company's income and the value of related financial instruments. The Company's sales are directly dependent on commodity prices. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control including international economic and political trends, including hostilities in Ukraine and the Middle East, uncertainty with respect to international trade regimes, expectations for inflation, currency exchange rate fluctuations, interest rates, global and regional supply and demand, consumption patterns, speculative market activities, worldwide production and inventory levels, and sales programs by central banks. Mineral reserves on the Company's properties have been estimated on the basis of economic factors at the time of estimation; variations in such factors may have an impact on the amount of the Company's mineral reserves and future price declines could cause any future development of, and commercial production from, the Company's properties to be uneconomic. Depending on metal prices, projected cash flow from planned mining operations may not be sufficient and the Company could be forced to discontinue operations or development at some of its properties or may be forced to sell some of its properties. Future production from the Company's mining properties is dependent on metal prices that are adequate to make these properties economic.

Furthermore, Mineral Reserve estimations and LOM plans using significantly lower metal prices could result in material write-downs of the Company's investment in mineral properties and increased depreciation, depletion, amortization, reclamation, and closure charges.

In addition to adversely affecting the Company's possible future reserve estimates and its financial condition, declining metal prices may impact operations by requiring a reassessment of the feasibility of a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Occasionally, the Company may hold silver or gold in inventory due to market conditions, in anticipation of higher prices which may expose it to pricing risk.

### *Price Volatility of Other Commodities*

The Company's cost of operations and profitability are also affected by the market prices of commodities that are consumed or otherwise used in connection with the Company's operations, such as LNG, diesel fuel, electricity, cyanide, explosives and other reagents and chemicals, steel and cement. Prices of such consumable commodities may be subject to volatile price movements over short periods of time and are affected by factors that are beyond the Company's control, such as changes in legislation and hostilities in Ukraine and the Middle East, sanctions imposed by many nations on Russia and Belarus and uncertainty with respect to international trade disputes. Increases in the prices for such commodities could materially adversely affect the Company's results of operations and financial condition.

### *Global Financial Conditions*

Global financial markets are experiencing extreme volatility as a result of increasing input cost inflation, increased interest rates, hostilities in Ukraine and the Middle East, sanctions imposed by nations on Russia and Belarus and uncertainty with respect to international trade regimes. Events in global financial markets, and the volatility of global financial conditions, will continue to have an impact on the global economy. Many industries, including the mining sector, are impacted by market conditions. Some of the key impacts of financial market turmoil include devaluations and high volatility in global equity, commodity, foreign exchange and precious metal markets and a lack of market liquidity. Access to financing may also be negatively impacted by liquidity crises. These factors may impact the Company's ability to obtain equity or debt financing and, where available, to obtain such financing on terms favorable to the Company.

Increased levels of volatility and market turmoil could have an adverse impact on the Company's operations and planned growth and the trading price of the securities of the Company may be adversely affected.

### *Taxation in Multiple Jurisdictions*

In the normal course of business, the Company is subject to assessment by taxation authorities in various jurisdictions. Income tax provisions and income tax filing positions require estimates and interpretations of income tax rules and regulations of the various jurisdictions in which the Company and its subsidiaries operate and judgments as to their interpretation and application to the specific situation. The Company's business and operations and the business and operations of its subsidiaries is complex, and the Company has, historically, undertaken a number of significant financings, acquisitions and other material transactions.

In assessing the probability of realizing income tax assets recognized, the Company makes estimates related to expectations of future taxable income, applicable tax planning 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, the Company gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. While management believes that the Company's provision for income tax is appropriate and in accordance with IFRS Accounting Standards and applicable legislation and regulations, tax filing positions are subject to review and adjustment by taxation authorities who may challenge the Company's interpretation of the applicable tax legislation and regulations. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Any review or adjustment may result in the Company or its subsidiaries incurring additional tax liabilities. Any such liabilities may have a material adverse effect on the Company's financial condition.

The introduction of new tax laws, tax reforms, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in Canada, the USA, Mexico, Barbados, or Switzerland or any other countries in which the Company's subsidiaries may be located, or to which shipments of products are made, could result in an increase in the Company's taxes payable, or other governmental charges, interest and penalties, duties or impositions. No assurance can be given that new tax laws, tax reforms, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation, interest and penalties, or which could otherwise have a material adverse effect on the Company.

***Challenges to the Advance Pricing Agreement***

*Overview*

The Mexican tax authority (the "**SAT**") initiated a proceeding seeking to nullify the Advance Pricing Agreement (the "**APA**") with respect to the San Dimas Mine in 2012 which it had previously issued to Primero Mining Corp. ("**Primero**"), the owner of the San Dimas Mine prior to the Company's acquisition of Primero in 2018. The APA had confirmed Primero's basis for paying taxes on the price Primero realized for silver sales between 2010 and 2014. If the SAT's nullification challenge is successful it would have a material adverse effect on the Company's business, financial condition and results of operations. Although we are continuing discussions with SAT and various courts and regulatory proceedings are ongoing, there can be no certainty on the timing or outcome of such discussions or proceedings, and the ultimate outcome of such discussions may have a material and adverse effect on the Company.

*Background*

In 2004, affiliates of Goldcorp Inc. ("**Goldcorp**") entered into a streaming agreement (the "**Prior San Dimas Stream Agreement**") with Silver Wheaton Corp., now Wheaton Precious Metals Corp. ("**Wheaton**") in connection with the San Dimas Mine and two other mines in Mexico. Under the Prior San Dimas Stream Agreement, Goldcorp received cash and securities in exchange for an obligation to sell certain silver extracted from the mines at a price set forth in the Prior San Dimas Stream Agreement.

In order to satisfy its obligations under the Prior San Dimas Stream Agreement, sales were made by Goldcorp through a non-Mexican subsidiary to a Wheaton company in the Cayman Islands ("**SWC**"). Upon Primero's acquisition of the San Dimas Mine, the Prior San Dimas Stream Agreement was amended and restated, and Primero assumed all of Goldcorp's obligations with respect to the San Dimas Mine concession under the Prior San Dimas Stream Agreement.

As amended and restated, the provisions of the Prior San Dimas Stream Agreement required that, on a consolidated basis, Primero sell to Wheaton during a contract year (August $6^{th}$ to the following August $5^{th}$), 100% of the amount of silver produced from the San Dimas Mine concessions up to 6 million ounces and 50% of silver produced thereafter, at the lower of (i) the current market price and (ii) $4.014 per ounce plus an annual increase of 1% (the "**PEM Realized Price**"). In 2017, the contract price was $4.30. The price paid by Wheaton under the Prior San Dimas Stream Agreement represented the total value that Primero and its affiliates received for the sale of silver to Wheaton. In May 2018, the Prior San Dimas Stream Agreement was terminated between Wheaton and STB in connection with the Company entering into a new precious metal purchase agreement with Wheaton Precious Metals International Ltd. ("**WPMI**") and FM Metal Trading (Barbados) Inc. (the "**New San Dimas Stream Agreement**").

The specific terms of the Prior San Dimas Stream Agreement required that Primero sell the silver through one of its non-Mexican subsidiaries, STB, to Wheaton's Cayman subsidiary, WPMI**.** As a result, Primero's Mexican subsidiary that held the San Dimas Mine concessions, PEM, entered into an agreement (the "**Internal Stream Agreement**") to sell the required amount of silver produced from the San Dimas Mine concessions to STB to allow STB to fulfill its obligations under the Prior San Dimas Stream Agreement.

When Primero initially acquired the San Dimas Mine, the sales from PEM to STB were made at the spot market price while the sales by STB to SWC were at the contracted PEM Realized Price, which at that time was $4.04 per ounce. In 2010, PEM amended the terms of sales of silver between itself and STB under the Internal Stream Agreement and commenced to sell the amount of silver due under the Prior San Dimas Stream Agreement to STB at the PEM Realized Price. For Mexican income tax purposes, PEM then recognized the revenue on these silver sales on the basis of its actual realized revenue, which was the PEM Realized Price.

***Advanced Pricing Agreement***

In order to obtain assurances that the 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, Primero applied for and received the APA from the SAT. The APA confirmed the PEM Realized Price could be used as PEM's basis for calculating taxes owed by it on the silver sold to STB under the Internal Stream Agreement for taxation years 2010 to 2014.

***Challenges to the APA for 2010 - 2014 tax years***

In 2015 the SAT initiated a legal proceeding seeking to retroactively nullify the APA; however, 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 to 2012 tax years in the total amount of approximately $310.8 million (6,299 million MXN) inclusive of accrued interest, inflation, and penalties. In 2021, the SAT also issued a reassessment against PEM for the 2013 tax year in the total amount of approximately $164.3 million (3,330 million MXN) inclusive of accrued interest, inflation, and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of $418.8 million (8,488 million MXN) inclusive of accrued interest, inflation, and penalties (collectively, the "**Reassessments**"). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments for these years have yet to be issued. The Company believes that the Reassessments were issued in violation of the terms of the APA. The key items in the Reassessments include determining revenue on the sale based on the spot market price 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. Furthermore, as discussed further below, the Company has also made claims against Mexico under Chapter 11 of the NAFTA for violation of its international law obligations.

*Domestic Remedies in Mexico*

In September 2020, the Company was served with a decision of the Mexican Federal Tax Court on Administrative Matters ("**Federal Court**") seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. 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, and following the admission of the appeal, the Second Chamber of the Supreme Court of Justice assumed jurisdiction over the appeal on June 20, 2024. 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 ignored 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 will be issued by the Collegiate Court in the second half of 2025.

*International Remedies*

**i. NAFTA APA Claim**

In respect of the APA, the Company submitted an 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 partially granted certain provisional measures requested by the Company, issuing an order for Mexico to permit the withdrawal of the Company's VAT refunds for the period as of January 4, 2023 that had been deposited by the SAT into a frozen bank account, and to deposit all future VAT refunds into an account 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 furtherance of its obligations under the PM Decision.

In addition, in response to the Company's counter-arguments to a jurisdictional objection filed by Mexico in July 2023, the Tribunal dismissed Mexico's objection, agreeing with the Company that the recovery of VAT refunds under the NAFTA VAT Claim (as defined in the section below) does not breach the waiver under NAFTA (i.e. the NAFTA APA Claim and the NAFTA VAT Claim are not in respect of the same measures).

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 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.

In order to expedite the arbitration proceedings, the Company advised the Consolidation Tribunal and Mexico that it is proposing to add claims covered by the NAFTA VAT Claim to the NAFTA APA Claim as ancillary claims. The Tribunal with jurisdiction over the NAFTA APA Claim has, as of July 15, 2024, granted the Company the right to introduce the ancillary claims to the NAFTA APA Claim, which will make it unnecessary for the NAFTA VAT Claim to proceed separately from the NAFTA APA Claim. On October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. In addition, Mexico filed its Memorial in support of the Consolidation Request on October 7, 2024, and the Company filed its Counter-Memorial on December 6, 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.

We expect that the Consolidation Tribunal will make its decision in respect of the Consolidation Request in Q2 2025. Until such a decision has been made, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been suspended. However, any decisions rendered to date by the Tribunal in the NAFTA APA Claim, including but not limited to the PM Decision, remain in force during such suspension.

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 $272.9 million (5,531 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, 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. As a result of the Consolidation Request (described above), the NAFTA VAT Claim has been suspended. As noted above, on October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue (however, such proceedings are currently suspended pending the outcome of the proceedings related to the Consolidation Request).

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

Tax Uncertainties

For the 2015 and subsequent tax years through to the Company's acquisition of PEM, Primero continued to record its revenue from sales of silver for purposes of Mexican tax accounting in a manner consistent with the APA on the basis that the applicable facts and laws have not changed and has paid its taxes accordingly. To the extent the SAT determines that the appropriate price of silver sales under the Internal Stream Agreement is significantly different from the PEM Realized Price and while PEM would have rights of appeal in connection with any reassessments, it would have a material adverse effect on Company's business, financial condition and results of operations.

***Tax Audits and Reassessments***

PEM, a subsidiary of the Company, is currently subject to the Reassessments detailed in the section above entitled *"Financial Risks - Challenges to the APA for 2010 - 2014 tax years"*. The Company continues to believe that it has a legally valid and binding APA that is effective for the period 2010 to 2014. The Company is vigorously defending its position and believes that SAT is acting outside of domestic and international tax conventions. If the Company is unable to favourably resolve any of these reassessment matters, there may be a material adverse effect on the Company and its financial condition.

***VAT Receivables***

The Company is subject to credit risk through VAT receivables collectible from the government of Mexico. Due to legislative rules and a complex collection process, there is a risk that the Company's VAT receivable balance may not be refunded, or payment will be delayed. Even though the Company has in the past recovered VAT routinely, VAT recovery in Mexico remains a highly regulated, complex and, at times, lengthy collection process. In connection with the Primero Empresa Minera, S.A. de C.V. ("**PEM**") tax ruling, the tax authority has frozen a PEM bank account with which contains approximately $86.7 million as security for certain tax re-assessments that are currently being disputed by PEM (as discussed above under "*Risk Factors - Challenges to the APA for 2010 - 2014 tax years - International Remedies - ii. NAFTA VAT Claim*"), which are currently held within the Company's restricted cash accounts. This balance consists of VAT refunds that the Company has received which were previously withheld by the tax authority. If the Company does not receive the VAT receivable balances or if payment to us is delayed, the Company's financial condition may be materially adversely affected.

***Transfer Pricing***

The Company conducts business operations in various jurisdictions and through legal entities incorporated in several jurisdictions, including Canada, Mexico, USA, Switzerland, and Barbados. The tax laws of these jurisdictions and other jurisdictions in which the Company may conduct future business operations have detailed transfer pricing rules which require that all transactions with non-resident related parties be priced using arm's-length pricing principles and that contemporaneous documentation must exist to support that pricing. The taxation authorities in the jurisdictions where the Company carries on business could challenge its arm's-length related party transfer pricing policies. International transfer pricing is a subjective area of taxation and generally involves a significant degree of judgment. If any of these taxation authorities were to successfully challenge the Company's transfer pricing policies, the Company may be subject to additional income tax expenses and could also be subject to interest and penalty charges. Any such increase in the Company's income tax expense and related interest and penalties could have a significant impact on the Company's future earnings and future cash flows.

***Hedging Risk***

The Company currently does not use derivative instruments to hedge its silver or gold commodity price risk. The effect of price variation factors for silver or gold cannot accurately be predicted and are at this time completely unhedged. In the past, the Company has entered into forward sales arrangements with respect to a portion of its lead and zinc production. In the future the Company may enter into further forward sales arrangements or other hedging agreements. Hedging involves certain inherent risks including: the risk that the creditworthiness of a counterparty may adversely affect its ability to perform its payment and other obligations under its agreement with the Company or adversely affect the financial and other terms the counter-party is able to offer the Company; the risk that the Company enters into a hedging position that cannot be closed out quickly; and the risk that, in respect of certain hedging products, an adverse change in the market prices for commodities, currencies or interest rates will result in the Company incurring losses in respect of such hedging products as a result of the hedging products being out-of-the money on their settlement dates.

There can be no assurance that a hedging program will be successful, and although hedging may protect the Company from adverse changes in foreign exchange or currency, and interest rate or commodity price fluctuations, it may also prevent the Company from realizing gains from positive changes.

***Commitments under Streaming Agreements***

The Company's ability to make deliveries under the streams on the San Dimas Mine or the Santa Elena Mine is dependent on the Company's financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond the Company's control, including the other factors set out in these Risk Factors. Failure to fulfill the Company's commitments under these agreements could result in adverse impacts on the Company's business. Further, if metal prices improve over time, these agreements may reduce the Company's ability to sell products later at higher market prices due to obligations under these agreements.

The San Dimas Stream Agreement fixes the ratio that will be used to calculate the amount of gold the Company is required to deliver to WPMI on account of silver production at the San Dimas Mine at 70 to 1, with provisions to adjust the ratio if the ratio of the market price of gold to the market price of silver (calculated in accordance with the San Dimas Stream Agreement) moves above or below 90 to 1 or 50 to 1, respectively, for any consecutive 6-month period during the term of the San Dimas Stream Agreement. Any adjustment to the ratio may impact the amount of gold deliverable under the San Dimas Stream Agreement which may have a material adverse effect on the Company's financial performance depending on the relative market prices of gold and silver. Subject to such adjustment provisions, the ratio that will be used to calculate the amount of gold the Company is required to deliver under the San Dimas Stream Agreement is fixed. The market prices of gold and silver may fluctuate. At any given time, the amount of gold that the Company is required to deliver under the San Dimas Stream Agreement may have a greater value than the amount of silver production on which the calculation is based. This may have a material adverse effect on the Company's financial performance.

***The Springpole Stream Agreement***

The Company is party to a silver purchase agreement dated June 11, 2020, as amended pursuant to an amendment agreement dated March 13, 2025 (collectively, the "**Springpole Stream Agreement**"), with Gold Canyon Resources Inc., a wholly-owned subsidiary of First Mining, a company listed on the TSX, pursuant to which the Company acquired a stream on 50% of payable silver produced from First Mining's Springpole Gold Project ("**Springpole**"), a development-stage gold project located in Ontario, Canada which is not currently a producing mine. Under the terms of the Springpole Stream Agreement, the Company has paid to First Mining aggregate consideration of $22.5 million in cash and Common Shares, over three payments, for the silver stream which covers the life of Springpole.

In addition, under the terms of the Springpole Stream Agreement, the Company is required to make ongoing cash payments to First Mining of 33% of the silver spot price per ounce, to a maximum of $7.50 per ounce, for all payable silver delivered under the Springpole Stream Agreement. In connection with the Springpole Stream Agreement, the Company also holds 32,050,228 common share purchase warrants of First Mining, with an exercise price of C$0.20, that expire on March 31, 2028. If the closing price of First Mining's common shares on the TSX equals or exceeds C$0.30 for 45 consecutive trading days, First Mining may accelerate the expiry date of the common share purchase warrants to the date which is 30 days following the dissemination of a news release announcing the acceleration.

Accordingly, the Company is subject to risks related to the development of the Springpole project, including the risk that the project may never be developed into a mine and go into production. Development of Springpole into an operating mine is subject to the inherent risks of developing a mining project. The Company is not directly involved in the ownership or operation of Springpole and has no contractual rights relating to its operations. First Mining, not the Company, has the power to determine the manner in which the Springpole project is developed and ultimately exploited, including decisions to develop a mine, commence production, expand, advance, continue, reduce, suspend or discontinue production. As a result, the ability of the Company to purchase payable silver produced at Springpole at the agreed upon price is dependent upon the activities of First Mining, which creates the risk that at any time First Mining may: (i) have business interests or targets that are inconsistent with those of the Company including a decision not to take the Springpole mine into production; (ii) take action contrary to the Company's policies or objectives; (iii) be unable or unwilling to fulfill its obligations under the Springpole Stream Agreement; or (iv) experience financial, operational or other difficulties, including insolvency, which could limit or suspend First Mining's ability to perform its obligations under the Springpole Stream Agreement. Keith Neumeyer, our President & Chief Executive Officer, and Raymond Polman, a director of the Company, are each 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. See "Conflicts of Interest" in this AIF.

***Counterparty and Market Risks***

From time to time the Company may enter into sales contracts to sell its products, including refined silver and gold from doré bars, to metal traders after being refined by refining companies. In addition to these commercial sales, the Company also markets a small portion of its silver production in the form of coins and bullion products to retail purchasers directly through the Company's corporate e-commerce website. There is no assurance that the Company will be successful in entering into or re-negotiating sales contracts with brokers and metal traders or refining companies and retail purchasers on acceptable terms, if at all. If the Company is not successful in entering into or re-negotiating such sales contracts, it may be forced to sell some or all of its products, or greater volumes of its products than it may desire in adverse market conditions, thereby reducing the Company's revenues on a per ounce basis.

In addition, should any counterparty to any sales contract not honor such contract or become insolvent, the Company may incur losses for products already shipped, may be forced to sell greater volumes of products, may be forced to sell at lower prices than could be obtained through sales on the spot market, or may not have a market for its products. The Company's future operating results may be materially adversely impacted as a result. Moreover, there can be no assurance that the Company's products will meet the qualitative requirements under future sales contracts or the requirements of buyers.

***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.

As at December 31, 2024, net VAT receivable was $44.6 million (December 31, 2023 - $52.7 million), of which $14.2 million (December 31, 2023 - $27.5 million) relates to La Encantada, $5.1 million relates to Santa Elena (December 31, 2023 - $23.0 million), and $7.0 million (December 31, 2023 - $29.0 million) relates to San Dimas.

The Company sells and receives payment upon delivery of its silver doré and by-products primarily through four 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.

***Obtaining Future Financing***

The further exploitation, development and exploration of mineral properties in which the Company holds an interest or which it acquires may depend in part upon the Company's ability to obtain financing through equity financing or debt financing, pre-sale arrangements, joint ventures or other means. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile precious metals and equity and credit markets may make it difficult or impossible for the Company to obtain further financing on favorable terms or at all. If the Company is unable to obtain additional financing, it may be required to delay or postpone exploration, development or production on some or all of its properties, potentially indefinitely.

As of December 31, 2024, the Company had approximately $202.2 million of cash and cash equivalents in its treasury and working capital of $224.5 million while total available liquidity, including $139.6 million of undrawn revolving credit facility (under the Revolving Credit Facility (as defined herein)), was $364.2 million. As a result of the Company's ability to earn cash flow from our ongoing operations, the Company expects to have sufficient capital to support our current operating requirements in the foreseeable future, provided we can continue to generate cash from our operations and that costs of our capital projects are not materially greater than our projections. There is a risk that commodity prices or demand for the products decline and that we are unable to continue generating sufficient cash flow from operations or that we require significant additional cash to fund expansions and potential acquisitions. The availability of such additional cash may be adversely impacted by uncertainty in the financial markets. Failure to obtain additional financing on a timely basis may cause us to postpone acquisitions, major expansion, development, and exploration plans.

***Liquidity Risk***

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they arise. The Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and contractual obligations.

Based on the Company's current operating plan, 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 commodity prices in the metals market were to decrease significantly, or the Company was to deviate significantly from its operating plan, the Company may need injection of additional capital to address its cash flow requirements.

***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 U.S. Dollar is included in the table below:

| | December 31, 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Cash and cash equivalents | Restricted cash | Value added taxes receivable | Other financial assets | Trade and other payables | Net assets (liabilities) exposure | Effect of +/- 10% change in currency |
| Canadian Dollar | $1,097 | $— | $— | $1,282 | ($5,422) | ($1,878) | ($188) |
| Mexican Peso | 25,748 | 86,726 | 44,614 | — | (63,988) | 93,100 | 9,310 |
| | $26,845 | $86,726 | $44,614 | $1,282 | ($69,410) | $91,222 | $9,122 |

***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.

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

| | December 31, 2024 | | |
|---|---|---|---|
| | Effect of +/- 10% change in metal prices | | |
| | Silver | Gold | Total |
| Metals in inventory | $1,557 | $676 | $2,233 |
| | $1,557 | $676 | $2,233 |

***Indebtedness***

As of December 31, 2024, the Company's total consolidated indebtedness was $209.5 million, $0.4 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.

The Company's ability to make scheduled payments of the principal of, to pay interest on, or to refinance its indebtedness depends on its future performance, which is subject to economic, financial, competitive and other factors beyond the Company's control. The Company may not continue to generate sufficient cash flow from operations in the future to service this debt and to make necessary capital expenditures. If the Company is unable to generate such cash flow, it may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. The Company's ability to refinance its indebtedness will depend on the capital and credit markets and its financial condition at such time. The Company may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on its debt obligations.

The terms of the Company’s Revolving Credit Facility require the Company to satisfy various positive and negative covenants, including maintaining at all times, certain financial ratios and tests. These covenants limit, among other things, the Company's ability to incur certain indebtedness, assume certain liens or engage in certain types of transactions. Any future or additional indebtedness may be subject to more stringent covenants. The Company can provide no assurances that in the future, the Company will not be constrained in its ability to respond to changes in its business or be restricted in its ability to engage in mergers, acquisitions or dispositions of assets. Failure to comply with these covenants, including a failure to meet the financial tests or ratios, would result in an event of default and would allow the lenders thereunder to accelerate maturity of the debt or realize upon security over the Company's assets. An event of default under the Revolving Credit Facility could result in a cross-default under the Company's equipment leases, streaming agreements or other indebtedness (and vice versa) and could otherwise materially and adversely affect the Company's business, financial condition and results of operations and the Company's ability to meet its payment obligations with respect to the Company's debt facilities, as well as the market price of the Company's Common Shares.

***Interest Rate Risk***

The Company is exposed to interest rate risk on its short-term investments, debt facilities and lease liabilities. 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 of December 31, 2024, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. The Company's finance leases bear interest at fixed rates. Based on the Company's interest rate exposure on December 31, 2024, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

***Future Issuances of Shares***

The Company may issue and sell additional securities of the Company to finance its operations or future acquisitions including sales pursuant to one or more "at-the-market" offerings. The Company cannot predict the size of future issuances of securities of the Company or the effect, if any, that future issuances and sales of securities will have on the market price of any securities of the Company that are issued and outstanding from time to time. Sales or issuances of substantial amounts of securities of the Company, or the perception that such sales could occur, may adversely affect market prices for the securities of the Company that are issued and outstanding from time to time.

The Company has outstanding $230,000,000 aggregate principal amount of 0.375% unsecured convertible senior notes due 2027 (the "**2027 Notes**"), which in accordance with their terms, are convertible into Common Shares at a ratio which is subject to adjustment for certain dilutive events. In addition, the Company has outstanding stock options, restricted share units and deferred share units and, from time to time, may also issue share purchase warrants of the Company pursuant to which Common Shares may be issued in the future. Any such convertible securities are more likely to be exercised when the market price of the Company's Common Shares exceeds the exercise price of such instruments. The issuance of shares and the exercise of convertible securities and the subsequent resale of such Common Shares in the public markets could adversely affect the prevailing market price of the Company's Common Shares and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Common Shares and the Company may issue additional convertible securities from time to time. Issuances of Common Shares from the Company's treasury may result in dilution to existing shareholders, depending on the nature of the transaction or circumstances giving rise to the issuance of such shares.

***Volatility of Share Price***

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such shares trade may be adversely affected. The market price of the shares of precious metals and resource companies, including the Company, tends to be volatile. The trading price of the Company's shares may be subject to large fluctuations and may increase or decrease in response to a number of events and factors, including the following:

- the price of silver and gold and often other commodity prices;
- the Company's operating performance and the performance of competitors and other similar companies;
- the public's reaction to the Company's press releases, other public announcements and the Company's filings with securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track the Company's Common Shares or the shares of other companies in the resources sector;
- changes in general economic conditions;
- the number of the Company's Common Shares to be publicly traded after an offering, including additional Common Shares issued pursuant to a prospectus supplement filed in connection with the Company's Base Shelf Prospectus and Registration Statement;
- the arrival or departure of key personnel;
- acquisitions, dispositions, strategic alliances or joint ventures involving the Company or its competitors; and
- equity or debt financings by the Company.

In addition, the market price of the Company's shares are affected by many variables not directly related to the Company's success and are therefore not within the Company's control, including developments that affect the market for all resource sector shares; the breadth of the public market for the Company's shares; the attractiveness of alternative investments; general economic conditions (including increased inflation, supply chain disruptions and changes to economic conditions as a result of public health crises, hostilities in Ukraine and the Middle East or international trade disputes); legislative changes; possible efforts by investors, including short sellers, to impact the market price of the Common Shares through various means including influencing investors through social media and investor discussion forums (such as the impact that Reddit users have had in the past on the market price of certain securities) and short selling; and other events and factors outside of the Company's control. Securities markets frequently experience price and volume volatility, and the market price of securities of many companies may experience wide fluctuations not necessarily related to the operating performance, underlying asset values or prospects of such companies. The effect of these and other factors on the market price of the Company's Common Shares on the exchanges in which the Company trades has historically made the Company's share price volatile and suggests that the Company's share price will continue to be volatile in the future.

***Equity Interests in Other Issuers***

The Company may from time to time hold shares or other financial interests in other companies, including publicly listed companies. In particular, following the dispositions of the La Guitarra mine and the La Parrilla mine, the Company has become a major shareholder of Sierra Madre and Silver Storm, respectively, each of which is currently listed on the TSX Venture Exchange. The Company does not have the right to appoint directors of either such company. As a major shareholder, the Company is not in a position to direct the day-to-day business of such companies and is subject to the risk that these companies may make business, financial or management decisions with which the Company does not agree or may take risks or otherwise act in a manner that does not serve the Company's interests. In addition, the market price of the shares of such companies may be highly volatile and will be subject to many of the same factors as apply to the Company's Common Shares. These shares may also be subject to restrictions on resale or may be illiquid, particularly with respect to junior companies such as Sierra Madre or Silver Storm. The Company may therefore face delays in selling such securities or realizing value for them.

***Impairments***

It is possible that material changes could occur that may adversely affect management's ability to realize the estimated cash generating capability of the carrying value of non-current assets which may have a material adverse effect on the Company. Impairment estimates are based on management's cash generating assumptions of its operating units, and sensitivity analyses and actual future outcomes may differ from these estimates.

***Internal Control over Financial Reporting***

The Company's management, with the participation of its President & Chief Executive Officer and Chief Financial Officer, 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 documented and tested during its most recent fiscal year its internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act ("**SOX**"), using criteria established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organization of the Treadway Commission ("**COSO**"). SOX requires an annual assessment by management and an independent assessment by the Company's independent registered public accounting firm of the effectiveness of the Company's internal control over financial reporting. The Company may fail to achieve and maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented, or amended from time to time, and the Company may not be able to ensure that it can conclude on an ongoing basis that it has effective internal controls over financial reporting in accordance with Section 404 of SOX. The Company's failure to satisfy the requirements of Section 404 of SOX on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price of its Common Shares or market value of its other securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. There can be no assurance that the Company will be able to remediate material weaknesses, if any, identified in future periods, or maintain all of the controls necessary for continued compliance, and there can be no assurance that the Company will be able to retain sufficient skilled finance and accounting personnel, especially in light of the increased demand for such personnel among publicly traded companies. Future acquisitions of companies may provide the Company with challenges in implementing the required processes, procedures and controls in its acquired operations. Acquired companies may not have disclosure controls and procedures or internal control over financial reporting that are as thorough or effective as those required by securities laws currently applicable to the Company.

No evaluation can provide complete assurance that the Company's internal control over financial reporting will detect or uncover all failures of persons within the Company to disclose material information otherwise required to be reported. The effectiveness of the Company's control and procedures could also be limited by simple errors or faulty judgments. In addition, as the Company continues to expand, the challenges involved in implementing appropriate internal controls over financial reporting will increase and will require that the Company continue to improve its internal controls over financial reporting. Although the Company intends to devote substantial time and incur costs, as necessary, to ensure ongoing compliance, the Company cannot be certain that it will be successful in complying with Section 404 of SOX, or that these controls will prevent theft or fraud, especially where collusion exists amongst employees.

***Allocation of Capital - Sustaining and Expansionary Capital***

The Company has budgeted $182.0 million for 2025 as sustaining capital and expansionary capital for investments in property, plant and equipment, mine development and exploration. Sustaining capital consists of capital expenditures required to maintain current operations. Expansionary capital is earmarked for growth projects to expand current operations. A total of $80.0 million has been earmarked for sustaining capital and $102.0 million has been planned for expansionary projects in 2025. There can be no assurance that such cost estimates will prove to be accurate. The Company may alter its allocation of capital to provide for revised strategic planning, metal price declines or other external economic conditions. Actual costs may vary from the estimates depending on a variety of factors, many of which are not within the Company's control. Failure to stay within cost estimates or material increases in costs could have a material adverse impact on the Company's future cash flows, profitability, results of operations and financial condition.

Factors which may influence costs include the risks outlined under the headings *"Operating Hazards and Risks"* and *"Infrastructure"*, as well as the following:

- shortages of principal supplies needed for construction;
- restrictions or regulations imposed by power commissions, governmental or regulatory authorities with respect to planning and construction, including permits, licences and environmental assessments;
- changes in the regulatory environment with respect to planning and construction;
- the introduction of new property or capital taxes;
- work stoppages due to labour disputes; and
- significant fluctuations in the exchange rates for certain currencies.

***Insurance Risk***

Although the Company has multimodal insurance policies that cover: material damage to buildings, including by earthquakes; material damage to contents, including by earthquakes; loss and consequential damages (including removal, utilities, fixed costs, wages and extraordinary expenses); and responsibility to third parties, such insurance might not cover all the potential risks associated with its operations. These policies also carry deductibles for which the Company would be obligated to pay in connection with a claim thereunder. Liabilities that the Company incurs may exceed the policy limits of its insurance coverage, may not be insurable, or may be liabilities against which the Company has elected not to insure due to high premium costs or other reasons. In any such event, the Company could incur significant costs that could adversely impact its business, operations or profitability.

***Continued Growth***

The Company must generate sufficient internal cash flows and/or be able to utilize available financing sources to finance the Company's continued growth and sustain capital requirements. If the Company does not realize satisfactory prices for its products (principally silver and gold), it could be required to raise significant additional capital through the capital markets and/or incur significant borrowings to meet its capital requirements. These financing requirements may result in dilution to the Company's existing shareholders and could adversely affect the Company's credit ratings and its ability to access the capital markets in the future to meet any external financing requirements the Company might have.

***Benefit of Growth Projects***

As part of the Company's strategy, the Company will continue efforts to develop and acquire new mineral projects in the growth stage. A number of risks and uncertainties are associated with the exploration, development and acquisition of these types of projects, including political, regulatory, design, construction, labour, operating, technical and technological risks, uncertainties relating to capital and other costs and financing risks.

The level of production and capital and operating cost estimates relating to the Company's portfolio of growth projects are based on certain assumptions and are inherently subject to significant uncertainties. It is likely that actual results for the Company's projects will differ from current estimates and assumptions, and these differences may be material. In addition, experience from actual mining or processing operations may identify new or unexpected conditions which could reduce production below, and/or increase capital and/or operating costs above, current estimates. If actual results are less favorable than current estimates, the combined company's business, results of operations, financial condition and liquidity could be adversely impacted.

***Dividend Policy***

The Board of Directors has adopted a dividend policy for the Company under which the Company intends to pay quarterly dividends of 1% of the Company's net revenues. The declaration, timing, amount and payment of dividends are at the discretion of the Board of Directors and will depend on then current financial position, profitability, cash flow, debt covenant compliance, legal requirements and other factors considered relevant. The Company may also declare special dividends from time to time, in cash or in kind, at the discretion of its Board of Directors. The Company will review its 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. As such, no assurances can be made that any future dividends will be declared and/or paid on a quarterly, annual or other basis.

**Product Marketing and Sales**

Silver and gold are sold by the Company using a small number of international metal brokers who buy from the Company and act as intermediaries between the Company, the London Bullion Market or end consumers.  The final product from the Company's facilities comes in the form of silver/gold doré bars.  The physical doré bars contain silver, gold and other impurities are delivered to one of two refineries where doré bars are refined to commercially marketable 99.9+% pure silver bars.  The metal refineries charge tolling fees to the Company for their refining services, and deliver refined products of silver and gold.  As at December 31, 2024, three operating mines of the Company were producing doré bars and no concentrates were being commercially produced.  Following the Company's acquisition of Gatos Silver on January 16, 2025, the Company now owns a 70% interest in the Los Gatos Silver Mine, which produces lead and zinc concentrates.

The Company delivers its production via a combination of private aircraft, armoured cars and trucks to several refineries who then, once they have refined the silver and gold to commercial grades, transfer the silver and gold to the physical market. Doré of precious metal is turned out from refineries usually within 30 calendar days and any final variances in assays is settled at that time through the refiner assigning any liquidation differences to the metal brokers. The Company normally receives 95% to 98% of the value of its sales of doré on delivery to the refinery with final settlements upon outturn of the refined metals, less processing tolling fees. In the event that any such refinery was to become insolvent, the Company may incur losses for products already shipped to such refinery and would also be required to re-route additional products to alternative refineries, which may result in additional expense and delay in selling the Company's products.

As the Company has a number of metal brokers and refineries with which it does business, the Company is not economically dependent on any one of its brokers or refineries, however, in 2024 approximately 75% of the Company's revenue was derived from sales through one metal broker.  In the event such broker were to become insolvent, the Company may incur losses.  The Company's future operating results may be negatively impacted as a result.

The Company's senior management in Vancouver and Europe negotiate sales contracts. Contracts with refining companies are generally negotiated annually, and metals brokers and traders are re-negotiated as required.  The Company currently sells its silver and gold contained in doré bars through one international brokerage organization.  Additionally, the Company has contractual obligations to deliver a portion of silver and gold through streaming agreements with two international streaming companies.

The Company continually reviews its cost structures and relationships with refining companies and metal traders in order to maintain the most competitive pricing possible while not remaining completely dependent on any single smelter, refiner or trader.

In addition to these commercial sales, the Company also markets a small portion of its silver production in the form of coins and silver bullion products to retail purchasers.  Such products were sold directly over the Company's previous corporate e-commerce web site.  Due to high customer demand, in September 2023, the Company established its 100%-owned and operated minting facility, First Mint, in the State of Nevada.  First Mint expands upon First Majestic's prior bullion sales through vertically integrating the production of investment-grade fine silver bullion, allowing First Majestic to sell a substantially greater portion of its silver production directly to its shareholders and bullion customers.  Commissioning for First Mint commenced in March 2024 and was focused on commissioning production and research and development.  The facility provides cast bars and one-ounce silver rounds, with additional capacity to service third party orders.  First Mint officially celebrated its inauguration on September 26, 2024.  During the year ended December 31, 2024, First Mint and the Company's previous bullion store collectively sold 521,979 ounces of silver, representing a 53% increase compared to 340,432 ounces sold in 2023 through the bullion store.  The ounces sold through First Mint accounted for 6% of the Company's total silver production during the year.

**Social and Environmental Policies**

First Majestic recognizes the growing strategic importance of the management of social and environmental performance to assure the sustainability of the Company's operations, and land access requirements.  First Majestic works to avoid, minimize, rehabilitate, offset or compensate for any social or environmental impacts of the Company's activities, while always abiding by environmental regulations and pursuing international best practices.

Aligned with the Company values and commitments to continuous improvement, the Company has developed a strategic and systematic approach to social and environmental management. Responsible practices and systems of governance are incorporated into corporate strategy, policies and management standards, and the Company continuously evaluates and improves its social and environmental performance.

The Board of Directors has adopted formal policies, procedures, and industry best practices to manage the Company's impacts and contribute to the social and economic development of local communities. The Board is directly responsible for this through its supervision of the Sustainability Committee (the "**Sustainability Committee**").  The purpose of the Sustainability Committee is, under the supervision of the Board of Directors, to monitor, assess and make recommendations to the Board of Directors respecting the sustainability policies, practices, and performance of the Company including worker health and safety; environmental matters including water, waste, biodiversity and air quality management, emissions and climate change, engagement with local communities and Indigenous Peoples, tailings facility management and emergency response plans, diversity, equity and inclusion, and human rights.

Corporate Social Responsibility ("**CSR**")

First Majestic is committed to socially responsible mining: working ethically and with integrity, taking responsibility for its impacts on the environment and the communities where it operates, while contributing to local sustainable development. First Majestic recognizes that only by acting in a socially responsible manner and integrating such practices into its management systems and standards, can it assure the sustainability of its business.

The Company seeks to develop and maintain collaborative relationships with host communities and aims to contribute to the quality of life and sustainable development in the locations in which it operates. The Company has adopted a Social Management System ("**SMS**") that addresses key aspects of social performance management and guides its local teams to work to standards aligned with international best practices. First Majestic's approach is rooted in constructive dialogue with local and regional partners and demonstrating transparency regarding its operational plans and activities while respecting the rights, traditions and cultural identity of local communities.

Local teams engage in constructive dialogue with local and regional partners, demonstrating transparency regarding its operational plans and activities and respecting the rights, traditions and cultural identity of local communities.

First Majestic aims to proactively support the development needs of local communities and leverage the social and economic benefits that can be generated by its operations and projects. The Company works to identify and collaboratively address development opportunities that intersect with its business, and actively engage with host communities and other stakeholders to ensure social investments are aligned with local priorities and contribute to development aimed at the needs and expectations of our host communities for present and future generations. The Company's local teams work closely with municipal and state governments, local schools, medical services, local business associations and the agricultural sector on a variety of initiatives in the form of infrastructure projects and educational activities in areas such as water, sanitation, agriculture, green energy, youth sports, arts and culture programs, health promotion, environmental management and emergency response.

This past year, the Company's social investments continued across all sites on access to potable water, road construction and maintenance, sanitation and waste management infrastructure, education, health, and communications facilities and programs as well as support for the development of rural economic livelihoods such as small businesses capacity building, agriculture and ranching. Additionally, funding for social sustainable development projects in communities was obtained through contributions made by the Company to local partnerships including educational institutions, NGOs, local governments, and public entities. A new seed investment program was launched for the host communities of San Dimas and Santa Elena, with successful results on the local businesses leadership looking for sustainable projects and solutions for their needs.

The First Majestic SMS is based on knowledge management, social performance best practices, clear performance indicators, structured analysis and a longer-term planning process for operational continuity and sustainability. The following core elements of the First Majestic SMS are incorporated at all First Majestic operation and exploration sites:

- Stakeholder mapping, engagement management plans;
- Risk assessment and management plans;
- External grievance mechanisms;
- Social incident management; and
- Local content and local employment management.

Early in 2024, the Company's three operating mines in Mexico were recognized for another consecutive year with the Socially Responsible Business Distinction Award by the CEMEFI and the Alliance for Corporate Social Responsibility (Alianza para la Responsabilidad Social Empresarial, "**AliaRSE**"). Since being acquired by First Majestic, the Santa Elena Mine has been recognized for ten consecutive years, La Encantada for three years and San Dimas for thirteen consecutive years. In October 2022, Santa Elena received a "Silver Helmet" safety award from the Mining Chamber of Mexico ("**CAMIMEX**"). This is a significant milestone for First Majestic because it is awarded once per year to the safest underground mine with over 500 employees according to the mandatory safety regulations. Currently, all of First Majestic's operating and non-operating mines in Mexico are recognized as Socially Responsible Business by CEMEFI. This honour from within the Mexican community recognizes excellence in CSR management, corporate ethics, work environment, community involvement, and environmental responsibility. The awards affirm First Majestic's commitment to sound CSR practices and demonstrates the Company's commitment to transparency, and social responsibility within its operations and projects in Mexico.

<u>Environmental Stewardship</u>

The Company's operations are subject to, and materially conform with, all current applicable environmental laws and regulations in the jurisdictions where it operates. These environmental regulations provide strict restrictions and prohibitions against spills, releases and emission of various substances related to industrial mining operations that could result in environmental contamination.

First Majestic's Environmental Management System ("**EMS**") is applied in all operations to standardize tasks and strengthen a culture focused on preventing, minimizing and mitigating environmental impacts. External audits of First Majestic's EMS are aimed at reviewing the performance of each of its mining operations. These audits are conducted by PROFEPA-accredited external environmental consultants for evaluating compliance to applicable environmental regulations.

The First Majestic EMS supports the implementation of the environmental policy and is applied in all operations, to standardize tasks and strengthen a culture focused on minimizing environmental impacts.

First Majestic's EMS has implemented an Annual Compliance Program to review all environmental obligations, and these are conducted by each business unit. Additionally, the Company has implemented an on-line risk management platform that contains all the environmental obligations or conditions that must be fulfilled under the environmental permits.

The Company has implemented an environmental policy and the general objectives of the policy are to:

- Meet all applicable Mexican and US environmental legal requirements.
- Design, build, operate and remediate at the close of its operations in accordance with applicable local laws and regulations and guided by international best practices.
- Promote the commitment and capacity of its employees to implement the environmental policy using integrated management systems.
- Be proactive with environmental management programs so that, in the future, communities are not left with responsibilities for the Company's operations.
- Communicate openly to employees, the community and governments about the Company's plans, programs and environmental performance.
- Work together with government agencies, local communities, educational institutions and suppliers to ensure the safe handling, use and disposal of all the Company's materials and products.
- Use the best technologies to continuously improve the safe and efficient use of resources, processes and materials.

During the financial year ended December 31, 2024, the Company paid environmental duties of approximately $2.97 million and environmental expenditures for concurrent reclamation were approximately $1.10 million. The Company currently estimates the aggregate present value of expenditures required for future closure and decommissioning costs in respect of the Company's operating mines and those under care and maintenance, along with its development properties, to be approximately $159.1 million.

**Health and Safety**

First Majestic believes that all of its employees and contractors have the right to be safe when at work and is committed to providing the means to achieve a safe and healthy workplace free of accidents and injuries.

First Majestic's Occupational Health and Safety Management Policy directs it to identify, understand, eliminate or control any foreseeable hazards in the workplace and to provide ongoing training, equipment and systems to its employees and contractors, as well as procedures and training for emergency preparedness and response.

The Company's Occupational Health and Safety Management System is applied in all operations to standardize tasks, and strengthen a culture focused on keeping our people safe. Key pillars of the system are Visible Felt Leadership, regulatory compliance, effective industrial hygiene, and fulfillment of the requirements to obtain the Mexico Safe Company Certification, issued by the Mexican Secretariat of Labour and Social Welfare. All of the Company's operations have subscribed to the voluntary program and self-audit process.

In the United States, Health and Safety is regulated by the Mine Safety and Health Administration ("**MSHA**"). The charge of the agency is to enforce safety and health rules for all U.S. mines. Jerritt Canyon has an excellent working relationship with MSHA to ensure regulatory compliance and improve safety and health conditions for all of their employees.

**Employment Practices**

First Majestic's people are its most valuable asset. First Majestic's employees and contractors are the core of its business, and the Company believes in a skilled, committed and empowered workforce to contribute to its success.

First Majestic supports its employees and contractors to maintain workplace relationships based on mutual respect, fairness and integrity. Wherever the Company works, it complies with local employment laws and does not tolerate discrimination in any form. First Majestic is committed to fair and equitable employment practices, freedom of association and the right to free collective bargaining, and actively promotes equal opportunity throughout its operations, offices and projects. At First Majestic, we value the diversity of our people, our partners, and communities. We believe a successful organization is built on our commitment in providing a respectful, equitable, diverse and inclusive work environment that promotes trust and encourages innovation, agility and sustainability.

**Sustainability Performance Reporting**

The Company's operations strive to follow the highest industry standards and sustainability frameworks to demonstrate, using qualitative and quantitative data, our performance across non-technical Environmental, Social, and Governance ("**ESG**") issues. In connection with that corporate goal, on August 31, 2020, First Majestic published its first Sustainability Report to voluntarily disclose the Company's impacts and benefits across host communities.

First Majestic published its third Sustainability Report on May 27, 2024, in which the Company identified certain material topics for its operational and care and maintenance sites the following areas:

- Air Quality
- Biodiversity
- Carbon and Climate
- Energy Efficiency
- Tailings Management
- Waste
- Water Management
- Health & Safety
- Diversity, Equity & Inclusion
- Employee Engagement & Development
- Community Relations & Investment
- Indigenous Peoples
- Business Ethics & Transparency
- Relationships with Governments
- Security
- Cybersecurity
- Supply Chain
- Human Rights
- Business & Industry Partnerships

- Operational Efficiency

As a result of the Company's systems, policies, and practices implemented, First Majestic collected relevant and comparable data across its operations. The Sustainability Report and ESG disclosure respond to internationally recognized guidance for extractive companies operating globally and in line with Canadian Enhanced Corporate Social Responsibility Strategy. Those guides include the OECD Guidelines for Multinational Enterprises, Voluntary Principles on Security and Human Rights, International Finance Corporation Performance Standards, Global Reporting Initiative ("**GRI**"), and UN Guiding Principles on Business and Human Rights.

The Company expects to publish its fourth Sustainability Report in April 2025.

In addition to directly providing its sustainability data to the public via its own Sustainability Report, the Company also directly engages with third-party ESG data brokers ("**ESG agencies**"). These ESG agencies provide issuers' empirical sustainability data to primarily investor clients, and calculate ratings and rankings of issuers' sustainability performance to the same. First Majestic primarily engages with these agencies to verify that the Company's sustainability-related data is accurately reported and utilized, so that market stakeholders such as investors may access the most fulsome and correct sustainability information about the Company.

**Taxation**

The taxation of corporations in Mexico and the United States is often complex and is assessed via overlapping layers of taxation on a number of different tax bases, with credits or offsets permitted in certain cases between various tax liabilities. The explanation below is not intended to be a detailed and conclusive description of all of the many forms of Mexican corporate taxes but is a current summary of the most relevant and material forms of corporate taxes impacting mining companies operating in Mexico and expected to apply on a prospective basis.

Taxes in Mexico are levied in the normal course of business and are levied in the form of: (i) Corporate Income Taxes (referred to as ISR), (ii) Special Mining Duty (also referred to as Mining Royalty), (iii) Value Added Taxes ("**VAT**" or "**IVA**"), (iv) Profit sharing taxes ("**PTU**"), (v) Mining Rights Taxes, and (vi) Municipal or Property Taxes. All of these taxes (except for Municipal Taxes) are administered at the federal level by *Servicio de Administration Tributaria* (the "**SAT**") often referred to as "Hacienda".

Corporations resident in Mexico are taxed on their worldwide income. The applicable tax rates and related tax bases applicable to fiscal 2024 are as follows:

(i) *Corporate Income taxes* ("**ISR**") - 30% on a corporation's taxable income in 2024. Normal business expenses may be deducted in computing a corporation's taxable income, including inflationary accounting for certain concepts of revenue and expenses;

(ii) *Special Mining Duty* - 7.5% on a royalty base which is computed as taxable revenues for income tax purposes (except interest and inflationary adjustment), less allowable deductions for income tax purposes (except interest, inflationary adjustment, depreciation and mining fees), less prospecting and exploration expenses of the year. The royalty is deductible for corporate income tax purposes, therefore after taxes the net impact is 70% of 7.5% or 5.25% after tax;

(iii) *Environmental Duty* - 0.5% on revenues from the sale of precious metals (gold, silver, platinum). The duty is deductible for corporate income tax purposes;

(iv) *Value Added Taxes* - 16% payable monthly on taxable receipts from the sales of goods and services in Mexico and 0% on exports, creditable against the IVA paid on deductible services, expenses and imports;

(v) *Profit sharing Taxes* – 10% on a corporation's taxable income and payable to the workers in the corporation, with such amount limited to the greater of 3 months' of the worker's salary and the average of the last three PTU payments made by the corporation to the worker, creditable against corporate income taxes payable;

(vi) *Mining Rights Taxes* - a nominal rate charged on a per hectare basis on a corporation's mining rights; and

(vii) *Municipal Taxes* - Zacatecas State (Chalchihuites Municipality) levies a 1.5% tax on the value of constructed facilities at the Del Toro mine.

Dividends received by a Mexican resident from another Mexican resident are exempt from corporate taxes if they are paid out of tax paid retained earnings. Mexican entities have no preferred treatment for capital gains and in some cases capital losses are restricted. A ten-year loss carry-forward period exists, subject to inflation adjustment. The Organization for Economic Co-operation and Development rules apply to transfer pricing matters crossing country borders. Thin capitalization rules are based on a 3 to 1 debt to equity limitation for foreign companies investing in Mexican mining companies.

There is a 10% withholding tax on dividends distributed to resident individuals or foreign residents (including foreign corporations). Per the Mexico-Canada tax treaty this dividend withholding tax rate may be reduced to 5% in certain instances.

On December 9, 2019, Mexico introduced additional tax reforms to address its Corporate, VAT, and Excise Taxes, referred to as the 2020 Tax Reforms. In addition to a new General Anti-avoidance Rule, the Mexican tax reform of 2020 proposes to deny, under a broad set of circumstances, the deductibility of payments made by Mexican corporations to foreign-related parties subject to a preferred tax regime, where the effective tax rate is less than 22.5%, regardless of whether the payment is made on an arm's length basis.

Corporations resident in Nevada are subject to federal and state taxes as follows:

- Corporate Income taxes - 21% on a corporation's taxable income in 2024. Normal business expenses may be deducted in computing a corporation's taxable income;
- State Income taxes - The State of Nevada does not levy state income taxes but does levy a net proceeds tax which consists of two parts, a 5% levy based on a measure of income.
- Mining excise tax - tiered excise tax with a maximum rate of 1.1% of gross revenues.

Net operating losses, losses incurred in business pursuits, can be carried forward indefinitely pursuant to the Tax Cuts and Jobs Act; however, they are limited to 80% of the taxable income in the year the carry forward is used.

Per the United States-Canada tax treaty, the dividend withholding tax rate may be reduced to 5% in certain instances.

## 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. The initial quarterly dividend for the first quarter of 2021 was paid in May 2021 and the Company has paid dividends for each of the subsequent quarters. Payment of the dividends under the dividend policy is subject to the Board's discretion. The Company may also declare special dividends from time to time, in cash or in kind, at the Board's discretion. 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.

## CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of Common Shares without par value. A total of 484,638,208 Common Shares were issued and outstanding as at the date of this AIF.

Each Common Share of the Company ranks equally with all other Common Shares with respect to dissolution, liquidation or winding-up of the Company and payment of dividends. The holders of Common Shares are entitled to one vote for each share of record on all matters to be voted on by such holders and are entitled to receive pro rata such dividends as may be declared by the board of directors of the Company out of funds legally available therefore and to receive, pro rata, the remaining property of the Company on dissolution. The holders of Common Shares have no redemption, retraction, purchase, pre-emptive or conversion rights. The rights attaching to the Common Shares can only be modified by the affirmative vote of at least two-thirds of the votes cast at a meeting of shareholders called for that purpose.

As described above, on December 2, 2021, the Company issued an aggregate of $230 million principal amount of 0.375% unsecured convertible senior notes due January 15, 2027 (the "**Notes**"). The Notes may be converted by the holders, in whole or in part, at any time. The initial conversion rate for the Notes is 60.3865 Common Shares per $1,000 principal amount of Notes, equivalent to an initial conversion price of approximately $16.56 per Common Share (subject to certain adjustment provisions). Interest is payable on the Notes semi-annually in arrears on January 15 and July 15 of each year to holders of record at the close of business on the preceding January 1 and July 1, respectively.

On or after January 20, 2025, the Company may redeem for cash all or part of the outstanding Notes, but only if the last reported sale price of the Common Shares for 20 or more trading days in a period of 30 consecutive trading days ending on the trading day prior to the date the Company provides notice of redemption to holders exceeds 130% of the conversion price in effect on each such trading day. The redemption price will be equal to the sum of (1) 100% of the principal amount of the Notes to be redeemed and (2) accrued and unpaid interest, if any, to, but excluding, the redemption date. The outstanding Notes are also redeemable by the Company in the event of certain changes to the laws governing Canadian withholding taxes.

The Company is required to offer to purchase for cash all of the outstanding Notes upon a "fundamental change" as described in the indenture that governs the 2027 Notes (the "**Note Indenture**"), at a purchase price equal to 100% of the principal amount of the Notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the purchase date. A copy of the Note Indenture is available under the Company's SEDAR+ profile at www.sedarplus.ca.

The Notes do not carry any rights to vote alongside the holders of the Company's Common Shares on any shareholder resolutions.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are listed and posted for trading on the TSX under the trading symbol "AG". The following table sets forth the high and low trading prices and trading volume of the Common Shares as reported by the TSX for the periods indicated:

| Period | High (C$) | Low (C$) | Volume |
|---|---|---|---|
| December 2024 | 9.66 | 7.71 | 12,511,449 |
| November 2024 | 10.47 | 8.33 | 12,983,448 |
| October 2024 | 11.18 | 8.12 | 21,954,015 |
| September 2024 | 8.90 | 6.23 | 19,655,778 |
| August 2024 | 8.10 | 6.58 | 13,800,154 |
| July 2024 | 9.40 | 7.83 | 11,204,569 |
| June 2024 | 9.90 | 7.99 | 8,794,195 |
| May 2024 | 10.83 | 9.05 | 18,133,253 |
| April 2024 | 11.58 | 8.12 | 31,472,642 |
| March 2024 | 8.02 | 6.05 | 14,869,833 |
| February 2024 | 6.59 | 5.67 | 10,722,056 |
| January 2024 | 8.23 | 6.10 | 15,130,112 |

The Common Shares are also listed and posted for trading on the New York Stock Exchange under the trading symbol "AG". The following table sets forth the high and low trading prices and trading volume of the Common Shares as reported by the New York Stock Exchange for the periods indicated:

| Period | High ($) | Low ($) | Volume |
|---|---|---|---|
| December 2024 | 6.845 | 5.355 | 31,327,957 |
| November 2024 | 7.53 | 5.985 | 43,136,950 |
| October 2024 | 8.05 | 6.01 | 38,890,547 |
| September 2024 | 6.60 | 4.595 | 41,704,898 |
| August 2024 | 5.94 | 4.43 | 24,556,204 |
| July 2024 | 6.875 | 5.67 | 20,732,300 |
| June 2024 | 7.22 | 5.83 | 23,118,784 |
| May 2024 | 8.08 | 6.59 | 31,882,054 |
| April 2024 | 8.44 | 5.985 | 47,882,935 |
| March 2024 | 5.93 | 4.445 | 29,306,879 |
| February 2024 | 4.93 | 4.17 | 23,600,478 |
| January 2024 | 6.185 | 4.54 | 31,115,878 |

The Common Shares are also quoted on the Frankfurt Stock Exchange under the symbol "FMV".

## PRIOR SALES

### Options

The following table sets forth the date, price and number of options that were granted by the Company during the financial year ended December 31, 2024 and up to the date of this AIF:

| Date of Grant | Number of Options Granted | Exercise Price (C$) |
|---|---|---|
| January 3, 2024 | 595,364 | 7.98 |
| February 27, 2024 | 1,250 | 6.21 |
| June 12, 2024 | 15,000 | 8.71 |
| July 3, 2024 | 582,112 | 8.00 |
| August 1, 2024 | 200,000 | 8.54 |
| September 18, 2024 | 15,000 | 8.30 |
| October 9, 2024 | 25,000 | 8.59 |
| November 7, 2024 | 50,000 | 9.13 |
| January 3, 2025 | 637,038 | 8.59 |
| January 8, 2025 | 15,000 | 8.53 |
| February 7, 2025 | 140,000 | 8.32 |
| February 11, 2025 | 50,000 | 8.16 |
| February 19, 2025 | 15,000 | 7.63 |
| February 20, 2025 | 50,000 | 7.63 |
| March 3, 2025 | 15,000 | 7.75 |
| **TOTAL** | 2,405,764 | |

### Restricted Share Units

The following table sets forth the date and number of restricted share units that were granted by the Company during the financial year ended December 31, 2024 and up to the date of this AIF:

| Date of Grant | Number of RSUs Granted |
|---|---|
| January 3, 2024 | 855,040 |
| January 3, 2024 | 240,470 (1) |
| February 27, 2024 | 8,010 |
| January 3, 2025 | 827,770 |
| January 3, 2025 | 213,190 (1) |
| February 11, 2025 | 8,557 |
| March 21, 2025 | 1,075 (1) |
| March 25, 2025 | 6,202 |
| **TOTAL** | 2,160,314 (2) |

Note:

(1) May be settled for cash only (no Common Shares issuable).

(2) Of this total, 454,735 of these RSUs may be settled for cash only (no Common Shares issuable).

**Performance Share Units**

The following table sets forth the date and number of performance share units that were granted by the Company during the financial year ended December 31, 2024 and up to the date of this AIF:

| Date of Grant | Number of PSUs Granted |
|---|---|
| January 3, 2024 | 470,500 |
| January 3, 2024 | 30,430 (1) |
| January 3, 2025 | 461,300 |
| January 3, 2025 | 26,840 (1) |
| February 11, 2025 | 8,557 |
| **TOTAL** | 940,357 |

Note:
(1) May be settled for cash only (no Common Shares issuable).

**Deferred Share Units**

The following table sets forth the date and number of deferred share units that were granted by the Company during the financial year ended December 31, 2024 and up to the date of this AIF:

| Date of Grant | Number of DSUs Granted (1) |
|---|---|
| January 3, 2024 | 75,184 |
| January 3, 2025 | 50,057 |
| March 25, 2025 | 6,907 |
| **TOTAL** | 132,148 |

Note:
(1) DSUs may be settled for cash only (no Common Shares issuable).

## DIRECTORS AND OFFICERS

The following table sets out the names of the current directors and officers of the Company, their respective provinces or states and countries of residence, positions with the Company, principal occupations within the five preceding years, periods during which each director has served as a director and the number of each class of securities of the Company and percentage of such class beneficially owned, directly or indirectly, or subject to control or direction by that person.

The term of each of the current directors of the Company will expire at the Company's next Annual General Meeting unless his or her office is earlier vacated in accordance with the Articles of the Company, or he or she becomes disqualified to act as a director. The Company is not required to have an executive committee but it has an Audit Committee, a Compensation Committee, a Corporate Governance & Nominating Committee and a Sustainability Committee as indicated below.

| Name, Position and City, Province and Country of Residence | Principal Occupation or Employment for Past 5 Years [(1)] | Period as a Director of the Company | No. and Class of Securities [(1)] | Percentage of Class [(2)] |
|---|---|---|---|---|
| **KEITH NEUMEYER**<br>CEO, President and Director<br>Zug, Switzerland | President of the Company from November 3, 2001, to present; Director of the Company since December 5, 1998; Director and Chairman of First Mining Gold Corp. from March 31, 2015, to present | December 5, 1998 to present | 4,260,601 Common Shares<br>1,290,555 Stock options<br>449,340 RSUs<br>343,990 PSUs | 1.4% |
| **THOMAS F. FUDGE, JR., P.E., P.Eng. (ret) (3)(4)(5)**<br>Chair and Director<br>Grand Junction, Colorado<br>USA | Semi-retired consultant from February 2019 to present; Chair of the Company from January 2022 to present | February 17, 2021 to present | 5,165 Common Shares<br>NIL Stock options<br>16,223 RSUs<br>10,932 DSUs (share-settled)<br>62,214 DSUs (cash settled) | Less than 1.0% |
| **MARJORIE CO, B.Sc., LL.B., MBA (3)(5)(6)**<br>Director<br>Vancouver, British Columbia, Canada | Principal of mc3 solutions inc. from February, 2015 to present; Principal of Marjorie Co Law Corporation from March, 2020 to present | March 1, 2017 to present | 13,821 Common Shares<br>48,527 Stock options<br>16,223 RSUs<br>11,017 DSUs (share-settled)<br>28,081 DSUs (cash settled) | Less than 1.0% |
| **RAYMOND L. POLMAN, CPA, CA, ICD.D. (6)**<br>Director<br>Langley, British Columbia, Canada | Chief Financial Officer of the Company from February 2007 to December 2021. Director of First Mining Gold Corp. from March 2015 to present | May 26, 2022 to present | 130,667 Common Shares<br>NIL Stock options<br>12,403 RSUs<br>32,825 DSUs (cash settled) | Less than 1.0% |

| Name, Position and City, Province and Country of Residence | Principal Occupation or Employment for Past 5 Years (1) | Period as a Director of the Company | No. and Class of Securities (1) | Percentage of Class (2) |
|---|---|---|---|---|
| **COLETTE RUSTAD, CPA, CA, ICD.D (3)(4)**<br>Director<br>Vancouver, British Columbia, Canada | Independent corporate advisor from 2018 to present | June 2021 to present | 5,125 Common Shares<br>NIL Stock options<br>16,223 RSUs<br>8,212 DSUs (share-settled)<br>28,081 DSUs (cash settled) | Less than 1.0% |
| **DANIEL MUÑIZ QUINTANILLA, LL.B., LL.M., MBA**<br>Director<br>Madrid, Spain | Founding Partner of Axcan Capital Partners SL and advisor to the Chair of Sinda Ltd, and Sunshine Silver Mining & Refining Company | March 13, 2025 to present | 68,541 Common Shares<br>107,641 Stock options<br>6,202 RSUs<br>6,907 DSUs (cash settled) | Less than 1.0% |
| **STEVEN C. HOLMES**<br>Chief Operating Officer<br>Safford, Arizona<br>USA | Chief Operating Officer of the Company from February 2020 to present | N/A | 173,616 Common Shares<br>514,887 Stock options<br>117,009 RSUs<br>123,830 PSUs | Less than 1.0% |
| **DAVID SOARES, CPA, CA, MBA**<br>Chief Financial Officer<br>Vancouver, British Columbia, Canada | Chief Financial Officer of Kirkland Lake Gold from November 2018 to February 2022; Chief Financial Officer of the Company from March 2022 to present | N/A | 34,775 Common Shares<br>366,119 Stock options<br>102,817 RSUs<br>105,550 PSUs | Less than 1.0% |
| **SAMIR PATEL, LL.B.**<br>General Counsel & Corporate Secretary<br>Vancouver, British Columbia,<br>Canada | General Counsel & Corporate Secretary of First Mining Gold Corp. from December 2018 to July 2023; General Counsel & Corporate Secretary of the Company from July 2023 to present | N/A | 11,800 Common Shares<br>137,500 Stock options<br>44,348 RSUs<br>38,927 PSUs | Less than 1.0% |

(1) The information as to principal occupation and securities of the Company beneficially owned has been furnished by the respective individuals and is presented as of the date of this AIF.

(2) Based upon the 484,638,208 Common Shares issued and outstanding as of the date of this AIF.
(3) Member of the Audit Committee.
(4) Member of the Compensation Committee.
(5) Member of the Corporate Governance & Nominating Committee.
(6) Member of the Sustainability Committee.

The directors and senior officers of the Company beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 4,704,111 Common Shares or approximately 0.97% of the Common Shares issued and outstanding as of the date of this AIF.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Company, no director or executive officer of the Company nor a shareholder holding a sufficient number of Common Shares to materially affect the control of the Company, nor a personal holding company of any of them,

(a) is, at the date of this AIF or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company), that while that person was acting in that capacity,

   (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or

   (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities registration, for a period of more than 30 consecutive days; or

   (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors, or had a receiver, receiver manager, or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or comprise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

To the knowledge of the Company, no director or executive officer of the Company, nor a shareholder holding a sufficient number of Common Shares to affect materially the control of the Company, nor a personal holding company of any of them, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a security's regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Conflicts of Interest**

Certain directors of the Company are also directors or officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting mineral properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law and by the Company's policies to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict is required to disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

## AUDIT COMMITTEE INFORMATION

Pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("**NI 52-110**") the Company is required to provide the following disclosure with respect to its Audit Committee.

**Audit Committee Mandate**

The text of the Audit Committee's Charter is attached as Appendix "A" to this AIF.

**Composition of the Audit Committee**

The members of the Audit Committee are Colette Rustad, Marjorie Co and Thomas F. Fudge, Jr. All three members are independent within the meaning of applicable securities laws and all three members are considered financially literate.

**Relevant Education and Experience**

Ms. Colette Rustad is an international financial expert with over 30 years of diverse financial and operational experience, including mergers and acquisitions, project construction, risk management and advisory expertise in the mining, financial services, energy and technology sectors. She currently serves as a director of the Sanford Housing Society, previously served as a director for Terrane Metals and held executive positions at Barrick Africa, VP & CFO; Goldcorp Inc, Senior Vice-President Treasurer and Controller; EY Toronto, Senior Manager and Alio Gold, EVP & CFO. She is a Chartered Professional Accountant (CPA)(CA), has the Institute of Corporate Directors Designation (ICD.D), a Bachelor of Commerce from the University of Calgary and completed the Advanced Management Program from the Wharton Graduate School of Business, University of Pennsylvania.

Ms. Marjorie Co was called to the British Columbia Bar in 1996 and is a Member of the Law Society of British Columbia. Ms. Co obtained her Master of Business Administration and Bachelor of Laws degrees from the University of British Columbia, and her Bachelor of Science degree from Simon Fraser University. Ms. Co currently provides business development and legal advice for technology-focused organizations and start-up companies. Her previous roles have included being the Director of Strategic Relations at Westport Innovations and Chief Development Officer at The Proof Centre of Excellence.

Mr. Thomas F. Fudge, Jr. has over 40 years of professional mining experience having previously worked with companies including Tahoe Resources, Alexco Resources, Hecla Mining, and Sunshine Precious Metals. Mr. Fudge holds a Bachelor of Science degree in Mining Engineering from Michigan Technological University and has overseen numerous major mining construction projects in the United States, Mexico, Venezuela, Yukon Territory, Guatemala and Peru.

**Reliance on Certain Exemptions**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

a. the exemption in section 2.4 (*De Minimis Non-Audit Services*) of NI 52-110;

b. the exemption in section 3.2 (*Initial Public Offerings*) of NI 52-110;

c. the exemption in section 3.4 (*Events Outside the Control of the Member*) of NI 52-110;

d. the exemption in section 3.5 (*Death, Disability or Resignation of Audit Committee Member*) of NI 52-110; or

e. an exemption from NI 52-110 in whole or in part, granted under Part 8 of NI 52-110.

**Audit Committee Oversight**

For the year ended December 31, 2024, the Board adopted all recommendations by the Audit Committee with respect to the nomination and compensation of the external auditor.

**Pre-Approval Policy and Procedures**

The Audit Committee has adopted specific policies for the engagement of non-audit services to be provided to the Company by the external auditor which require the auditor to submit to the Audit Committee a proposal for services to be provided and cost estimates for approval.

**External Auditor Service Fees**

The following table sets out the fees billed to the Company by Deloitte LLP, Independent Registered Public Accounting Firm, and its affiliates for professional services in each of the years ended December 31, 2023, and December 31, 2024, respectively.

| Category | Year ended December 31, 2024 | Year ended December 31, 2023 |
|---|---|---|
| Audit Fees | $1,752,000 | $1,829,000 |
| Audit Related Fees | $215,000 | $93,000 |
| Tax Fees | Nil | Nil |
| All Other Fees | Nil | $7,000 |

Audit fees include fees for services rendered by the Independent Registered Public Accounting Firm in relation to the audit and review of our financial statements and in connection with our statutory and regulatory filings. Tax fees includes professional services rendered by the Independent Registered Public Accounting Firm for tax compliance, tax advice, and tax planning. Audit related fees include an audit opinion on housing fund remittances in Mexico along with fees in connection with our prospectus supplement. The 2024 audit fee includes amounts billed for services relate to fiscal year ended December 31, 2024.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, no director, executive officer or persons or companies who beneficially own, control or direct, directly or indirectly, more than 10% of any class of outstanding voting securities of the Company, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transactions with the Company within the three most recently completed financial years or during the current financial year, that has materially affected or is reasonably expected to have a material effect on the Company.

## TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Computershare Trust Company of Canada ("**Computershare**"). Computershare's register of transfers for the Common Shares is located at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9, Canada.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

**Legal Proceedings**

<u>Davila Santos Litigation</u>

Pursuant to a share purchase agreement (the "**FSR Purchase Agreement**") dated April 3, 2006, the Company acquired a controlling interest in First Silver Reserve ("**FSR**") for an aggregate purchase price of C$53.4 million. The purchase price was payable to Hector Davila Santos ("**Davila Santos**" or the "**Defendant**") in three instalments. The first and second instalments totaling C$40.0 million were paid in accordance with the FSR Purchase Agreement. The final 25% instalment of C$13.3 million was not paid to Davila Santos as a result of a dispute between the Company and Davila Santos and his private company involving a mine in Mexico (the "**Bolaños Mine**") as set out further below.

In November 2007, the Company and FSR commenced an action against Davila Santos (the "**Action**"). The Company and FSR alleged, among other things that, while holding the positions of director, President and Chief Executive Officer of FSR, Davila Santos through his private company, acquired control of the Bolaños Mine in breach of his fiduciary duties to FSR.

In April 2013, the Company received a positive judgment (the "**BC Judgment**") from the Supreme Court of British Columbia (the "**BC Court**"), which awarded the sum of $93.8 million in favour of First Majestic. The Company received the sum of $14.1 million (representing monies previously held in trust by Davila Santos' lawyer) on June 27, 2013, in partial payment of the April 24, 2013, judgment, leaving an unpaid amount of $64.3 million (C$81.5 million). 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 September 30, 2024, the Company has not accrued any of the remaining $64.3 million (CAD$81.5 million) unrecovered judgment in favour of the Company.

Mexican Tax and NAFTA Proceedings

As described above under "*Risk Factors - Challenges to the Advance Pricing Agreement*", the SAT, the Mexican tax authority, initiated a legal proceeding seeking to nullify the APA which it issued to Primero in 2012. The APA confirmed Primero's basis for paying taxes on the price it realized for certain silver sales between 2010 and 2014. Pursuant to ongoing tax audits relating to the APA, the SAT issued the Reassessments against PEM (as detailed in the section above entitled *"Financial Risks - Challenges to the APA for 2010 - 2014 tax years"*). The SAT has not yet issued a new APA ruling or re-assessed PEM in respect of its sales of silver for 2014. On September 23, 2020, the Federal Court issued a decision nullifying the APA and directing the SAT to issue a new APA ruling and on November 12, 2020, the Company received written reasons for the decision from the Federal Court. On November 30, 2020, the Company filed an appeal of the Federal Court's decision with the Mexican Circuit Courts. 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, and following the admission of the appeal, the Second Chamber of the Supreme Court of Justice assumed jurisdiction over the appeal on June 20, 2024. 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 ignored 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 decision on this new lawsuit will be issued by the Collegiate Court in the second half of 2025.

The Company continues to challenge the actions of the SAT in the Mexican courts. The Company is unable to provide any certainty as to the outcome or timing of these legal challenges. No tax is payable under the reassessments while such challenges are in process. If the Company is not successful in challenging the SAT's tax reassessments, payment of the reassessed taxes would have a material adverse effect on the Company's business, financial condition and results of operations.

For the 2015 and subsequent tax years through to the Company's acquisition of PEM, Primero continued to record its revenue from sales of silver for purposes of Mexican tax accounting in a manner consistent with the APA on the basis that the applicable facts and laws have not changed and has paid its taxes accordingly. To the extent the SAT determines that the appropriate price of silver sales under the Internal Stream Agreement is significantly different from the PEM Realized Price and while PEM would have rights of appeal in connection with any reassessments, it would have a material adverse effect on the Company's business, financial condition and results of operations.

The Company also announced on March 2, 2021, that it submitted a Request for Arbitration to ICSID, on its own behalf and on behalf of PEM, based on Chapter 11 of NAFTA. 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 partially granted certain provisional measures requested by the Company, issuing an order for Mexico to permit the withdrawal of the Company's VAT refunds for the period as of January 4, 2023, that had been deposited by the SAT into a frozen bank account, and to deposit all future VAT refunds into an account 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 furtherance of its obligations under the PM Decision.

In addition, in response to the Company's counter-arguments to a jurisdictional objection filed by Mexico in July 2023, the Tribunal dismissed Mexico's objection, agreeing with the Company that the recovery of VAT refunds under the NAFTA VAT Claim does not breach the waiver under NAFTA (i.e. the NAFTA APA Claim and the NAFTA VAT Claim are not in respect of the same measures).

On February 12, 2024, Mexico filed a Consolidation Request with ICSID pursuant to the procedure in Article 1126 of NAFTA to consolidate the NAFTA APA Claim and the NAFTA VAT Claim into one arbitration proceeding. The Consolidation Tribunal was constituted on May 8, 2024, and the first procedural hearing of the Consolidation Tribunal took place on July 16, 2024.

We expect that the Consolidation Tribunal will make its decision in respect of the Consolidation Request in Q2 2025. Until such a decision has been made, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been suspended. However, any decisions rendered to date by the Tribunal in the NAFTA APA Claim, including but not limited to the PM Decision, remain in force during such suspension.

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 $272.9 million (5,531 million MXN), before taking into consideration interest or penalties

Based on the Company's consultation 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, 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.

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 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**"). 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. As a result of the Consolidation Request (described above), the NAFTA VAT Claim has been suspended.

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

**Minera 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 $36.0 million (730 million MXN) and $26.2 million (531 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 $16.4 million (333 million MXN) and $206.8 million (4,190 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 $2.9 million (59 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of $6.3 million (127.8 million MXN). The major items relate to forward silver purchase agreement and 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 $24.6 million (498 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 $2.9 million (59 million MXN) including interest, inflation, and penalties. The major items relate to forward silver purchase agreement and 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 MEP's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

**La Parilla 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**"), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of $59.1 million (1,199 million MXN) including interest, inflation and penalties. The major items relate to forward silver purchase agreement and 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 $24.6 million (498 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 $71.5 million (1,449 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the acquisition of SilverCrest on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest 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.

**Regulatory Actions**

No penalties or sanctions were imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2024.

No penalties or sanctions were imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision.

The Company did not enter into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2024.

## MATERIAL CONTRACTS

Other than material contracts entered into in the ordinary course of business and upon which the Company's business is not substantially dependent, the following contracts are considered material contracts of the Company:

- the Note Indenture;
- the 2024 Sales Agreement;
- the amended and restated joint venture agreement (the "**A&R JVA**");
- the amended and restated offtake agreement (the "**A&R Offtake Agreement**"); and
- the amended and restated services agreement (the "**A&R Services Agreement**").

The A&R JVA

On December 19, 2024, Gatos, Dowa, MPR and OpCo entered into the A&R JVA regarding the Los Gatos Joint Venture to explore, develop and operate the Los Gatos concessions including the Los Gatos Silver Mine in northern Mexico. This agreement came into effect on January 1, 2025.

The A&R JVA governs and defines the respective rights, interests, powers and obligations of each of the Partners to each other and to the Joint Venture Entities. Under the terms of the A&R JVA, Gatos has a 70% participating interest and Dowa has a 30% participating interest in the Joint Venture Entities, which reflects the capital contributions made by each of the Partners. The business of the Joint Venture Entities includes exploration, development and mining of the properties, operation of the Los Gatos Silver Mine and completion of environmental compliance obligations and other obligations affecting the properties.

Each of the Joint Venture Entities is governed by a board which consists of up to three managers, two of which are nominated by Gatos, and one of which is nominated by Dowa. Each Partner is required to vote its participating interest to appoint or elect nominated managers, and each Partner is entitled to remove or replace its nominees upon written notice to the other Partner. Neither the MPR board nor the OpCo board may make any major decisions, as described in the A&R JVA, or enter into binding agreement with respect to any major decisions without having first obtained the requisite partner approval (being the approval of Partners holding, in the aggregate, at least 90% of the participating interests in MPR and OpCo). In the event that a Partner's participating interest in either MPR or OpCo falls below 5%, the remaining Partner shall have the right to purchase such Partner's participating interest in all of the Joint Venture Entities by delivering written notice to such Partner.

The A&R JVA provides that, as consideration for the execution of Gatos' rights and duties under the A&R Services Agreement, Gatos is entitled to a management fee equal to $6 million per year to be paid in equal monthly installments. Such fee is subject to inflationary adjustment as approved by the Partners. Such fee may be adjusted to 3% of the total operating and capital expenditures in the case of any year in which the Joint Venture Entities do not have any commercial production of mineral products.

Certain provisions of the A&R JVA require requisite partner approval, which is defined as the approval of Partners holding, in the aggregate, at least 90% of the participating interests in MPR and OpCo. Therefore, despite Gatos' 70% ownership in the Joint Venture Entities, certain matters also require the approval of Dowa. For example, requisite partner approval is required for any major decisions, which includes, but is not limited to, approval of any program or budget, termination of the A&R JVA or the A&R Services Agreement, any project financing or any loan from the Partners, the authorization of financing policies or loans and authorizing transactions between any Joint Venture Entity and a Partner or an affiliate of a Partner other than the A&R Services Agreement and the A&R Offtake Agreement; provided, however that if such major decision was included in any approved program or approved budget, there would not be a requirement to obtain requisite partner approval prior to taking action in respect thereto.

The A&R Offtake Agreement

On December 19, 2024, OpCo and Dowa entered into the A&R Offtake Agreement regarding Dowa's purchase of the zinc concentrates produced at the Los Gatos Silver Mine. The A&R Offtake Agreement amends and restates the Zinc Offtake Agreement dated as of June 27, 2019, as amended, among OpCo and Dowa. Under the terms of the A&R Offtake Agreement, Dowa has the right to elect to purchase all, none, or the lesser of 100% and a maximum tonnage of no less than 25% of the preliminary concentrates budget provided by OpCo of the zinc concentrates produced at the Los Gatos Silver Mine. This agreement came into effect on January 1, 2025.

The A&R Services Agreement

On December 19, 2024, Gatos, MPR and OpCo entered into the A&R Services Agreement regarding Gatos oversight and direction of OpCo and the provision of services by OpCo to MPR. The A&R Services Agreement amends and restates the Services Agreement dated as of January 23, 2015, as amended, among Gatos, MPR and OpCo. Under the terms of the A&R Services Agreement, all of OpCo's duties are to be performed in accordance with instructions, guidelines and strategic direction provided by Gatos, and requires OpCo to transparently and timely share all information in the possession of OpCo with Gatos. Such duties of OpCo include, but are not limited to, the day-to-day operations of MPR and its assets and monitoring the operating performance of MPR. This agreement came into effect on January 1, 2025.

Copies of the A&R JVA, the A&R Offtake Agreement and the A&R Services Agreement may be found under Gatos' SEDAR+ profile page at www.sedarplus.ca.

**INTERESTS OF EXPERTS**

Deloitte LLP is independent with respect to First Majestic Silver Corp. within the meaning of the Securities Act of 1933, as amended and the applicable rules and regulations thereunder adopted by the Securities and Exchange Commission (SEC) and the Public Company Accounting Oversight Board (United States) (PCAOB) and within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

Ramon Mendoza Reyes, P.Eng., Joaquin Merino-Marquez, P.Geo., Persio P. Rosario, P.Eng., P.Geo., María Elena Vázquez Jaimes, Phillip J. Spurgeon, P.Geo., David Rowe, CPG, Andrew Pocock, P.Eng., Brian Boutilier, P.Eng., Gonzalo Mercado, P.Geo., Michael Jarred Deal, RM SME and David W. Wanner, P.E. prepared certain technical reports or information relating to the Company's material mining properties. To management's knowledge, Mr. Merino-Marquez, does not have any registered or beneficial interests, direct or indirect, in any securities or other property of the Company (or of any of its associates or affiliates). Mr. Merino-Marquez is consulting as a Senior Advisor in Geology for the Company. Mr. Mendoza-Reyes is the former Vice-President of Technical Services of the Company, and Mr. Rosario is the former Vice-President of Processing, Metallurgy and Innovation of the Company. To management's knowledge, neither Mr. Mendoza-Reyes nor Mr. Rosario hold any registered or beneficial interests, direct or indirect, in any securities or other property of the Company (or of any of its associates or affiliates). Mr. Mercado is the Vice-President of Exploration and Technical Services at the Company, Mr. Deal is the Company's Vice-President of Metallurgy and Innovation, Ms. Vazquez is the Company's Geological Database Manager, Mr. Spurgeon is the Company's Senior Resource Geologist, Mr. Boutilier is the Company's Principal Mine Planning Engineer, Mr. Rowe is the Company's Director of Mineral Development, Mr. Pocock is the Company's Director of Reserves and Mr. Wanner is Chief Project Engineer of Jerritt Canyon Gold, LLC, a subsidiary of the Company. Each of Mr. Mercado, Mr. Deal, Ms. Vazquez, Mr. Spurgeon, Mr. Boutilier, Mr. Rowe, Mr. Pocock and Mr. Wanner hold stock options, restricted share units and/or performance share units of the Company which represent less than 1% of the outstanding Common Shares.

In connection with the Los Gatos Technical Report (which has an effective date of July 1, 2024), Ronald Turner, MAusIMM CP, an employee of WSP Mining S.A., Stephan Blaho, P.Eng., PEO, an employee of WSP Canada Inc., Matthew L. Fuller, L.E.G., P.Geo., an employee of Tierra Group International, Ltd., Dawn H. Garcia, PG, CPG, an employee of Stantec USA, Adam Johnston, FAusIMM CP (Metallurgy), an employee of Transmin Metallurgical Consultants, Ibrahim Karajeh, P.Eng., PEO, an employee of WSP Canada Inc., William Richard McBride., Registered Member PEO, an employee of WSP Canada Inc., and Mathew Oommen, Registered Member SME, an employee of WSP USA Inc., prepared certain scientific and technical information contained in the Los Gatos Technical Report. To management's knowledge, each of the foregoing do not hold any registered or beneficial interests, direct or indirect, in any securities or other property of the Company (or of any of its associates or affiliates) equal to or greater than 1% of the outstanding Common Shares.

## ADDITIONAL INFORMATION

Additional information relating to the Company may be found under the Company's SEDAR+ profile page at www.sedarplus.ca.

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's equity compensation plan, as applicable, is contained in the Company's information circular for its most recent annual general meeting.

Additional financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2024, copies of which may be requested from First Majestic's head office, or may be viewed on the Company's website (www.firstmajestic.com) or under the Company's SEDAR+ profile page at www.sedarplus.ca.

## APPENDIX "A"

## AUDIT COMMITTEE CHARTER

### INTRODUCTION

The purpose of the Audit Committee (the "**Committee**") is to assist the board of directors (the "**Board**") of the Company in its oversight responsibilities for:

- the quality and integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the qualifications, independence and performance of the Company's external auditor;
- the Company's systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Company.

Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures, and practices at all levels. The Committee should also provide for open communication among the Company's external auditor, financial and senior management, and the Board.

### AUTHORITY

The Committee has the authority to conduct investigations into any matters within its scope of responsibility and obtain advice and assistance from outside legal, accounting, or other advisers, as necessary, to perform its duties and responsibilities.

In carrying out its duties and responsibilities, the Committee shall also have the authority to meet with and seek any information it requires from employees, officers, directors, or external parties.

The Company will provide appropriate funding, as determined by the Committee, for compensation to the Company's external auditor, to any advisers that the Committee chooses to engage, and for payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

### COMPOSITION

1. The Audit Committee must be composed of a minimum of three members. Every member of the Audit Committee must be a director of the Company.

2. All members of the Committee must, to the satisfaction of the Board, be independent and financially literate in accordance with applicable corporate and securities laws, regulations and stock exchange rules and have such other qualifications as determined by the Board from time to time.

3. No Committee member may serve on the audit committees of more than two other reporting issuers.

## RESPONSIBILITIES

To fulfill its responsibilities and duties, the Committee will:

**Financial Reporting**

4. Meet with management and, where appropriate, the Company's external auditor to review:

   (i) the annual audited financial statements, with the report of the Company's external auditors, Management's Discussion and Analysis for such period and the impact of unusual items and changes in accounting policies and estimates;

   (ii) interim unaudited financial statements, Management's Discussion and Analysis for such period and the impact of unusual items and changes in accounting policies and estimates;

   (iii) financial information in earnings press releases, including the type and presentation of information, paying particular attention to any pro forma or adjusted non-IFRS Accounting Standards information;

   (iv) financial information in annual information forms, and annual reports;

   (v) prospectuses;

   (vi) the report that the United States Securities and Exchange Commission requirements be included in the Company's annual proxy statement; and

   (vii) financial information in other public reports and public filings requiring approval by the Board.

5. Discuss with management financial information and earnings guidance provided to analysts and ratings agencies. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentations to be made).

**External Auditor**

6. Recommend for appointment by shareholders, compensate, retain, and oversee the work performed by the Company's external auditor retained for the purpose of preparing or issuing an audit report or related work.

7. Review the performance and independence of the Company's external auditor, including obtaining written confirmation from the Company's external auditor that it is objective and independent within the meaning of applicable securities legislation and the applicable governing body of the institute to which the external auditor belongs, and remove the Company's external auditor if circumstances warrant.

8. Actively engage in dialogue with the Company's external auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the Company's external auditor.

9. Review and preapprove (which may be pursuant to preapproval policies and procedures) all services (audit and non-audit) to be provided by the Company's external auditor. The authority to grant preapprovals may be delegated to one or more designated members of the Committee, whose decisions will be presented to the full Committee at its next regularly scheduled meeting.

10. Consider whether the auditor's provision of permissible non-audit services is compatible with the auditor's independence.

11. Review with the Company's external auditor any problems or difficulties and management's responses thereto.

12. Oversee the resolution of disagreements between management and the Company's external auditor if any such disagreement arises.

13. Hold timely discussions with the Company's external auditor regarding the following:

    (a) All critical accounting policies and practices.

    (b) All alternative treatments of financial information within IFRS Accounting Standards related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Company's external auditor; and

    (c) Other material written communications between the Company's external auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences.

14. At least annually, obtain and review a report by the Company's external auditor describing:

    (a) The Company's external auditor's internal quality-control procedures.

    (b) Any material issues raised by the most recent internal quality-control review or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to independent audits carried out by the Company's external auditor, and any steps taken to deal with such issues; and

    (c) All relationships between the Company's external auditor and the Company.

This report should be used to evaluate the Company's external auditor's qualifications, performance, and independence. Further, the committee will review the experience and qualifications of the lead audit partner each year and consider whether all partner rotation requirements, as promulgated by applicable rules and regulations, have been complied with. The committee will also consider whether there should be rotation of the Company's external auditor itself. The Committee should present its conclusions to the full board.

15. Set policies, consistent with governing laws and regulations, for hiring former personnel of the Company's external auditor.

**Financial Reporting Processes, Accounting Policies and Internal Control Structure**

16. In consultation with the Company's external auditor, review the integrity of the Company's financial reporting processes.

17. Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control over financial reporting, including any significant deficiencies and significant changes in internal controls.

18. Understand the scope of the Company's external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management responses.

19. Receive and review any disclosure from the Company's Chief Executive Officer and Chief Financial Officer made in connection with the certification of the Company's quarterly and annual financial statements, regarding:

    (a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize, and report financial data; and

    (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

20. Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; major issues as to the adequacy of the Company's internal controls; and any special audit steps adopted in light of material control deficiencies.

21. Review analyses prepared by management and the Company's external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative accounting methods on the financial statements.

22. Review the effect of regulatory and accounting initiatives, as well as off-balance-sheet structures, on the financial statements of the Company.

23. Review and report to the Board with respect to all related-party transactions, unless a special committee has been established by the Board to consider a particular matter.

24. Establish and oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters, including procedures for confidential, anonymous submissions by Company employees regarding questionable accounting or auditing matters.

**Ethical Compliance, Legal Compliance and Risk Management**

25. Set and periodically review the standards of business conduct set out in, and oversee and monitor compliance with the Company's Code of Ethical Conduct.

26. Review, with the Company's counsel, legal compliance and legal matters that could have a significant impact on the Company's financial statements.

27. Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company's major financial risk exposures and the steps management has undertaken to control them.

28. Consider the risk of management's ability to override the Company's internal controls.

29. Review with the Company's external auditors, and if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements.

30. Review adequacy of security of information, information systems and recovery plans.

31. Review the Company's insurance, including directors' and officers' coverage, and provide recommendations to the Board.

**Other Responsibilities**

32. Report regularly to the Board regarding the execution of the Committee's duties and responsibilities, activities, any issues encountered and related recommendations.

33. Discuss, with the Company's external auditor the extent to which changes or improvements in financial or accounting practices have been implemented.

34. Conduct an annual performance assessment relative to the Committee's purpose, duties, and responsibilities outlined herein.

**EFFECTIVE DATE**

This Charter was approved and adopted by the Board on March 10, 2014, as amended on November 30, 2017 and March 30, 2024 (the "**Effective Date**") and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date.

**GOVERNING LAW**

This Charter shall be interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.

FIRST MAJESTIC
SILVER CORP.

# CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

925 West Georgia Street, Suite 1800, Vancouver, B.C., Canada V6C 3L2
Phone: 604.688.3033 | Fax: 604.639.8873| Toll Free: 1.866.529.2807 | Email: info@firstmajestic.com
www.firstmajestic.com

FIRST MAJESTIC
SILVER CORP.

# 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* | */s/ David Soares* |
| Keith Neumeyer<br>President & CEO<br>February 19, 2025 | David Soares, CPA, CA<br>Chief Financial Officer<br>February 19, 2025 |

## 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, 2024, 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, 2024, the Company's internal control over financial reporting was effective.

Deloitte LLP, an Independent Registered Public Accounting Firm, has audited the Company's consolidated financial statements for the year ended December 31, 2024, 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, 2024.

# 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, 2024 and December 31, 2023, 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, 2024, 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, 2024 and December 31, 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, 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, 2024, 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 19, 2025, 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 Note 3 to the Financial Statements**

***Critical Audit Matter Description***

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

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

***How the Critical Audit Matter Was Addressed in the Audit***

Our audit procedures related to changes in market conditions including future commodity prices and market interest rates in the assessment of whether indicators of impairment or impairment reversal exists included, with the assistance of our financial valuation specialists, the following, among others:

- Evaluated the effectiveness of controls over management's assessment of whether there are indicators of impairment or impairment reversal; and
- Assessed if changes in market conditions could indicate impairment by:
    - Comparing management's future commodity prices to third party forecasts; and
    - Evaluating if there were any significant changes in the market interest rates.

**Primero Tax Rulings - Refer to Note 28(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, the incremental income tax for the years 2010 - 2019 would be approximately $272.9 million, before interest and penalties, without any mitigating adjustments. The Company has not recognized a tax liability related to the Primero tax dispute with the SAT.

The evaluation of the accounting and the disclosure of the matter requires significant management judgments to determine the probability of having to pay incremental income tax. Auditing the accounting and the disclosures related to the tax matter required a high degree of auditor judgments due to the significant judgments by management and evaluating whether the audit evidence supports management's position. 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 relating to the evaluation of the accounting and disclosure related to the tax matter included, with the involvement of tax specialists, included the following, among others:

- Inquired of management 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 dispute, including analysis from the Company's external counsel;
- Analyzed, the Company's accounting position related to the tax dispute; and
- Evaluated the Company's disclosures for consistency with our knowledge of the Company's tax matters and audit evidence obtained.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
February 19, 2025

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, 2024, 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, 2024, 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, 2024, of the Company and our report dated February 19, 2025, expressed an unqualified opinion on those financial statements.

## 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 19, 2025

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**CONSOLIDATED FINANCIAL STATEMENTS**



**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)**
**FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

 (In thousands of US dollars, except share and per share amounts)

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** | **2024** | **2023** |
| **Revenues** | 5 | **$ 560,604** | **$ 573,801** |
| **Mine operating costs** | | | |
| Cost of sales | 6 | 344,703 | 410,057 |
| Cost of sales - standby costs | 6 | - | 13,438 |
| Depletion, depreciation and amortization | | 124,001 | 124,664 |
| | | **468,704** | **548,159** |
| **Mine operating earnings** | | **91,900** | **25,642** |
| General and administrative expenses | 7 | 39,597 | 38,709 |
| Share-based payments | | 13,490 | 13,177 |
| Mine holding costs | 8 | 23,666 | 22,088 |
| Write down on asset held-for-sale | 14 | - | 7,229 |
| Restructuring costs | | - | 6,883 |
| Impairment of non-current asset | 18 | - | 125,200 |
| Loss on sale of mining interest | 14 | - | 3,024 |
| Foreign exchange loss (gain) | | 18,902 | (11,884) |
| **Operating Loss** | | **(3,755)** | **(178,784)** |
| Investment and other income | 9 | 5,361 | 9,149 |
| Finance costs | 10 | (28,060) | (26,280) |
| **Loss before income taxes** | | **(26,454)** | **(195,915)** |
| **Income taxes** | | | |
| Current income tax expense | | 31,997 | 14,005 |
| Deferred income tax expense (recovery) | | 43,434 | (74,808) |
| | | 75,431 | (60,803) |
| **Net loss for the year** | | **($101,885)** | **($135,112)** |
| **Loss per common share** | | | |
| **Basic** | 11 | **($0.34)** | **($0.48)** |
| **Diluted** | 11 | **($0.34)** | **($0.48)** |
| **Weighted average shares outstanding** | | | |
| **Basic** | 11 | **295,544,681** | **282,331,106** |
| **Diluted** | 11 | **295,544,681** | **282,331,106** |

**Approved and authorized by the Board of Directors for issuance on February 19, 2025.**

*/s/ Keith Neumeyer*
Keith Neumeyer, Director

*/s/ Colette Rustad*
Colette Rustad, Director

The accompanying notes are an integral part of the audited consolidated financial statements

Audited Consolidated Financial Statements (In thousands of US dollars, except share and per share amounts)

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.

| | Note | Year Ended December 31, | |
|---|---|---|---|
| | | 2024 | 2023 |
| **Net loss for the year** | | **($101,885)** | **($135,112)** |
| **Other comprehensive loss** | | | |
| Items that will not be subsequently reclassified to net loss: | | | |
| Unrealized loss on fair value of investments in marketable securities, net of tax | 13(b) | (5,232) | (18,768) |
| Realized loss on investments in marketable securities, net of tax | 13(b) | (541) | (580) |
| Remeasurement of retirement benefit plan | | (30) | 50 |
| **Other comprehensive loss** | | (5,803) | (19,298) |
| **Total comprehensive loss** | | **($107,688)** | **($154,410)** |

The accompanying notes are an integral part of the audited consolidated financial statements

Audited Consolidated Financial Statements (In thousands of US dollars)

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.

| | Note | Year Ended December 31, 2024 | 2023 |
|---|---|---|---|
| **Operating Activities** | | | |
| Net loss for the year | | ($101,885) | ($135,112) |
| Adjustments for: | | | |
| Depletion, depreciation and amortization | | 125,492 | 126,170 |
| Share-based payments | | 12,192 | 12,874 |
| Income tax expense (recovery) | | 75,431 | (60,803) |
| Finance costs | 10 | 28,060 | 26,280 |
| Write down on asset held-for-sale | 14 | - | 7,229 |
| Unrealized gain from marketable securities and silver futures derivatives | | (119) | (2,639) |
| Loss on sale of mining interest | 14 | - | 3,024 |
| Impairment of non-current asset | 18 | - | 125,200 |
| Other | | (595) | (3,029) |
| **Operating cash flows before non-cash working capital and taxes** | | **138,576** | **99,194** |
| Net change in non-cash working capital items | 27 | 29,233 | (18,916) |
| Income taxes paid | | (15,839) | (24,664) |
| **Cash generated in operating activities** | | **151,970** | **55,614** |
| | | | |
| **Investing Activities** | | | |
| Expenditures on mining interests | | (95,097) | (113,994) |
| Acquisition of property, plant and equipment | | (20,024) | (31,987) |
| Cash disposed as part of the sale of La Guitarra | 27 | - | (5,401) |
| Deposits paid for acquisition of non-current assets | | 142 | (1,398) |
| Other | 27 | 819 | (1,219) |
| **Cash (used in) investing activities** | | **(114,160)** | **(153,999)** |
| | | | |
| **Financing Activities** | | | |
| Proceeds from prospectus offering, net of share issue costs | 25(a) | 93,899 | 92,092 |
| Proceeds from exercise of stock options | | 116 | 2,134 |
| Repayment of lease liabilities | 22 | (17,271) | (15,238) |
| Finance costs paid | | (8,766) | (8,471) |
| Repayment of debt facilities | 21(b) | (20,000) | - |
| Dividends declared and paid | 25(f) | (5,297) | (5,868) |
| Shares repurchased | 25(a) | (271) | - |
| **Cash provided by financing activities** | | **42,410** | **64,649** |
| | | | |
| Effect of exchange rate on cash and cash equivalents held in foreign currencies | | (3,621) | 2,660 |
| **Increase (decrease) in cash and cash equivalents** | | **80,220** | **(33,736)** |
| Cash and cash equivalents, beginning of the year | | 125,581 | 151,438 |
| Change in cash and cash equivalents classified as held for sale | 14 | - | 5,219 |
| **Cash and cash equivalents, end of year** | | **$ 202,180** | **$ 125,581** |
| | | | |
| **Supplemental cash flow information** | 27 | | |

The accompanying notes are an integral part of the audited consolidated financial statements

Audited Consolidated Financial Statements (In thousands of US dollars)

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, 2024 | December 31, 2023 |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | | $ 202,180 | $ 125,581 |
| Trade and other receivables | | 12,303 | 10,099 |
| Value added taxes receivable | 26(c) | 33,864 | 38,587 |
| Inventories | 12 | 62,524 | 63,690 |
| Other financial assets | 13 | 49,781 | 62,380 |
| Prepaid expenses and other | | 8,169 | 8,720 |
| **Total current assets** | | **368,821** | **309,057** |
| **Non-current assets** | | | |
| Mining interests | 15 | 1,034,522 | 998,835 |
| Property, plant and equipment | 16 | 378,630 | 406,294 |
| Right-of-use assets | 17 | 23,898 | 27,284 |
| Deposits on non-current assets | | 5,720 | 6,430 |
| Trade and other receivables | | 5,000 | - |
| Non-current restricted cash | 19 | 106,072 | 125,573 |
| Non-current value added taxes receivable | 26(c) | 10,750 | 14,150 |
| Deferred tax assets | 24 | 46,375 | 88,732 |
| **Total assets** | | **$ 1,979,788** | **$ 1,976,355** |
| **Liabilities and Equity** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 20 | $ 103,895 | $ 94,413 |
| Unearned revenue | 5 | 580 | 2,301 |
| Current portion of debt facilities | 21 | 825 | 832 |
| Current portion of lease liabilities | 22 | 16,215 | 17,370 |
| Income taxes payable | 24 | 22,792 | 5,222 |
| **Total current liabilities** | | **144,307** | **120,138** |
| **Non-current liabilities** | | | |
| Debt facilities | 21 | 208,657 | 218,980 |
| Lease liabilities | 22 | 11,320 | 19,332 |
| Decommissioning liabilities | 23 | 159,067 | 151,564 |
| Other liabilities | | 5,587 | 5,592 |
| Non-current income taxes payable | 24 | 19,685 | 23,612 |
| Deferred tax liabilities | 24 | 80,094 | 79,017 |
| **Total liabilities** | | **$ 628,717** | **$ 618,235** |
| **Equity** | | | |
| Share capital | | 1,978,101 | 1,879,971 |
| Equity reserves | | 90,028 | 88,025 |
| Accumulated deficit | | (717,058) | (609,876) |
| **Total equity** | | **$ 1,351,071** | **$ 1,358,120** |
| **Total liabilities and equity** | | **$ 1,979,788** | **$ 1,976,355** |

Commitments (Note 26); Contingencies (Note 28); Subsequent event (Note 31)

The accompanying notes are an integral part of the audited consolidated financial statements

Audited Consolidated Financial Statements (In thousands of US dollars, except share and per share amounts)

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)] | Other comprehensive income(loss)[(b)] | Equity component of convertible debenture[(c)] | Total equity reserves | Accumulated deficit | Total equity |
| **Balance at December 31, 2022** | **272,577,979** | **$ 1,781,280** | **$ 110,895** | **($15,926)** | **$ 3,945** | **$ 98,914** | **($468,896)** | **$ 1,411,298** |
| Net loss for the period | - | - | - | - | - | - | (135,112) | (135,112) |
| Other comprehensive loss | - | - | - | (19,298) | - | (19,298) | - | (19,298) |
| **Total comprehensive loss** | **-** | **-** | **-** | **(19,298)** | **-** | **(19,298)** | **(135,112)** | **(154,410)** |
| Share-based payments | - | - | 12,874 | - | - | 12,874 | - | 12,874 |
| Shares issued for: | | | | | | | | |
| Prospectus offerings (Note 25(a)) | 13,919,634 | 92,092 | - | - | - | - | - | 92,092 |
| Exercise of stock options (Note 25(b)) | 337,500 | 3,189 | (1,055) | - | - | (1,055) | - | 2,134 |
| Settlement of restricted and deferred share units (Note 25(c) and 25(e)) | 311,602 | 3,410 | (3,410) | - | - | (3,410) | - | - |
| Dividend declared and paid (Note 25(f)) | - | - | - | - | - | - | (5,868) | (5,868) |
| **Balance at December 31, 2023** | **287,146,715** | **$ 1,879,971** | **$ 119,304** | **($35,224)** | **$ 3,945** | **$ 88,025** | **($609,876)** | **$ 1,358,120** |
| Net loss for the period | - | - | - | - | - | - | (101,885) | (101,885) |
| Other comprehensive loss | - | - | - | (5,803) | - | (5,803) | - | (5,803) |
| **Total comprehensive loss** | **-** | **-** | **-** | **(5,803)** | **-** | **(5,803)** | **(101,885)** | **(107,688)** |
| Share-based payments | - | - | 12,192 | - | - | 12,192 | - | 12,192 |
| Shares issued for: | | | | | | | | |
| Prospectus offerings (Note 25(a)) | 14,300,000 | 93,899 | - | - | - | - | - | 93,899 |
| Exercise of stock options (Note 25(b)) | 20,625 | 173 | (57) | - | - | (57) | - | 116 |
| Settlement of restricted, preferred, and deferred share units (Note 25(c), 25(d), and 25(e)) | 445,898 | 4,329 | (4,329) | - | - | (4,329) | - | - |
| Shares repurchased (Note 25(a)) | (50,000) | (271) | - | - | - | - | - | (271) |
| Dividend declared and paid (Note 25(f)) | - | - | - | - | - | - | (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** |

(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 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.

The accompanying notes are an integral part of the 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 three producing mines in Mexico consisting of the Santa Elena Silver/Gold Mine, the San Dimas Silver/Gold Mine, 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"). On September 5, 2024, the Company announced that it had entered into a definitive agreement (the "Merger Agreement") with Gatos Silver, Inc. ("Gatos") pursuant to which it will, subject to the satisfaction of certain conditions, acquire all of the shares of Gatos common stock, which holds a 70% joint venture interest in the Cerro Los Gatos underground silver mine in Chihuahua, Mexico. On January 16, 2025, the Company completed the acquisition of 100% of the issued and outstanding shares of Gatos.

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 ("IFRS"). 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 13). 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 29). 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, 2024 and 2023 were approved and authorized for issue by the Board of Directors on February 19, 2025.

## 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 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, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### New and amended IFRS standards that are effective for the current year (continued)

Classification of Liabilities as Current or Non-Current with Covenants (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

In addition, the amendment requires entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments require disclosures regarding the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk. Entities are required to disclose the following:

- The terms and conditions;
- The amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are reflected in the balance sheet;
- Ranges of payment due dates; and
- Liquidity risk information.

The amendments were applied effective January 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Business Combinations

| | |
|---|---|
| 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.<br><br>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 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<br><br>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. |

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Business Combinations (continued)

Accounting Estimates and Judgments:

Fair Value Estimates

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) The resulting goodwill.

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 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.

Accounting Estimates and Judgments:

Consideration for any acquisition

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Business Combinations (continued)

Accounting Estimates and Judgments:

Determining what is part of the business combination

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, 2024, the Company had $nil goodwill (2023 - $nil).

### 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.

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Revenue Recognition (Note 5)

Accounting Policy:

The Company's primary product is silver and gold. Other metals, such as lead and zinc, 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.

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Inventories (Note 12)

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, bullion and dried concentrates 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Exploration Potential, Exploration and Evaluation Expenditures (Note 15)

Accounting Policy:

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Exploration Potential, Exploration and Evaluation Expenditures (Note 15) (continued)

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 15)

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Mining Interests (Note 15) (continued)

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.

Accounting Estimates and Judgments:

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 15)

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Property, Plant and Equipment (Note 16)

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.

Accounting Estimates and Judgments:

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### 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, 2024 and 2023, the Company does not have any qualifying assets under construction.

### Right of Use Assets (Note 17) 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.

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Right of Use Assets (Note 17) and Lease Liabilities (Note 22) (continued)

Accounting Policy:

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 18)

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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Impairment of Non-Current Assets (Note 18) (continued)

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 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### 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).

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Taxation (Note 24) (continued)

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.

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. 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Financial Instruments (continued)

Accounting Policy:

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 26. 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).

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Financial Instruments (continued)

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 45% interest in Sierra Madre and a 35% 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Earnings or Loss per Share (Note 11)

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 14)

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;
- 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 fair value less costs to sell ("FVLCTS"). If the FVLCTS 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.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

### Future Changes in Accounting Policies Not Yet Effective as at December 31, 2024:

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.

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 are effective for annual reporting periods beginning on or after January 1, 2025, although earlier application is permitted. This amendment is not expected to have a material impact on the Company's consolidated financial statements.

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 Company is currently evaluating the impact of these amendments.

## 4. SEGMENTED INFORMATION

All of the Company's operations are within the mining and metals industry and its major products are precious metals doré 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, 2024, the Company's significant operating segments include its three operating mines in Mexico, the Jerritt Canyon Gold Mine in Nevada, United States and its "non-producing properties" in Mexico which include the Del Toro and San Martin mines, which have been placed on suspension. In addition, as of January 1, 2024, the Company has added First Mint LLC ("First Mint") as an operating segment, which is inclusive of the Company's bullion store and its minting facility in Nevada, United States. Prior period information relating to First Mint was previously shown with "Others" and this corresponding comparative information has now been included within the First Mint segment. The Jerritt Canyon Gold mine was placed on temporary suspension as of March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. "Others" consists primarily of the Company's corporate assets including cash and cash equivalents, other development and exploration properties (Note 15), 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 are not allocated to the segments.

(Tabular amounts are expressed in thousands of US dollars)

### 4. SEGMENTED INFORMATION (continued)

| Year Ended December 31, 2024 and 2023 | | Revenue | Cost of sales | Depletion, depreciation, and amortization | Mine operating earnings (loss) | Capital expenditures |
|---|---|---|---|---|---|---|
| **Mexico** | | | | | | |
| **San Dimas** | **2024 $** | **198,186** | **$ 156,952** | **$ 50,266** | **($9,032)** | **$ 54,136** |
| | 2023 | 242,958 | 173,987 | 50,327 | 18,644 | 49,657 |
| **Santa Elena(3)** | **2024** | **288,202** | **124,246** | **47,942** | **116,014** | **49,575** |
| | 2023 | 224,356 | 117,191 | 39,950 | 67,215 | 49,062 |
| **La Encantada** | **2024** | **65,336** | **56,119** | **15,850** | **(6,633)** | **8,876** |
| | 2023 | 64,118 | 56,443 | 12,186 | (4,511) | 8,608 |
| **Non-producing Properties** | **2024** | **-** | **-** | **146** | **(146)** | **540** |
| | 2023 | - | - | 291 | (291) | 637 |
| **United States** | | | | | | |
| **Jerritt Canyon(2)(3)** | **2024** | **4,001** | **2,736** | **6,780** | **(5,515)** | **11,160** |
| | 2023 | 40,521 | 74,682 | 18,891 | (53,052) | 28,113 |
| **First Mint(1)** | **2024** | **16,000** | **10,775** | **472** | **4,753** | **-** |
| | 2023 | 8,890 | 5,603 | - | - | - |
| **Others** | **2024** | **-** | **2,021** | **2,545** | **(4,566)** | **3,043** |
| | 2023 | - | 272 | 3,019 | (5) | 4,892 |
| **Intercompany elimination** | **2024** | **(11,121)** | **(8,146)** | **-** | **(2,975)** | **-** |
| | 2023 | (7,041) | (4,683) | - | (2,358) | - |
| **Consolidated** | **2024 $** | **560,604** | **$ 344,703** | **$ 124,001** | **$ 91,900** | **$ 127,329** |
| | **2023 $** | **573,801** | **$ 423,495** | **$ 124,664** | **$ 25,642** | **$ 140,970** |

(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 $16.0 million (2023 - $8.9 million) from coins and bullion sales of 521,979 silver ounces (2023 - 290,432) at an average price of $30.66 per ounce (2023 - $26.60). Prior period information relating to First Mint was previously shown within the "Others" segment.

(2) Cost of Sales for Jerritt Canyon is inclusive of one time standby costs incurred in 2023 (Note 6).

(3) Santa Elena and Jerritt Canyon have incurred mine holding costs related to care and maintenance and temporary suspension activities (Note 8).

During the year ended December 31, 2024, the Company had four (December 31, 2023 - three ) customers that accounted for 96% (December 31, 2023 - 98%) of its sales revenue, with two major metal brokers accounting for 90% of total revenue, each contributing 75% and 14%, respectively (December 31, 2023 one major broker accounting for 94%).

(Tabular amounts are expressed in thousands of US dollars)

## 4. SEGMENTED INFORMATION (continued)

| At December 31, 2024 and 2023 | | Mining Interests Producing | Mining Interests Exploration | Property, plant and equipment | Total mining assets | Total assets | Total liabilities |
|---|---|---|---|---|---|---|---|
| **Mexico** | | | | | | | |
| **San Dimas** | **2024** | **$ 221,657** | **$ 40,718** | **$ 90,103** | **$ 352,478** | **$ 542,760** | **$ 87,791** |
| | 2023 | 227,942 | 24,696 | 97,112 | 349,750 | 581,639 | 89,280 |
| **Santa Elena** | **2024** | **121,733** | **67,029** | **90,329** | **279,091** | **415,618** | **124,073** |
| | 2023 | 123,123 | 50,483 | 98,513 | 272,119 | 363,460 | 98,100 |
| **La Encantada** | **2024** | **19,366** | **4,712** | **27,534** | **51,612** | **98,665** | **24,128** |
| | 2023 | 22,181 | 4,461 | 30,015 | 56,657 | 112,310 | 26,702 |
| **Non-producing Properties** | **2024** | **60,466** | **14,875** | **17,036** | **92,376** | **129,348** | **14,141** |
| | 2023 | 62,566 | 14,404 | 17,611 | 94,580 | 141,841 | 17,794 |
| **United States** | | | | | | | |
| **Jerritt Canyon** | **2024** | **356,669** | **91,117** | **129,057** | **576,843** | **608,189** | **151,670** |
| | 2023 | 350,504 | 82,645 | 133,971 | 567,120 | 600,101 | 150,958 |
| **First Mint** | **2024** | **-** | **-** | **4,633** | **4,633** | **19,399** | **1,450** |
| | 2023 | - | - | 1,830 | 1,830 | 12,145 | 1,627 |
| **Others** | **2024** | **-** | **36,180** | **19,941** | **56,121** | **165,812** | **225,464** |
| | 2023 | - | 35,830 | 27,242 | 63,072 | 164,859 | 233,774 |
| **Consolidated** | **2024** | **$ 779,890** | **$ 254,632** | **$ 378,630** | **$ 1,413,154** | **$ 1,979,788** | **$ 628,717** |
| | **2023** | **$ 786,316** | **$ 212,519** | **$ 406,294** | **$ 1,405,129** | **$ 1,976,355** | **$ 618,235** |

(Tabular amounts are expressed in thousands of US dollars)

## 5. REVENUES

The majority of the Company's revenues are from the sale of precious metals contained in doré 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, | | | | | |
|---|---|---|---|---|---|---|
| | | 2024 | | | 2023 | |
| **Gross revenue from payable metals:** | | | | | | |
| Silver | $ | 240,737 | 43% | $ | 243,682 | 42% |
| Gold | | 322,894 | 57% | | 332,703 | 58% |
| **Gross revenue** | | **563,631** | **100%** | | **576,385** | **100%** |
| Less: smelting and refining costs | | (3,027) | | | (2,584) | |
| **Revenues** | **$** | **560,604** | | **$** | **573,801** | |

As at December 31, 2024, the Company had $0.6 million of unearned revenue (December 31, 2023 - $2.3 million) that has not satisfied performance obligations.

### (a) Gold Stream Agreement with Sandstorm Gold Ltd.

The Santa Elena mine is subject to a gold streaming agreement with Sandstorm Gold Ltd. ("Sandstorm"), which requires the Company to sell to Sandstorm 20% of its gold production over the life of mine from its leach pad and a designated area of its underground operations. The selling price to Sandstorm 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, 2024, the Company delivered 47 ounces (2023 - 1,094 ounces) of gold to Sandstorm at an average price $482 per ounce (2023 - $473 per ounce).

### (b) Net Smelter Royalty

The Santa Elena mine has a net smelter return ("NSR") royalty agreement with Orogen Royalties Inc. that provides Orogen with a 2% NSR royalty from the production of the Ermitaño property. 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. For the year ended December 31, 2024, the Company has incurred $11.3 million (2023 - $8.7 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, 2024, the Company has incurred $0.4 million (2023 - $0.5 million) in NSR royalty payments from production at La Encantada.

### (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, 2024, was 70:1.

During the year ended December 31, 2024, the Company delivered 28,746 ounces (2023 - 42,172 ounces) of gold to WPMI at $635 per ounce (2023 - $628 per ounce).

(Tabular amounts are expressed in thousands of US dollars)

## 6. 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, | | | |
|---|---|---|---|---|
| | | 2024 | | 2023 |
| Labour costs | | 159,884 | | 208,050 |
| Consumables and materials | | 80,008 | | 91,197 |
| Energy | | 35,443 | | 42,292 |
| Maintenance | | 6,204 | | 6,847 |
| Assays and labwork | | 3,350 | | 3,299 |
| Insurance | | 2,483 | | 3,531 |
| Other costs(1) | | 10,991 | | 13,796 |
| **Production costs** | **$** | **298,363** | **$** | **369,012** |
| Transportation and other selling costs | | 2,788 | | 3,163 |
| Workers' participation costs | | 20,636 | | 18,897 |
| Environmental duties and royalties | | 14,752 | | 12,880 |
| Finished goods inventory changes | | 6,405 | | 6,105 |
| Other (3) | | 1,759 | | - |
| **Cost of Sales** | **$** | **344,703** | **$** | **410,057** |
| | | | | |
| **Cost of Sales - Standby Costs(2)** | **$** | **-** | **$** | **13,438** |

(1) Other costs include inventory write-downs, stockpile and work-in-process inventory changes, land access payments as well as services related to travel to corporate staff services, external consultants, and machinery rentals. The inventory write-downs during the year ended December 31, 2024, totaled $1.5 million (2023 - $15.5 million) and related to inventory at La Encantada (2023 - $13.9 million at Jerritt Canyon and $1.6 million at La Encantada).

(2) Cost of sales for the year ended December 31, 2023 included one-time standby costs of $13.4 million primarily related to direct severance and demobilization costs at the Jerritt Canyon mine following the temporary suspension announced on March 20, 2023.

(3) Other for the year ended December 31, 2024 relates to $1.8 million incurred at San Dimas during the second quarter 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.

## 7. 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, | | | |
|---|---|---|---|---|
| | | 2024 | | 2023 |
| Corporate administration | $ | 9,001 | $ | 9,190 |
| Salaries and benefits | | 17,217 | | 17,570 |
| Audit, legal and professional fees | | 10,229 | | 9,090 |
| Filing and listing fees | | 1,076 | | 610 |
| Directors' fees and expenses | | 583 | | 743 |
| Depreciation | | 1,491 | | 1,506 |
| | **$** | **39,597** | **$** | **38,709** |

(Tabular amounts are expressed in thousands of US dollars)

## 8. 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** |
| La Parrilla(1) | $ - | $ 3,576 |
| Del Toro | 2,358 | 2,849 |
| San Martin | 551 | 905 |
| La Guitarra(1) | - | 514 |
| Santa Elena(2) | 3,469 | 3,296 |
| Jerritt Canyon | 17,288 | 10,948 |
| | **$ 23,666** | **$ 22,088** |

(1) The La Guitarra and the La Parrilla mines were sold during the first quarter and the third quarter of 2023, respectively (Note 14).

(2) During 2023 and 2024, the Company processed ore solely from the Ermitaño mine which is part of the Santa Elena operation. During the year ended December 31, 2024, the Company has incurred $3.5 million (2023 - $3.3 million) in holding costs relating to care and maintenance charges for the Santa Elena mine.

## 9. INVESTMENT AND OTHER INCOME

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

| | Year Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Gain from investment in silver futures derivatives | $ 98 | $ 4,279 |
| Gain (loss) from investment in marketable securities (Note 13(a)) | 21 | (1,640) |
| Interest income and other | 5,242 | 6,510 |
| | **$ 5,361** | **$ 9,149** |

## 10. 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, | |
|---|---|---|
| | **2024** | **2023** |
| Debt facilities(1) (Note 21) | $ 13,161 | $ 12,644 |
| Accretion of decommissioning liabilities | 9,610 | 8,325 |
| Lease liabilities (Note 22) | 2,276 | 2,605 |
| Interest and other | 3,013 | 2,706 |
| | **$ 28,060** | **$ 26,280** |

(1) During the year ended December 31, 2024, finance costs for debt facilities includes non-cash accretion expense of $10.1 million (2023 - $9.6 million).

(Tabular amounts are expressed in thousands of US dollars)

## 11. EARNINGS OR LOSS PER SHARE

Basic earnings or loss per share is the net earnings or loss available to common shareholders 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, 2024 and 2023 are as follows:

| | Year Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Net loss for the year | ($101,885) | ($135,112) |
| | | |
| Weighted average number of shares on issue - basic | 295,544,681 | 282,331,106 |
| **Weighted average number of shares on issue - diluted[(1)]** | **295,544,681** | **282,331,106** |
| | | |
| **Loss per share - basic and diluted** | **($0.34)** | **($0.48)** |

(1) For the year ended December 31, 2024, diluted weighted average number of shares excluded 6,680,915 (2023 - 6,984,369) options, 5,000,000 (2023 - 5,000,000) warrants, 2,272,568 restricted and performance share units (2023 - 1,556,458) and 13,888,895 common shares issuable under the 2021 convertible debentures (2023 - 13,888,895) (Note 21(a)) that were anti-dilutive.

## 12. 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, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| Finished goods - doré | $ | 5,036 | $ | 3,529 |
| Work-in-process | | 4,162 | | 7,542 |
| Stockpile | | 6,580 | | 5,055 |
| Silver coins and bullion | | 8,613 | | 8,360 |
| Materials and supplies | | 38,133 | | 39,204 |
| | **$** | **62,524** | **$** | **63,690** |

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, 2024, no write down was included in mineral inventories, which consist of stockpile, work-in-process and finished goods (2023 - $0.7 million which was recognized in cost of sales - Note 6).

## 13. OTHER FINANCIAL ASSETS

As at December 31, 2024, other financial assets consist of the Company's investment in marketable securities comprised of the following:

| | | December 31, 2024 | | December 31, 2023 |
|---|---|---|---|---|
| FVTPL marketable securities (a) | $ | 1,283 | $ | 6,279 |
| FVTOCI marketable securities (b) | | 48,498 | | 56,101 |
| **Total other financial assets** | **$** | **49,781** | **$** | **62,380** |

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

Gain on marketable securities designated as FVTPL for the year ended December 31, 2024 was $nil (December 31, 2023 - loss of $1.6 million) and was recorded through profit or loss.

## 13. OTHER FINANCIAL ASSETS (continued)

### (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, 2024 was a loss of $5.8 million (December 31, 2023 - loss of $19.3 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, 2024, the carrying value of all shares designated at FVTOCI was $48.5 million (December 2023 - $56.1 million).

## 14. DIVESTITURES

### (a) La Guitarra Silver Mine

On May 24, 2022, the Company announced that it had entered into a share purchase agreement with Sierra Madre Gold and Silver Ltd. ("Sierra Madre"), to sell the Company's subsidiary, La Guitarra Compañia Minera S.A. de C.V. ("La Guitarra"), which owns the La Guitarra Silver Mine, to Sierra Madre for total consideration of approximately $35 million, consisting of 69,063,076 Sierra Madre common shares at a deemed price of $0.51 per share. Closing of the transaction was subject to customary closing conditions including approval of the Sierra Madre shareholders (which was obtained in December 2022), regulatory approval and that Sierra Madre raise a minimum of $7.7 million (CAD $10 million) in a private placement concurrent or prior to the sale.

On March 29, 2023, the Company completed the sale of La Guitarra to Sierra Madre and received total consideration of $33.2 million net of transaction costs, before working capital adjustments. Pursuant to the share purchase agreement, the purchase price increased to the extent the working capital of La Guitarra is greater than zero, and decreased to the extent the working capital is less than zero. Based on the carrying value of the asset at the time of disposal of $34.3 million, and the working capital adjustment of $0.2 million, the Company recorded a loss on disposition of $1.4 million. The Company began accounting for the common shares received from Sierra Madre as an equity security at FVTOCI (Note 13).

### (b) La Parrilla Silver Mine

On December 7, 2022, the Company announced that it had entered into an asset purchase agreement with Golden Tag Resources Ltd. (which subsequently changed its name to Silver Storm Mining Ltd.) ("Silver Storm") to sell the La Parrilla Silver Mine for total consideration of up to $33.5 million, consisting of 143,673,684 common shares of Silver Storm at a deemed price of $0.16 per share, having an aggregate value as of the date of the agreement of $20 million, and up to $13.5 million in contingent consideration, in the form of three milestone payments, payable in either cash or Silver Storm shares, out of which $2.7 million is payable no later than 18 months following the closing date. The Company has also agreed to purchase $2.7 million of Silver Storm securities in a future Silver Storm equity financing of up to CAD $7.2 million. Closing the transaction was subject to customary closing conditions, including completion of such financing and receipt of all necessary regulatory approvals (which were obtained in May 2023). At March 31, 2023, the sale continued to be considered highly probable; therefore the assets and liabilities were presented as assets and liabilities held for sale and presented separately under current assets and current liabilities.

During the three months ended June 30, 2023, the Company recorded a write down on assets held-for-sale related to La Parrilla of $7.2 million, based on the change in value of Silver Storm's common shares at the end of the reporting period.

Of the $7.2 million write down related to La Parrilla, $3.7 million was allocated to depletable mining interest, $1.4 million was allocated to non-depletable mining interest, and the remaining $2.1 million was allocated to property, plant and equipment, resulting in a write down of $7.2 million, net of a $nil adjustment to the deferred tax liability. The recoverable amount of La Parrilla, being its FVLCD, was $14.9 million, net of estimated transaction costs, based on the expected proceeds from the sale.

On August 14, 2023, the Company completed the sale of La Parrilla to Silver Storm and received total consideration of $13.3 million net of transaction costs. Based on the price of Silver Storm's common shares at the time of closing the transaction, the Company recorded a loss on disposition of $1.6 million. In addition, First Majestic participated in Silver Storm's offering of subscription receipts (the "Subscription Receipts") and purchased 18,009,000 Subscription Receipts at a price of CAD$0.20 per Subscription Receipt which, in accordance with their terms, have now converted into 18,009,000 Silver Storm common shares and 9,004,500 common share purchase warrants (the "Warrants"). Each Warrant is exercisable for one additional Silver Storm common share until August 14, 2026, at a price of CAD$0.34. The Company began accounting for the shares received from Silver Storm as an equity security at FVTOCI (Note 13).

(Tabular amounts are expressed in thousands of US dollars)

## 14. DIVESTITURES (continued)

### (b) La Parrilla Silver Mine (continued)

On March 30, 2023 and August 14, 2023, the Company disposed of its interest in the La Guitarra and La Parrilla mines, respectively. The carrying value of the net assets of these mining interests at the date of disposal were as follows:

| At date of disposition | | March 30, 2023 | | August 14, 2023 |
|---|---|---|---|---|
| | | **La Guitarra(1)** | | **La Parrilla(2)** |
| Cash and cash equivalents | $ | 5,401 | $ | - |
| Other Receivable | | 427 | | - |
| Inventory | | 440 | | 854 |
| Prepaid expenses and other | | 35 | | - |
| Mineral Property Interest | | 34,089 | | 13,891 |
| Property plant and equipment | | 4,003 | | 5,829 |
| Other assets | | 40 | | 680 |
| **Total assets** | **$** | **44,435** | **$** | **21,254** |
| Trade Payables and accrued liabilities | $ | 232 | $ | - |
| Leases | | 21 | | 519 |
| Deferred tax liabilities | | 6,894 | | 1,667 |
| Decommissioning liabilities | | 2,951 | | 4,167 |
| **Total liabilities** | $ | 10,098 | $ | 6,353 |
| **Net assets disposed** | **$** | **34,337** | **$** | **14,901** |
| | | | | |
| **Loss on disposal** | | **($1,378)** | | **($1,646)** |
| **Total non-cash consideration** | **$** | **33,172** | **$** | **13,822** |

(1) On March 29, 2023, the Company completed the sale of La Guitarra to Sierra Madre Gold and Silver Ltd. As such, the assets and liabilities were derecognized after disposition.

(2) On August 14, 2023, the Company completed the sale of La Parrilla to Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.). As such, the assets and liabilities were derecognized after disposition.

The La Guitarra and La Parrilla mines are presented in the non-producing properties reportable segment up to the date of disposition (Note 4, 15 and 16).

(Tabular amounts are expressed in thousands of US dollars)

## 15. 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, 2024 | December 31, 2023 |
|---|---|---|
| Depletable properties | $ 779,890 | $ 786,316 |
| Non-depletable properties (exploration and evaluation costs, exploration potential) | 254,632 | 212,519 |
| | **$ 1,034,522** | **$ 998,835** |

Depletable properties are allocated as follows:

| Depletable properties | San Dimas | Santa Elena | La Encantada | Jerritt Canyon | Non-producing Properties(1) | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| **At December 31, 2022** | **$ 315,129** | **$ 151,396** | **$ 124,740** | **$ 476,541** | **$ 212,838** | **$ 1,280,644** |
| Additions | 26,602 | 29,014 | 2,752 | 13,307 | - | 71,675 |
| Change in decommissioning liabilities | (2,685) | 816 | (634) | (3,183) | 152 | (5,534) |
| Transfer from non-depletable properties | 26,426 | 1,897 | 2,021 | - | - | 30,344 |
| **At December 31, 2023** | **$ 365,472** | **$ 183,123** | **$ 128,879** | **$ 486,665** | **$ 212,990** | **$ 1,377,129** |
| Additions | 29,628 | 21,599 | 2,927 | - | - | 54,154 |
| Change in decommissioning liabilities | (2,346) | (1,302) | (1,362) | 6,165 | (2,100) | (945) |
| Transfer from non-depletable properties | - | 2,179 | 1,702 | - | - | 3,881 |
| **At December 31, 2024** | **$ 392,754** | **$ 205,599** | **$ 132,146** | **$ 492,830** | **$ 210,889** | **$ 1,434,218** |
| **Accumulated depletion, amortization and impairment** | | | | | | |
| **At December 31, 2022** | **($103,471)** | **($41,302)** | **($101,244)** | **($51,383)** | **($150,424)** | **($447,824)** |
| Depletion and amortization | (34,059) | (18,698) | (5,454) | (6,650) | - | (64,861) |
| Impairment (Note 18) | - | - | - | (78,128) | - | (78,128) |
| **At December 31, 2023** | **($137,530)** | **($60,000)** | **($106,698)** | **($136,161)** | **($150,424)** | **($590,813)** |
| Depletion and amortization | (33,567) | (23,866) | (6,082) | - | - | (63,515) |
| **At December 31, 2024** | **($171,097)** | **($83,866)** | **($112,780)** | **($136,161)** | **($150,424)** | **($654,328)** |
| | | | | | | |
| **Carrying values** | | | | | | |
| **At December 31, 2023** | **$ 227,942** | **$ 123,123** | **$ 22,181** | **$ 350,504** | **$ 62,566** | **$ 786,316** |
| **At December 31, 2024** | **$ 221,657** | **$ 121,733** | **$ 19,366** | **$ 356,669** | **$ 60,466** | **$ 779,890** |

(1) Non-producing properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines. La Guitarra and La Parrilla were disposed on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2023, the assets and liabilities have been derecognized (Note 14).

(Tabular amounts are expressed in thousands of US dollars)

## 15. MINING INTERESTS (continued)

Non-depletable properties costs are allocated as follows:

| Non-depletable properties | San Dimas[(a)] | Santa Elena[(b)] | La Encantada[(c)] | Jerritt Canyon[(d)] | Non-producing Properties[(1)] | Exploration Projects[(2)] | Springpole Stream[(e)] | Total |
|---|---|---|---|---|---|---|---|---|
| **At December 31, 2022** | **$ 38,831** | **$ 41,731** | **$ 4,935** | **$ 93,680** | **$ 13,781** | **$ 23,489** | **$ 11,856** | **$ 228,304** |
| Exploration and evaluation expenditures | 12,291 | 10,649 | 1,547 | 6,353 | 623 | 695 | - | 32,158 |
| Change in decommissioning liabilities | - | - | - | - | - | (15) | - | (15) |
| Impairment (Note 18) | - | - | - | (17,388) | - | - | - | (17,388) |
| Disposal of La Joya | - | - | - | - | - | (196) | - | (196) |
| Transfer to depletable properties | (26,426) | (1,897) | (2,021) | - | - | - | - | (30,344) |
| **At December 31, 2023** | **$ 24,696** | **$ 50,483** | **$ 4,461** | **$ 82,645** | **$ 14,404** | **$ 23,973** | **$ 11,856** | **$ 212,519** |
| Exploration and evaluation expenditures | 16,022 | 18,725 | 1,953 | 8,472 | 471 | 351 | - | 45,994 |
| Transfer to depletable properties | - | (2,179) | (1,702) | - | - | - | - | (3,881) |
| **At December 31, 2024** | **$ 40,718** | **$ 67,029** | **$ 4,712** | **$ 91,117** | **$ 14,875** | **$ 24,324** | **$ 11,856** | **$ 254,632** |

(1) Non-producing properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines. La Guitarra and La Parrilla were classified as assets held-for-sale up to the date of disposition on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2023, the assets and liabilities have been derecognized (Note 14).

(2) Exploration projects include the La Luz, La Joya, Los Amoles, Jalisco Group of Properties and Jimenez del Tuel projects. The La Joya project was disposed during the second quarter of 2023.

### (a) 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, 2024, was 70:1.

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

The Santa Elena Mine is subject to a gold streaming agreement with Sandstorm, which requires the mine to sell 20% of its life of mine gold production from its leach pad and a designated area of its underground operations of the Santa Elena mine to Sandstorm. The selling price to Sandstorm is currently the lesser of $450 per ounce, subject to a 1% annual inflation increase every April, and the prevailing market price.

The Santa Elena mine has a net smelter return ("NSR") royalty agreement with Orogen Royalties Inc. that provides them with a 2% NSR royalty from the production of the Ermitaño property. 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, 2024, the Company has incurred $11.3 million (2023 - $8.7 million) in NSR royalty payments in connection with production from Ermitaño.

## 15. MINING INTERESTS (continued)

### (c) 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, 2024, the Company has incurred $0.4 million (2023 - $0.5 million) in royalty payments from gold production at La Encantada.

### (d) 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 31,2024, the Company has incurred $nil in royalty payments from gold production at Jerritt Canyon (2023 - $0.7 million).

### (e) 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 with its production of silver, First Mining must deliver 50% of the payable silver which it receives from the offtaker 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, consisting of $2.5 million in cash and $2.5 million in First Majestic common shares (based on a 20-day volume weighted average price), will be paid upon receipt by First Mining of a Federal or Provincial Environmental Assessment approval for Springpole, which has not yet been received.

In connection with the streaming agreement, First Mining also granted First Majestic 30.0 million common share purchase warrants of First Mining (the "First Mining Warrants"), each of which will entitle the Company to purchase one common share of First Mining at CAD$0.40 expiring July 2, 2025. As a result of the distribution by First Mining of shares and warrants of Treasury Metals Inc. that was completed by First Mining on July 15, 2021, pursuant to the adjustment provisions of the First Mining Warrants, the exercise price of these warrants was reduced from CAD$0.40 to CAD$0.37, and the number of these warrants was increased from 30.0 million to 32.1 million. The fair value of the warrants was measured at $5.7 million using the Black-Scholes option pricing model. 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.

(Tabular amounts are expressed in thousands of US dollars)

## 16. 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, 2022** | **$ 237,246** | **$ 595,008** | **$ 73,927** | **$ 36,751** | **$ 942,932** |
| Additions | 14 | 2,719 | 33,749 | 655 | 37,137 |
| Reclassification to assets held-for-sale (Note 14) | (14) | 26 | - | - | 12 |
| Transfers and disposals | 8,014 | 43,276 | (58,938) | 1,039 | (6,609) |
| **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** |
| | | | | | |
| **Accumulated depreciation, amortization and impairment reversal** | | | | | |
| **At December 31, 2022** | **($136,987)** | **($330,728)** | **$ -** | **($23,882)** | **($491,597)** |
| Depreciation and amortization | (13,303) | (32,134) | - | (3,600) | (49,037) |
| Impairment (Note 18) | (7,585) | (21,979) | - | (120) | (29,684) |
| Reclassification to assets held-for-sale (Note 14) | - | (117) | - | - | (117) |
| Transfers and disposals | 249 | 2,819 | - | 189 | 3,257 |
| **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)** | **($611,069)** |
| | | | | | |
| **Carrying values** | | | | | |
| **At December 31, 2023** | **$ 87,634** | **$ 258,890** | **$ 48,738** | **$ 11,032** | **$ 406,294** |
| **At December 31, 2024** | **$ 84,899** | **$ 240,617** | **$ 43,322** | **$ 9,793** | **$ 378,630** |

(1) Included in land and buildings is $10.4 million (2023 - $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.

(Tabular amounts are expressed in thousands of US dollars)

## 16. PROPERTY, PLANT AND EQUIPMENT (continued)

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

| | San Dimas | Santa Elena | La Encantada | Jerritt Canyon | Non-producing Properties(1) | Other(2)(3) | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| **At December 31, 2022** | **$ 164,796** | **$ 167,542** | **$ 157,923** | **$ 209,749** | **$ 165,018** | **$ 77,904** | **$ 942,932** |
| Additions(2) | 10,765 | 9,399 | 4,309 | 8,453 | 14 | 4,197 | 37,137 |
| Reclassification to assets held-for-sale | - | - | - | - | 12 | - | 12 |
| Transfers and disposals | 7,810 | 3,187 | 6,504 | (1,534) | (1,546) | (21,030) | (6,609) |
| **At December 31, 2023** | **$ 183,371** | **$ 180,128** | **$ 168,736** | **$ 216,668** | **$ 163,498** | **$ 61,071** | **$ 973,472** |
| Additions(2) | 8,486 | 9,251 | 3,995 | 2,689 | 69 | 2,690 | 27,180 |
| Transfers and disposals | 255 | (2,507) | (457) | (1,622) | (1,211) | (5,411) | (10,953) |
| **At December 31, 2024** | **$ 192,112** | **$ 186,872** | **$ 172,274** | **$ 217,735** | **$ 162,356** | **$ 58,350** | **$ 989,699** |
| | | | | | | | |
| **Accumulated depreciation, amortization and impairment** | | | | | | | |
| **At December 31, 2022** | **($70,419)** | **($67,563)** | **($133,501)** | **($42,971)** | **($146,823)** | **($30,320)** | **($491,597)** |
| Depreciation and amortization | (15,577) | (15,543) | (4,889) | (10,614) | (165) | (2,249) | (49,037) |
| Impairment | - | - | - | (29,684) | - | - | (29,684) |
| Reclassification to assets held-for-sale | - | - | - | - | (117) | - | (117) |
| Transfers and disposals | (263) | 1,491 | (331) | 572 | 1,218 | 570 | 3,257 |
| **At December 31, 2023** | **($86,259)** | **($81,615)** | **($138,721)** | **($82,697)** | **($145,887)** | **($31,999)** | **($567,178)** |
| Depreciation and amortization | (16,268) | (16,314) | (7,190) | (6,257) | (92) | (2,130) | (48,253) |
| Transfers and disposals | 518 | 1,387 | 1,171 | 275 | 659 | 353 | 4,362 |
| **At December 31, 2024** | **($102,009)** | **($96,542)** | **($144,740)** | **($88,679)** | **($145,320)** | **($33,776)** | **($611,069)** |
| | | | | | | | |
| **Carrying values** | | | | | | | |
| **At December 31, 2023** | **$ 97,112** | **$ 98,513** | **$ 30,015** | **$ 133,971** | **$ 17,611** | **$ 29,072** | **$ 406,294** |
| **At December 31, 2024** | **$ 90,103** | **$ 90,329** | **$ 27,534** | **$ 129,057** | **$ 17,036** | **$ 24,574** | **$ 378,630** |

(1) Non-producing properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines. La Guitarra and La Parrilla were classified as assets held-for sale up to the date of their dispositions on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2023, the assets and liabilities have been derecognized.
(2) Additions classified in "Other" primarily consist of innovation projects and construction-in-progress.
(3) Included in "Other" is property, plant and equipment of $4.6 million (2023 - $1.8 million) for First Mint which includes the Company's bullion store and its minting facility located in Nevada.

(Tabular amounts are expressed in thousands of US dollars)

## 17. RIGHT-OF-USE ASSETS

The Company entered into operating 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 | Other | Total |
|---|---|---|---|---|
| **At December 31, 2022** | **$ 8,424** | **$ 18,216** | **$ 9** | **$ 26,649** |
| Additions | 1,719 | 2,821 | - | 4,540 |
| Remeasurements | 131 | 6,020 | - | 6,151 |
| Depreciation and amortization | (1,813) | (8,301) | (9) | (10,123) |
| Transfer to asset held-for-sale | 47 | 10 | - | 57 |
| Disposals | 15 | (5) | - | 10 |
| **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** |

## 18. IMPAIRMENT OF NON-CURRENT ASSET

On March 20, 2023, the Company announced the temporary suspension of operations at the Jerritt Canyon Gold mine. Having considered the facts and circumstances including the temporary suspension of operations, heightened costs, and operating mine performance, the Company determined that impairment indicators existed for the Jerritt Canyon Gold mine. IFRS accounting standards require an entity to assess its assets for indicators of impairment at the cash-generating unit level based on their individual recoverable amounts. After the Company identified an indicator of impairment for Jerritt Canyon, the Company assessed the recoverable value of the Jerritt Canyon Gold Mine based on its FVLCD.

### Key Assumptions

The FVLCD for Jerritt Canyon was determined using a multiple-based valuation method to estimate the value per in-situ ounce based on comparable market transactions. Valuation multiples applied to mineral resources and property, plant and equipment in the CGU, subject to impairment testing were determined as follows:

- External valuation specialists were used to obtain a population of gold exploration, development and operating companies. The value of trading multiples for operating companies based on recent transactions was determined to be between $149 per ounce and $248 per ounce.

- Management considered the $165 per ounce multiple to be the most reasonable estimate of the fair value of Jerritt Canyon, as companies in this range included companies in operations that had invested significantly in exploration, capital structure, an operating plant and had significant exploration potential.

(Tabular amounts are expressed in thousands of US dollars)

## 18. IMPAIRMENT OF NON-CURRENT ASSET (continued)

The market approach used to determine FVLCD is significantly affected by changes in key assumptions of determining which population of comparable companies are most relevant and the price for these precedent transactions. In determining the comparability of public companies and precedent transactions, factors such as primary ore, location, stage of operations, reserves and resources, exploration potential, infrastructure, and accessibility for the underlying commodity were taken into consideration. The Company performed a sensitivity analysis on the key assumption being the population of comparable transactions and determined that a change in this assumption could lead to a different fair value of this asset. Management's estimate of FVLCD is classified as a level 3 in the fair value hierarchy as the inputs are not based on observable market data.

In prior periods, management utilized the discounted cash flow method as the valuation technique to determine the recoverable amount. Recoverable values were determined with internal discounted cash flow economic models projected using management's best estimate of recoverable mineral reserves and resources, future operating costs, capital expenditures and long-term foreign exchange rates and corroborated by in situ value of its Reserves and Resources. As Jerritt Canyon does not currently have a mine plan to estimate future cash flows, the market approach was used during the current period to determine the FVLCD.

Based on the Company's assessment, the Company concluded that the carrying value of the Jerritt Canyon mine had an estimated recoverable value, based on its FVLCD, below its carrying value at March 31, 2023. As a result, the following impairment charge was recognized during the first quarter of 2023:

| | | Year Ended December 31, 2023 |
|---|---|---|
| Impairment of non-current asset | $ | 125,200 |
| Deferred income tax recovery | | (31,237) |
| **Impairment of non-current asset, net of tax** | **$** | **93,963** |

As at December 31, 2024, the Company determined there were no significant events or changes in circumstances to indicate that the carrying amount of its non-current assets may not be recoverable, nor indicators that the recoverable amount of its previously impaired assets will exceed its carrying value. As such, no impairment or impairment reversal was recognized during the year ended December 31, 2024 (year ended December 31, 2023 - $125.2 million (Note 14) and $nil million impairment, respectively).

The impairment charge recognized for the year ended December 31, 2023 with respect to the Jerritt Canyon operating segment, which was recorded during the first quarter of 2023, was allocated as follows:

| | | Year Ended December 31, 2023 |
|---|---|---|
| Mining interest - producing properties | $ | 78,128 |
| Mining interests - exploration properties (non-depletable) | | 17,388 |
| Property, plant and equipment | | 29,684 |
| **Impairment of non-current asset** | **$** | **125,200** |

(Tabular amounts are expressed in thousands of US dollars)

## 19. RESTRICTED CASH

Restricted cash is comprised of the following:

| | December 31, 2024 | December 31, 2023 |
|---|---|---|
| Nevada Division of Environmental Protection[1] | $ 19,346 | $ 18,408 |
| SAT Primero tax dispute[2] | 86,726 | 107,165 |
| **Non-Current Restricted Cash** | **$ 106,072** | **$ 125,573** |

(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 Admistracion Tributaria ("SAT") relating to the advanced pricing agreement (Note 28), the SAT froze a PEM bank account as security for certain tax reassessments which are being disputed. The balance in this frozen account as at December 31, 2024 was $86.7 million (1,758 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.

## 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, 2024 | December 31, 2023 |
|---|---|---|
| Trade payables | $ 35,397 | $ 31,863 |
| Trade related accruals | 23,196 | 16,302 |
| Payroll and related benefits | 32,239 | 35,331 |
| Restructuring obligations | 709 | 1,456 |
| NSR royalty liabilities (Notes 15(b)(c)) | 3,538 | 2,850 |
| Environmental duty and net mineral sales proceeds tax | 2,701 | 3,023 |
| Other accrued liabilities | 6,115 | 3,588 |
| | **$ 103,895** | **$ 94,413** |

(Tabular amounts are expressed in thousands of US dollars)

## 21. DEBT FACILITIES

The movement in debt facilities during the year ended December 31, 2024 and year ended December 31, 2023, respectively, are comprised of the following:

| | Convertible Debentures (a) | Revolving Credit Facility (b) | Total |
|---|---|---|---|
| **Balance at December 31, 2022** | **$ 190,242** | **$ 20,120** | **$ 210,362** |
| Finance costs | | | |
| Interest expense | 858 | 2,616 | 3,474 |
| Accretion | 9,170 | - | 9,170 |
| Repayments of finance costs | (864) | (2,330) | (3,194) |
| **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** |
| | | | |
| **Statements of Financial Position Presentation** | | | |
| Current portion of debt facilities | $ 426 | $ 406 | $ 832 |
| Non-current portion of debt facilities | 198,980 | 20,000 | 218,980 |
| **Balance at December 31, 2023** | **$ 199,406** | **$ 20,406** | **$ 219,812** |
| 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** |

### (a) Convertible Debentures

#### Senior Convertible Debentures

On December 2, 2021, the Company issued $230 million of unsecured senior convertible debentures (the "Notes"). The Company received net proceeds of $222.8 million after transaction costs of $7.2 million. The 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 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 Notes converted, representing an initial conversion price of $16.56 per common share, subject to certain anti-dilution adjustments. In addition, if certain fundamental changes occur, holders of the Notes may be entitled to an increased conversion rate.

The Company may not redeem the 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 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 Notes to be redeemed and (ii) accrued and unpaid interest, if any, to the redemption date.

## 21. DEBT FACILITIES (continued)

### (a) Convertible Debentures (continued)

The Company is required to offer to purchase for cash all of the outstanding Notes upon a fundamental change, at a cash purchase price equal to 100% of the principal amount of the 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 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.

### (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. The maturity date of the credit facility continues to be June 29, 2026, with a credit limit of $175.0 million. Interest on the drawn balance will accrue at the Secured Overnight Financing Rate ("SOFR") plus an applicable range of 2.25% to 3.50% per annum while the undrawn portion is subject to a standby fee with an applicable range of 0.563% to 0.875% per annum, dependent on certain financial parameters of First Majestic. As at December 31, 2024, the applicable rates were 2.250% and 0.563% 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, 2024, the Company was in compliance with all of its debt covenants.

At December 31, 2024, the Company had letters of credit outstanding in the amount of $35.4 million (December 2023 - $30.4 million) as part of ongoing reclamation and mine closure obligations. As at December 31, 2024 the undrawn portion of the Revolving Credit Facility net of the letters of credit and drawdowns is $139.6 million (December 2023 - $124.6 million).

(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, 2024 and December 31, 2023 are comprised of the following:

| | Category I Leases(a) | Category II Leases(b) | Total |
|---|---|---|---|
| **Balance at December 31, 2022** | **$ 5,943** | **$ 31,640** | **$ 37,583** |
| Additions | 2,231 | 4,540 | 6,771 |
| Remeasurements | - | 6,151 | 6,151 |
| Disposals | - | (36) | (36) |
| Finance costs | 388 | 2,217 | 2,605 |
| Repayments of principal | (3,502) | (11,736) | (15,238) |
| Repayments of finance costs | (389) | (2,183) | (2,572) |
| Transfer to asset held-for-sale (Note 14) | - | (82) | (82) |
| Foreign exchange | - | 1,520 | 1,520 |
| **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 |
| Repayment 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** |
| **Statements of Financial Position Presentation** | | | |
| Current portion of lease liabilities | $ 3,144 | $ 14,226 | $ 17,370 |
| Non-current portion of lease liabilities | 1,527 | 17,805 | 19,332 |
| **Balance at December 31, 2023** | **$ 4,671** | **$ 32,031** | **$ 36,702** |
| 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** |

(Tabular amounts are expressed in thousands of US dollars)

## 22. LEASE LIABILITIES (continued)

### (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 to four years, some of which include options to terminate the leases within a year, with incremental borrowing rates ranging from 3.8% 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 3.4% to 11.8% per annum.

During the year ended December 31, 2024 and 2023, the amounts of lease payments recognized in the profit and loss are summarized as follows:

| | Year Ended December 31, 2024 | Year Ended December 31, 2023 |
|---|---|---|
| Expenses relating to variable lease payments not included in the measurement of lease liability | $ 75,789 | $ 113,486 |
| Expenses relating to short-term leases | 19,059 | 29,996 |
| Expenses relating to low value leases | 98 | 661 |
| | **$ 94,946** | **$ 144,143** |

(Tabular amounts are expressed in thousands of US dollars)

## 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, 2024 and 2023 are allocated as follows:

| | San Dimas | Santa Elena | La Encantada | Jerritt Canyon | Non-Operating Properties(1) | Total |
|---|---|---|---|---|---|---|
| **Balance at December 31, 2022** | **$ 15,423** | **$ 10,839** | **$ 11,306** | **$ 100,979** | **$ 10,470** | **$ 149,017** |
| Movements during the year: | | | | | | |
| Change in rehabilitation provision | (2,687) | 816 | (634) | (3,183) | 139 | (5,549) |
| Reclamation costs incurred | - | - | - | (270) | (5) | (275) |
| Accretion expense | 1,467 | 1,032 | 1,076 | 3,796 | 954 | 8,325 |
| Foreign exchange gain | - | - | - | - | 46 | 46 |
| **Balance at December 31, 2023** | **$ 14,203** | **$ 12,687** | **$ 11,748** | **$ 101,322** | **$ 11,604** | **$ 151,564** |
| Movements during the year: | | | | | | |
| Change in rehabilitation provision | (2,346) | (1,302) | (1,362) | 6,165 | (2,159) | (1,004) |
| Reclamation costs incurred | - | (387) | (140) | (480) | (96) | (1,103) |
| Accretion expense | 1,372 | 1,228 | 1,136 | 4,798 | 1,076 | 9,610 |
| **Balance at December 31, 2024** | **$ 13,229** | **$ 12,226** | **$ 11,382** | **$ 111,805** | **$ 10,425** | **$ 159,067** |

(1) Non-operating properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines, along with the La Luz project. La Guitarra and La Parrilla were classified as assets held-for-sale up to the date of disposition on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2024, the assets and liabilities have been derecognized (Note 14).

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 10.6% (2023 - 9.7%), while the inflation rate used is based on long-term expected inflation rate of 3.7% (2023 - 3.6%).

At the Jerritt Canyon Gold Mine, the discount rate used is 4.6% (2023 - 4.7%), while the inflation rate is based on the long-term expected inflation rate of 2.2% in the U.S (2023 - 2.4%).

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, 2024, the reclamation and closure cost obligation for the Jerritt Canyon Gold Mine totaled $111.8 million. This obligation is secured through $82.4 million in surety bonds held with the NDEP and the USFS, with $35.4 million in letters of credit as collateral for these bonds, to support various reclamation obligation bonding requirements (Note 19).

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 $19.3 million being currently held in this account.

(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, 2024 and 2023:

| | Year Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Loss before tax** | **($26,454)** | **($195,915)** |
| Combined statutory tax rate | 27% | 27% |
| **Income tax recovery computed at statutory tax rate** | **(7,143)** | **(52,897)** |
| **Reconciling items:** | | |
| Effect of different foreign statutory tax rates on earnings of subsidiaries | (2,060) | 6,152 |
| Impact of foreign exchange on deferred income tax assets and liabilities | 63,844 | (60,889) |
| Change in unrecognized deferred income tax asset | 12,469 | 44,230 |
| 7.5% mining royalty in Mexico and Nevada net proceeds tax | 13,539 | 2,100 |
| Other non-deductible expenses | 9,660 | 13,994 |
| Impact of inflationary adjustments | (14,228) | (12,714) |
| Change in tax provision estimates | (3,740) | 448 |
| Value of losses forgone due to tax settlement | 311 | - |
| Tax settlement | 205 | - |
| Other | 2,574 | (1,227) |
| **Income tax expense (recovery)** | **$ 75,431** | **($60,803)** |
| | | |
| **Statements of Earnings Presentation** | | |
| Current income tax expense | $ 31,997 | $ 14,005 |
| Deferred income tax recovery | 43,434 | (74,808) |
| **Income tax expense (recovery)** | **$ 75,431** | **($60,803)** |
| **Effective tax rate** | **(285%)** | **31%** |

The Company's statutory tax rate increased effective January 1, 2018 to 27.00%.

For the year ended December 31, 2024, the effective income tax rate on income from operations was (285%) (2023 - 31%). The significant items impacting the effective income tax rate on losses from operations include foreign exchange effects, inflationary adjustment impacts, Mexico specific mining tax, the tax impact of the deferred tax assets not recognized, and non-deductible expenses. 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.

As at December 31, 2024 and 2023, the Company has the following income tax payable balances:

| | Year Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| Current income tax payable | $ 22,792 | $ 5,222 |
| Non-current income tax payable | 19,685 | 23,612 |
| | **$ 42,477** | **$ 28,834** |

(Tabular amounts are expressed in thousands of US dollars)

## 24. INCOME TAXES (continued)

During the years ended December 31, 2024 and 2023, 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, 2022** | **$ 147,630** | **$ 42,677** | **($70,716)** | **$ 15,994** | **$ 135,585** |
| Benefit (expense) to statement of earnings | 54,978 | (784) | (59,897) | 5,824 | 121 |
| Translation and other | - | 314 | - | - | 314 |
| **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** |

| Deferred tax liabilities | Property, plant and equipment and mining interests | Effect of Mexican tax deconsolidation | Other | Total |
|---|---|---|---|---|
| **At December 31, 2022** | **$ 178,991** | **$ -** | **$ 22,000** | **$ 200,991** |
| Benefit to statement of earnings | (49,050) | - | (25,637) | (74,687) |
| **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** |

| **Statements of Financial Position Presentation** | |
|---|---|
| Deferred tax assets | $ 88,732 |
| Deferred tax liabilities | 79,017 |
| **At December 31, 2023** | **($9,715)** |
| Deferred tax assets | $ 46,375 |
| Deferred tax liabilities | 80,094 |
| **At December 31, 2024** | **$ 33,719** |

At December 31, 2024, the Company recognized $46.4 million (2023 - $88.7 million) of net deferred tax assets in entities that have had a loss for tax purposes in either 2024 or 2023, 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.

(Tabular amounts are expressed in thousands of US dollars)

## 24. INCOME TAXES (continued)

The aggregate amount of taxable temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized, as at December 31, 2024 was $303.3 million (2023 - $263.9 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, | |
|---|---|---|
| | **2024** | **2023** |
| Non-capital losses | $ 460,193 | $ 347,291 |
| Capital losses | 32,971 | 33,005 |
| Accrued expenses | 849 | 628 |
| Mineral properties, plant and equipment | 39,145 | 46,188 |
| Other | 49,007 | 53,592 |
| | **$ 582,165** | **$ 480,704** |

As at December 31, 2024 and 2023, 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, 2024 | December 31, 2023 |
|---|---|---|---|---|---|
| 2025 | - | - | 19,991 | 19,991 | 33,213 |
| 2026 | - | - | 2,759 | 2,759 | 21,168 |
| 2027 | - | - | 8,086 | 8,086 | 3,211 |
| 2028 | - | - | 45,953 | 45,953 | 8,587 |
| 2029 | - | - | 84,046 | 84,046 | 48,690 |
| 2030 | - | - | 73,514 | 73,514 | 89,522 |
| 2031 | - | - | 56,090 | 56,090 | 55,906 |
| 2032 | - | - | 7,768 | 7,768 | 62,244 |
| 2033 | - | - | 81,247 | 81,247 | 8,904 |
| 2034 and after | 51,206 | 26,492 | 90,383 | 168,081 | 132,085 |
| No expiry | - | 285,569 | - | 285,569 | 261,576 |
| **Total** | **$ 51,206** | **$ 312,061** | **$ 469,837** | **$ 833,104** | **$ 725,106** |
| **Unrecognized losses** | **$ 51,206** | **$ 26,492** | **$ 343,501** | **$ 421,199** | **$ 175,705** |

(Tabular amounts are expressed in thousands of US dollars)

## 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.

| | Year Ended December 31, 2024 | | | Year Ended December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Number of Shares | | Net Proceeds | Number of Shares | | Net Proceeds |
| ATM program | 14,300,000 | $ | 93,899 | 13,919,634 | $ | 92,092 |

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. During the year ended December 31, 2023, the Company sold 1,719,634 common shares under its 2022 ATM program in existence at that time at an average price of $8.75 per common share for gross proceeds of $15.0 million, or net proceeds of $14.4 million. During the year ended December 31, 2023, the Company sold 12,200,000 common shares under its 2023 ATM program in existence at that time at an average price of $6.51 per common share for gross proceeds of $79.5 million, or net proceeds of $77.9 million. During the year ended December 31, 2024, no shares were sold under the 2022 or 2023 ATM program. As at December 31, 2024, the Company incurred $nil (2023 - $2.4 million) in transaction costs in relation to the 2022 and 2023 ATM programs.

On August 3, 2023, the Company filed 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 allows the Company to undertake offerings (including by way of an ATM) under one or more prospectus supplements of various securities listed in the shelf prospectus, up to an aggregate total of $500.0 million, over a 25-month period that ends on September 3, 2025.

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, 2024, 14,300,000 common shares were sold under the 2024 ATM Program at an average price of $6.73 per share, for gross proceeds of $96.2 million or net proceeds of $93.9 million. As at December 31, 2024, the Company incurred $2.3 million in transaction costs in relation to the 2024 ATM Program.

On September 12, 2024 the Company renewed its ongoing share repurchase program (the "Share Repurchase Program") which permits it to repurchase up to 10,000,000 shares (3.32% of the Company's issued and outstanding shares as at September 4, 2024) up to September 12, 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, 2024, the Company repurchased an aggregate of 50,000 common shares at an average price of CAD$7.81 per share as part of the Share Repurchase Program (December 2023 - $nil) for total payments of $0.3 million, net of transaction costs.

(Tabular amounts are expressed in thousands of US dollars)

## 25. SHARE CAPITAL (continued)

### (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 President & 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 President and 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.

The following table summarizes information about Options outstanding as at December 31, 2024:

| | Options Outstanding | | | Options Exercisable | | |
|---|---|---|---|---|---|---|
| **Exercise prices (CAD$)** | 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) |
| **5.01 - 10.00** | 3,715,562 | 8.31 | 7.17 | 1,575,397 | 8.60 | 4.75 |
| **10.01 - 15.00** | 2,886,075 | 12.81 | 6.76 | 2,375,636 | 13.01 | 6.59 |
| **15.01 - 20.00** | 888,982 | 16.42 | 5.83 | 839,382 | 16.42 | 5.85 |
| **20.01 - 250.00** | 438,500 | 21.61 | 6.36 | 412,900 | 21.60 | 6.36 |
| | 7,929,119 | 11.59 | 6.83 | 5,203,315 | 12.91 | 5.90 |

(Tabular amounts are expressed in thousands of US dollars)

## 25. SHARE CAPITAL (continued)

### (b) Stock options (continued)

The movements in Options issued for the year ended December 31, 2024 and year ended December 31, 2023 are summarized as follows:

| | Year Ended December 31, 2024 | | Year Ended December 31, 2023 | |
|---|---|---|---|---|
| | Number of Options | Weighted Average Exercise Price (CAD $/Share) | Number of Options | Weighted Average Exercise Price (CAD $/Share) |
| **Balance, beginning of the period** | 7,366,252 | 12.32 | 7,275,744 | 13.19 |
| **Granted** | 1,483,726 | 8.12 | 1,881,297 | 9.15 |
| **Exercised** | (20,625) | 7.89 | (337,500) | 8.42 |
| **Cancelled or expired** | (900,234) | 11.89 | (1,453,289) | 13.51 |
| **Balance, end of the period** | 7,929,119 | 11.59 | 7,366,252 | 12.32 |

During the year ended December 31, 2024, the aggregate fair value of Options granted was $4.1 million (December 31, 2023 - $6.1 million), or a weighted average fair value of $2.77 per Option granted (December 31, 2023 - $3.23).

During the year ended December 31, 2024, total share-based payments expense related to Options was $5.0 million (December 31, 2023 - $6.9 million).

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, 2024 | Year Ended December 31, 2023 |
|---|---|---|---|
| Risk-free interest rate (%) | Yield curves on Canadian government zero- coupon bonds with a remaining term equal to the stock options' expected life | 3.48 | 3.80 |
| Expected life (years) | Weighted average life of previously transacted awards | 4.04 | 4.06 |
| Expected volatility (%) | Historical volatility of the Company's stock | 58.00 | 59.05 |
| Expected dividend yield (%) | Annualized dividend rate as of the date of grant | 0.28% | 0.35% |

The weighted average closing price of the Company's common shares at date of exercise for the year ended December 31, 2024 was CAD$10.53 (December 31, 2023 - CAD$9.78).

(Tabular amounts are expressed in thousands of US dollars)

## 25. SHARE CAPITAL (continued)

### (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, 2024, a total of 1,127,330 RSUs were awarded by the Company to directors and employees under the 2022 LTIP, of which 264,280 RSUs may only be settled in cash resulting in a total expense of $0.7 million (2023 - $nil million). During the year ended December 31, 2024, 35,690 cash-settled RSUs were forfeited at a weighted average price of CAD$7.98 per share. As at December 31, 2024, there were a total of 228,590 RSUs outstanding that may only be settled in cash, with a total liability of $0.7 million (2023 - $nil million).

The following table summarizes the changes in RSUs intended to be settled in equity for the year ended December 31, 2024 and the year ended December 31, 2023:

| | Year Ended December 31, 2024 | | Year Ended December 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Weighted Average Fair Value (CAD$) | Number of shares | Weighted Average Fair Value (CAD$) |
| **Outstanding, beginning of the year** | 880,889 | 11.92 | 652,339 | 14.35 |
| **Granted** | 863,050 | 7.96 | 768,066 | 10.90 |
| **Settled** | (374,408) | 12.65 | (273,515) | 14.74 |
| **Forfeited** | (76,933) | 9.10 | (266,001) | 12.05 |
| **Outstanding, end of the year** | 1,292,598 | 9.23 | 880,889 | 11.92 |

During the year ended December 31, 2024, total share-based payments expense for RSUs that the Company intends to settle in equity was $5.0 million (December 31, 2023 - $4.5 million).

### (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, 2024, a total of 500,930 PSUs were awarded by the Company to employees under the 2022 LTIP, of which 30,430 PSUs may only be settled in cash, resulting in a total expense of $0.1 million (2023 - $nil). As at December 31, 2024, there were a total of 30,430 PSUs outstanding that may only be settled in cash, with a total liability of $0.1 million (2023 - $nil).

(Tabular amounts are expressed in thousands of US dollars)

## 25. SHARE CAPITAL (continued)

### (d) Performance Share Units (continued)

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, 2024 and the year ended December 31, 2023:

| | Year Ended December 31, 2024 | | Year Ended December 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Weighted Average Fair Value (CAD$) | Number of shares | Weighted Average Fair Value (CAD$) |
| **Outstanding, beginning of the period** | 624,968 | 12.86 | 474,654 | 14.82 |
| **Granted** | 470,500 | 7.98 | 384,653 | 11.12 |
| **Settled** | (51,050) | 17.08 | (38,087) | 15.47 |
| **Forfeited** | (94,609) | 14.69 | (196,252) | 13.69 |
| **Outstanding, end of the period** | 949,809 | 10.03 | 624,968 | 12.86 |

During the year ended December 31, 2024, total share-based payments expense related to PSUs that the Company intends to settle in equity was $2.1 million (year ended December 31, 2023 - $1.5 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, 2024 and the year ended December 31, 2023:

| | Year Ended December 31, 2024 | | Year Ended December 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Weighted Average Fair Value (CAD$) | Number of shares | Weighted Average Fair Value (CAD$) |
| **Outstanding, beginning of the period** | 50,601 | 15.83 | 50,601 | 15.83 |
| **Settled** | (20,440) | 15.59 | - | - |
| **Outstanding, end of the period** | 30,161 | 15.99 | 50,601 | 15.83 |

(Tabular amounts are expressed in thousands of US dollars)

## 25. SHARE CAPITAL (continued)

### (e) Deferred Share Units (continued)

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.

The following table summarizes the changes in DSUs granted to directors for the year ended December 31, 2024 and the year ended December 31, 2023 under the 2022 DSU plan:

| | Year Ended December 31, 2024 | | Year Ended December 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Weighted Average Fair Value (CAD$) | Number of shares | Weighted Average Fair Value (CAD$) |
| **Outstanding, beginning of the period** | 62,332 | 10.97 | 9,143 | 13.63 |
| **Granted** | 75,184 | 7.98 | 53,189 | 10.51 |
| **Settled** | (36,372) | 9.03 | - | - |
| **Outstanding, end of the period** | 101,144 | 9.44 | 62,332 | 10.97 |

During the year ended December 31, 2024, total share-based payments expense related to DSU's under the 2022 DSU plan was $0.4 million (year ended December 31, 2023 - $0.3 million). As at December 31, 2024, there were a total of 101,144 DSUs outstanding, with a total liability of $0.6 million (2023 - $0.5 million).

### (f) Dividends

The Company declared the following dividends during the year ended December 31, 2024:

| Declaration Date | Record Date | Dividend per Common Share |
|---|---|---|
| February 21, 2024 | March 14, 2024 | $0.0048 |
| May 7, 2024 | May 17, 2024 | $0.0037 |
| July 31, 2024 | August 16, 2024 | $0.0046 |
| November 6, 2024 | November 15, 2024 | $0.0048 |
| February 19, 2025 (1) | February 28, 2025 | $0.0057 |

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

## 26. 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.

During the three months ended June 30, 2023, marketable securities valued at $19.6 million were transferred from Level 3 to Level 1 due to the resumption of trading of Sierra Madre shares on the TSX Venture on June 5, 2023. Level 1 assets include those assets in which unadjusted quoted prices in active markets are accessible to the Company at the measurement date.

There were no transfers between levels 1, 2, and 3 during the year ended December 31, 2024.

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<br>Marketable securities - stock warrants<br>Silver futures derivatives | Marketable securities and silver future derivatives 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). |

| Financial Instruments Measured at Amortized Cost | Valuation Method |
|---|---|
| Cash and cash equivalents<br>Restricted cash<br>Trade and other receivables<br>Trade and other payables | Approximated carrying value due to their short-term nature. |
| 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.<br><br>The senior convertible debentures are recognized at amortized cost using the effective interest rate method. The observable fair value of the Company's senior convertible debenture have been estimated based on the the current SOFR rates, applicable margin, premium adjustments, and comparison to discount rates used by the peer group on similar notes, which indicates a fair value of $191.7 million (carrying amount: $209.1 million). |

(Tabular amounts are expressed in thousands of US dollars)

## 26. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (continued)

### (a) Fair value and categories of financial instruments (continued)

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

| | December 31, 2024 | | | December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | | Fair value measurement | | | Fair value measurement | |
| | Carrying value | Level 1 | Level 2 | Carrying value | Level 1 | Level 2 |
| **Financial assets** | | | | | | |
| Marketable securities (Note 13) | $ 49,781 | $ 49,718 | $ 63 | $ 62,380 | $ 61,749 | $ 631 |

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 2023, an impairment was recorded for the Jerritt Canyon mine bringing the carrying value of the asset to its recoverable amount, being its FVLCD (Note 18). Management's estimate of FVLCD is classified as a level 3 in the fair value hierarchy as the inputs are not based on observable market data. During the year ended December 31, 2023, an additional write down was recorded for the La Parrilla mine (Note 14), bringing the carrying value of the asset to its recoverable amount, being its FVLCD. The valuation technique used in the calculation of the fair value of consideration receivable, is categorized as Level 2 as it is based on the selling price in the market.

### (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, 2024 | December 31, 2023 |
|---|---|---|
| Equity | $ 1,351,071 | $ 1,358,120 |
| Debt facilities | 209,482 | 219,812 |
| Lease liabilities | 27,535 | 36,702 |
| Less: cash and cash equivalents | (202,180) | (125,581) |
| | **$ 1,385,908** | **$ 1,489,053** |

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, 2024, the Company was in compliance with all of its debt covenants.

(Tabular amounts are expressed in thousands of US dollars)

## 26. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (continued)

### (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.

As at December 31, 2024, net VAT receivable was $44.6 million (December 31, 2023 - $52.7 million), of which $14.2 million (December 31, 2023 - $27.5 million) relates to La Encantada, $5.1 million relates to Santa Elena (December 31, 2023 - $23.0 million), and $7.0 million (December 31, 2023 - $29.0 million) relates to San Dimas.

The Company sells and receives payment upon delivery of its silver doré and by-products primarily through four 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, 2024 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 | $ 103,895 | $ 103,895 | $ - | $ - | $ - |
| Debt facilities | 234,097 | 2,444 | 231,653 | - | - |
| Lease liabilities | 30,572 | 16,497 | 10,631 | 3,247 | 197 |
| Other liabilities | 5,587 | - | 329 | 5,258 | - |
| Commitments | 3,654 | 3,654 | - | - | - |
| | **$ 377,805** | **$ 126,490** | **$ 242,613** | **$ 8,505** | **$ 197** |

At December 31, 2024, the Company had working capital of $224.5 million (December 31, 2023 - $188.9 million). Total available liquidity at December 31, 2024 was $364.2 million (December 31, 2023 - $313.6 million), including $139.6 million of undrawn revolving credit facility (December 31, 2023 - $124.6 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.

(Tabular amounts are expressed in thousands of US dollars)

## 26. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (continued)

### (c) Financial risk management (continued)

#### *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 flows.

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, 2024 |
|---|---|---|---|---|---|---|---|---|
| | Cash and cash equivalents | Restricted cash | Value added taxes receivable | Trade and other receivables | Other financial assets | Trade and other payables | Net assets (liabilities) exposure | Effect of +/- 10% change in currency |
| Canadian Dollar | $ 1,097 | $ - | $ - | $ 1,165 | $ 1,282 | ($5,422) | ($1,878) | ($188) |
| Mexican Peso | 25,748 | 86,726 | 44,614 | - | - | (63,988) | 93,100 | 9,310 |
| | **$ 26,845** | **$ 86,726** | **$ 44,614** | **$ 1,165** | **$ 1,282** | **($69,410)** | **$ 91,222** | **$ 9,122** |

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, 2024, the Company had an unrealized gain of $nil (2023 - $nil) on fair value adjustments to its foreign currency derivatives. As at December 31, 2024, the Company does not hold any foreign currency derivatives (December 31, 2023 - $nil).

#### *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, non-financial items 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.

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

| | | | December 31, 2024 |
|---|---|---|---|
| | | Effect of +/- 10% change in metal prices | |
| | Silver | Gold | Total |
| Metals in inventory | $ 1,557 | $ 676 | $ 2,233 |
| | **$ 1,557** | **$ 676** | **$ 2,233** |

#### *Interest Rate Risk*

The Company is exposed to interest rate risk on its short-term investments, debt facilities and lease liabilities. 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, 2024, 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, 2024, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

(Tabular amounts are expressed in thousands of US dollars)

## 27. SUPPLEMENTAL CASH FLOW INFORMATION

| | Year Ended December 31, 2024 | 2023 |
|---|---|---|
| **Other adjustments to investing activities:** | | |
| Loan to Sierra Madre[1] | ($5,000) | $ - |
| Purchase of marketable securities | (11,967) | (2,493) |
| Proceeds from disposal of marketable securities | 18,481 | 1,274 |
| Other strategic investments | (695) | - |
| | **$ 819** | **($1,219)** |
| **Net change in non-cash working capital items:** | | |
| (Increase) in trade and other receivables | ($1,509) | ($1,501) |
| Decrease (increase) in value added taxes receivable | 8,123 | (7,765) |
| Decrease (Increase) in inventories | 2,268 | (505) |
| Decrease (increase) in prepaid expenses and other | 552 | (3,103) |
| (Decrease) increase in income taxes payable | (2,520) | 531 |
| Increase (decrease) in trade and other payables | 2,818 | (6,193) |
| Decrease (increase) in restricted cash (Note 19) | 19,501 | (380) |
| | **$ 29,233** | **($18,916)** |
| **Non-cash investing and financing activities:** | | |
| Shares received from disposition of mining interest | $ - | $ 46,994 |
| Disposition of La Guitarra | - | (49,238) |
| Transfer of share-based payments reserve upon settlement of RSU's, PSU's and DSU's | 4,329 | 3,410 |
| Transfer of share-based payments reserve upon exercise of options | 57 | 1,055 |
| Assets acquired by lease | (1,110) | (2,231) |
| | **$ 3,276** | **($10)** |

(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 will be repayable to the Company in 24 months ("Maturity Date"). 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, 2024, cash and cash equivalents include $1.5 million (December 31, 2023 - $1.9 million) that are held in-trust as bonds for tax audits in Mexico.

## 28. 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 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. In addition, the Company may in the future be subjected to regulatory investigations or other proceedings and may be involved in disputes with other parties in the future which may result in a significant impact on our financial condition, cash flow and results of operations.

### (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 silver produced from the San Dimas Mine, and 50% of silver produced thereafter, at the lower of: (i) the spot market price and (ii) $4.014 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 stream 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 tax and legal assurance that the Mexican tax authority, Servicio de Administración Tributaria ("SAT") would accept the PEM Realized Price as the transfer price to calculate Mexican income taxes payable by PEM, a mutually binding Advance Pricing Agreement ("APA") was entered into with the SAT for taxation years 2010 to 2014. On October 4, 2012, the SAT confirmed that based on the terms of the APA, the PEM Realized Price could be used as PEM's basis for calculating taxes owed for the silver sold under the Old Stream Agreement.

In August 2015, the SAT commenced a legal process 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 to 2012 tax years in the total amount of $310.8 million (6,299 million MXN) inclusive of interest, inflation, and penalties. In 2021, the SAT also issued a reassessment against PEM for the 2013 tax year in the total amount of $164.3 million (3,330 million MXN) inclusive of accrued interest, inflation and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of $418.8 million (8,488 MXN) inclusive of interest, inflation, and penalties (collectively, the "Reassessments"). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments 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.

## 28. CONTINGENCIES AND OTHER MATTERS (continued)

### (b) Primero Tax Rulings (continued)

The Company continues to pursue all available domestic and international remedies under the laws of Mexico and under the relevant tax treaties. 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.

**Domestic Remedies**

In September 2020, the Company was served with a decision of the Federal Tax Court seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. As two writs of certiorari were filed before the Mexican Supreme Court of Justice, on April 15, 2021, the Plenary of the Supreme Court i) admitted one of those writs, ii) requested the Mexican Circuit Court to send the appeal file to them, and iii) assigned such writ to the Second Chamber of the Supreme Court for issuing the corresponding decision. Both writs of certiorari were withdrawn in December 2022. The challenge filed by the Company was returned to the Mexican Circuit Court on February 14, 2023 and 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, and following the admission of the appeal, the Second Chamber of the Supreme Court of Justice assumed jurisdiction over the appeal on June 20, 2024. 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 ignored 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 will be issued by the Collegiate Court in the second half of 2025.

**International Remedies**

**i. NAFTA APA Claim**

In respect of the APA, the Company submitted an 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 partially granted certain provisional measures requested by the Company, issuing an order for Mexico to permit the withdrawal of the Company's VAT refunds for the period as of January 4, 2023 that had been deposited by the SAT into a frozen bank account, and to deposit all future VAT refunds into an account 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 furtherance of its obligations under the PM Decision.

In addition, in response to the Company's counter-arguments to a jurisdictional objection filed by Mexico in late July 2023, the Tribunal dismissed Mexico's objection, agreeing with the Company that the recovery of VAT refunds under the NAFTA VAT

## 28. CONTINGENCIES AND OTHER MATTERS (continued)

### (b) Primero Tax Rulings (continued)

Claim (as defined in the section below) does not breach the waiver under NAFTA (i.e. the NAFTA APA Claim and the NAFTA VAT Claim are not in respect of the same measures).

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 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.

In order to expedite the arbitration proceedings, the Company has advised the Consolidation Tribunal and Mexico that it is proposing to add claims covered by the NAFTA VAT Claim to the NAFTA APA Claim as ancillary claims. The Tribunal with jurisdiction over the NAFTA APA Claim has, as of July 15, 2024, granted the Company the right to introduce the ancillary claims to the NAFTA APA Claim, which will make it unnecessary for the NAFTA VAT Claim to proceed separately from the NAFTA APA Claim. On October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. In addition, Mexico filed its Memorial in support of the Consolidation Request on October 7, 2024, and the Company filed its Counter-Memorial on December 6, 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.

We expect that the Consolidation Tribunal will make its decision in respect of the Consolidation Request in Q2 2025. Until such a decision has been made, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been suspended. However, any decisions rendered to date by the Tribunal in the NAFTA APA Claim, including but not limited to the PM Decision, remain in force during such suspension.

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 $272.9 million (5,531 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, 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. As a result of the Consolidation Request (described above), the NAFTA VAT Claim has been suspended. As noted above, on October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim

## 28. CONTINGENCIES AND OTHER MATTERS (continued)

### (b) Primero Tax Rulings (continued)

pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue (however, such proceedings are currently suspended pending the outcome of the proceedings related to the Consolidation Request).

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

### (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 $36.0 million (730 million MXN) and $26.2 million (531 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 $16.4 million (333 million MXN) and $206.8 million (4,190 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 $2.9 million (59 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of $6.3 million (127.8 million MXN). The major items relate to forward silver purchase agreement and 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 $24.6 million (498 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 $2.9 million (59 million MXN) including interest, inflation, and penalties. The major items relate to forward silver purchase agreement and 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 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"), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of $59.1 million (1,199 million MXN) including interest, inflation and penalties. The major items relate to forward silver purchase agreement and 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 $24.6 million (498 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.

## 28. CONTINGENCIES AND OTHER MATTERS (continued)

### (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 $71.5 million (1,449 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the 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 Silver Corp. 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 a sum of $14.1 million in June 2013 as partial payment of the judgment, leaving an unpaid amount of $64.3 million (CAD$81.5 million). 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 September 30, 2024, the Company has not accrued any of the remaining $64.3 million (CAD$81.5 million) unrecovered judgment in favour of the Company.

(Tabular amounts are expressed in thousands of US dollars)

## 29. SUBSIDIARIES

The consolidated financial statements of the Company include the following significant subsidiaries as at December 31, 2024 and 2023 as follows:

| Name of subsidiary | Operations and Projects | Location | 2024 % Ownership | 2023 % Ownership |
|---|---|---|---|---|
| First Majestic Silver Corp. | Parent company and bullion sales | Canada | 100% | 100% |
| 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. | 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, 2024, 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) (Note 14). The liabilities of La Parrilla still remain at 100% ownership of the Company as the sale was an asset purchase agreement.

## 30. KEY MANAGEMENT COMPENSATION

| | Year Ended December 31, 2024 | Year Ended December 31, 2023 |
|---|---|---|
| **Salaries, bonuses, fees and benefits** | | |
| Independent members of the Board of Directors | $ 567 | $ 818 |
| Other members of key management(1) | 6,128 | 7,148 |
| **Share-based payments** | | |
| Independent members of the Board of Directors | 656 | 552 |
| Other members of key management | 4,547 | 4,306 |
| | **$ 11,898** | **$ 12,824** |

(1) Key management compensation for 2023 is inclusive of one-time severance costs incurred during the year.

## 31. SUBSEQUENT EVENTS

### Completion of the Acquisition of Gatos Silver Inc.

On January 16, 2025, the Company completed its acquisition of Gatos, and as a result, 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. In addition, the Merger Agreement provided for the issuance by First Majestic of options to purchase an aggregate of 8,242,244 First Majestic common shares in exchange for all existing Gatos options at exercise prices adjusted by the Exchange Ratio. All existing RSUs and DSUs of Gatos were settled on January 28, 2025 for an aggregate of 2,207,762 First Majestic common shares.

## 31. SUBSEQUENT EVENTS (continued)

### Completion of the Acquisition of Gatos Silver Inc. (continued)

The Company has determined that this transaction represents a business combination with the Company identified as the acquirer. Based on the January 16, 2025 opening share price of the First Majestic's common shares, the total consideration of the acquisition is $1.07 billion. Since the transaction closed in January 2025 and Gatos' year-end financial information has not been finalized as of the date of this financial statement, the Company had insufficient time to complete the business combination accounting. As a result, the Company has not completed the initial allocation of the purchase price and has not disclosed the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed. The Company began consolidating the operating results, cash flows and net assets of Gatos from January 16, 2025 and will disclose the preliminary purchase price allocation in its unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2025.

### Declaration of Quarterly Dividend

On February 19, 2025, the Company's Board of Directors approved the declaration of its quarterly common share dividend of $0.0057 per share, payable on or after March 14, 2025, to common shareholders of record as at the close of business on February 28, 2025. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended December 31, 2024.

FIRST MAJESTIC
SILVER CORP.

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## FOR THE YEAR AND QUARTER ENDED DECEMBER 31, 2024

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

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, 2024 which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). 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.

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 19, 2025 unless otherwise stated.

## COMPANY OVERVIEW

First Majestic is a multinational mining company headquartered in Vancouver, Canada, focused on primary silver and gold production in North America, pursuing the exploration and development of its existing mineral properties and acquiring new assets. The Company presently owns and operates four producing underground mines in Mexico: the Cerro Los Gatos Silver Mine (the Company holds a 70% interest in the Los Gatos Joint Venture that owns the mine following an acquisition completed in January 2025), the Santa Elena Silver/Gold Mine, the San Dimas Silver/Gold Mine, 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 in 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. In addition, the Company is the 100% owner and operator of its own minting facility, First Mint, LLC ("First Mint").

The Company completed the acquisition of Gatos Silver, Inc. on January 16, 2025, for a total consideration of the acquisition of $1.07 billion, pursuant to a definitive agreement (the "Merger Agreement") first announced on September 5, 2024. The Company will begin consolidating results from the Los Gatos Joint Venture from January 16, 2025 and this will be reflected in First Majestic's 2025 financial disclosures.

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".

## 2024 ANNUAL HIGHLIGHTS

| Key Performance Metrics | 2024 | 2023 | 2022 | Change '24 vs '23 |
|---|---|---|---|---|
| **Operational** | | | | |
| Ore Processed / Tonnes Milled | 2,686,742 | 2,901,972 | 3,468,987 | (7 %) |
| Silver Ounces Produced | 8,400,796 | 10,250,755 | 10,522,051 | (18 %) |
| Gold Ounces Produced | 156,542 | 198,921 | 248,394 | (21 %) |
| Silver Equivalent ("AgEq") Ounces Produced | 21,655,427 | 26,874,417 | 31,252,920 | (19 %) |
| Cash Costs per Silver Equivalent Ounce(1) | $14.80 | $14.49 | $14.39 | 2 % |
| All-in Sustaining Cost per Silver Equivalent Ounce(1) | $21.11 | $20.16 | $19.74 | 5 % |
| Total Production Cost per Tonne(1) | $111.03 | $127.16 | $124.64 | (13 %) |
| Average Realized Silver Price per Ounce(1) | $28.26 | $23.29 | $22.49 | 21 % |
| **Financial (in $millions)1** | | | | |
| Revenues | $560.6 | $573.8 | $624.2 | (2 %) |
| Mine Operating Earnings | $91.9 | $25.6 | $16.8 | NM |
| Loss before Income Taxes | ($26.5) | ($195.9) | ($61.4) | (86 %) |
| Net Loss | ($101.9) | ($135.1) | ($114.3) | (25 %) |
| Operating Cash Flows before Working Capital and Taxes | $138.6 | $99.2 | $109.4 | 40 % |
| Cash and Cash Equivalents | $202.2 | $125.6 | $151.4 | 61 % |
| Total Assets | $1,979.8 | $1,976.4 | $2,110.0 | 0 % |
| Total Non-Current Financial Liabilities | $484.4 | $498.1 | $531.3 | (3 %) |
| Working Capital(1) | $224.5 | $188.9 | $202.9 | 19 % |
| Earnings (loss) before Interest, Tax, Depreciation and Amortization ("EBITDA")(1) | $127.1 | ($41.8) | $33.4 | NM |
| Adjusted EBITDA(1) | $143.8 | $144.3 | $37.0 | 0 % |
| Free Cash Flow(1) | $107.1 | ($9.0) | ($64.9) | NM |
| **Shareholders** | | | | |
| Loss per Share ("EPS") - Basic | ($0.34) | ($0.48) | ($0.43) | (29 %) |
| Adjusted EPS(1) | ($0.14) | ($0.08) | ($0.21) | 75 % |

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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

## Operational Highlights

| Annual Production Summary | San Dimas | Santa Elena | La Encantada | Jerritt Canyon(2) | Consolidated |
|---|---|---|---|---|---|
| Ore Processed / Tonnes Milled | 776,812 | 1,012,523 | 897,406 | — | **2,686,742** |
| Silver Ounces Produced | 4,543,931 | 1,514,364 | 2,342,502 | — | **8,400,796** |
| Gold Ounces Produced | 50,432 | 103,540 | 164 | 2,405 | **156,542** |
| Silver Equivalent Ounces Produced | 8,825,259 | 10,266,313 | 2,356,393 | 207,463 | **21,655,427** |
| Cash Costs per Silver Equivalent Ounce(1) | $16.01 | $11.81 | $23.17 | $16.57 | **$14.80** |
| All-in Sustaining Cost per Silver Equivalent Ounce(1) | $21.06 | $14.40 | $28.31 | $16.57 | **$21.11** |
| Cash Cost per Gold Ounce | N/A | N/A | N/A | $1,388 | **N/A** |
| All-in Sustaining Costs per Gold Ounce | N/A | N/A | N/A | $1,388 | **N/A** |
| Total Production Cost per Tonne(1) | $176.33 | $105.99 | $60.18 | $— | **$111.03** |

(1) See "Non-GAAP Measures" for further details of these measures.
(2) On March 20, 2023, management made the decision to temporarily suspend all mining activities at Jerritt Canyon effective immediately. As of April 24, 2023, all activities at the Jerritt Canyon processing plant were suspended. In-circuit recovery efforts performed during the year resulted in production of 2,405 gold ounces.

- **Acquisition of Gatos Silver, Inc. (“Gatos”):** On January 16, 2025, the Company completed the acquisition of 100% of the issued and outstanding shares of Gatos, in exchange for 177,433,006 common shares of First Majestic for a total consideration of the acquisition of $1.07 billion, pursuant to a Merger Agreement previously announced on September 5, 2024. Gatos holds a 70% joint venture interest in the Cerro Los Gatos Silver Mine, an underground silver mine in Chihuahua, Mexico together with Japan's Dowa Metals & Mining Co., Ltd., which holds the remaining 30% interest.
- **Record Production at Santa Elena:** Santa Elena produced a new annual record of 10.3 million AgEq ounces in 2024, representing a 7% increase compared to 2023 (9.6 million AgEq ounces). Continued optimization of the dual circuit and tailing filter press led to increased recovery rates and higher plant throughput of approximately 3,200 tonnes per day by the end of 2024.
- **High-Grade Gold and Silver Discovery:** The Company announced the discovery of a new, high-grade gold and silver vein hosted system - the Navidad system - at the Santa Elena property (see news release on the Company's website dated July 30, 2024). The discovery was made adjacent to the Company’s 100%-owned, and currently producing, Ermitaño mine. First Majestic is focusing its Santa Elena exploration efforts on Navidad to continue to delineate this new vein system.
- **Inventory:** The Company held 539,153 silver ounces and 2,595 gold ounces in finished goods inventory as at December 31, 2024, inclusive of coins and bullion. The fair market value of this inventory at December 31, 2024 was $15.6 million for silver and $6.8 million for gold, which was not included in revenue during the fourth quarter.
- **Conversion to Liquefied Natural Gas (“LNG”) at San Dimas:** As part of its ongoing cost and carbon reduction initiatives, First Majestic is replacing the diesel generators used for on-site back-up power at San Dimas with LNG units. The LNG generators are expected to reduce carbon emissions by up to 25% while realizing cost savings, when back-up power is required.
- **First Mint Commissioning and Launch:** First Mint, LLC, the Company's 100%-owned and operated minting facility in Nevada, USA, celebrated its grand opening in September 2024. Commissioning and silver bullion sales commenced in March 2024 at the state-of-the-art facility. The mint commissioned additional equipment including coin presses and lasers for coin manufacturing in Q4 2024 and expects to receive ISO 9001 certification in 2025. With the addition of First Mint to First Majestic's business, First Majestic is now able to sell a substantially greater proportion of its silver production directly to consumers and can offer manufacturing capacity for third-party demand. More information is available at www.firstmint.com.
- **Safety Performance:** The consolidated 2024 year-end Total Reportable Incident Frequency Rate (“TRIFR”) was 0.53, well below the Company’s 2024 target KPI of <0.90, representing a 48% improvement on 2023 results. The Lost Time Incident Frequency Rate (“LTIFR”) was 0.10, also below the Company’s target KPI of <0.30 for 2024, representing a 70% improvement on 2023 results. The strong 2024 TRIFR and LTIFR results represent an all-time record and peer-leading safety performance for the Company.
- **Cash cost:** Cash cost per AgEq ounce for the year was $14.80, representing a 2% increase compared to $14.49 per ounce in the prior year. The slight increase in cash cost per AgEq ounce was primarily due to the lower AgEq production at La Encantada and San Dimas during the year as well higher royalty costs as a result of higher sales at Santa Elena. The

Company has also implemented numerous cost reduction initiatives to help combat inflationary impacts primarily in energy, reagents, other major consumables and a strong Mexican peso, relative to the US dollar. The increase in cash cost was partially offset by increased AgEq production at Santa Elena. Production at Santa Elena set a new annual record and increased by 7%, compared to the prior year, as a direct result of processing higher grade silver and gold ore from the Ermitaño underground mine combined with record metallurgical recoveries and higher throughput facilitated by optimization of the dual-circuit plant and tailing filter press.

- **All-in sustaining cost ("AISC")[1]:** AISC per AgEq ounce in the year was $21.11, representing a 5% increase compared to $20.16 in the prior year. The increase in AISC per AgEq ounce was mainly due to the higher cash costs.

## Financial Highlights

- **Strengthened Cash position and liquidity:** The Company ended the year with cash and cash equivalents of $202.2 million, representing a 61% increase compared to $125.6 million at the end of the prior year. Working capital increased to $224.5 million, representing a 19% increase compared to $188.9 million at the end of the prior year. Cash and cash equivalents exclude an additional $106.1 million that is held in restricted cash. The higher cash balance at the end of 2024 was primarily driven by higher mine operating earnings.
- **Revenue:** The Company generated revenues of $560.6 million in 2024, representing a 2% decrease compared to $573.8 million in 2023. The decrease in revenues was primarily attributed to a 20% decrease in the total number of payable AgEq ounces sold compared to 2023, primarily due to lower production levels at San Dimas and La Encantada as well as the temporary suspension of mining activities at Jerritt Canyon in 2023 which had contributed $40.5 million in revenues during 2023. This was partially offset by a 7% increase in payable AgEq ounces produced at Santa Elena, a $7.1 million increase in revenues from coins and bullion following the opening of First Mint in 2024, and a 21% increase in the average realized silver price per ounce which averaged $28.26 per ounce in 2024 compared to $23.29 per ounce in 2023.
- **Improved Mine operating earnings:** During the year, the Company recognized mine operating earnings of $91.9 million, representing a 258% increase compared to $25.6 million in 2023. The increase in mine operating earnings was primarily driven by a $48.8 million increase in operating earnings at Santa Elena, representing a 73% improvement compared to the prior year, primarily attributable to stronger metal recoveries and higher throughput from Ermitaño that enabled the mine to achieve a new annual production record.
- **Increased Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes in the year was $138.6 million, representing a 40% increase compared to $99.2 million in 2023. The increase in cash flow from operations was primarily attributable to improved mine operating earnings as compared to 2023.
- **Increased EBITDA[1]:** EBITDA for the year ended December 31, 2024 was $127.1 million, representing a 404% increase compared to a $41.8 million loss in 2023. The increase in EBITDA was primarily attributable to improved mine operating earning in 2024 as compared to 2023. 2023 EBITDA included a $125.2 million impairment cost and the $13.4 million standby costs incurred at Jerritt Canyon following the temporary suspension of activities.

- **Adjusted EBITDA[1]**: Adjusted EBITDA normalized for non-cash or non-recurring items such as share-based payments and unrealized losses on marketable securities for the year ended December 31, 2024 was $143.8 million, consistent with 2023.

- **Decreased Net loss:** The Company recognized a net loss of $101.9 million (EPS of ($0.34)) in 2024, representing a 25% improvement compared to a net loss of $135.1 million (EPS of ($0.48)) in 2023. The improvement in net loss was primarily driven by the $66.3 million increase in mine operating earnings, representing a 258% increase compared to 2023, largely due to higher earnings at Santa Elena. This was partially offset by non-cash deferred income tax expense of $43.4 million in 2024 as compared to a deferred income tax recoveries of $74.8 million in 2023.
- **Adjusted net loss[1]:** Adjusted net loss normalized for non-cash or non-recurring items such as share-based payments, unrealized losses on marketable securities, and deferred income tax for the year ended December 31, 2024 was $41.8 million (Adjusted EPS of ($0.14)), compared to an adjusted net loss of $23.8 million (Adjusted EPS of ($0.08)) in 2023.
- **Capital Expenditures**: The Company's total capital expenditures in the year were $127.3 million, representing a 10% decrease compared to $141.0 million in 2023. Total capital expenditures consisted of $54.2 million for underground

[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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

development (2023 - $71.7 million), $46.0 million in exploration (2023 - $32.2 million), and $27.2 million in property, plant and equipment (2023 - $37.1 million).

## Corporate Development and Other:

On September 5, 2024, the Company announced that it had entered into a Merger Agreement with Gatos to acquire all of the issued and outstanding shares of Gatos common stock pursuant to a reverse triangular merger (the "Merger") under Delaware law. Gatos is a silver dominant producer with a 70% interest in the Los Gatos Joint Venture, which owns the producing Cerro Los Gatos Silver Mine, an underground silver mine in Chihuahua, Mexico. Under the terms of the Merger Agreement, Gatos shareholders would receive 2.550 common shares of First Majestic for each share of Gatos common stock held which would result in former Gatos shareholders holding approximately 38% of the issued and outstanding common shares of the Company post-closing on a fully diluted basis.

The Company's acquisition of Gatos was successfully completed on January 16, 2025. For further information, please see "Subsequent Events" below.

## 2024 FOURTH QUARTER HIGHLIGHTS

| Key Performance Metrics | 2024-Q4 | 2024-Q3 | Change Q4 vs Q3 | 2023-Q4 | Change Q4 vs Q4 |
|---|---|---|---|---|---|
| **Operational** | | | | | |
| Ore Processed / Tonnes Milled | 745,124 | 678,397 | 10 % | 652,731 | 14 % |
| Silver Ounces Produced | 2,353,865 | 1,967,574 | 20 % | 2,612,416 | (10 %) |
| Gold Ounces Produced | 39,506 | 41,761 | (5 %) | 46,585 | (15 %) |
| Silver Equivalent ("AgEq") Ounces Produced | 5,713,289 | 5,490,416 | 4 % | 6,640,550 | (14 %) |
| Cash Costs per Silver Equivalent Ounce(1) | $13.82 | $15.17 | (9 %) | $13.01 | 6 % |
| All-in Sustaining Cost per Silver Equivalent Ounce(1) | $20.34 | $21.03 | (3 %) | $18.50 | 10 % |
| Total Production Cost per Tonne(1) | $96.63 | $109.81 | (12 %) | $122.76 | (21 %) |
| Average Realized Silver Price per Silver Equivalent Ounce(1) | $30.80 | $29.84 | 3 % | $24.16 | 27 % |
| | | | | | |
| **Financial (in $millions)** | | | | | |
| Revenues | $172.3 | $146.1 | 18 % | $136.9 | 26 % |
| Mine Operating Earnings | $48.2 | $28.5 | 69 % | $17.9 | 169 % |
| Net (Loss) Earnings | ($13.5) | ($26.6) | 49 % | $10.2 | NM |
| Operating Cash Flows before Non-Cash Working Capital and Taxes | $62.4 | $39.8 | 57 % | $36.3 | 72 % |
| Capital Expenditures | $36.1 | $34.7 | 4 % | $31.6 | 14 % |
| Cash and Cash Equivalents | $202.2 | $154.7 | 31 % | $125.6 | 61 % |
| Total Assets | $1,979.8 | $1,977.5 | 0 % | $1,976.4 | 0 % |
| Total Non-Current Financial Liabilities | $484.4 | $482.8 | 0 % | $498.1 | (3 %) |
| Working Capital(1) | $224.5 | $238.2 | (6 %) | $188.9 | 19 % |
| Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA")(1) | $62.0 | $36.9 | 68 % | $33.4 | 85 % |
| Adjusted EBITDA(1) | $64.8 | $39.8 | 63 % | $37.0 | 75 % |
| Free Cash Flow(1) | $68.4 | $31.3 | 119 % | $3.8 | NM |
| | | | | | |
| **Shareholders** | | | | | |
| (Loss) Earnings per Share ("EPS") – Basic | ($0.04) | ($0.09) | 56 % | $0.04 | (200 %) |
| Adjusted EPS(1) | $0.03 | ($0.03) | 200 % | ($0.03) | 200 % |
| Dividend per Share | $0.0057 | $0.0048 | 18 % | $0.0048 | 18 % |

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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

| Fourth Quarter Production Summary | Santa Elena | San Dimas | La Encantada | Jerritt Canyon (1) | Consolidated |
|---|---|---|---|---|---|
| Ore Processed / Tonnes Milled | 271,783 | 219,388 | 253,953 | — | **745,124** |
| Silver Ounces Produced | 406,009 | 1,191,893 | 755,963 | — | **2,353,865** |
| Gold Ounces Produced | 27,216 | 12,264 | 26 | — | **39,506** |
| Silver Equivalent Ounces Produced | 2,719,702 | 2,235,407 | 758,181 | — | **5,713,289** |
| Cash Costs per Silver Equivalent Ounce | $10.99 | $15.14 | $20.01 | $— | **$13.82** |
| All-in Sustaining Cost per Silver Equivalent Ounce | $13.54 | $20.63 | $25.34 | $— | **$20.34** |
| Total Production Cost per Tonne | $91.11 | $149.49 | $56.88 | $— | **$96.63** |

(1) Jerritt Canyon did not have production in the fourth quarter. Refer to Jerritt Canyon operational highlights for further details.

## Fourth Quarter Operational Highlights

- **Total AgEq Production Increased 4%:** The Company produced 5.7 million AgEq ounces in Q4 2024 representing a 4% increase when compared to 5.5 million AgEq ounces produced in the previous quarter driven by a 20% increase in consolidated silver production with improvements across all three operating mines.
- **Total Silver Production up 20%, Quarter over Quarter:** The Company produced 2.4 million silver ounces in Q4 2024 representing a 20% increase when compared to 2.0 million silver ounces produced in the previous quarter. Silver production increased by 39% at La Encantada, 14% at San Dimas and 8% at Santa Elena due to focused operating improvements at each mine.
- **Highest Quarterly Production Since Q2 2023 at La Encantada:** The La Encantada silver mine produced 755,963 silver ounces in Q4 2024, its highest quarterly production since Q2 2023, following the recovery of water inventory levels.
- **Continued Active Exploration Program:** The Company completed a total of 49,183 metres ("m") of drilling across its mines in Mexico and its Jerritt Canyon Gold Mine in Nevada, U.S.A. during the fourth quarter. During the quarter, up to 28 drill rigs were active consisting of 12 rigs at San Dimas, 10 rigs at Santa Elena, three rigs at Jerritt Canyon and three rigs at La Encantada.
- **Cash Cost**: Cash cost per AgEq ounce for the quarter was $13.82 per ounce, representing a 9% decrease compared to $15.17 per ounce in the prior quarter. The decrease in cash costs was primarily attributable to the 4% increase in consolidated AgEq production at all three mines, along with a 7% and 3% decrease in mining and general and administrative **"G&A"** costs, respectively, resulting from operational efficiencies and restructuring efforts implemented in the prior year. The decrease was also driven by the softening of the Mexican Peso which averaged 3% weaker than the previous quarter, relative to the US dollar. This was partially offset by increases in royalty payments from higher production levels at Santa Elena.
- **AISC:** AISC per AgEq ounce in the fourth quarter was $20.34 per ounce, representing a 3% decrease compared to $21.03 per ounce in the prior quarter. This was primarily attributable to lower cash costs, partially offset by increases in sustaining PP&E costs incurred to expedite projects in 2025 and complete outstanding projects from 2024.

## Fourth Quarter Financial Highlights

- **Strengthened Cash Position and Liquidity:** The Company ended the quarter with a strong cash and cash equivalents position of $202.2 million, representing a 61% increase compared to $125.6 million in the fourth quarter of 2023, while working capital increased to $224.5 million compared to $188.9 million in the fourth quarter of 2023. Cash and cash equivalents exclude an additional $106.1 million that is held in restricted cash.
- **Increased Revenue:** In the fourth quarter, the Company generated revenues of $172.3 million, representing a 26% increase compared to $136.9 million in the fourth quarter of 2023. This was primarily attributed to a 27% increase in the average realized silver price, which was $30.80 per ounce during the quarter compared to $24.16 per ounce during the fourth quarter of 2023. This was partially offset by a decrease in payable AgEq ounces sold primarily due to lower total production levels compared to the fourth quarter of 2023.
- **Improved Mine Operating Earnings:** The Company achieved mine operating earnings of $48.2 million, representing a 169% increase compared to $17.9 million in the fourth quarter of 2023. The increase was primarily driven by the strong performance at Santa Elena, which increased $14.1 million, representing a 51% improvement compared to the fourth quarter of 2023. Additionally, improved water levels at La Encantada contributed to an increase of $9.7 million in mine operating earnings, achieving a 185% increase compared to the fourth quarter of 2023.

- **Increased Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes in the quarter was $62.4 million, representing a 72% increase compared to $36.3 million in the fourth quarter of 2023. This was primarily driven by a $30.3 million increase in mine operating earnings compared to the fourth quarter of 2023, resulting from a strong performance at Santa Elena and improvements at La Encantada.
- **Increased EBITDA[1]:** EBITDA for the quarter was $62.0 million, representing an 85% increase compared to $33.4 million in the fourth quarter of 2023. The increase in EBITDA was primarily attributable to an increase in mine operating earnings compared to the fourth quarter of 2023.
- **Increased Adjusted EBITDA[1]**: Adjusted EBITDA normalized for non-cash or non-recurring items such as share-based payments and unrealized losses on marketable securities for the quarter ended December 31, 2024 was $64.8 million, representing a 75% increase compared to $37.0 million in the fourth quarter of 2023.
- **Net loss:** Net loss for the quarter was $13.5 million (EPS of ($0.04)) compared to net earnings of $10.2 million (EPS of $0.04) in the fourth quarter of 2023. The decrease in net earnings was primarily attributed to a non-cash deferred income tax expense of $18.3 million (EPS of ($0.06)), compared to a non-cash deferred income tax recovery of $22.2 million (EPS $0.08) in the fourth quarter of 2023. This was partially offset by a $30.3 million increase in mine operating earnings compared to the fourth quarter of 2023.
- **Increased Adjusted Net Earnings[1]:** Adjusted net earnings normalized for non-cash or non-recurring items such as share-based payments, unrealized losses on marketable securities, and deferred income tax for the quarter ended December 31, 2024 was $7.6 million (Adjusted EPS of $0.03), representing a 192% increase compared to the $8.3 million adjusted net loss (Adjusted EPS of ($0.03)) in the fourth quarter of 2023.
- **Capital Expenditures**: The Company’s total capital expenditures in the fourth quarter were $36.1 million, representing a 14% increase compared to $31.6 million in fourth quarter of 2023. Total capital expenditures consisted of $13.6 million for underground development (2023 - $12.4 million), $11.9 million in exploration (2023 - $5.3 million), and $10.7 million in property, plant and equipment (2023 - $13.8 million).

[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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

## 2025 PRODUCTION OUTLOOK AND COST GUIDANCE UPDATE

**This section provides management's updated production outlook and cost guidance for 2024. These are forward-looking estimates and are subject to the cautionary note regarding the risks associated with relying on forward-looking statements at the end of this MD&A. Actual results may vary based on production throughputs, grades, recoveries and changes in economic circumstances.**

In 2025, the Company expects to achieve total attributable production from its four operating mines in Mexico of between 27.8 to 31.2 million silver equivalent ("AgEq") ounces, including 13.6 to 15.3 million ounces of silver ounces. The increase in forecasted silver production compared to 2024 is due to the addition of attributable production from the Cerro Los Gatos Silver Mine as a result of the Company's acquisition of Gatos Silver Inc. on January 16, 2025, as well as an increase in silver production from Santa Elena, and from La Encantada, following a return to normal operations at La Encantada in the fourth quarter of 2024.

A mine-by-mine breakdown of the 2025 production guidance is included in the table below. The Company reports cost guidance to reflect cash costs and all-in sustaining costs ("AISC") on a per AgEq attributable payable ounce. The metal price and foreign currency assumptions that were used to calculate the numbers below were: silver: $29.00/oz, gold: $2,500/oz, lead: $0.95/lb., zinc: $1.25/lb. and MXN:USD 19.5:1.

### 2025 PRODUCTION GUIDANCE

| Operation | Silver Oz (M) | Gold Oz (k) | Lead Lbs (M) | Zinc Lbs (M) | Silver Eqv Oz (M) | Cash Cost ($ per AgEq Oz) | AISC ($ per AgEq Oz) |
|---|---|---|---|---|---|---|---|
| Los Gatos, Mexico (70%) | 5.0 – 5.6 | 3 – 4 | 29 – 32 | 47 – 53 | 8.4 – 9.4 | 11.98 – 12.56 | 15.03 – 15.92 |
| Santa Elena, Mexico | 1.6 – 1.8 | 71 – 79 | — | — | 7.7 – 8.6 | 14.91 – 15.71 | 18.60 – 19.79 |
| San Dimas, Mexico | 4.3 – 4.8 | 55 – 61 | — | — | 9.0 – 10.1 | 13.28 – 14.04 | 17.86 – 19.09 |
| La Encantada, Mexico | 2.7 – 3.1 | — | — | — | 2.7 – 3.1 | 20.16 – 21.32 | 25.30 – 26.98 |
| **Operations Total** | **13.6 – 15.3** | **129 – 144** | **29 – 32** | **47 – 53** | **27.8 – 31.2** | **$14.10 – $14.86** | **$18.17 – $19.35** |
| **Corporate** | | | — | — | | | |
| Corp. G&A and Services | — | — | — | — | — | — | 1.72 – 1.92 |
| **Total Consolidated** | **13.6 – 15.3** | **129 – 144** | **29 – 32** | **47 – 53** | **27.8 – 31.2** | **$14.10 – $14.86** | **$19.89 – $21.27** |

(1) Certain amounts shown 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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

The Company is projecting its consolidated 2025 AISC to be within a range of $19.89 to $21.27 on a per attributable payable AgEq ounce basis. Excluding non-cash items, the Company anticipates its 2025 AISC to be within a range of $19.35 to $20.67 per attributable payable AgEq ounce. An itemized AISC cost table is provided below.

| All-In Sustaining Cost Calculation | FY 2025 ($ per AgEq oz) |
|---|---|
| Total Cash Costs per Payable Equivalent Silver Ounce | 14.10 – 14.86 |
| General and Administrative Costs | 1.32 – 1.47 |
| Sustaining Development Costs | 0.94 – 1.00 |
| Sustaining Property, Plant and Equipment Costs | 1.75 – 1.96 |
| Profit Sharing | 0.70 – 0.78 |
| Lease Payments | 0.54 – 0.60 |
| Share-based Payments (non-cash) | 0.40 – 0.45 |
| Accretion and Reclamation Costs (non-cash) | 0.14 – 0.15 |
| All-In Sustaining Costs (Ag Eq Oz) | 19.89 – 21.27 |
| All-In Sustaining Costs: (Ag Eq Oz excluding non-cash items) | 19.35 – 20.67 |

(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 49 to 59 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 $1.86 to $2.07 per AgEq ounce.

## CAPITAL INVESTMENTS IN 2025

In 2025, the Company plans to invest approximately $182 million in capital expenditures consisting of $80 million for sustaining activities and $102 million for expansionary projects. This represents a 34% increase compared to the revised 2024 capital expenditures guidance driven largely by the addition of the attributable capital expenditures of the Cerro Los Gatos Silver Mine and is aligned with the Company's future growth strategy underpinned by exploration and development activities at Santa Elena and San Dimas.

### Capital Guidance for 2025

| Area | Sustaining ($M) | Expansionary ($M) | Total ($M) |
|---|---|---|---|
| Underground Development | $28 | $46 | $74 |
| Exploration | — | $49 | $49 |
| Property, Plant and Equipment | $51 | $5 | $56 |
| Corporate Projects | $1 | $2 | $3 |
| **Total** | **$80** | **$102** | **$182** |

The 2025 annual guidance includes total capital investments of $74 million for underground development; $49 million in exploration; $56 million towards property, plant and equipment; and $3 million towards corporate innovation projects. Management may revise the 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 2025 guidance will prove to be accurate. For further details regarding risks related to the allocation of capital by the Company, see the section in the Company's most recently filed Annual Information Form ("AIF") entitled *"Risk Factors - Financial Risks - Allocation of Capital - Sustaining and Expansionary Capital"*.

The Company is planning approximately 270,000 metres ("m") of exploration drilling in 2025, including 75,000 m at Cerro Los Gatos on a 100% basis, representing a significant increase compared to the 182,932 m completed in 2024. The 2025 drilling program is expected to consist of:

- At San Dimas, approximately 112,000 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 Resources along known veins, converting Inferred to Indicated 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 and Santa Rita areas where little to no exploration has taken place in recent years.

- At Santa Elena, approximately 57,000 m of drilling is planned. Greenfield and brownfield drilling at Santa Elena will focus on several targets within a 5-kilometre radius around the processing plant where new geologic understanding of district stratigraphy has brought to light large areas with exploration upside. First Majestic will continue to drill the Navidad project where both extension and infill drilling are planned.
- At Cerro Los Gatos, approximately 76,000 m of drilling is planned on a 100% basis. Exploration will be focused on testing potential areas for mineralization expansion at the Central Deep and South East targets as well as taking a first step at exploring the wider land package in search of new ore bodies.
- At Jerritt Canyon, approximately 18,000 m of drilling is planned. Exploration work will be focused on testing the extension of known ore controlling structures below outcropping Upper Plate (cover rock) where the presence of large, mineralized volumes is possible and has been poorly tested to date.

The Company plans to complete approximately 35,500 m of underground development in 2025, compared to 32,047 m completed in 2024. The 2025 development program consists of approximately 14,000 m at San Dimas, 8,100 m at Santa Elena, 5,600 m at La Encantada, and 7,800 m on a 100% basis at Cerro Los Gatos. At San Dimas, the Company is planning to concentrate development metres in the Perez, Regina and Elia Veins. At the Santa Elena district, underground development is expected to focus on Ermitaño and the advancement of the Luna ramp. At the Cerro 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 develop the Ojuelas and Milagros ore bodies for 2025 production.

## OVERVIEW OF OPERATING RESULTS

### Selected Production Results for the Past Eight Quarters

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **PRODUCTION HIGHLIGHTS** | Q4[3] | Q3[3] | Q2[3] | Q1[3] | Q4[2] | Q3[2] | Q2[2] | Q1[2] |
| Ore processed/tonnes milled | | | | | | | | |
| Santa Elena | 271,783 | 259,919 | 256,427 | 224,394 | 233,601 | 226,292 | 213,878 | 208,821 |
| San Dimas | 219,388 | 195,279 | 183,188 | 178,957 | 215,232 | 213,681 | 227,065 | 219,367 |
| La Encantada | 253,953 | 223,200 | 234,955 | 185,298 | 203,898 | 230,230 | 260,986 | 271,278 |
| Jerritt Canyon | — | — | — | — | — | — | 31,240 | 146,403 |
| **Consolidated** | **745,124** | **678,397** | **674,570** | **588,651** | **652,731** | **670,203** | **733,170** | **845,868** |
| **Silver equivalent ounces produced** | | | | | | | | |
| Santa Elena | 2,719,702 | 2,685,375 | 2,580,497 | 2,280,739 | 3,008,449 | 2,669,411 | 1,788,596 | 2,105,336 |
| San Dimas | 2,235,407 | 2,110,905 | 2,114,072 | 2,364,875 | 3,110,677 | 3,010,458 | 3,372,418 | 3,296,367 |
| La Encantada | 758,181 | 550,042 | 589,060 | 459,110 | 521,424 | 573,458 | 806,789 | 843,951 |
| Jerritt Canyon | — | 144,093 | 5,811 | 57,559 | — | 32,463 | 353,168 | 1,381,452 |
| **Consolidated** | **5,713,289** | **5,490,416** | **5,289,439** | **5,162,283** | **6,640,550** | **6,285,790** | **6,320,971** | **7,627,105** |
| **Silver ounces produced** | | | | | | | | |
| Santa Elena | 406,009 | 376,203 | 376,947 | 355,205 | 582,484 | 347,941 | 142,037 | 104,129 |
| San Dimas | 1,191,893 | 1,046,340 | 1,141,906 | 1,163,792 | 1,513,791 | 1,548,203 | 1,690,831 | 1,602,483 |
| La Encantada | 755,963 | 545,031 | 585,329 | 456,179 | 516,141 | 565,724 | 800,543 | 836,448 |
| **Consolidated** | **2,353,865** | **1,967,574** | **2,104,181** | **1,975,176** | **2,612,416** | **2,461,868** | **2,633,411** | **2,543,059** |
| **Gold ounces produced** | | | | | | | | |
| Santa Elena | 27,216 | 27,435 | 27,176 | 21,713 | 28,056 | 28,367 | 20,073 | 24,039 |
| San Dimas | 12,264 | 12,582 | 12,043 | 13,543 | 18,468 | 17,863 | 20,509 | 20,124 |
| Jerritt Canyon | — | 1,684 | 74 | 647 | — | 396 | 4,364 | 16,341 |
| **Consolidated** | **39,506** | **41,701** | **39,293** | **35,903** | **46,524** | **46,626** | **44,946** | **60,504** |
| **Cash cost per Ounce[1]** | | | | | | | | |
| Santa Elena (per AgEq Ounce) | $ 10.99 | $ 11.96 | $ 12.25 | $ 12.13 | $ 10.42 | $ 11.72 | $ 14.45 | $ 11.93 |
| San Dimas (per AgEq Ounce) | $ 15.14 | $ 16.50 | $ 16.66 | $ 15.81 | $ 13.21 | $ 14.07 | $ 12.07 | $ 10.86 |
| La Encantada (per AgEq Ounce) | $ 20.01 | $ 25.24 | $ 23.69 | $ 25.22 | $ 26.19 | $ 25.63 | $ 16.90 | $ 15.48 |
| Jerritt Canyon (per Au Ounce) | $ — | $ 1,491 | $ 1,186 | $ 1,260 | $ — | $ 1,478 | $ 4,181 | $ 2,540 |
| **Consolidated (per AgEq Ounce)** | **$ 13.82** | **$ 15.17** | **$ 15.29** | **$ 15.00** | **$ 13.01** | **$ 14.13** | **$ 15.58** | **$ 15.16** |
| **All-in sustaining cost per Ounce[1]** | | | | | | | | |
| Santa Elena (per AgEq Ounce) | $ 13.54 | $ 14.38 | $ 15.07 | $ 14.70 | $ 12.82 | $ 14.68 | $ 18.00 | $ 15.18 |
| San Dimas (per AgEq Ounce) | $ 20.63 | $ 21.44 | $ 21.78 | $ 20.49 | $ 17.80 | $ 17.76 | $ 15.89 | $ 14.67 |
| La Encantada (per AgEq Ounce) | $ 25.34 | $ 30.10 | $ 27.87 | $ 31.64 | $ 34.14 | $ 29.86 | $ 19.83 | $ 18.64 |
| Jerritt Canyon (per Au Ounce) | $ — | $ 1,491 | $ 1,186 | $ 1,260 | $ — | $ 1,730 | $ 4,205 | $ 3,055 |
| **Consolidated (per AgEq Ounce)** | **$ 20.34** | **$ 21.03** | **$ 21.64** | **$ 21.53** | **$ 18.50** | **$ 19.74** | **$ 21.52** | **$ 20.90** |
| **Production cost per tonne** | | | | | | | | |
| Santa Elena | $ 91.11 | $ 107.80 | $ 107.47 | $ 120.22 | $ 117.36 | $ 125.05 | $ 109.88 | $ 108.74 |
| San Dimas | $ 149.49 | $ 168.45 | $ 193.02 | $ 200.72 | $ 183.61 | $ 193.41 | $ 173.62 | $ 157.39 |
| La Encantada | $ 56.88 | $ 60.86 | $ 57.11 | $ 67.80 | $ 64.70 | $ 61.35 | $ 49.91 | $ 46.27 |
| Jerritt Canyon | $ — | $ — | $ — | $ — | $ — | $ — | $ 577.83 | $ 278.57 |
| **Consolidated** | **$ 96.63** | **$ 109.81** | **$ 113.16** | **$ 128.23** | **$ 122.76** | **$ 125.81** | **$ 128.21** | **$ 130.71** |

(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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

(2) At Jerritt Canyon, the Company incurred costs related to mining activities for only 79 days during the first quarter of 2023. Jerritt Canyon production during the second quarter comprised of processing most of its remaining ore stockpiles and work-

in-process ("WIP") inventory throughout April and May 2023. Jerritt Canyon production during the third quarter of 2023 comprised of pouring ounces from its in-process inventory. Refer to Jerritt Canyon operational highlights for further details.
(3) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed in 2024 resulted in production of 1,684 gold ounces in Q3 2024, 74 gold ounces in Q2 2024 and 647 gold ounces in Q1 2024.

## Operating Results – Consolidated Operations

| CONSOLIDATED | 2024-Q4 | 2024-Q3 | 2024-Q2 | 2024-Q1 | 2024-YTD | 2023-YTD | Change Q4 vs Q3 | Change '24 vs '23 |
|---|---|---|---|---|---|---|---|---|
| Ore processed/tonnes milled | 745,124 | 678,397 | 674,570 | 588,651 | 2,686,742 | 2,901,972 | 10 % | (7 %) |
| | | | | | | | | |
| **Production** | | | | | | | | |
| Silver ounces produced | 2,353,865 | 1,967,574 | 2,104,181 | 1,975,176 | 8,400,796 | 10,250,755 | 20 % | (18 %) |
| Gold ounces produced | 39,506 | 41,761 | 39,339 | 35,936 | 156,542 | 198,921 | (5 %) | (21 %) |
| Silver equivalent ounces produced | 5,713,289 | 5,490,416 | 5,289,439 | 5,162,283 | 21,655,427 | 26,874,417 | 4 % | (19 %) |
| | | | | | | | | |
| **Cost** | | | | | | | | |
| Cash cost per AgEq Ounce(1) | $13.82 | $15.17 | $15.29 | $15.00 | $14.80 | $14.49 | (9 %) | 2 % |
| All-in sustaining costs per AgEq Ounce(1) | $20.34 | $21.03 | $21.64 | $21.53 | $21.11 | $20.16 | (3 %) | 5 % |
| Total production cost per tonne(1) | $96.63 | $109.81 | $113.16 | $128.23 | $111.03 | $127.16 | (12 %) | (13 %) |
| | | | | | | | | |
| Underground development (m) | 8,716 | 8,497 | 8,135 | 6,701 | 32,047 | 34,046 | 3 % | (6 %) |
| Exploration drilling (m) | 49,183 | 50,028 | 47,447 | 36,274 | 182,932 | 143,465 | (2 %) | 28 % |

(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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

## Production

During the year, the Company produced 21.7 million AgEq ounces, consisting of 8.4 million ounces of silver and 156,542 ounces of gold, representing an 18% and 21% decrease, respectively, compared to 10.3 million ounces of silver and 198,921 ounces of gold in the prior year. The decrease in silver and gold production was primarily due to lower production levels at San Dimas and La Encantada as well as the temporary suspension of mining activities at Jerritt Canyon in 2023 which had contributed 1.4 million AgEq ounces during the first quarter of 2023. This was partly offset by record production at Santa Elena, driven by ongoing optimization of the dual-circuit plant, which sustained high quarterly throughput and robust metal recoveries across consecutive quarters.

Total production in the fourth quarter of 2024 was 5.7 million AgEq ounces, consisting of 2.4 million ounces of silver, and 39,506 ounces of gold, representing a 20% increase and a 5% decrease, respectively, compared to 2.0 million ounces of silver and 41,761 ounces of gold in the prior quarter. The higher silver production is related to improved production at all three mines, with La Encantada, San Dimas and Santa Elena reporting increases in silver production of 39%, 14%, and 8% respectively.

Total ore processed amounted to 2.7 million tonnes during the year, representing a 7% decrease compared to 2.9 million tonnes in the prior year. The lower tonnage processed was primarily due to the lower tonnage at San Dimas and La Encantada, partially offset by a 15% increase in tonnes processed at Santa Elena compared to the prior year.

Total ore processed during the fourth quarter was 745,124, representing a 10% increase compared to 678,397 in the prior quarter. The increase in ore processed was primarily due to higher tonnage from all three mines, most notably at La Encantada and San Dimas where tonnage increased by 14% and 12%, respectively, compared to the prior quarter. At La Encantada, the successful identification of a new water source earlier in the year has led to water inventory reaching targeted levels which has enabled mill throughput and production to increase compared to the previous quarter. At San Dimas, labour and operating efficiencies continue to improve as a result of the progress being made in the negotiations with the National Union, along with the implementation of operational improvements.

### Cash Cost and All-In Sustaining Cost per AgEq Ounce

Cash cost per AgEq ounce for the year was $14.80, representing a 2% increase compared to $14.49 per ounce in the prior year. The slight increase in cash cost per AgEq ounce was primarily due to the lower AgEq production at La Encantada and San Dimas during the year as well higher royalty costs as a result of higher sales at Santa Elena. The Company has also implemented numerous cost reduction initiatives to help combat inflationary impacts primarily in energy, reagents, other major consumables and a strong Mexican peso, relative to the US dollar. The increase in cash cost was partially offset by increased AgEq production at Santa Elena. Production at Santa Elena set a new annual record and increased by 7%, compared to the prior year, as a direct result of processing higher grade silver and gold ore from the Ermitaño underground mine combined with record metallurgical recoveries and higher throughput facilitated by optimization of the dual-circuit plant and tailing filter press.

Cash cost per AgEq ounce for the quarter was $13.82 per ounce, representing a 9% decrease compared to $15.17 per ounce in the prior quarter. The decrease in cash costs was primarily attributable to the 4% increase in consolidated AgEq production at all three mines, along with a 7% and 3% decrease in mining and G&A costs, respectively, resulting from operational efficiencies and restructuring efforts implemented in the prior year. The decrease was also driven by the softening of the Mexican Peso which averaged 3% weaker than the previous quarter, relative to the US dollar. This was partially offset by increases in royalty payments from higher production levels at Santa Elena.

AISC per AgEq ounce in the year was $21.11, representing a 5% increase compared to $20.16 in the prior year. The increase in AISC per AgEq ounce was mainly due to the higher cash costs.

AISC per AgEq ounce in the fourth quarter was $20.34 per ounce, representing a 3% decrease compared to $21.03 per ounce in the prior quarter. This was primarily attributable to lower cash costs, partially offset by increases in sustaining PP&E costs incurred to expedite projects in 2025 and complete outstanding projects from 2024.

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. 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 and Santa Elena;
- Increasing mine development rates at San Dimas and La Encantada to access additional ore;
- Renegotiating consumable contracts and reducing the use of external consultants;
- Optimizing use of reagent and grinding media consumption;
- 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;
- Optimizing mining sequencing with the goal of improving ore extraction at San Dimas, Santa Elena and La Encantada;
- Adding an additional haulage contractor at La Encantada to increase and optimize mining rates and ore extraction;
- Improve La Encantada metallurgical recoveries through Increased ore blending options and the addition of lead nitrate to processing; and
- Lowering holding costs at the Company's suspended operations including the Jerritt Canyon Gold Mine.

### Development and Exploration

During the year, the Company completed 32,047 metres of underground development and 182,932 metres of exploration drilling, representing a 6% decrease and 28% increase, respectively, compared to 34,046 metres and 143,465 metres, respectively, in the previous year.

The Company has completed a total of 49,183 metres of drilling across its mines in Mexico and its Jerritt Canyon Gold Mine in Nevada, U.S.A. during the fourth quarter of 2024. During the quarter, up to 28 drill rigs were active consisting of 12 rigs at San Dimas, 10 rigs at Santa Elena, three rigs at Jerritt Canyon and three rigs at La Encantada.

## Santa Elena Silver/Gold Mine, Sonora, Mexico

The Santa Elena Silver/Gold Mine is located approximately 150 kilometres northeast of the city of Hermosillo, Sonora, Mexico. The operating plan for Santa Elena involves the processing of ore in a 3,000 tons per day ("tpd") cyanidation circuit from underground reserves. Santa Elena consists of a central processing plant that can receive ore from two separate underground mining operations, Santa Elena and Ermitaño. The Company owns 100% of the Santa Elena mine including mining concessions totaling 102,244 hectares.

| Santa Elena | 2024-Q4 | 2024-Q3 | 2024-Q2 | 2024-Q1 | 2024-YTD | 2023-YTD | Change Q4 vs Q3 | Change '24 vs '23 |
|---|---|---|---|---|---|---|---|---|
| Total ore processed/tonnes milled | 271,783 | 259,919 | 256,427 | 224,394 | 1,012,523 | 882,592 | 5 % | 15 % |
| Average silver grade (g/t) | 67 | 68 | 69 | 72 | 69 | 64 | (1 %) | 8 % |
| Average gold grade (g/t) | 3.26 | 3.50 | 3.52 | 3.16 | 3.36 | 3.77 | (7 %) | (11 %) |
| Silver recovery (%) | 69 % | 67 % | 66 % | 69 % | 68 % | 64 % | 3 % | 6 % |
| Gold recovery (%) | 96 % | 94 % | 94 % | 95 % | 95 % | 94 % | 2 % | 1 % |
| | | | | | | | | |
| **Production** | | | | | | | | |
| Silver ounces produced | 406,009 | 376,203 | 376,947 | 355,205 | 1,514,364 | 1,176,591 | 8 % | 29 % |
| Gold ounces produced | 27,216 | 27,435 | 27,176 | 21,713 | 103,540 | 100,535 | (1 %) | 3 % |
| Silver equivalent ounces produced | 2,719,702 | 2,685,375 | 2,580,497 | 2,280,739 | 10,266,313 | 9,571,792 | 1 % | 7 % |
| | | | | | | | | |
| **Cost** | | | | | | | | |
| Cash cost per AgEq Ounce(1) | $10.99 | $11.96 | $12.25 | $12.13 | $11.81 | $11.87 | (8 %) | (1 %) |
| All-In sustaining costs per AgEq Ounce(1) | $13.54 | $14.38 | $15.07 | $14.70 | $14.40 | $14.83 | (6 %) | (3 %) |
| Total production cost per tonne(1) | $91.11 | $107.80 | $107.47 | $120.22 | $105.99 | $115.48 | (15 %) | (8 %) |
| | | | | | | | | |
| Underground development (m) | 2,364 | 2,263 | 2,329 | 2,250 | 9,206 | 10,497 | 4 % | (12 %) |
| Exploration drilling (m) | 18,014 | 14,796 | 15,591 | 9,911 | 58,312 | 48,058 | 22 % | 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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

### 2024 vs. 2023

In 2024, Santa Elena produced 1.5 million ounces of silver and 103,540 ounces of gold for a total production of 10.3 million AgEq ounces. This is a new annual record and a 7% increase over 2023's record. Silver production increased by 29% compared to the prior year, while gold production increased 3% compared to 2023. The mill processed 1,012,523 tonnes of ore, 15% higher than the prior year.

Silver and gold head grades averaged 69 g/t and 3.36 g/t respectively, representing a 7% increase and 11% decrease, respectively, compared to 64 g/t and 3.77 g/t in the previous year. Silver and gold recoveries during the year averaged 68% and 95%, respectively, compared to 64% and 94% in the previous year. Continued optimization of the dual circuit and tailing filter press led to increased recovery rates and higher plant throughput of approximately 3,200 tonnes per day by the end of 2024.

For 2024, cash cost per AgEq ounce was $11.81, representing a 1% decrease compared to $11.87 per AgEq ounce in 2023, which was primarily attributed to a 7% increase in AgEq ounces produced. This was partially offset by higher royalty payments during the year primarily due to an increase in production.

AISC per AgEq ounce was $14.40, representing a 3% decrease compared to $14.83 per AgEq ounce in 2023. This was primarily attributable to the decrease in cash costs and decreases in sustaining development costs compared to the prior year.

The Santa Elena mine is subject to a gold streaming agreement with Sandstorm Gold Ltd. ("Sandstorm"), which requires the Company to sell to Sandstorm 20% of its gold production over the life of mine from its leach pad and a designated area of its underground operations. The selling price to Sandstorm 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, 2024, the Company delivered 47 ounces (2023 - 1,094 ounces) of gold to Sandstorm at an average price $482 per ounce (2023 - $473 per ounce).

The Santa Elena mine has a net smelter return ("NSR") royalty agreement with Orogen Royalties Inc. that provides Orogen with a 2% NSR royalty from the production of the Ermitaño property. 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. For the year ended December 31, 2024, the Company has incurred $11.3 million (2023 - $8.7 million) in NSR royalty payments in connection with production from Ermitaño.

During the year, a total of 9,206 metres of underground development and 58,312 metres of exploration drilling were completed, representing 12% decrease and 21% increase, respectively, compared to 10,497 metres of underground development and 48,058 metres of exploration drilling in the prior year. Total exploration costs for the year were $11.1 million compared to $8.7 million in the prior year driven by increased drilling metres.

During the year, the Company announced the discovery of the Navidad vein system, a new significant, vein-hosted gold and silver mineralized system adjacent to the Company's currently producing Ermitaño mine. Please refer to the news release dated July 30, 2024, on the Company's website for further details.

### 2024 Q4 vs. 2024 Q3

Santa Elena produced 2.7 million AgEq ounces, 1% above the prior quarter, consisting of 406,009 ounces of silver and 27,216 ounces of gold. Silver production increased by 8% compared to the prior quarter, while gold production was largely unchanged. The increase in production was primarily due to improved recoveries and higher ore processed.

The mill processed a total of 271,783 tonnes of ore, slightly higher than the prior quarter with average silver and gold ore grades remaining relatively consistent at 67 g/t and 3.26 g/t, respectively.

Silver and gold recoveries during the quarter averaged 69% and 96%, respectively, compared to 67% and 94% in the prior quarter.

Cash cost per AgEq ounce in the fourth quarter was $10.99, representing an 8% decrease compared to $11.96 per AgEq ounce in the prior quarter, which was primarily attributed to cost savings at the mine from dilution control as well as an increase in AgEq ounces produced. This was partially offset by higher royalty payments during the fourth quarter.

AISC per AgEq ounce for the quarter was $13.54, representing a 6% decrease compared to $14.38 per AgEq ounce in the prior quarter. This was primarily attributable to a decrease in cash costs and lower lease payments compared to the prior quarter. This was partially offset by higher sustaining PP&E costs compared to the prior quarter.

During the quarter, a total of 2,364 metres of underground development was completed at the Ermitaño mine, representing a 4% increase compared to 2,263 metres in the prior quarter. During the quarter, 10 drill rigs consisting of eight surface rigs and two underground rigs, completed 18,014 metres of drilling on the property. Total exploration costs in the fourth quarter were $3.1 million, representing a 6% increase compared to $2.9 million in the prior quarter.

## San Dimas Silver/Gold Mine, Durango, Mexico

The San Dimas Silver/Gold Mine is located approximately 130 kilometres northwest of the city of Durango, Durango State, Mexico and consists of 71,868 hectares 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 2,500 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 | 2024-Q4 | 2024-Q3 | 2024-Q2 | 2024-Q1 | 2024-YTD | 2023-YTD | Change Q4 vs Q3 | Change '24 vs '23 |
|---|---|---|---|---|---|---|---|---|
| Total ore processed/tonnes milled | 219,388 | 195,279 | 183,188 | 178,957 | 776,812 | 875,345 | 12 % | (11 %) |
| Average silver grade (g/t) | 195 | 188 | 210 | 220 | 202 | 240 | 4 % | (16 %) |
| Average gold grade (g/t) | 1.88 | 2.12 | 2.15 | 2.45 | 2.13 | 2.85 | (11 %) | (25 %) |
| Silver recovery (%) | 87 % | 89 % | 92 % | 92 % | 90 % | 94 % | (2 %) | (4 %) |
| Gold recovery (%) | 93 % | 95 % | 95 % | 96 % | 95 % | 96 % | (2 %) | (1 %) |
| | | | | | | | | |
| **Production** | | | | | | | | |
| Silver ounces produced | 1,191,893 | 1,046,340 | 1,141,906 | 1,163,792 | 4,543,931 | 6,355,308 | 14 % | (29 %) |
| Gold ounces produced | 12,264 | 12,582 | 12,043 | 13,543 | 50,432 | 76,964 | (3 %) | (34 %) |
| Silver equivalent ounces produced | 2,235,407 | 2,110,905 | 2,114,072 | 2,364,875 | 8,825,259 | 12,789,920 | 6 % | (31 %) |
| | | | | | | | | |
| **Cost** | | | | | | | | |
| Cash cost per AgEq Ounce(1) | $15.14 | $16.50 | $16.66 | $15.81 | $16.01 | $12.51 | (8 %) | 28 % |
| All-In sustaining costs per AgEq Ounce(1) | $20.63 | $21.44 | $21.78 | $20.49 | $21.06 | $16.48 | (4 %) | 28 % |
| Total production cost per tonne(1) | $149.49 | $168.45 | $193.02 | $200.72 | $176.33 | $176.84 | (11 %) | 0 % |
| | | | | | | | | |
| Underground development (m) | 5,473 | 5,452 | 4,859 | 3,709 | 19,493 | 17,641 | 0 % | 10 % |
| Exploration drilling (m) | 26,954 | 29,172 | 31,249 | 26,363 | 113,738 | 78,039 | (8 %) | 46 % |

(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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

### 2024 vs. 2023

In 2024, San Dimas produced 8.8 million AgEq ounces consisting of 4.5 million ounces of silver and 50,432 ounces of gold. Silver production decreased by 29%, while gold production decreased by 34%, when compared to the prior year. The mill processed a total of 776,812 tonnes of ore, a decrease of 11% compared to the prior year. The decrease in silver and gold production was primarily driven by a reduction in ore grades, vein widths, and union workforce underperformance. This resulted in lower than planned fresh ore tonnes mined containing lower silver and gold grades as well as a decrease in ore tonnes processed for the year. Negotiations with the unionized workers continued throughout the year and an agreement was reached in August 2024 on certain matters, the most significant being the payment for the annual bonus. Labour and operating efficiencies have improved as a result, and management anticipates further improved production at San Dimas in 2025.

During the year, silver and gold grades averaged 202 g/t and 2.13 g/t, respectively, representing a 16% and 25% decrease, respectively, compared to 240 g/t and 2.85 g/t in the prior year. Silver and gold recoveries during the year averaged 90% and 95%, respectively, compared to 94% and 96% in the prior year.

During the year, cash cost per AgEq ounce was $16.01, representing a 28% increase compared to $12.51 per AgEq ounce in the prior year. This was primarily due a decrease in AgEq ounces produced compared to the prior year.

AISC per AgEq ounce in 2024 was $21.06, representing a 28% increase compared to $16.48 per AgEq ounce in 2023. This was primarily attributable to an increase in cash costs.

As a result of a period of continued rain during the year following extended drought conditions, the Company's Las Truchas hydroelectric dam water levels recovered to full capacity. Las Truchas provides efficient and renewable energy at lower costs, and with a lower carbon footprint to the San Dimas mine. Additionally, as part of its ongoing cost reduction and carbon reduction initiatives, First Majestic is replacing the diesel generators used for on-site back-up power at San Dimas with LNG units. The company expects that this will generate cost-savings and will result in a reduction in carbon emissions of up to 25%, when back-up power is required.

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, 2024, was 70:1. During the year ended December 31, 2024, the Company delivered 28,746 ounces (2023 - 42,172 ounces) of gold to WPMI at $635 per ounce (2023 - $628 per ounce).

During the year, a total of 19,493 metres of underground development and 113,738 metres of exploration drilling were completed, representing a 10% and 46% increase, respectively, compared to 17,641 metres and 78,039 metres in the prior year. Total exploration costs were $12.6 million, representing a 32% increase compared to $9.5 million in the prior year driven by increased drilling metres.

### 2024 Q4 vs. 2024 Q3

San Dimas produced 2.2 million AgEq ounces during the quarter representing a 6% increase compared to the prior quarter, consisting of 1.2 million ounces of silver and 12,264 ounces of gold. Silver production increased by 14%, while gold production decreased by 3%, when compared to the prior quarter. The increase in silver production was driven by an increase in ore tonnes processed and higher silver grades. The decrease in gold production was driven by a lower gold grade, and lower gold recovery.

The mill processed a total of 219,388 tonnes of ore, an increase of 12% compared to the prior quarter, with average silver and gold grades of 195 g/t and 1.88 g/t, respectively, compared with 188 g/t and 2.12 g/t in the previous quarter.

Silver and gold recoveries during the quarter averaged 87% and 93%, respectively, compared to 89% and 95% in the previous quarter. Lower silver recoveries were a result of complex ores from the Perez vein combined with lower-grade backfill ore processing.

In the fourth quarter, cash cost per AgEq ounce was $15.14, representing an 8% decrease compared to $16.50 per AgEq ounce in the prior quarter. The decrease in cash cost was primarily due to an increase in AgEq ounces produced and the weakening of the Mexican peso, relative to the US dollar, by 6% compared to the prior quarter.

AISC per AgEq ounce for the quarter was $20.63, representing a 4% decrease compared to $21.44 per AgEq ounce in the prior quarter. This was primarily due to lower cash costs, partially offset by higher sustaining PP&E costs compared to the prior quarter.

A total of 5,473 metres of underground development was completed in the fourth quarter, representing a marginal decrease compared to 5,452 metres in the prior quarter. During the quarter, a total of 12 drill rigs consisting of three surface rigs and nine underground rigs, completed 26,954 metres of exploration drilling, representing an 8% decrease compared to 29,172 metres in the prior quarter. Total exploration costs were $3.1 million, representing a 6% decrease compared to $3.3 million in the prior quarter.

## La Encantada Silver Mine, Coahuila, Mexico

The La Encantada Silver Mine is an underground mine located in the northern Mexico State of Coahuila, 708 kilometres northeast of Torreon. La Encantada has 4,076 hectares of mineral concessions and surface land ownership of 1,343 hectares. 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 mine's private airstrip, or via an improved road from the closest city, Muzquiz, Coahuila State, which is 225 kilometres away. The Company owns 100% of the La Encantada mine.

| La Encantada | 2024-Q4 | 2024-Q3 | 2024-Q2 | 2024-Q1 | 2024-YTD | 2023-YTD | Change Q4 vs Q3 | Change '24 vs '23 |
|---|---|---|---|---|---|---|---|---|
| Ore processed/tonnes milled | 253,953 | 223,200 | 234,955 | 185,298 | 897,406 | 966,392 | 14 % | (7 %) |
| Average silver grade (g/t) | 126 | 110 | 129 | 123 | 122 | 121 | 15 % | 1 % |
| Silver recovery (%) | 73 % | 69 % | 60 % | 62 % | 67 % | 73 % | 5 % | (8 %) |
| | | | | | | | | |
| **Production** | | | | | | | | |
| Silver ounces produced | 755,963 | 545,031 | 585,329 | 456,179 | 2,342,502 | 2,718,856 | 39 % | (14 %) |
| Gold ounces produced | 26 | 59 | 46 | 33 | 164 | 321 | (56 %) | (49 %) |
| Silver equivalent ounces produced | 758,181 | 550,042 | 589,060 | 459,110 | 2,356,393 | 2,745,622 | 38 % | (14 %) |
| | | | | | | | | |
| **Cost** | | | | | | | | |
| Cash cost per AgEq Ounce(1) | $20.01 | $25.24 | $23.69 | $25.22 | $23.17 | $20.05 | (21 %) | 16 % |
| All-In sustaining costs per AgEq Ounce(1) | $25.34 | $30.10 | $27.87 | $31.64 | $28.31 | $24.28 | (16 %) | 17 % |
| Total production cost per tonne(1) | $56.88 | $60.86 | $57.11 | $67.80 | $60.18 | $54.74 | (7 %) | 10 % |
| | | | | | | | | |
| Underground development (m) | 877 | 781 | 947 | 742 | 3,347 | 3,067 | 12 % | 9 % |
| Exploration drilling (m) | 3,044 | 1,862 | 607 | 0 | 5,513 | 3,812 | 63% | 45% |

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 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

## 2024 vs. 2023

During the year, La Encantada produced 2.3 million ounces of silver and 164 ounces of gold for a total of 2.4 million AgEq ounces, representing a 14% decrease compared to 2.7 million AgEq ounces in 2023. The mill processed a total of 897,406 tonnes of ore, a decrease of 7% compared to the prior year. La Encantada was impacted by limited water supply to the mill, driven by the collapse of one of three water wells that supply the plant with the necessary water for processing. A replacement water source was discovered through drilling in April 2024 and was connected to the mill in June. Water inventory levels at the plant reached full capacity in the second half of the year, allowing ore throughput rates to return to normal levels. As a result, AgEq ounces produced was 25% higher in the second half of the year compared to the first half and 39% higher in fourth quarter compared to the third quarter.

Silver recoveries for the year were 67%, representing an 8% decrease compared to 73% in 2023. Lower silver recoveries were a result of processing higher manganese content ores. Silver grades during the year averaged 122 g/t, representing a 1% increase compared to 121 g/t in 2023.

During the year cash cost per AgEq ounce in 2024 was $23.17, representing a 16% increase compared to $20.05 per AgEq ounce in 2023. This was primarily due to a 14% decrease in AgEq ounces produced, along with slightly higher energy costs due to a temporary failure in one of the LNG power generators during the year, which has since been repaired.

AISC per AgEq ounce for the year was $28.31, representing a 17% increase compared to $24.28 per AgEq ounce in the prior year. The increase in AISC per AgEq ounce was primarily due to higher cash costs.

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, 2024, the Company incurred $0.4 million (December 31, 2023 - $0.5 million) in NSR royalty payments from production at La Encantada.

A total of 3,347 metres of underground development and 5,513 metres of exploration drilling were completed in the year, representing a 9% and 45% increase, respectively, compared to 3,067 metres of underground development and 3,812 metres of exploration drilling in the prior year. The 2024 exploration program commenced mid-year after securing a new water source. Total exploration costs in 2024 were $1.9 million, representing a 26% increase compared to $1.5 million in the prior year driven by an increase in drilling metres.

### 2024 Q4 vs. 2024 Q3

During the quarter, La Encantada produced 755,963 ounces of silver, representing a significant 39% increase compared to the prior quarter as tonnes of ore processed, silver grades and silver recovery improved with the return to normal operations following the recovery of water inventory levels.

The mill processed a total of 253,953 tonnes of ore, an increase of 14% compared to the previous quarter, with an average silver grade of 126 g/t, compared to 110 g/t in the prior quarter.

Silver recovery for the quarter was 73%, compared to the 69% in the previous quarter. Metallurgical testing indicated that the addition of lead nitrate to the leaching circuit will provide positive recovery results for La Encantada ores. Installation of the lead nitrate system was completed at the end of the third quarter, improving recovery rates in the fourth quarter.

Cash cost per AgEq ounce for the quarter was $20.01, representing a 21% decrease compared to $25.24 per AgEq ounce in the prior quarter, primarily due to a 38% increase in AgEq ounces produced compared to the prior quarter.

AISC per AgEq ounce for the quarter was $25.34, representing a 16% decrease compared to $30.10 per AgEq ounce in the previous quarter. This was primarily due to lower cash costs, partially offset by higher sustaining PP&E costs compared to the prior quarter.

A total of 877 metres of underground development was completed in the fourth quarter at La Encantada, representing a 12% increase compared to 781 metres in the prior quarter. During the quarter, a total of three drill rigs consisting of two surface drill rigs and one underground rig completed 3,044 metres of drilling on the property, representing a 63% compared to 1,862 metres in the third quarter. Total exploration costs in the fourth quarter were $0.8 million, representing a 46% increase compared to $0.5 million in the prior quarter.

## First Mint LLC, Nevada, United States

First Mint, LLC ("First Mint") is the Company's operating minting facility located in Nevada, United States. First Mint expands upon the Company's existing bullion sales through vertically integrating the production of investment-grade fine silver bullion, and the Company expects that First Mint will allow 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. First Mint enables the Company to turn its own silver into an array of finished bullion products, and provides manufacturing capacity for third-party demand. The Company owns 100% of First Mint.

| First Mint(1) | 2024-Q4 | 2024-Q3 | 2024-Q2 | Q1 2024 | 2024-YTD | 2023-YTD | Change Q4 vs Q3 | Change '24 vs '23 |
|---|---|---|---|---|---|---|---|---|
| Ounces sold | 294,278 | 83,852 | 106,890 | 36,959 | 521,979 | 340,432 | 175 % | 53 % |
| **Financial Results** | | | | | | | | |
| Revenue ($ thousands) | $9,052 | $2,665 | $3,298 | $987 | $16,002 | $8,891 | 174 % | 80 % |
| Average realized price per ounce - Bullion(2) | $30.76 | $31.78 | $30.86 | $26.71 | $30.66 | $26.11 | 0 % | 17 % |

(1) This table is inclusive of the Company's bullion store and its minting facility in Nevada, United States.

(2) Average realized price per ounce is disclosed on the Company's financial statements in Note 4 - Segmented Information.

### 2024 vs. 2023

Commissioning for First Mint commenced in March 2024 and was focused on commissioning production and research and development. The facility will be able to provide a steady supply of cast bars and one-ounce silver rounds, with additional capacity to service third party orders. First Mint officially celebrated its inauguration on September 26, 2024. While silver bullion sales by First Mint commenced in March, the inauguration celebrated the mint's progress to-date on implementing innovative production and fulfillment processes at the facility. During this time, the Mint also commissioned several pieces of new equipment including coin presses, lasers, etching equipment for bar and coin manufacturing and is expected to receive ISO 9001 certification in 2025. This quality certification will allow silver products sold by First Mint to be Individual Retirement Account ("IRA") eligible, permitting investors to hold these silver products within approved retirement accounts. 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 demand.

During the year, First Mint and the Company's bullion store collectively sold 521,979 ounces of silver, representing a 53% increase compared to 340,432 ounces sold in the prior year through the bullion store. The ounces sold through First Mint accounted for 6% of the Company's total silver production during the year.

Total revenues for the year were $16.0 million at an average realized price of $30.66 per ounce, representing an 80% and 17% increase, respectively, compared to revenues of $8.9 million at an average realized price of $26.11 per ounce in the prior year.

### 2024 Q4 vs. 2024 Q3

During the fourth quarter, First Mint set a new record for quarterly sales, with 294,278 ounces of silver sold, representing a 251% increase compared to 83,852 ounces in the prior quarter. The ounces sold through First Mint accounted for 13% of the Company's total silver production during the fourth quarter of 2024.

Total revenues for the fourth quarter were $9.1 million at an average realized price of $30.76 per ounce, representing a 240% increase and a 3% decrease, respectively, compared to revenues of $2.7 million at an average realized price of $31.78 per ounce in the prior quarter.

## Jerritt Canyon Gold Mine, Nevada, United States

The Jerritt Canyon Gold Mine is an underground 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.

On March 20, 2023, the Company temporarily suspended mining activities at Jerritt Canyon to reduce overall costs and refocus mining and exploration plans at the mine. The property consists of a large, under-explored land package consisting of 30,821 hectares (119 square miles). Jerritt Canyon is 100% owned by the Company.

| Jerritt Canyon | 2024-Q4 | 2024-Q3 | 2024-Q2 | 2024-Q1 | 2024-YTD | 2023-YTD | Change Q4 vs Q3 | Change '24 vs '23 |
|---|---|---|---|---|---|---|---|---|
| Ore processed/tonnes milled | — | — | — | — | — | 177,643 | 0 % | (100 %) |
| Average gold grade (g/t) | — | — | — | — | — | 4.26 | 0 % | (100 %) |
| Gold recovery (%) | — | — | — | — | — | 87 % | 0 % | (100 %) |
| | | | | | | | | |
| **Production** | | | | | | | | |
| Gold ounces produced | — | 1,684 | 74 | 647 | 2,405 | 21,101 | (100%) | (89 %) |
| Silver equivalent ounces produced | — | 144,093 | 5,811 | 57,559 | 207,463 | 1,767,083 | (100%) | (88 %) |
| | | | | | | | | |
| Underground development (m) | — | — | — | — | — | 2,841 | 0 % | (100 %) |
| Exploration drilling (m) | 1,171 | 4,199 | — | — | 5,370 | 13,556 | (72 %) | (60 %) |

### 2024 vs. 2023

Operations at the Jerritt Canyon mine were placed on temporary suspension in March 2023. As of April 24, 2023, all production activities at the Jerritt Canyon processing plant were fully suspended. In-circuit recovery efforts performed during 2024 resulted in the recovery of 2,405 ounces of gold.

During the year, the Company incurred $17.3 million in holding costs at Jerritt Canyon, primarily for care and maintenance activities such as water management and treatment, maintaining environmental permits and controls, keeping the plant 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 mine in the future.

Jerritt Canyon's 2024 exploration program commenced at the beginning of the third quarter. The 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 5,370 metres of surface drilling on the property, which is less than the Company had planned due to a delayed startup and negative weather conditions. Total exploration costs were $6.7 million in the year, representing a 29% increase compared to $5.2 million in the prior year.

### 2024 Q4 vs. 2023 Q3

During the quarter, the Company incurred $4.2 million in holding costs at Jerritt Canyon, representing a 22% decrease compared to $5.4 million in the prior quarter. A total of three drill rigs completed 1,171 metres of surface drilling on the property, representing a 72% decrease from 4,199 metres in the prior quarter, due to early winter conditions. Total exploration costs amounted to $1.8 million in the fourth quarter of 2024, representing a 53% decrease compared to $3.8 million in the prior quarter.

## La Parrilla Silver Mine, Durango, Mexico

The La Parrilla Silver Mine, located approximately 65 kilometres southeast of the city of Durango in Durango State, Mexico, is a complex of underground operations consisting of the Rosarios, La Blanca and San Marcos mines which are inter-connected through underground workings, and the Vacas and Quebradillas mines which are connected via above-ground gravel roads. La Parrilla includes a 2,000 tpd sequential processing plant consisting of a 1,000 tpd cyanidation circuit and a 1,000 tpd flotation circuit, metallurgical pilot plant, buildings, offices and associated infrastructure.

Operations at the La Parrilla mine were placed on care and maintenance in September 2019.

On December 7, 2022, the Company announced that it had entered into an asset purchase agreement with Golden Tag Resources Ltd. (which subsequently changed its name to Silver Storm Mining Ltd.) ("Silver Storm") to sell the La Parrilla Silver Mine for total consideration of up to $33.5 million, consisting of 143,673,684 common shares of Silver Storm at a deemed price of $0.16 per share, having an aggregate value as of the date of the agreement of $20 million, and up to $13.5 million in contingent consideration, in the form of three milestone payments, payable in either cash or Silver Storm shares, out of which $2.7 million is payable no later than 18 months following the closing date.

On August 14, 2023, the Company completed the sale of La Parrilla to Silver Storm and received total consideration of $13.3 million net of transaction costs. Based on the price of Silver Storm's common shares at the time of closing the transaction, the Company recorded a loss on disposition of $1.6 million. In addition, First Majestic participated in Silver Storm's offering of subscription receipts (the "Subscription Receipts") and purchased 18,009,000 Subscription Receipts at a price of CAD$0.20 per Subscription Receipt which, in accordance with their terms, have now converted into 18,009,000 Silver Storm common shares and 9,004,500 common share purchase warrants (the "Warrants"). Each Warrant is exercisable for one additional Silver Storm common share until August 14, 2026, at a price of CAD$0.34.The Company began accounting for the shares received from Silver Storm as an equity security at fair value through other comprehensive income ("FVTOCI").

## La Guitarra Silver Mine, Mexico State, Mexico

The La Guitarra Silver Mine is located in the Temascaltepec Mining District in the State of Mexico, Mexico, approximately 130 kilometres southwest from Mexico City.

The La Guitarra milling and mining operations were placed under care and maintenance in August 2018.

On May 24, 2022, the Company announced that it had entered into a share purchase agreement with Sierra Madre Gold and Silver Ltd. ("Sierra Madre"), to sell the Company's subsidiary La Guitarra Compañia Minera S.A. de C.V. ("La Guitarra"), which owned the La Guitarra Silver Mine, to Sierra Madre for total consideration of approximately $35 million, consisting of 69,063,076 Sierra Madre common shares at a deemed price of $0.51 per share.

On March 29, 2023, the Company completed the sale of La Guitarra to Sierra Madre and received total consideration of $33.2 million net of transaction costs (paid in common shares of Sierra Madre), before working capital adjustments. Based on the carrying value of the asset at the time of disposal of $34.3 million, and the working capital adjustment of $0.2 million, the Company recorded a loss on disposition of $1.4 million. The Company began accounting for the common shares received from Sierra Madre as an equity security at FVTOCI.

On May 8, 2024, the Company advanced a $5.0 million loan to Sierra Madre for the purposes of advancing the La Guitarra mine. The loan bears interest at a rate of 15% per annum (payable monthly) and full payment of the principal amount is due on May 8, 2026.

## Del Toro Silver Mine, Zacatecas, Mexico

The Del Toro Silver Mine is located 60 kilometres to the southeast of the La Parrilla mine and consists of 3,815 hectares of mining concessions and 219 hectares 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.

## 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 hectares 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 kilometres from Durango, or 250 kilometres by paved road north of Guadalajara, Jalisco. The San Martin Silver Mine is 100% owned by the Company.

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 and the mine and plant have been occupied and are currently under the de facto control of an organized criminal group. 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 with its production of silver, First Mining must deliver 50% of the payable silver which it receives from the offtaker 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, consisting of $2.5 million in cash and $2.5 million in First Majestic common shares (based on a 20-day volume weighted average price), will be paid upon receipt by First Mining of a Federal or Provincial Environmental Assessment approval for Springpole, which has not yet been received.

In connection with the streaming agreement, First Mining also granted First Majestic 30.0 million common share purchase warrants of First Mining (the "First Mining Warrants"), each of which will entitle the Company to purchase one common share of First Mining at CAD$0.40 expiring July 2, 2025. As a result of the distribution by First Mining of shares and warrants of Treasury Metals Inc. that was completed by First Mining on July 15, 2021, pursuant to the adjustment provisions of the

First Mining Warrants, the exercise price of these warrants was reduced from CAD$0.40 to CAD$0.37, and the number of these warrants was increased from 30.0 million to 32.1 million. The fair value of the warrants was measured at $5.7 million using the Black-Scholes option pricing model.

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 January 2021, First Mining announced results of its Pre-Feasibility Study (“PFS”) which supports a 30,000 tpd open pit mining operation over an 11-year mine life. First Mining announced resources of 24.3 million ounces of silver in the Indicated category and 1.4 million ounces of silver in the Inferred category, plus 4.6 million ounces of gold in the Indicated category and 0.3 million ounces of gold in the Inferred 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 hectares which are fully encompassed under the silver streaming agreement.

Keith Neumeyer, our President & Chief Executive Officer, and Raymond Polman, a director of the Company, are each directors of First Mining and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Silver Stream Agreement.

## OVERVIEW OF FINANCIAL PERFORMANCE

**For the years ended December 31, 2024, 2023 and 2022 (in thousands of dollars, except for per share amounts):**

| | Annual 2024 | Annual 2023 | Annual 2022 | Variance % 24 vs '23 | |
|---|---|---|---|---|---|
| **Revenues** | **$560,604** | **$573,801** | **$624,221** | **(2 %)** | (1) |
| **Mine operating costs** | | | | | |
| Cost of sales | 344,703 | 410,057 | 471,687 | (16 %) | (2) |
| Cost of sales - standby costs | — | 13,438 | — | (100 %) | (2) |
| Depletion, depreciation and amortization | 124,001 | 124,664 | 135,782 | (1 %) | (3) |
| | 468,704 | 548,159 | 607,469 | (14 %) | |
| **Mine operating earnings** | **91,900** | **25,642** | **16,752** | **NM** | |
| General and administrative | 39,597 | 38,709 | 36,372 | 2 % | (4) |
| Share-based payments | 13,490 | 13,177 | 13,958 | 2 % | |
| Mine holding costs | 23,666 | 22,088 | 11,930 | 7 % | (5) |
| Write down on asset held-for-sale | — | 7,229 | — | (100 %) | (6) |
| Restructuring costs | — | 6,883 | — | (100 %) | (7) |
| Impairment of non-current asset | — | 125,200 | (2,651) | (100 %) | (8) |
| Loss on sale of mining interest | — | 3,024 | (4,301) | (100 %) | (9) |
| Foreign exchange loss (gain) | 18,902 | (11,884) | 637 | NM | |
| **Operating loss** | **(3,755)** | **(178,784)** | **(39,193)** | **(98 %)** | |
| Investment and other income | 5,361 | 9,149 | (1,888) | (41 %) | (10) |
| Finance costs | (28,060) | (26,280) | (20,323) | 7 % | (11) |
| **Loss before income taxes** | **(26,454)** | **(195,915)** | **(61,404)** | **(86 %)** | |
| Current income tax expense | 31,997 | 14,005 | 56,250 | 128 % | |
| Deferred income tax expense (recovery) | 43,434 | (74,808) | (3,378) | (158 %) | |
| Income tax expense (recovery) | 75,431 | (60,803) | 52,872 | NM | (12) |
| **Net loss for the year** | **($101,885)** | **($135,112)** | **($114,276)** | **25 %** | (13) |
| **Loss per common share** | | | | | |
| **Basic and diluted** | **($0.34)** | **($0.48)** | **($0.43)** | **29 %** | (13) |

NM - Not meaningful

1. **Revenues** in the year ended December 31, 2024 were $560.6 million, or a 2% decrease compared to $573.8 million in the same period of the previous year, primarily attributed to:

    - a 20% decrease in total payable AgEq ounces sold compared to the prior year which resulted in a decrease in revenues of $99.9 million. This was primarily due to higher inventory levels held, lower production levels at San Dimas and La Encantada as well as the temporary suspension of mining activities at Jerritt Canyon in Q1 2023 which contributed $40.5 million in revenues during 2023.

    Partially offset by:

    - a 21% increase in the realized silver price per ounce sold, which averaged $28.26 year-to-date compared to $23.29 in the prior year. This resulted in an $87.1 million increase in revenue compared to the prior year.
    - a 7% increase in payable AgEq ounces produced at Santa Elena; and
    - an 80% increase in revenues from coins and bullion following the opening of First Mint in 2024.

2. **Cost of sales** in the year were $344.7 million, representing a 16% decrease compared to $410.1 in the same period of the previous year, primarily attributed to:
    - a $73.9 million decrease in labour, consumables and energy costs during the year along with a decrease in other costs including insurance, services, selling and maintenance costs. This was primarily due to the temporary suspension of operations at the Jerritt Canyon Mine during Q1 of 2023, a reduced workforce in Jerritt Canyon and across the organization, along with lower production at San Dimas and La Encantada during the year;
    - a $13.4 million decrease in one-time standby costs primarily related to one-time severance and demobilization costs following the temporary suspension of mining activities at Jerritt Canyon in 2023; and
    - a weaker Mexican peso relative to the US dollar, which averaged 3% weaker compared to 2023.

    Partially offset by:
    - a $1.9 million increase in environmental duties and royalties due to increased production at Ermitaño which resulted in increased royalties paid;
    - a $1.8 million increase in abnormal costs at San Dimas during the second quarter as the Company had to use higher cost diesel from back up energy sources due to low water levels at the Company's Las Truchas hydroelectric dam and damage to the power lines from a wildfire adjacent to the hydroelectric plant; and
    - a $1.7 million increase in worker participation costs in Mexico.
3. **Depletion, depreciation and amortization** in the year was $124.0 million, representing a 1% decrease compared to $124.7 million in the same period of the previous year, primarily attributed to:
    - a $12.1 million decrease related to lower depletion at Jerritt Canyon due to the temporary suspension of mining activities.

    Partially offset by:
    - an $11.5 million increase in depletion and depreciation from the Mexican operations primarily due to an increase in production at Santa Elena as well as higher fixed asset depreciation at Santa Elena and La Encantada.
4. **General and administrative expense** in the year was $39.6 million, representing a 2% increase compared to $38.7 million in the same period of the previous year, primarily attributed to higher due diligence costs incurred as a result of the Gatos acquisition which completed on January 16, 2025 and higher legal and professional fees related to the Company's ongoing NAFTA proceedings. This was offset by higher severance costs incurred in 2023 related to restructuring efforts to optimize the Company's workforce.
5. **Mine holding costs** in the year were $23.7 million, representing a 7% increase compared to $22.1 million in the same period of the previous year, primarily attributed to the temporary suspension of Jerritt Canyon in Q1 2023 and care and maintenance activities for the Santa Elena underground mine. This was partially offset by lower holding costs due to the sale of La Guitarra and La Parrilla in the first and third quarters of 2023, respectively.
6. **Write down on asset held-for-sale** decrease by $7.2 million compared to the same period of the previous year. In 2023, the Company recorded a write-down related to La Parrilla based on the change in value of shares of Silver Storm Mining (formerly Golden Tag Resources) at the end of the reporting period.
7. **Restructuring costs** decreased by $6.9 million compared to the same period in the previous year. In 2023, restructuring costs were related to the Company optimizing its workforce primarily at San Dimas, as well as at the Durango regional office and Santa Elena.
8. **Impairment** decreased by $125.2 million compared to the same period of the previous year. In March 2023, the Company recorded a $125.2 million impairment in respect of its Jerritt Canyon mine following the temporary suspension of mining operations.
9. **Loss on sale of mining interest** decrease by $3.0 million compared to the same period of the previous year. This was due to the sale of La Guitarra to Sierra Madre Gold and Silver Ltd. on March 29, 2023. Based on the carrying value of the asset at the time of disposal of $34.3 million, and the working capital adjustment of $0.2 million, the Company had recorded a loss on disposition of $1.4 million in the first quarter of the prior year.
10. **Investment and other income** for the year totaled $5.4 million, representing a 41% decrease compared to $9.2 million in the same period of the previous year. The decrease in the investment and other income was primarily due to an

unrealized gain on silver futures of $0.1 million, compared to a $4.3 million gain in the prior year. This was partially offset by a marginal unrealized gain on marketable securities, compared to a $1.6 million loss in the prior year.

11. **Finance costs** for the year was $28.1 million, representing a 7% increase compared to $26.3 million in the same period of the previous year. The increase was primarily due to an increase in the accretion expense for decommissioning liabilities of $1.3 million resulting from changes in the asset retirement obligations as well as an increase in accretion expense on the Company's convertible bond as it gets closer to maturity.
12. During the year ended December 31, 2024, the Company recorded an **income tax expense** of $75.4 million, representing a 224% increase compared to an income tax recovery of $60.8 million during the previous year primarily due to an increase in deferred income tax expense. The deferred income tax expense during the year was primarily related to the foreign exchange impact on available Mexican tax pools to account for the strengthening of the US dollar relative to the Mexican peso. The income tax recovery in 2023 was primarily driven by an impairment on non-current assets during the first quarter of 2023 along with foreign exchange and inflationary adjustments.
13. As a result of the foregoing, **net loss** for the year ended December 31, 2024 was $101.9 million (EPS of ($0.34)), representing a 25% improvement compared to a net loss of $135.1 million (EPS of ($0.48)) during the previous year.

**For the quarters ended December 31, 2024 and 2023 (in thousands of dollars, except for per share amounts):**

| | Fourth Quarter 2024 | Fourth Quarter 2023 | Variance % | |
|---|---|---|---|---|
| **Revenues** | **$172,337** | **$136,946** | **26 %** | (1) |
| **Mine operating costs** | | | | |
| Cost of sales | 89,424 | 89,395 | 0 % | (2) |
| Depletion, depreciation and amortization | 34,676 | 29,650 | 17 % | (3) |
| | 124,100 | 119,045 | 4 % | |
| **Mine operating earnings** | **48,237** | **17,901** | 169 % | |
| General and administrative expenses | 11,411 | 8,149 | 40 % | (4) |
| Share-based payments | 2,595 | 2,466 | 5 % | |
| Mine holding costs | 5,493 | 7,338 | (25 %) | (5) |
| Restructuring costs | — | 455 | (100 %) | (6) |
| Foreign exchange loss (gain) | 3,078 | (2,931) | NM | |
| **Operating earnings** | **25,660** | **2,424** | **NM** | |
| Investment and other income | 1,275 | 1,005 | 27 % | (7) |
| Finance costs | (6,783) | (6,592) | 3 % | |
| **Earnings (loss) before income taxes** | **20,152** | **(3,163)** | **NM** | |
| Current income tax expense | 15,290 | 8,770 | 74 % | |
| Deferred income tax expense (recovery) | 18,340 | (22,164) | (183 %) | |
| Income tax expense (recovery) | 33,630 | (13,394) | NM | (8) |
| **Net (loss) earnings for the period** | **($13,478)** | **$10,231** | **NM** | (9) |
| **(Loss) earnings per share (basic and diluted)** | **($0.04)** | **$0.04** | **NM** | (9) |

NM - Not meaningful

1. **Revenues** in the quarter were $172.3 million, representing a 26% increase compared to $136.9 million the same quarter of the prior year primarily attributed to:
   - a 27% increase in the average realized silver price, which was $30.80 per ounce during the quarter, compared to $24.16 per ounce in the fourth quarter of 2023. This resulted in a $34.2 million increase in revenue compared to the same quarter of the prior year.

   Partially offset by:

   - a 3% decrease in the total number of payable AgEq ounces sold compared to the fourth quarter of 2023 which resulted in a decrease in revenues of $1.4 million compared to the fourth quarter of 2023. This was primarily driven by lower AgEq ounces produced at San Dimas and Santa Elena compared to the fourth quarter of 2023.

2. **Cost of sales** in the quarter were $89.4 million, consistent to the same quarter of the prior year primarily attributed to:
   - a $7.2 million increase in change in inventory expense compared to the same quarter of 2023;
   - a $0.7 million increase in other costs primarily due to an increase in environmental duties and royalties; and
   - a $0.2 million increase in worker participation costs in Mexico.

   Partially offset by:

   - a weaker Mexican peso relative to the US dollar, which averaged 14% lower compared to the same quarter of 2023;
   - a $7.1 million decrease in labour costs primarily due to the reduction in workforce across the organization following restructuring efforts to optimize the workforce during the same quarter of the prior year; and

- a $1.3 million decrease in consumables and materials, energy and insurance costs.

3. **Depletion, depreciation and amortization** in the quarter was $34.7 million, representing a 17% increase compared to $29.7 million in the same quarter of the previous year, primarily as a result of:

   - a $5.7 million increase in depletion and depreciation from the Mexican operations primarily due to higher produced tonnes at Santa Elena as well as higher fixed asset depreciation at San Dimas and Santa Elena.

Partially offset:

   - a decrease of $0.4 million in depreciation and amortization from Jerritt Canyon compared to the same quarter of the prior year.

4. **General and administrative expense** in the quarter was $11.4 million, representing a 40% increase compared to $8.1 million in same quarter of the prior year. This was primarily attributable to higher salaries and benefits as well as higher due diligence costs incurred in 2024 as a result of the Gatos acquisition completed on January 16, 2025 and higher legal and professional fees related to the Company's ongoing NAFTA proceedings.
5. **Mine holding costs** in the quarter were $5.5 million, representing a 25% decrease compared to $7.3 million in the same quarter of 2023, primarily driven by a decrease in holding costs for the Jerritt Canyon, Santa Elena underground mine, and Del Toro properties.
6. **Restructuring Costs** decreased by $0.5 million compared to the same quarter of 2023. In 2023, restructuring costs were related to the Company optimizing its workforce primarily at San Dimas, as well as at the Durango regional office and Santa Elena.
7. **Investment and other income** in the quarter were $1.3 million, representing a 27% increase compared to $1.0 million the same quarter of the prior year. This was primarily attributable to a gain from investment in silver future derivatives of $1.1 million, compared to a $0.5 million loss in the same quarter of the prior year, along with interest income of $0.3 million compared to interest income of $1.6 million in the same quarter of the prior year.
8. During the quarter, the Company recorded an **income tax expense** of $33.6 million compared to a $13.4 million income tax recovery in the fourth quarter of 2023. The increase in income tax expense was primarily related to the non-cash foreign exchange impact on available Mexican tax pools to account for the strengthening of the US dollar against the Mexican peso resulting in an increased deferred tax expense as well as an increased current tax expense driven by higher earnings at Santa Elena.
9. As a result of the foregoing, **net loss** for the quarter was $13.5 million (EPS of ($0.04)) compared to a net gain of $10.2 million (EPS of $0.04) in the same quarter of the prior year.

## SUMMARY OF QUARTERLY RESULTS

### The following table presents selected financial information for each of the most recent eight quarters:

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| **Selected Financial Information** | **Q4** | **Q3** | **Q2** | **Q1** | **Q4** | **Q3** | **Q2** | **Q1** |
| Revenue | $172,337 | $146,087 | $136,166 | $106,014 | $136,946 | $133,211 | $146,692 | $156,952 |
| Cost of sales | $89,424 | $85,694 | $89,096 | $80,489 | $89,395 | $92,187 | $104,607 | $123,868 |
| Depletion, depreciation and amortization | $34,676 | $31,871 | $31,608 | $25,846 | $29,650 | $27,998 | $32,587 | $34,429 |
| Mine operating earnings (loss) | $48,237 | $28,522 | $15,462 | ($321) | $17,901 | $13,026 | $1,138 | ($6,423) |
| Net (loss) earnings after tax | ($13,478) | ($26,593) | ($48,251) | ($13,563) | $10,231 | ($27,149) | ($17,534) | ($100,660) |
| (Loss) earnings per share – basic | ($0.04) | ($0.09) | ($0.17) | ($0.05) | $0.04 | ($0.09) | ($0.06) | ($0.37) |
| (Loss) earnings per share – diluted | ($0.04) | ($0.09) | ($0.17) | ($0.05) | $0.04 | ($0.09) | ($0.06) | ($0.37) |

During the fourth quarter of 2024, mine operating earnings were $48.2 million, representing a 69% increase compared to mine operating earnings of $28.5 million in the previous quarter. The increase was primarily due an increase in payable AgEq ounces sold as well as an increase in the average realized silver price.

The net loss for the quarter was $13.5 million, representing a 49% improvement compared to a net loss of $26.6 million in the prior quarter. This improvement was primarily attributed a $19.7 million increase in mine operating earnings compared to the prior quarter and a non-cash foreign exchange loss of $3.1 million compared to a $5.8 million loss in the prior quarter. This was partially offset by $9.2 million increase in income tax expense compared to the prior quarter.

## LIQUIDITY, CAPITAL RESOURCES AND CONTRACTUAL OBLIGATIONS

### Liquidity

As at December 31, 2024, the Company had cash and cash equivalents of $202.2 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 $1.5 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 excludes $106.1 million of restricted cash as at December 31, 2024.

On August 3, 2023, 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, up to an aggregate total of $500.0 million, over a 25-month period commencing as of the filing date of the base shelf prospectus.

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 the ATM program (the "2024 ATM Program"). During the year ended December 31, 2024, 14,300,000 common shares were sold under the 2024 ATM Program at an average price of $6.73 per share, for gross proceeds of $96.2 million or net proceeds of $93.9 million. As at December 31, 2024, the Company incurred $2.3 million in transaction costs in relation to the 2024 ATM Program.

Working capital as at December 31, 2024 was $224.5 million compared to $188.9 million as at December 31, 2023. Total available liquidity as at December 31, 2024 was $364.2 million, including $224.5 of working capital and $139.6 million of undrawn revolving credit facility, and excluding $106.1 million held in restricted cash.

The following table summarizes the Company's cash flow activity during the year:

| | Year Ended December 31, | |
|---|---|---|
| | **2024** | **2023** |
| **Cash flow** | | |
| Cash generated in operating activities | $151,970 | $55,614 |
| Cash (used in) investing activities | (114,160) | (153,999) |
| Cash provided by financing activities | 42,410 | 64,649 |
| **Increase (decrease) in cash and cash equivalents** | **$80,220** | **($33,736)** |
| Effect of exchange rate on cash and cash equivalents held in foreign currencies | (3,621) | 2,660 |
| Change in cash and cash equivalents classified as held for sale | — | 5,219 |
| Cash and cash equivalents, beginning of the year | 125,581 | 151,438 |
| **Cash and cash equivalents, end of year** | **$202,180** | **$125,581** |

The Company's cash flows from operating, investing and financing activities during the year ended December 31, 2024 are summarized as follows:

- **Cash generated by operating activities** of $152.0 million, primarily due to:
  - $138.6 million in cash flows from operating activities before movements in working capital and taxes; and
  - $29.2 million net change in non-cash working capital items during the period, including a $19.5 million decrease in restricted cash, an $8.1 million decrease in value added tax ("VAT") receivables, a $2.3 million decrease in inventories, a $2.8 million increase in trade payables, partially offset by a $2.5 million decrease in income taxes payable and a $1.5 million increase in trade and other receivables.

  net of:
  - $15.8 million in income tax installments paid during the period.

- **Cash used in investing activities** of $114.2 million, primarily related to:
  - $95.1 million spent on mine development and exploration activities;
  - $20.0 million spent on the purchase of property, plant and equipment;
  - $12.0 million spent on the purchase of marketable securities; and
  - $5.0 million loaned to Sierra Madre Gold.

  net of:
  - $18.5 million in proceeds from the disposal of marketable securities; and
  - $0.1 million in proceeds from the deposits on non-current assets.
- **Cash provided in financing activities** of $42.4 million, primarily related to the following:
  - $93.9 million of proceeds net of share issuance costs from common shares of the Company sold under the 2024 ATM Program.

  net of:
  - $20.0 million repayment of the Revolving Credit Facility;
  - $17.3 million repayment of lease obligations;
  - $8.8 million payment of financing costs; and
  - $5.3 million for the payment of dividends during the period.

During the year ended December 31, 2024, the Company received $63.1 million (1,278.9 million MXN) related to VAT filings. In connection with the tax ruling relating to Primero Empresa Minera, S.A. de C.V. ("PEM"), the Servicio de Administracion Tributaria (the "SAT"), the Mexican tax authority, has frozen a PEM bank account which contains approximately $86.7 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 through various legal actions, both domestically in Mexico and internationally through NAFTA arbitration proceedings.

### Reconciliation on Use of Proceeds from ATM Program

During the year ended December 31, 2024, the Company sold 14,300,000 common shares under the ATM program at an average price of $6.73 per common share for gross proceeds of $96.2 million, or net proceeds of $93.9 million after costs. The use of proceeds from the amount raised in the current year is reconciled as follows:

| | |
|---|---|
| **Gross Proceeds:** | **$96,206** |
| **Use of Proceeds:** | |
| Exploration | 45,994 |
| Expansionary development | 41,405 |
| Sustaining development | 6,500 |
| Offering expenses | 2,307 |
| | **$96,206** |

### 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.

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 the 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, 2024, the Company was in compliance with all of its debt covenants.

### Contractual Obligations and Commitments

As at December 31, 2024, 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 | $103,895 | $103,895 | $— | $— | $— |
| Debt facilities | 234,097 | 2,444 | 231,653 | — | — |
| Lease liabilities | 30,572 | 16,497 | 10,631 | 3,247 | 197 |
| Other liabilities | 5,587 | — | 329 | 5,258 | — |
| Purchase obligations and commitments | 3,654 | 3,654 | — | — | — |
| | **$377,805** | **$126,490** | **$242,613** | **$8,505** | **$197** |

As at December 31, 2024, the Company had working capital of $224.5 million (December 2023 - $188.9 million) and total available liquidity of $364.2 million (December 2023 - $313.6 million), including $139.6 million (December 2023 - $124.6 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.

As at December 31, 2024, net VAT receivable was $44.6 million (December 31, 2023 - $52.7 million), of which $14.2 million (December 31, 2023 - $27.5 million) relates to La Encantada, $5.1 million relates to Santa Elena (December 31, 2023 - $23.0 million), and $7.0 million (December 31, 2023 - $29.0 million) relates to San Dimas.

The Company sells and receives payment upon delivery of its silver doré and by-products primarily through four 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, 2024, the Company's total consolidated indebtedness was $209.5 million, $0.4 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"*.

### *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 flows.

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, 2024 |
|---|---|---|---|---|---|---|---|
| | **Cash and cash equivalents** | **Restricted cash** | **Value added taxes receivable** | **Other financial assets** | **Trade and other payables** | **Net assets (liabilities) exposure** | **Effect of +/- 10% change in currency** |
| Canadian Dollar | $1,097 | $— | $— | $1,282 | ($5,422) | ($1,878) | ($188) |
| Mexican Peso | 25,748 | 86,726 | 44,614 | — | (63,988) | 93,100 | 9,310 |
| | **$26,845** | **$86,726** | **$44,614** | **$1,282** | **($69,410)** | **$91,222** | **$9,122** |

***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, non-financial items 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.

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

| | | | December 31, 2024 |
|---|---|---|---|
| | **Effect of +/- 10% change in metal prices** | | |
| | **Silver** | **Gold** | **Total** |
| Metals in inventory | $1,557 | $676 | $2,233 |
| | **$1,557** | **$676** | **$2,233** |

***Interest Rate Risk***

The Company is exposed to interest rate risk on its short-term investments, debt facilities and lease liabilities. 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, 2024, 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, 2024, 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 tax increases or claims by governmental bodies, the ongoing hostilities in Ukraine and the Middle East, expropriation or nationalization, foreign exchange controls, high rates of inflation, fluctuations in foreign currency exchange rates, import and export tariffs and regulations, lawlessness, 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 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.

## 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 Mineral Reserves or 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 have an impact on the amount of the Company's 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. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be replicated in larger-scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

### Governmental Regulations, Laws, Licenses and Permits

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; (iv) new social and environmental requirements in order to obtain and keep mining concessions, (v) the authorization by the Mexican Ministry of Economy of any mining concession's transfer, (vi) new penalties and cancellation of mining concessions grounds due to non-compliance with the applicable laws, (vii) the automatic dismissal of any application for new concessions, and (viii) 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 on-going *amparo* lawsuits against the Decree whilst the aforementioned constitutional action is being considered by the Supreme Court. Once the Supreme Court has provided its ruling on the constitutional action, such ruling will set a precedent that will enable the on-going *amparo* lawsuits to be resolved, thereby avoiding the potential for contradictory judgements in the various *amparo* lawsuits that have been filed against the Decree.

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. 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. In October 2024, opposition parties (PRI and PAN), along with certain judges and members of the Mexican Congress, filed constitutional actions with the Mexican Supreme Court of Justice against the Judiciary Reform. The Supreme Court of Justice has accepted the constitutional actions for its review.

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. Further, 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.

For further details regarding risks relating to government regulations, licenses and permits, see the section in the Company's most recently filed AIF entitled *"Risk Factors – Operational Risks – Governmental Regulations, Licenses and Permits"*.

### 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.

Any 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. Any such disruptions could have an adverse effect on the Company's production, revenue, net income and business.

### 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 becoming more stringent. In addition, certain types of operations require submission 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. However, 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 "NOAV") that alleged the Company doing business as Jerritt Canyon Gold, LLC had violated various air permit conditions and regulations applicable to operations at the Jerritt Canyon in Elko County, Nevada. The NOAV are related to compliance with emission monitoring, testing, recordkeeping requirements, and emission and throughput limits.

The Company filed a Notice of Appeal on September 3, 2021, challenging the NOAV before the Nevada State Environmental Commission ("NSEC"). The Company raised various defenses to the NOAV, including that the Company is not liable for the violations because it was never the owner/operator of Jerritt Canyon during the period the alleged violations began (on April 30, 2021, the Company acquired Jerritt Canyon Canada Ltd, which, through subsidiaries, owns and operates Jerritt Canyon). 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 to Jerritt Canyon Gold, LLC for alleged exceedances and violations of an Air Quality Operating permit and Mercury Operating Permit to Construct. The new NOAVs relate 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 NOAVs and any potential penalties associated with the NOAVs. Jerritt Canyon Gold and NDEP agreed to waive the 20-day hearing requirement for the NOAVs and the parties request that the NSEC withhold schedule a hearing for the NOAVs 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. Although the Company has repeatedly requested all applicable governmental authorities to take action to secure the area, to date, the Mexican government has failed to take any such action and the Company's own efforts have been unsuccessful. 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 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 there are currently no Natural Protected Areas in effect in the vicinity of the Company’s mining operations in Mexico, 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.

### 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 prolonged drought, 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, 2024, the Company reassessed its reclamation obligation at each material mine 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 is $159.1 million, which has been discounted using a risk-free rate of 10.6% for the mines in Mexico and 4.6% for the Jerritt Canyon Gold Mine. The estimated decommissioning and reclamation obligations breakdown primarily consists of a $111.8 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; $13.2 million for the San Dimas Silver/Gold Mine; $12.2 million for the Santa Elena Silver/Gold Mine; $11.4 million for the La Encantada Silver Mine; $6.6 million for the San Martin Silver Mine; and $3.4 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 must be funded by the Company's operations. These costs 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 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. In addition, the Company may in the future be subjected to regulatory investigations or other proceedings and may be involved in disputes with other parties in the future which may result in a significant impact on our financial condition, cash flow and results of operations.

### 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. 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.

## 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 silver produced from the San Dimas Mine, and 50% of silver produced thereafter, at the lower of: (i) the spot market price and (ii) $4.014 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 stream 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 tax and legal assurance that the Mexican tax authority, Servicio de Administración Tributaria ("SAT") would accept the PEM Realized Price as the transfer price to calculate Mexican income taxes payable by PEM, a mutually binding Advance Pricing Agreement ("APA") was entered into with the SAT for taxation years 2010 to 2014. On October 4, 2012, the SAT confirmed that based on the terms of the APA, the PEM Realized Price could be used as PEM's basis for calculating taxes owed for the silver sold under the Old Stream Agreement.

In August 2015, the SAT commenced a legal process 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 to 2012 tax years in the total amount of $310.8 million (6,299 million MXN) inclusive of interest, inflation, and penalties. In 2021, the SAT also issued a reassessment against PEM for the 2013 tax year in the total amount of $164.3 million (3,330 million MXN) inclusive of accrued interest, inflation and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of $418.8 million (8,488 MXN) inclusive of interest, inflation, and penalties (collectively, the "Reassessments"). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments 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. 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.

### Domestic Remedies

In September 2020, the Company was served with a decision of the Federal Tax Court seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. As two writs of certiorari were filed before the Mexican Supreme Court of Justice, on April 15, 2021, the Plenary of the Supreme Court i) admitted one of those writs, ii) requested the Mexican Circuit Court to send the appeal file to them, and iii) assigned such writ to the Second Chamber of the Supreme Court for issuing the corresponding decision. Both writs of certiorari were withdrawn in December 2022. The challenge filed by the Company was returned to the Mexican Circuit Court on February 14, 2023 and 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, and following the admission of the appeal, the Second Chamber of the Supreme Court of Justice assumed jurisdiction over the appeal on June 20, 2024. 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 ignored 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 will be issued by the Collegiate Court in the second half of 2025.

**International Remedies**

**i. NAFTA APA Claim**

In respect of the APA, the Company submitted an 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 partially granted certain provisional measures requested by the Company, issuing an order for Mexico to permit the withdrawal of the Company's VAT refunds for the period as of January 4, 2023 that had been deposited by the SAT into a frozen bank account, and to deposit all future VAT refunds into an account 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 furtherance of its obligations under the PM Decision.

In addition, in response to the Company's counter-arguments to a jurisdictional objection filed by Mexico in late July 2023, the Tribunal dismissed Mexico's objection, agreeing with the Company that the recovery of VAT refunds under the NAFTA VAT Claim (as defined in the section below) does not breach the waiver under NAFTA (i.e. the NAFTA APA Claim and the NAFTA VAT Claim are not in respect of the same measures).

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 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.

In order to expedite the arbitration proceedings, the Company has advised the Consolidation Tribunal and Mexico that it is proposing to add claims covered by the NAFTA VAT Claim to the NAFTA APA Claim as ancillary claims. The Tribunal with jurisdiction over the NAFTA APA Claim has, as of July 15, 2024, granted the Company the right to introduce the ancillary claims to the NAFTA APA Claim, which will make it unnecessary for the NAFTA VAT Claim to proceed separately from the NAFTA APA Claim. On October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. In addition, Mexico filed its Memorial in support of the Consolidation Request on October 7, 2024, and the Company filed its Counter-Memorial on December 6, 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.

We expect that the Consolidation Tribunal will make its decision in respect of the Consolidation Request in Q2 2025. Until such a decision has been made, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been suspended. However, any decisions rendered to date by the Tribunal in the NAFTA APA Claim, including but not limited to the PM Decision, remain in force during such suspension.

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 $272.9 million (5,531 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, 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. As a result of the Consolidation Request (described above), the NAFTA VAT Claim has been suspended. As noted above, on October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue (however, such proceedings are currently suspended pending the outcome of the proceedings related to the Consolidation Request).

While the Company remains confident in its position with regards to its two NAFTA claims, 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 $36.0 million (730 million MXN) and $26.2 million (531 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 $16.4 million (333 million MXN) and $206.8 million (4,190 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 $2.9 million (59 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of $6.3 million (127.8 million MXN). The major items relate to forward silver purchase agreement and 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 $24.6 million (498 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 $2.9 million (59 million MXN) including interest, inflation, and penalties. The major items relate to forward silver purchase agreement and 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 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"), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of $59.1 million (1,199 million MXN) including interest, inflation and penalties. The major items relate to forward silver purchase agreement and 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 $24.6 million (498 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 $71.5 million (1,449 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the 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 Silver Corp. 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 a sum of $14.1 million in June 2013 as partial payment of the judgment, leaving an unpaid amount of $64.3 million (CAD$81.5 million). 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 September 30, 2024, the Company has not accrued any of the remaining $64.3 million (CAD$81.5 million) unrecovered judgment in favour of the Company.

## OTHER FINANCIAL INFORMATION

### Off-Balance Sheet Arrangements

As at December 31, 2024, 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 established a share repurchase program (the "Share Repurchase Program") which permits it to repurchase up to 10,000,000 common shares (3.32% of the Company's issued and outstanding common shares as at September 4, 2024) up to September 12, 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 under the Share Repurchase Program would be in the best interest of the Company. During the year ended December 31, 2024, the Company repurchased an aggregate of 50,000 common shares at an average price of CAD$7.81 per share as part of the Share Repurchase Program (December 2023 - $nil) for total payments of $0.3 million, net of transaction costs.

### Related Party Disclosures

In July 2020, the Company entered into a streaming 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 President & Chief Executive Officer, and Raymond Polman, a director of the Company, are each directors of First Mining and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Silver Stream Agreement.

With the exception of the agreement with First Mining, there were no significant transactions with related parties during the year ended December 31, 2024.

### Outstanding Share Data

As at February 19, 2025, the Company has 484,090,334 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 19, 2025:

| | |
|---|---|
| Stock options | 8,696,299 |
| Restricted share units (share-settled) | 1,984,388 |
| Deferred share units (share-settled) | 30,161 |
| Performance share units (share-settled) | 1,223,165 |
| **Total** | **11,934,013** |

On December 2, 2021, the Company issued an aggregate of $230 million principal amount of 0.375% unsecured convertible senior notes due January 15, 2027 (the "Notes"). The Notes may be converted by the holders, in whole or in part, at any time. The initial conversion rate for the Notes is 60.3865 common shares per $1,000 principal amount of 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).

## SUBSEQUENT EVENTS

The following significant events have occurred subsequent to December 31, 2024:

### Completion of the Acquisition of Gatos Silver Inc.

On January 16, 2025, the Company completed its acquisition of Gatos, and as a result, 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. In addition, the Merger Agreement provided for the issuance by First Majestic of options to purchase an aggregate of 8,242,244 First Majestic common shares in exchange for all existing Gatos options at exercise prices adjusted by the Exchange Ratio. All existing RSUs and DSUs of Gatos were settled on January 28, 2025 for an aggregate of 2,207,762 First Majestic common shares.

As a result of the Merger Gatos became a wholly owned subsidiary of the Company. Gatos is a silver dominant producer with a 70% interest in the Los Gatos Joint Venture, which owns the producing Cerro Los Gatos underground silver mine in Chihuahua, Mexico together with approximately 103,000 hectares of mineral rights. The Merger consolidates three world-class producing silver mining districts in Mexico under one corporation. Near-term precious metal production from the Cerro Los Gatos Mine is expected to meaningfully improve overall production by the Company, and the consolidated mines are expected to have a combined annual production of 27.8 – 31.2 million ounces of silver-equivalent in 2025, including 13.6 – 15.3 million ounces of silver and is expected to change First Majestic's average all-in sustaining costs to $19.89 to $21.27 per silver-equivalent ounce. The addition of Gatos' interest in Cerro Los Gatos Mine is also expected to result in an immediate contribution of annual free cash flow of approximately $70 million to the Company in 2025 which management of First Majestic anticipates will result in greater access to capital to fund further development and production.

Additional information regarding Gatos' business is included in First Majestic's management information circular dated December 6, 2024 and in Gatos' Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as amended by Amendment No. 1 to Gatos' Annual Report on Form 10-K for the fiscal year ended December 31, 2023, all of which are available under the Company's and Gatos' respective profiles at sedarplus.ca.

The Company has determined that this transaction represents a business combination with the Company identified as the acquirer. Based on the January 16, 2025 opening share price of the First Majestic's common shares, the total consideration of the acquisition is $1.07 billion. Since the transaction closed in January 2025 and Gatos' year-end financial information has not been finalized as of the date of this MD&A, the Company had insufficient time to complete the business combination accounting. As a result, the Company has not completed the initial allocation of the purchase price and has not disclosed the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed. The Company began consolidating the operating results, cash flows and net assets of Gatos from January 16, 2025 and will disclose the preliminary purchase price allocation in its unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2025.

### Declaration of Quarterly Dividend

On February 19, 2025, the Company's Board of Directors approved the declaration of its quarterly common share dividend of $0.0057 per share, payable on or after March 14, 2025, to common shareholders of record as at the close of business on February 28, 2025. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended December 31, 2024.

## ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

### Critical Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS 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.

### New and amended IFRS standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Classification of Liabilities as Current or Non-Current with Covenants (Amendments to IAS 1)

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

In addition, the amendment requires entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company's consolidated financial statements.

Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments require disclosures regarding the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk. Entities are required to disclose the following:

- The terms and conditions;
- The amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are reflected in the balance sheet;
- Ranges of payment due dates; and
- Liquidity risk information.

The amendments were applied effective January 1, 2024 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, 2024:

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.

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 are effective for annual reporting periods beginning on or after January 1, 2025, although earlier application is permitted. This amendment is not expected to have a material impact on the Company's consolidated financial statements.

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 Company is currently evaluating the impact of these amendments.

## 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. The terms IFRS 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, 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 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.

### 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 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.

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, 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** | **$25.34** | **$—** | **$20.34** |
| **Cash cost per Au ounce (B/E)** | **N/A** | **N/A** | **N/A** | **$—** | **N/A** |
| **AISC per Au ounce (C/E)** | **N/A** | **N/A** | **N/A** | **$—** | **N/A** |
| **Production cost per tonne (A/F)** | **$91.11** | **$149.49** | **$56.88** | **N/A** | **$96.63** |

| (expressed in thousands of U.S. Dollars, except ounce and per ounce amounts) | Three Months Ended December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Santa Elena | San Dimas | La Encantada | Jerritt Canyon | Consolidated |
| Mining cost | $11,762 | $16,413 | $3,941 | $— | $32,117 |
| Milling cost | 10,089 | 9,338 | 5,570 | — | 24,997 |
| Indirect cost | 5,565 | 13,767 | 3,682 | — | 23,011 |
| **Total production cost (A)** | **$27,413** | **$39,519** | **$13,192** | **$—** | **$80,124** |
| Add: transportation and other selling cost | 242 | 276 | 92 | — | 826 |
| Add: smelting and refining cost | 173 | 443 | 112 | — | 729 |
| Add: environmental duty and royalties cost | 3,068 | 422 | 201 | — | 3,691 |
| **Total cash cost (B)** | **$30,896** | **$40,660** | **$13,597** | **$—** | **$85,370** |
| Workers' participation | 905 | 4,017 | 73 | — | 4,995 |
| General and administrative expenses | — | — | — | — | 7,787 |
| Share-based payments | — | — | — | — | 2,466 |
| Accretion of decommissioning liabilities | 258 | 367 | 269 | — | 894 |
| Sustaining capital expenditures | 4,002 | 9,301 | 2,818 | — | 16,121 |
| Operating lease payments | 1,958 | 427 | 963 | — | 3,738 |
| **All-In Sustaining Costs (C)** | **$38,019** | **$54,772** | **$17,720** | **$—** | **$121,372** |
| **Payable silver equivalent ounces produced (D)** | **2,965,389** | **3,077,782** | **519,109** | **—** | **6,562,280** |
| **Payable gold ounces produced (E)** | **N/A** | **N/A** | **N/A** | **—** | **N/A** |
| **Tonnes milled (F)** | **233,601** | **215,232** | **203,898** | **—** | **652,731** |
| | | | | | |
| **Cash cost per AgEq ounce (B/D)** | **$10.42** | **$13.21** | **$26.19** | $— | **$13.01** |
| **AISC per AgEq ounce (C/D)** | **$12.82** | **$17.80** | **$34.14** | $— | **$18.50** |
| **Cash cost per Au ounce (B/E)** | **N/A** | **N/A** | **N/A** | $— | **N/A** |
| **AISC per Au ounce (C/E)** | **N/A** | **N/A** | **N/A** | $— | **N/A** |
| **Production cost per tonne (A/F)** | **$117.36** | **$183.61** | **$64.70** | N/A | **$122.76** |

| (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 | 91,385 |
| 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** |
| **Cash cost per Au ounce (B/E)** | **N/A** | **N/A** | **N/A** | **$1,441** | **N/A** |
| **AISC per Au ounce (C/E)** | **N/A** | **N/A** | **N/A** | **$1,441** | **N/A** |
| **Production cost per tonne (A/F)** | **$105.99** | **$176.33** | **$60.18** | **–** | **$111.03** |

| (expressed in thousands of U.S. Dollars, except ounce and per ounce amounts) | Year Ended December 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Santa Elena | San Dimas | La Encantada | Jerritt Canyon | Consolidated |
| Mining cost | $42,040 | $65,076 | $16,044 | $27,297 | $150,457 |
| Milling cost | 37,924 | 34,457 | 22,316 | 26,853 | 121,550 |
| Indirect cost | 21,958 | 55,262 | 14,536 | 5,252 | 97,008 |
| **Total production cost (A)** | **$101,919** | **$154,795** | **$52,896** | **$59,402** | **$369,012** |
| Add: transportation and other selling cost | 957 | 1,409 | 547 | 34 | 3,163 |
| Add: smelting and refining cost | 385 | 1,584 | 556 | 58 | 2,584 |
| Add: environmental duty and royalties cost | 9,769 | 1,452 | 825 | 834 | 12,880 |
| **Total cash cost (B)** | **$113,030** | **$159,240** | **$54,824** | **$60,328** | **$387,639** |
| Workers' participation | 2,767 | 15,116 | 1,014 | — | 18,897 |
| General and administrative expenses | — | — | — | — | 37,203 |
| Share-based payments | — | — | — | — | 13,177 |
| Accretion of decommissioning liabilities | 1,032 | 1,467 | 1,076 | 514 | 4,089 |
| Sustaining capital expenditures | 16,794 | 33,042 | 5,858 | 7,994 | 64,630 |
| Operating lease payments | 7,584 | 932 | 3,597 | — | 13,609 |
| **All-In Sustaining Costs (C)** | **$141,207** | **$209,797** | **$66,369** | **$68,836** | **$539,244** |
| **Payable silver equivalent ounces produced (D)** | **9,518,887** | **12,732,827** | **2,733,851** | **1,765,316** | **26,750,881** |
| **Payable gold ounces produced (E)** | **N/A** | **N/A** | **N/A** | **21,080** | **N/A** |
| **Tonnes milled (F)** | **882,592** | **875,345** | **966,392** | **177,643** | **2,901,972** |
| | | | | | |
| **Cash cost per AgEq ounce (B/D)** | **$11.87** | **$12.51** | **$20.05** | **$34.17** | **$14.49** |
| **AISC per AgEq ounce (C/D)** | **$14.83** | **$16.48** | **$24.28** | **$38.99** | **$20.16** |
| **Cash cost per Au ounce (B/E)** | **N/A** | **N/A** | **N/A** | **$2,862** | **N/A** |
| **AISC per Au ounce (C/E)** | **N/A** | **N/A** | **N/A** | **$3,262** | **N/A** |
| **Production cost per tonne (A/F)** | **$115.48** | **$176.84** | **$54.74** | **$334.39** | **$127.16** |

## 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 Sandstorm 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, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Revenues as reported** | **$172,337** | **$136,946** | **$560,604** | **$573,801** |
| Add back: smelting and refining charges | 1,003 | 730 | 3,027 | 2,584 |
| **Gross revenues** | **173,340** | **137,676** | **563,631** | **576,385** |
| Less: Sandstorm gold revenues | (12) | (11) | (23) | (518) |
| Less: Wheaton gold revenues | (4,452) | (6,604) | (18,247) | (26,499) |
| **Gross revenues, excluding Sandstorm, Wheaton (A)** | **$168,876** | **$131,061** | **$545,361** | **$549,368** |
| | | | | |
| Payable silver equivalent ounces sold | 6,079,727 | 6,295,250 | 21,745,706 | 27,205,471 |
| Less: Payable silver equivalent ounces sold to Sandstorm | (2,331) | (1,571) | (4,168) | (90,114) |
| Less: Payable silver equivalent ounces sold to Wheaton | (593,817) | (869,860) | (2,440,570) | (3,525,412) |
| **Payable silver equivalent ounces sold, excluding Sandstorm and Wheaton (B)** | **5,483,579** | **5,423,819** | **19,300,968** | **23,589,945** |
| | | | | |
| **Average realized silver price per silver equivalent ounce (A/B)** | **$30.80** | **$24.16** | **$28.26** | **$23.29** |
| Average market price per ounce of silver per COMEX | $28.29 | $23.25 | $27.49 | $23.39 |

## 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 Sandstorm 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, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Gross revenue, excluding Sandstorm, Wheaton** | **$168,875** | **$131,061** | **$545,361** | **$549,368** |
| Less: Silver revenues | (82,178) | (56,684) | (240,738) | (243,682) |
| **Gross gold revenues, excluding Sandstorm, Wheaton (A)** | **$86,697** | **$74,377** | **$304,624** | **$305,686** |
| | | | | |
| Gold ounces sold | 39,542 | 47,550 | 155,770 | 202,063 |
| Less: Gold ounces sold to Wheaton | (6,990) | (10,472) | (28,746) | (42,172) |
| Less: Gold ounces sold to Sandstorm | (26) | (22) | (47) | (1,094) |
| **Gold ounces sold, excluding Sandstorm and Wheaton (B)** | **32,526** | **37,056** | **126,977** | **158,797** |
| | | | | |
| **Average realized gold price per ounce (A/B)** | **$2,665** | **$2,007** | **$2,399** | **$1,925** |
| Average market price per ounce of gold | $2,390 | $1,927 | $2,319 | $1,943 |

## 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, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Operating cash flows** | **$81,654** | **$19,925** | **$151,970** | **$55,614** |
| Less: Sustaining capital expenditures | 13,248 | 16,121 | 44,854 | 64,630 |
| **Free cash flow** | **$68,406** | **$3,804** | **$107,116** | **($9,016)** |

### 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, 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, but rather should be evaluated in conjunction with such IFRS 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.

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, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| **Net (loss) earnings as reported** | **($13,478)** | **$10,231** | **($101,885)** | **($135,112)** |
| Adjustments for non-cash or unusual items: | | | | |
| Impairment of non-current assets | — | — | — | 125,200 |
| Deferred income tax expense (recovery) | 18,340 | (22,164) | 43,434 | (74,808) |
| Loss (gain) from investment in marketable securities | 184 | 21 | (21) | 1,640 |
| Loss on divestiture of mining interest | — | — | — | 3,024 |
| Share-based payments | 2,595 | 2,466 | 13,490 | 13,177 |
| Standby costs | — | — | — | 13,438 |
| Abnormal costs (1) | — | — | 1,759 | — |
| Restructuring costs | — | 455 | — | 6,883 |
| Write-down on assets held-for-sale | — | — | — | 7,229 |
| Write-down of mineral inventory | — | 659 | 1,465 | 15,500 |
| **Adjusted net earnings (loss)** | **$7,641** | **($8,332)** | **($41,758)** | **($23,829)** |
| Weighted average number of shares on issue - basic | 301,810,960 | 286,997,928 | 295,544,681 | 282,331,106 |
| **Adjusted EPS** | **$0.03** | **($0.03)** | **($0.14)** | **($0.08)** |

(1) Abnormal costs include $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 Company's 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 started using the financial measures "EBITDA" and "Adjusted EBITDA" in the third quarter of 2024, 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, 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, but rather should be evaluated in conjunction with such IFRS measure.

To calculate EBITDA, management adjusts from net earnings (GAAP) by adding back finances 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.

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, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Net (Loss) earnings as reported** | **($13,478)** | **$10,231** | **($101,885)** | **($135,112)** |
| Add back: | | | | |
| Finance costs | 6,783 | 6,592 | 28,060 | 26,280 |
| Depletion, depreciation and amortization | 35,048 | 30,012 | 125,492 | 127,819 |
| Income taxes | 33,630 | (13,394) | 75,431 | (60,803) |
| **EBITDA** | **61,983** | **33,441** | **127,098** | **(41,816)** |
| Adjustments for non-cash or unusual items: | | | | |
| Impairment of non-current assets | — | — | — | 125,200 |
| Loss (gain) from investment in marketable securities | 184 | 21 | (21) | 1,640 |
| Loss on divestiture of mining interest | — | — | — | 3,024 |
| Share-based payments | 2,595 | 2,466 | 13,490 | 13,177 |
| Standby costs | — | — | — | 13,438 |
| Abnormal costs (1) | — | — | 1,759 | — |
| Restructuring costs | — | 455 | — | 6,883 |
| Write-down on assets held-for-sale | — | — | — | 7,229 |
| Write-down of mineral inventory | — | 659 | 1,465 | 15,500 |
| **Adjusted EBITDA** | **$64,762** | **$37,042** | **$143,791** | **$144,275** |

(1) Abnormal costs include $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 Company's 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, 2024 | December 31, 2023 |
|---|---|---|
| Current Assets | $368,821 | $309,057 |
| Less: Current Liabilities | (144,307) | (120,138) |
| **Working Capital** | **$224,514** | **$188,919** |
| Available Undrawn Revolving Credit Facility | 139,640 | 124,640 |
| **Available Liquidity** | **$364,154** | **$313,559** |

## 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, 2024, 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 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 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, 2024. There have been no significant changes in our internal controls during the quarter ended December 31, 2024 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.

### Limitations of Controls and Procedures

The Company's management, including the President and CEO and CFO, believes 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; interpretation of drill results and other technical data; anticipated development, expansion, exploration activities and production rates and costs and mine plans and mine life; the results of the exploration efforts on the Navidad system at the Santa Elena property; the expected reduction of carbon emissions at San Dimas resulting from LNG generators; 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; construction and operations of the replacement well at La Encantada; statements with respect to water source development and water inventory levels at La Encantada; the timing of completion of exploration programs and drilling programs; the restarting of operations or potential plans at the Company's temporarily suspended and/or non-operating mines; the temporary suspension of processing activities at Jerritt Canyon; future exploration activities at the Jerritt Canyon Gold Mine 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, costs and expenditures, cost savings, allocation of capital, 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; the preparation of technical reports and completion of preliminary economic assessments; the repurchase of the Company's shares; viability of the Company's projects; potential metal recovery rates; sales of bullion direct to customers; payment of dividends; the impact of amendments to accounting policies; effectiveness of internal controls and procedures; the validity of the APA; statements with respect to the recovery of value added tax receivables and the tax regime in Mexico; the conduct or outcome of outstanding litigation, regulatory proceedings, negotiations or proceedings under NAFTA or other claims and the compliance by counterparties with judgments or decisions; any potential litigation resulting from the Demand Letters in connection with the Merger; 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 public health crises on the Company's operations, the global economy and the market for the Company's products; 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 are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, without limitation: 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, fluctuating commodity prices, fluctuating currency exchange rates, the possibility of project delays or cost overruns or unanticipated excessive operating costs and expenses, uncertainties related to the necessity of financing, the availability of and costs of financing needed in the future, uninsured risks, defects in title, availability and costs of materials and equipment, climate change events including, but not limited to, drought conditions, 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; and the insufficiency of the defendant's assets to satisfy the 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 of 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, 2024, is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.firstmajestic.com.

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Keith Neumeyer, certify that:

1. I have reviewed this annual report on Form 40-F of First Majestic Silver Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2025.

*/s/ Keith Neumeyer*
Keith Neumeyer
President & Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, David Soares, certify that:

1. I have reviewed this annual report on Form 40-F of First Majestic Silver Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 31, 2025.

*/s/ David Soares*
David Soares
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

**CERTIFICATION PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, Keith Neumeyer, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(a) the annual report on Form 40-F of First Majestic Silver Corp. for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) the information contained in the Form 40-F fairly presents, in all material respects, the financial condition and results of operations of First Majestic Silver Corp.

Date: March 31, 2025.

*/s/ Keith Neumeyer*
Keith Neumeyer
President & Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The undersigned, David Soares, hereby certifies, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(a) the annual report on Form 40-F of First Majestic Silver Corp. for the year ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
(b) the information contained in the Form 40-F fairly presents, in all material respects, the financial condition and results of operations of First Majestic Silver Corp.

Date: March 31, 2025.

*/s/ David Soares*
David Soares
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Ramon Mendoza Reyes, P.Eng., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., San Dimas Silver/Gold Mine, Durango and Sinaloa States, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020;

- Technical Report titled "First Majestic Silver Corp., Santa Elena Silver/Gold Mine, Sonora, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates", with an effective date of June 30, 2021; and

- Technical Report titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020

  (collectively, the "**Technical Reports**"),

and to references to the Technical Reports, or portions thereof, and to the inclusion and incorporation by reference of the information derived from the Technical Reports in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Ramon Mendoza Reyes*
Ramon Mendoza Reyes, P.Eng.

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Persio P. Rosario, P.Eng., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., San Dimas Silver/Gold Mine, Durango and Sinaloa States, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020;
- Technical Report titled "First Majestic Silver Corp., Santa Elena Silver/Gold Mine, Sonora, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates", with an effective date of June 30, 2021; and
- Technical Report titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020

(collectively, the "**Technical Reports**"),

and to references to the Technical Reports, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Reports in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Persio P. Rosario*
Persio P. Rosario, P.Eng.

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, María Elena Vázquez Jaimes, P.Geo., Geological Database Manager of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., San Dimas Silver/Gold Mine, Durango and Sinaloa States, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020;

- Technical Report titled "First Majestic Silver Corp., Santa Elena Silver/Gold Mine, Sonora, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates", with an effective date of June 30, 2021;

- Technical Report titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020; and

- Technical Report titled "Technical Report on the Jerritt Canyon Mine, Elko County, Nevada, USA" with an effective date of March 31, 2023

(collectively, the "**Technical Reports**"),

and to references to the Technical Reports, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Reports in the Annual Report and the Registration Statements.

Yours truly,

*/s/ María Elena Vázquez Jaimes*
Name: María Elena Vázquez Jaimes, P.Geo.
Title: Geological Database Manager

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

---

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Phillip J. Spurgeon, P.Geo., Senior Resource Geologist of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., Santa Elena Silver/Gold Mine, Sonora, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates", with an effective date of June 30, 2021 (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and Registration Statements.

Yours truly,

*/s/ Phillip J. Spurgeon*
Name: Phillip J. Spurgeon, P.Geo.
Title: Senior Resource Geologist

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Brian Boutilier, P.Eng., Principal Mine Planning Engineer of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020; (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Brian Boutilier*
Name Brian Boutilier, P.Eng.
Title Principal Mine Planning Engineer

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

---

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, David Rowe, CPG, Director of Mineral Resources of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., La Encantada Silver Mine, Coahuila, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020; and
- Technical Report titled "Technical Report on the Jerritt Canyon Mine, Elko County, Nevada, USA" with an effective date of March 31, 2023

(collectively, the "**Technical Reports**"),

and to references to the Technical Reports, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Reports in the Annual Report and the Registration Statements.

Yours truly,

*/s/ David Rowe*
Name: David Rowe, CPG
Title: Director of Mineral Development

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

---

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Joaquin Merino-Marquez, P.Geo., Geological Consultant of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "First Majestic Silver Corp., San Dimas Silver/Gold Mine, Durango and Sinaloa States, México, NI 43-101 Technical Report on Mineral Resource and Mineral Reserve Estimates" with an effective date of December 31, 2020 (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Joaquin Merino-Marquez*
Name: Joaquin Merino-Marquez, P.Geo.
Title: Geological Consultant

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

---

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Gonzalo Mercado, P.Geo., Vice-President, Exploration and Technical Services of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "Technical Report on the Jerritt Canyon Mine, Elko County, Nevada, USA" with an effective date of March 31, 2023 (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Gonzalo Mercado*

Name: Gonzalo Mercado, P.Geo.
Title: Vice-President, Exploration and Technical Services

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Michael Jarred Deal, RM SMEP, Vice-President, Metallurgy and Innovation of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "Technical Report on the Jerritt Canyon Mine, Elko County, Nevada, USA" with an effective date of March 31, 2023 (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Michael Jarred Deal*
Name: Michael Jarred Deal, RM SMEP
Title: Vice-President, Metallurgy and Innovation

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, David W. Wanner, P.E., Chief Project Engineer of Jerritt Canyon Gold, LLC, a wholly-owned subsidiary of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "Technical Report on the Jerritt Canyon Mine, Elko County, Nevada, USA" with an effective date of March 31, 2023 (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ David W. Wanner*
Name: David W. Wanner, P.E.
Title: Chief Project Engineer

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Andrew Pocock, P.Eng., Director, Reserves of First Majestic Silver Corp., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and Registration Statements.

Yours truly,

*/s/ Andrew Pocock*
Name: Andrew Pocock, P.Eng.
Title: Director, Reserves

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Stephan Blaho, P.Eng., PEO, Senior Principal Mining Engineer at WSP Canada Inc., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of part of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to any quotation from or summarization in the Annual Report and Registration Statements of the parts of the Technical Report Summary for which I am responsible.

Yours truly,

*/s/ Stephan Blaho*
Stephan Blaho, Mining Engineer PEO #90252719

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Matthew L. Fuller, L.E.G., P.Geo., Engineering Geologist at Tierra Group International Ltd., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Matthew L. Fuller*
Matthew L. Fuller, L.E.G., P.Geo.

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Dawn H. Garcia, PG, CPG, Senior Associate at Stanetc USA, hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Dawn H. Garcia*
Dawn H. Garcia, PG, CPG

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Adam Johnston, FAusIMM CP (Metallurgy), Chief Metallurgist at Transmin Metallurgical Consultants, hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to references to the Technical Report, or portions thereof, and in connection with reference to my involvement in the preparation of information relating to the Company's mineral properties in the Annual Report and Registration Statements, and to the inclusion and incorporation by reference of the information derived from the Technical Report in the Annual Report and the Registration Statements.

Yours truly,

*/s/ Adam Johnston*
Adam Johnston, FAusIMM CP (Metallurgy)

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Ibrahim Karajeh, P.Eng., PEO, PMP, Senior Principal Consultant at WSP Canada Inc., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of part of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to any quotation from or summarization in the Annual Report and Registration Statements of the parts of the Technical Report Summary for which I am responsible.

Yours truly,

*/s/ Ibrahim Karajeh*
Ibrahim Karajeh, Professional Engineer PEO #100050232; PMP

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, William Richard McBride, P.Eng., PEO, Senior Principal Mining Engineer at WSP Canada Inc., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of part of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to any quotation from or summarization in the Annual Report and Registration Statements of the parts of the Technical Report Summary for which I am responsible.

Yours truly,

*/s/ William Richard McBride*
William Richard McBride, Registered
Member PEO #29888013

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

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This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Mathew Oommen, Registered Member SME, Director of Mining Engineering at WSP USA Inc., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of part of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to any quotation from or summarization in the Annual Report and Registration Statements of the parts of the Technical Report Summary for which I am responsible.

Yours truly,

*/s/ Mathew Oommen*
Mathew Oommen, Registered Member SME (# 04023651)

March 31, 2025

VIA EDGAR

First Majestic Silver Corp.

Re: First Majestic Silver Corp. (the "**Company**")
Annual Report on Form 40-F
Consent of Expert

This letter is provided in connection with the Company's Annual Report on Form 40-F for the year ended December 31, 2024 (the "**Annual Report**") to be filed by the Company with the United States Securities and Exchange Commission (the "**SEC**"). The Annual Report incorporates by reference the Annual Information Form of the Company for the year ended December 31, 2024.

I, Ronald Turner, MAusIMM CP, Senior Resource Geologist at WSP Mining S.A., hereby consent to the use of my name in the Annual Report, and in the Registration Statement on Form F-10 (File No. 333-273734) and the Registration Statements on Form S-8 (File Nos. 333-258124 and 333-284314) of the Company (together, the "**Registration Statements**"), in connection with reference to my involvement in the preparation of part of the following:

- Technical Report titled "Mineral Resource and Mineral Reserve Update, Los Gatos Joint Venture, Chihuahua, Mexico" with an effective date of July 1, 2024; (the "**Technical Report**");

and to any quotation from or summarization in the Annual Report and Registration Statements of the parts of the Technical Report Summary for which I am responsible.

Yours truly,

*/s/ Ronald Turner*
Ronald Turner, MAusIMM CP (302538)

Deloitte.

Deloitte LLP
410 West Georgia Street
Vancouver BC V6B 0S7 Canada

Tel: 604-669-4466
Fax: 778-374-0496
www.deloitte.ca

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-273734 on Form F-10 and Registration Statement Nos. 333-258124 and 333-284314 on Form S-8 and to the use of our reports dated February 19, 2025 relating to the consolidated financial statements of First Majestic Silver Corp. (the "**Company**") and the effectiveness of the Company's internal control over financial reporting, appearing in this Annual Report on Form 40-F for the year ended December 31, 2024.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 31, 2025