FIRST MAJESTIC
SILVER CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

(UNAUDITED)

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 over Financial Reporting

The condensed interim consolidated financial statements of First Majestic Silver Corp. (the "Company") are the responsibility of the Company's management. The condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard 34, "*Interim Financial Reporting*", 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 condensed interim consolidated financial statements prior to their submission to the Board of Directors for approval.

The condensed interim consolidated financial statements have not been audited.

/s/ Keith Neumeyer	*/s/ David Soares*
Keith Neumeyer	David Soares, CPA, CA
President & CEO	Chief Financial Officer
May 7, 2024	May 7, 2024

TABLE OF CONTENTS

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed Interim Consolidated Financial Statements - Unaudited (In thousands of US dollars, except share and per share amounts)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

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

	Note	Three Months Ended March 31, 2024	2023
Revenues	5	**$106,014**	**$156,952**
Mine operating costs			
Cost of sales	6	80,489	123,868
Cost of sales - standby costs	6	—	5,078
Depletion, depreciation and amortization		25,846	34,429
		106,335	**163,375**
Mine operating loss		**(321)**	**(6,423)**
General and administrative expenses	7	9,240	8,448
Share-based payments		4,542	4,629
Mine holding costs	8	6,297	3,789
Impairment of non-current asset	18	—	125,200
Loss on sale of mining interest	14	—	1,378
Foreign exchange gain		(1,157)	(5,643)
Operating loss		**(19,243)**	**(144,224)**
Investment and other income	9	(358)	3,225
Finance costs	10	(7,084)	(5,623)
Loss before income taxes		**(26,685)**	**(146,622)**
Income taxes			
Current income tax (recovery) expense		(2,346)	65
Deferred income tax recovery		(10,776)	(46,027)
		(13,122)	(45,962)
Net loss for the period		**($13,563)**	**($100,660)**
Loss per common share			
Basic	11	**($0.05)**	**($0.37)**
Diluted	11	**($0.05)**	**($0.37)**
Weighted average shares outstanding			
Basic	11	**287,210,710**	**274,220,112**
Diluted	11	**287,210,710**	**274,220,112**

Approved and authorized by the Board of Directors for issuance on May 7, 2024

/s/ Keith Neumeyer
Keith Neumeyer, Director

/s/ Colette Rustad
Colette Rustad, Director

The accompanying notes are an integral part of the condensed interim consolidated financial statements

Condensed Interim Consolidated Financial Statements - Unaudited (In thousands of US dollars, except share and per share amounts)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

The Condensed Interim 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	Three Months Ended March 31,	
		2024	**2023**
Net loss for the period		**($13,563)**	**($100,660)**
Other comprehensive (loss) income			
Items that will not be subsequently reclassified to net loss:			
Unrealized (loss) gain on fair value of investments in marketable securities, net of tax	13(b)	(6,800)	2,479
Realized loss on investments in marketable securities, net of tax	13(b)	(325)	—
Other comprehensive (loss) income		(7,125)	2,479
Total comprehensive loss		**($20,688)**	**($98,181)**

The accompanying notes are an integral part of the condensed interim consolidated financial statements

Condensed Interim Consolidated Financial Statements - Unaudited (In thousands of US dollars)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

The Condensed Interim 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.

		Three Months Ended March 31,	
	Note	**2024**	**2023**
Operating Activities			
Net loss for the period		($13,563)	($100,660)
Adjustments for:			
Depletion, depreciation and amortization		26,214	34,819
Share-based payments		3,901	4,253
Income tax recovery		(13,122)	(45,962)
Finance costs	10	7,084	5,623
Unrealized loss (gain) from marketable securities and silver futures derivatives		1,114	(2,217)
Loss on sale of mining interest	14	—	1,378
Impairment of non-current asset	18	—	125,200
Other		985	(579)
Operating cash flows before non-cash working capital and taxes		**12,613**	**21,855**
Net change in non-cash working capital items	25	3,393	(10,445)
Income taxes paid		(3,572)	(16,080)
Cash generated by (used in) operating activities		**12,434**	**(4,670)**
Investing Activities			
Expenditures on mining interests		(21,976)	(40,977)
Acquisition of property, plant and equipment		(8,550)	(8,472)
Deposits paid for acquisition of non-current assets		(466)	(2,848)
Other	25	2,840	—
Cash (used in) investing activities		**(28,152)**	**(52,297)**
Financing Activities			
Proceeds from prospectus offering, net of share issue costs	23(a)	—	14,392
Proceeds from exercise of stock options		—	318
Repayment of lease liabilities	22	(3,895)	(3,426)
Finance costs paid		(2,404)	(1,374)
Dividends declared and paid	23(g)	(1,379)	(1,480)
Cash (used in) provided by financing activities		**(7,678)**	**8,430**
Effect of exchange rate on cash and cash equivalents held in foreign currencies		(116)	1,873
Decrease in cash and cash equivalents		**(23,396)**	**(48,537)**
Cash and cash equivalents, beginning of the period		125,581	151,438
Cash and cash equivalents, end of the period		**$102,069**	**$104,774**
Supplemental cash flow information	25		

The accompanying notes are an integral part of the condensed interim consolidated financial statements

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2024 AND DECEMBER 31, 2023

Condensed Interim Consolidated Financial Statements - Unaudited (In thousands of US dollars)

The Condensed Interim 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	March 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		$102,069	$125,581
Trade and other receivables		7,610	10,099
Value added taxes receivable	24(c)	39,316	38,587
Income taxes receivable		960	—
Inventories	12	67,688	63,690
Other financial assets	13	51,939	62,380
Prepaid expenses and other		9,831	8,720
Total current assets		**279,413**	**309,057**
Non-current assets			
Mining interests	15	1,008,620	998,835
Property, plant and equipment	16	400,288	406,294
Right-of-use assets	17	25,729	27,284
Deposits on non-current assets		6,536	6,430
Non-current restricted cash	19	127,236	125,573
Non-current value added taxes receivable	24(c)	13,555	14,150
Deferred tax assets		94,331	88,732
Total assets		**$1,955,708**	**$1,976,355**
Liabilities and Equity			
Current liabilities			
Trade and other payables	20	$98,076	$94,413
Unearned revenue	5	3,625	2,301
Current portion of debt facilities	21	599	832
Current portion of lease liabilities	22	17,562	17,370
Income taxes payable		—	5,222
Total current liabilities		**119,862**	**120,138**
Non-current liabilities			
Debt facilities	21	221,372	218,980
Lease liabilities	22	16,844	19,332
Decommissioning liabilities		153,836	151,564
Other liabilities		6,081	5,592
Non-current income taxes payable		23,919	23,612
Deferred tax liabilities		73,840	79,017
Total liabilities		**$615,754**	**$618,235**
Equity			
Share capital		1,880,993	1,879,971
Equity reserves		83,779	88,025
Accumulated deficit		(624,818)	(609,876)
Total equity		**$1,339,954**	**$1,358,120**
Total liabilities and equity		**$1,955,708**	**$1,976,355**

Commitments (Note 24); Contingencies (Note 26); Subsequent event (Note 27)

The accompanying notes are an integral part of the condensed interim consolidated financial statements

Condensed Interim Consolidated Financial Statements - Unaudited (In thousands of US dollars, except share and per share amounts)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023

The Condensed Interim 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	—	—	—	—	—	—	(100,660)	(100,660)
Other comprehensive income	—	—	—	2,479	—	2,479	—	2,479
Total comprehensive loss	**—**	**—**	**—**	**2,479**	**—**	**2,479**	**(100,660)**	**(98,181)**
Share-based payments	—	—	4,253	—	—	4,253	—	4,253
Shares issued for:								
Prospectus offerings (Note 23(a))	1,719,634	14,392	—	—	—	—	—	14,392
Exercise of stock options (Note 23(b))	50,000	478	(160)	—	—	(160)	—	318
Settlement of restricted and deferred share units (Note 23(c) and 23(e))	144,085	1,585	(1,585)	—	—	(1,585)	—	—
Dividend declared and paid (Note 23(g))	—	—	—	—	—	—	(1,480)	(1,480)
Balance at March 31, 2023	**274,491,698**	**$1,797,735**	**$113,403**	**($13,447)**	**$3,945**	**$103,901**	**($571,036)**	**$1,330,600**
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	—	—	—	—	—	—	(13,563)	(13,563)
Other comprehensive loss	—	—	—	(7,125)	—	(7,125)	—	(7,125)
Total comprehensive loss	**—**	**—**	**—**	**(7,125)**	**—**	**(7,125)**	**(13,563)**	**(20,688)**
Share-based payments	—	—	3,901	—	—	3,901	—	3,901
Shares issued for:								
Settlement of restricted, preferred, and deferred share units (Note 23(c), 23(d), and 23(e))	99,470	1,022	(1,022)	—	—	(1,022)	—	—
Dividend declared and paid (Note 23(g))	—	—	—	—	—	—	(1,379)	(1,379)
Balance at March 31, 2024	**287,246,185**	**$1,880,993**	**$122,183**	**($42,349)**	**$3,945**	**$83,779**	**($624,818)**	**$1,339,954**

(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 condensed interim 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 San Dimas Silver/Gold Mine, the Santa Elena 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").

First Majestic is incorporated in the Province of British Columbia, Canada, and is publicly listed on the New York Stock Exchange under the symbol “AG”, on the Toronto Stock Exchange under the symbol “FR” 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 condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *“Interim Financial Reporting”* of the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements as at and for the year ended December 31, 2023 as some disclosures from the annual consolidated financial statements have been condensed or omitted.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain items that are measured at fair value including derivative financial instruments (Note 24) and marketable securities (Note 13). All dollar amounts presented are in thousands of United States dollars unless otherwise specified.

These condensed interim 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. Intercompany balances, transactions, income and expenses are eliminated on consolidation.

These condensed interim consolidated financial statements were prepared using accounting policies consistent with those in the audited consolidated financial statements as at and for the year ended December 31, 2023 except as outlined in Note 3.

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 unaudited condensed interim consolidated financial statements. In addition, the preparation of the financial data requires that the Company’s management 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.

In preparing the Company’s unaudited condensed interim consolidated financial statements for the three months ended March 31, 2024, the Company applied the accounting policies, critical judgments and estimates disclosed in Note 3 of its audited consolidated financial statements for the year ended December 31, 2023 and the following accounting policies, critical judgments and estimates in applying accounting policies:

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS (continued)

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 disclosure requirements 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 in the Current Period

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.

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 three months ended March 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 a significant 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 has been 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.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

4. SEGMENTED INFORMATION (continued)

Significant information relating to the Company's reportable operating segments is summarized in the tables below:

Three Months Ended March 31, 2024 and 2023		Revenue	Cost of sales	Depletion, depreciation, and amortization	Mine operating earnings (loss)	Capital expenditures
Mexico						
San Dimas	**2024**	**$43,289**	**$39,988**	**$11,019**	**($7,718)**	**$12,291**
	2023	61,260	39,635	12,764	8,861	11,893
Santa Elena[1]	**2024**	**52,281**	**27,403**	**9,274**	**15,604**	**11,790**
	2023	49,016	27,227	8,871	12,918	13,536
La Encantada	**2024**	**10,130**	**12,799**	**3,233**	**(5,902)**	**1,828**
	2023	18,761	13,372	3,025	2,364	1,851
Non-producing Properties	**2024**	**—**	**—**	**39**	**(39)**	**309**
	2023	—	—	85	(85)	225
United States						
Jerritt Canyon[1][3]	**2024**	**—**	**12**	**1,573**	**(1,585)**	**1,097**
	2023	24,109	46,489	8,952	(31,332)	18,765
First Mint[2]	**2024**	**986**	**800**	**69**	**117**	**—**
	2023	3,806	2,161	—	1,645	—
Others	**2024**	**—**	**73**	**639**	**(712)**	**858**
	2023	—	62	732	(794)	384
Intercompany elimination	**2024**	**(672)**	**(586)**	**—**	**(86)**	**—**
	2023	—	—	—	—	—
Consolidated	**2024**	**$106,014**	**$80,489**	**$25,846**	**($321)**	**$28,171**
	2023	**$156,952**	**$128,946**	**$34,429**	**($6,423)**	**$46,654**

(1) Santa Elena and Jerritt Canyon have incurred mine holding costs related to care and maintenance and temporary suspension activities (Note 8).

(2) 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 $1.0 million (2023 - $3.8 million) through the sale of 36,959 silver ounces (2023 - 151,486) at an average price of $26.71 per ounce (2023 - $25.13). Prior period information relating to First Mint was previously shown within the "Others" segment. First Mint commenced commissioning in March and was focused on research and development, streamlining production and implementing fulfillment processes during the quarter.

(3) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed in Q1 2024 resulted in the production of 647 ounces.

During the three months ended March 31, 2024, the Company had two (March 31, 2023 - three) customers that accounted for 99% (March 31, 2023 - 98%) of its sales revenue, with one major metal broker accounting for 94% of total revenue (March 31, 2023 - 93%).

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

4. SEGMENTED INFORMATION (continued)

At March 31, 2024 and December 31, 2023		Mining Interests		Property, plant and equipment	Total mining assets	Total assets	Total liabilities
		Producing	Exploration				
Mexico							
San Dimas	**2024**	**$227,112**	**$28,921**	**$96,047**	**$352,080**	**$585,422**	**$91,346**
	2023	227,942	24,696	97,112	349,750	581,639	89,280
Santa Elena	**2024**	**126,279**	**52,490**	**98,653**	**277,422**	**362,801**	**90,204**
	2023	123,123	50,483	98,513	272,119	363,460	98,100
La Encantada	**2024**	**23,582**	**3,051**	**29,439**	**56,072**	**109,781**	**26,293**
	2023	22,181	4,461	30,015	56,657	112,310	26,702
Non-producing Properties	**2024**	**62,566**	**14,643**	**17,395**	**94,604**	**142,978**	**15,844**
	2023	62,566	14,404	17,611	94,581	141,841	17,794
United States							
Jerritt Canyon	**2024**	**350,504**	**83,527**	**132,062**	**566,093**	**598,036**	**142,856**
	2023	350,504	82,645	133,971	567,120	600,101	150,958
First Mint	**2024**	**—**	**—**	**3,114**	**3,114**	**13,728**	**1,628**
	2023	—	—	1,830	1,830	12,145	1,723
Others	**2024**	**—**	**35,945**	**23,578**	**59,523**	**142,962**	**247,583**
	2023	—	35,830	27,242	63,072	164,859	233,678
Consolidated	**2024**	**$790,043**	**$218,577**	**$400,288**	**$1,408,908**	**$1,955,708**	**$615,754**
	2023	**$786,316**	**$212,519**	**$406,294**	**$1,405,129**	**$1,976,355**	**$618,235**

Condensed Interim Consolidated Financial Statements - Unaudited (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 of 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:

	Three Months Ended March 31,			
	2024		2023	
Gross revenue from payable metals:				
Silver	$45,627	43%	$61,065	39%
Gold	60,932	57%	96,537	61%
Gross revenue	**106,559**	**100%**	**157,602**	**100%**
Less: smelting and refining costs	(545)		(650)	
Revenues	**$106,014**		**$156,952**	

As at March 31, 2024, the Company had $3.6 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 three months ended March 31, 2024, the Company delivered nil ounces (March 31, 2023 - 856 ounces) of gold to Sandstorm at an average price of $nil per ounce (March 31, 2023 - $473 per ounce).

(b) Net Smelter Royalty

The Santa Elena mine has a net smelter royalty ("NSR") agreement with Orogen Royalties Inc. that requires a 2% NSR from the production of the Ermitaño property. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR from the sale of mineral products extracted from the Ermitaño property. For the three months ended March 31, 2024, the Company has incurred $2.1 million (March 31, 2023 - $1.9 million) in NSR payments from the production of Ermitaño.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited ("Metalla"). The agreement requires a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the three months ended March 31, 2024, the Company has incurred $0.2 million (March 31, 2023 - $0.3 million) in NSR 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 March 31, 2024, was 70:1.

During the three months ended March 31, 2024, the Company delivered 7,933 ounces (March 31, 2023 - 10,651 ounces) of gold to WPMI at $631 per ounce (March 31, 2023 - $624 per ounce).

Condensed Interim Consolidated Financial Statements - Unaudited (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:

	Three Months Ended March 31,	
	2024	2023
Labour costs	40,844	66,245
Consumables and materials	19,453	29,715
Energy	8,966	13,916
Maintenance	1,616	1,798
Assays and labwork	804	1,070
Insurance	686	1,438
Other costs[1]	3,111	(3,620)
Production costs	**$75,480**	**$110,562**
Transportation and other selling costs	557	935
Workers' participation costs	4,337	4,504
Environmental duties and royalties	2,860	3,194
Finished goods inventory changes	(2,745)	4,673
Cost of Sales	**$80,489**	**$123,868**
Cost of Sales - Standby Costs[2]	**$—**	**$5,078**

(1) Other costs include inventory write-downs, stockpile and work-in-process inventory changes, land access payments as well as services related to travel and medical testing. The inventory write-downs during the three months ended March 31, 2024 totaled $1.2 million and are related to La Encantada (March 31, 2023 - write-down of inventory at Jerritt Canyon of $10.5 million).

(2) Cost of sales for the three months ended March 31, 2023 included one-time standby costs of $5.1 million primarily related to direct severance and demobilization costs at the Jerritt Canyon mine following the temporary suspension announced on March 20, 2023.

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:

	Three Months Ended March 31,	
	2024	2023
Corporate administration	$2,278	$2,030
Salaries and benefits	4,447	4,023
Audit, legal and professional fees	1,833	1,674
Filing and listing fees	140	145
Directors' fees and expenses	174	186
Depreciation	368	390
	$9,240	**$8,448**

Condensed Interim Consolidated Financial Statements - Unaudited (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:

	Three Months Ended March 31,	
	2024	**2023**
La Parrilla(1)	$—	$1,205
Del Toro	638	656
San Martin	207	639
La Guitarra(1)	—	514
Santa Elena(2)	1,082	775
Jerritt Canyon	4,370	—
	$6,297	**$3,789**

(1) The La Guitarra and the La Parrilla mines, previously classified as assets held-for-sale, 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 three months ended March 31, 2024, the Company has incurred $1.1 million (March 31, 2023 - $0.8 million) in holding costs relating to care and maintenance charges for the Santa Elena mine.

9. INVESTMENT AND OTHER INCOME (LOSS)

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

	Three Months Ended March 31,	
	2024	**2023**
(Loss) gain from investment in silver futures derivatives	($971)	$3,000
Loss from investment in marketable securities (Note 13(a))	(143)	(784)
Interest income and other	756	1,009
	($358)	**$3,225**

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:

	Three Months Ended March 31,	
	2024	**2023**
Debt facilities(1) (Note 21)	$3,407	$2,906
Accretion of decommissioning liabilities	2,403	1,742
Lease liabilities (Note 22)	631	585
Interest and other	643	390
	$7,084	**$5,623**

(1) During the three months ended March 31, 2024, finance costs for debt facilities includes non-cash accretion expense of $2.5 million (March 31, 2023 - $2.2 million).

Condensed Interim Consolidated Financial Statements - Unaudited (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 March 31, 2024 and 2023 are as follows:

	Three Months Ended March 31,	
	2024	**2023**
Net loss for the period	($13,563)	($100,660)
Weighted average number of shares on issue - basic	287,210,710	274,220,112
Weighted average number of shares on issue - diluted[(1)]	**287,210,710**	**274,220,112**
Loss per share - basic and diluted	**($0.05)**	**($0.37)**

(1) For the three months ended March 31, 2024, diluted weighted average number of shares excluded 7,563,943 (March 31, 2023 - 6,216,227) options, 5,000,000 (March 31, 2023 - 5,000,000) warrants, 2,733,835 restricted and performance share units (March 31, 2023 - 1,985,427) and 13,888,895 common shares issuable under the 2021 convertible debentures (March 31, 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.

	March 31, 2024	December 31, 2023
Finished goods - doré	$6,980	$3,529
Work-in-process	6,394	7,542
Stockpile	7,418	5,055
Silver coins and bullion	8,497	8,360
Materials and supplies	38,399	39,204
	$67,688	**$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 March 31, 2024, mineral inventories, which consist of stockpile, work-in-process and finished goods includes a $1.2 million write down, which was recorded during the three months ended March 31, 2024 (December 2023 - $0.7 million) and was recognized in cost of sales (Note 6).

13. OTHER FINANCIAL ASSETS

As at March 31, 2024, other financial assets consists of the Company's investment in marketable securities comprised of the following:

	March 31, 2024	December 31, 2023
FVTPL marketable securities (a)	$3,577	$6,279
FVTOCI marketable securities (b)	48,362	56,101
Total other financial assets	**$51,939**	**$62,380**

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

Loss on marketable securities designated as FVTPL for the three ended March 31, 2024 was $0.1 million (March 31, 2023 - loss of $0.8 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 three months ended March 31, 2024 was a loss of $7.1 million (March 31, 2023 - gain of $2.5 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 March 31, 2024, the carrying value of all shares designated at FVTOCI was $48.4 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 Silver Storm Mining Ltd. (formerly Golden Tag Resources 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 sale 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 asset 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.

From 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 with the remaining $2.1 million 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).

Condensed Interim Consolidated Financial Statements - Unaudited (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 asset is no longer classified as held-for-sale, with the assets and liabilities 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 asset is no longer classified as held-for-sale, with the asset 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).

Condensed Interim Consolidated Financial Statements - Unaudited (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:

	March 31, 2024	December 31, 2023
Depletable properties	$790,043	$786,316
Non-depletable properties (exploration and evaluation costs, exploration potential)	218,577	212,519
	$1,008,620	**$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	6,494	5,895	888	—	—	13,277
Transfer from non-depletable properties	—	2,179	1,702	—	—	3,881
At March 31, 2024	**$371,966**	**$191,197**	**$131,469**	**$486,665**	**$212,990**	**$1,394,287**
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	(7,324)	(4,918)	(1,189)	—	—	(13,431)
At March 31, 2024	**($144,854)**	**($64,918)**	**($107,887)**	**($136,161)**	**($150,424)**	**($604,244)**
Carrying values						
At December 31, 2023	**$227,942**	**$123,123**	**$22,181**	**$350,504**	**$62,566**	**$786,316**
At March 31, 2024	**$227,112**	**$126,279**	**$23,582**	**$350,504**	**$62,566**	**$790,043**

(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).

Condensed Interim Consolidated Financial Statements - Unaudited (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 14)	—	—	—	(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	4,225	4,186	292	882	239	115	—	9,939
Transfer to depletable properties	—	(2,179)	(1,702)	—	—	—	—	(3,881)
At March 31, 2024	**$28,921**	**$52,490**	**$3,051**	**$83,527**	**$14,643**	**$24,087**	**$11,856**	**$218,577**

(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.

(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 March 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 royalty ("NSR") agreement with Orogen Royalties Inc. that requires a 2% NSR from the production of the Ermitaño property. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR from the sale of mineral products extracted from the Ermitaño property. During the three months ended March 31, 2024, the Company has incurred $2.1 million (March 31, 2023 - $1.9 million) in NSR payments from the production of 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 three months ended March 31, 2024, the Company has incurred $0.2 million (March 31, 2023 - $0.3 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.

As at March 31, 2024, total NSR royalty outstanding was $nil (March 31, 2023 - $0.5 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 ("Springpole Silver Stream"), a development stage mining 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 over a period of five years. 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 $0.40 to $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 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.

Condensed Interim Consolidated Financial Statements - Unaudited (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	391	481	4,055	28	4,955
Transfers and disposals	6,709	4,011	(11,276)	346	(210)
At March 31, 2024	**$252,360**	**$645,521**	**$41,517**	**$38,819**	**$978,217**
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	(3,523)	(6,559)	—	(739)	(10,821)
Transfers and disposals	—	70	—	—	70
At March 31, 2024	**($161,149)**	**($388,628)**	**$—**	**($28,152)**	**($577,929)**
Carrying values					
At December 31, 2023	**$87,634**	**$258,890**	**$48,738**	**$11,032**	**$406,294**
At March 31, 2024	**$91,211**	**$256,893**	**$41,517**	**$10,667**	**$400,288**

(1) Included in land and buildings is $10.4 million (2023 - $10.4 million) 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.

Condensed Interim Consolidated Financial Statements - Unaudited (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]	1,571	1,708	648	214	69	745	4,955
Transfers and disposals	1,222	1,764	262	(549)	(538)	(2,371)	(210)
At March 31, 2024	**$186,164**	**$183,600**	**$169,646**	**$216,333**	**$163,029**	**$59,445**	**$978,217**
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	(3,604)	(3,819)	(1,456)	(1,574)	(26)	(342)	(10,821)
Transfers and disposals	(254)	487	(30)	—	279	(412)	70
At March 31, 2024	**($90,117)**	**($84,947)**	**($140,207)**	**($84,271)**	**($145,634)**	**($32,753)**	**($577,929)**
Carrying values							
At December 31, 2023	**$97,112**	**$98,513**	**$30,015**	**$133,971**	**$17,611**	**$29,072**	**$406,294**
At March 31, 2024	**$96,047**	**$98,653**	**$29,439**	**$132,062**	**$17,395**	**$26,692**	**$400,288**

(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.

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

(3) Included in "Other" is property, plant and equipment of $3.1 million (2023 - $1.8 million) for First Mint which includes the Company's bullion store and its minting facility located in Nevada.

Condensed Interim Consolidated Financial Statements - Unaudited (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	—	1,237	—	1,237
Remeasurements	124	4	—	128
Depreciation and amortization	(496)	(2,424)	—	(2,920)
At March 31, 2024	**$8,151**	**$17,578**	**$—**	**$25,729**

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.

Condensed Interim Consolidated Financial Statements - Unaudited (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:

	Three Months Ended March 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**

At March 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 three months ended March 31, 2024 (March 31, 2023 - $125.2 million impairment).

The impairment charge recognized for the three months ended March 31, 2023 with respect to the Jerritt Canyon operating segment, which was recorded during the first quarter of 2023, was allocated as follows:

	Three Months Ended March 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**

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

19. RESTRICTED CASH

Restricted cash is comprised of the following:

	March 31, 2024	December 31, 2023
Nevada Division of Environmental Protection(1)	$18,620	$18,408
SAT Primero tax dispute(2)	108,616	107,165
Non-Current Restricted Cash	**$127,236**	**$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 26), 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 March 31, 2024 was $108.6 million (1,811 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:

	March 31, 2024	December 31, 2023
Trade payables	$27,562	$31,863
Trade related accruals	19,259	16,302
Payroll and related benefits	40,224	35,331
Restructuring obligations	1,281	1,456
NSR royalty liabilities (Notes 15(b)(c))	2,263	2,850
Environmental duty and net mineral sales proceeds tax	3,618	3,023
Other accrued liabilities	3,869	3,588
	$98,076	**$94,413**

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

21. DEBT FACILITIES

The movement in debt facilities during the three months ended March 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	182	833	1,015
Accretion	2,392	—	2,392
Repayments of finance costs	(431)	(817)	(1,248)
Balance at March 31, 2024	**$201,549**	**$20,422**	**$221,971**

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	$177	$422	$599
Non-current portion of debt facilities	201,372	20,000	221,372
Balance at March 31, 2024	**$201,549**	**$20,422**	**$221,971**

(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 29, 2023, 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, and Toronto Dominion Bank (the "syndicate") by extending the maturity date from March 31, 2025 to June 29, 2026, increasing the credit limit from $100.0 million to $175.0 million, and adding National Bank of Canada to the syndicate. Interest on the drawn balance will accrue at the Secured Overnight Financing Rate ("SOFR") plus an applicable range of 2.25% to 3.5% 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 March 31, 2024, the applicable rates were 2.750% and 0.688% per annum, respectively.

21. DEBT FACILITIES (continued)

(b) Revolving Credit Facility (continued)

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 leverage ratio based on net indebtedness to rolling four quarters adjusted EBITDA of not more than 3.00 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. The syndicate agreed to waive the leverage ratio covenant requirement for the period ended March 31, 2024. Therefore, as at March 31, 2024, the Company was in compliance with all of its debt covenants.

At March 31, 2024, the Company had letters of credit outstanding in the amount of $30.4 million (December 2023 - $30.4 million) as part of ongoing reclamation and mine closure obligations. As at March 31, 2024 the undrawn portion of the Revolving Credit Facility net of the letters of credit and drawdowns is $124.6 million (December 2023 - $124.6 million).

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.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

22. LEASE LIABILITIES (continued)

The movement in lease liabilities during the periods ended March 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	—	1,237	1,237
Remeasurements	—	128	128
Finance costs	76	555	631
Repayment of principal	(785)	(3,110)	(3,895)
Repayments of finance costs	(76)	(437)	(513)
Foreign Exchange	—	116	116
Balance at March 31, 2024	**$3,886**	**$30,520**	**$34,406**
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	$2,790	$14,772	$17,562
Non-current portion of lease liabilities	1,096	15,748	16,844
Balance at March 31, 2024	**$3,886**	**$30,520**	**$34,406**

(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 11.4% per annum.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

23. 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.

	Three Months Ended March 31, 2024		Three Months Ended March 31, 2023	
	Number of Shares	Net Proceeds	Number of Shares	Net Proceeds
ATM program	—	$—	1,719,634	$14,392

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 is to be made through "at-the-market distributions" ("ATM"), as defined in National Instrument 44-102 Shelf Distributions, directly on the New York Stock Exchange. During the three months ended March 31, 2023, the Company sold 1,719,634 common shares under the 2022 ATM program 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 three months ended March 31, 2024, no shares were sold under the 2022 ATM program. At March 31, 2024, the Company incurred $nil million (2023 - $0.6 million) in transaction costs in relation to the 2022 ATM.

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 will allow 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.

(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 March 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	2,996,262	8.32	7.48	1,278,000	8.71	4.91
10.01 - 15.00	3,157,820	12.78	7.65	1,941,532	13.20	7.17
15.01 - 20.00	888,982	16.42	6.65	785,632	16.36	6.58
20.01 - 250.00	438,500	21.61	7.17	400,100	21.59	7.17
	7,481,564	11.94	7.43	4,405,264	13.22	6.41

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

23. SHARE CAPITAL (continued)

(b) Stock options (continued)

The movements in Options issued for the three months ended March 31, 2024 and year ended December 31, 2023 are summarized as follows:

	Three Months Ended March 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	596,614	7.98	1,881,297	9.15
Exercised	—	—	(337,500)	8.42
Cancelled or expired	(481,302)	12.74	(1,453,289)	13.51
Balance, end of the period	7,481,564	11.95	7,366,252	12.32

During the three months ended March 31, 2024, the aggregate fair value of Options granted was $1.7 million (December 31, 2023 - $6.1 million), or a weighted average fair value of $2.83 per Option granted (December 31, 2023 - $3.23).

During the three months ended March 31, 2024, total share-based payments expense related to Options was $1.6 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	Three Months Ended March 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	3.46	3.80
Expected life (years)	Weighted average life of previously transacted awards	4.11	4.06
Expected volatility (%)	Historical volatility of the Company's stock	59.45	59.05
Expected dividend yield (%)	Annualized dividend rate as of the date of grant	0.33%	0.35%

The weighted average closing price of the Company's common shares at date of exercise for the three months ended March 31, 2024 was $nil as there were no Options exercised (December 31, 2023 - CAD$9.78).

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

23. 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 three months ended March 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 RSU's may only be settled in cash resulting in a total expense of $0.2 million (2023 - $nil million). As at March 31, 2024, there were a total of 264,280 RSU's outstanding that may only be settled in cash, with a total liability of $0.2 million (2023 - $nil million).

The following table summarizes the changes in RSUs intended to be settled in equity for the three months ended March 31, 2024 and the year ended December 31, 2023:

	Three Months Ended March 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	880,889	11.91	652,339	14.35
Granted	863,050	7.96	768,066	10.90
Settled	(74,353)	12.94	(273,515)	14.74
Forfeited	(5,653)	8.84	(266,001)	12.05
Outstanding, end of the period	1,663,933	9.83	880,889	11.92

During the three months ended March 31, 2024, total share-based payments expense for RSUs that the Company intends to settle in equity was $1.6 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 three months ended March 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 $0.01 million (2023 - $nil million). As at March 31, 2024, there were a total of 30,430 PSU's outstanding that may only be settled in cash, with a total liability of $0.01 million (2023 - $nil million).

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

23. 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 three months ended March 31, 2024 and the year ended December 31, 2023:

	Three Months Ended March 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	(14,100)	17.08	(38,087)	15.47
Forfeited	(51,050)	17.08	(196,252)	13.69
Outstanding, end of the period	1,030,318	10.36	624,968	12.86

During the three months ended March 31, 2024, total share-based payments expense related to PSUs that the Company intends to settle in equity was $0.6 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 three months ended March 31, 2024 and the year ended December 31, 2023:

	Three Months Ended March 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	(11,017)	15.43	—	—
Outstanding, end of the period	39,584	15.94	50,601	15.83

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

23. SHARE CAPITAL (continued)

(e) Deferred Share Units (continued)

On March 23, 2022, a new 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 DSU's granted to directors for the three months ended March 31, 2024 and the year ended December 31, 2023 under the 2022 DSU plan:

	Three Months Ended March 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	(18,186)	9.03	—	—
Outstanding, end of the period	119,330	9.38	62,332	10.97

During the three months ended March 31, 2024, total share-based payments expense related to DSU's under the 2022 DSU plan was $0.6 million (year ended December 31, 2023 - $0.3 million). As at March 31, 2024, there were a total of 119,330 DSU's outstanding, with a total liability of $0.7 million (2023 - $0.4 million).

(f) Share Repurchase Program and Share Cancellation

The Company renewed its share repurchase program on March 22, 2023, which authorized the Company to repurchase up to 5,000,000 of the Company's issued and outstanding common shares between March 22, 2023 and March 21, 2024. During the three months ended March 31, 2024, the Company repurchased an aggregate of nil common shares (December 2023 - nil). The share repurchase program expired on March 21, 2024.

(g) Dividends

The Company declared the following dividends during the three months ended March 31, 2024:

Declaration Date	Record Date	Dividend per Common Share
February 21, 2024	March 14, 2024	$0.0048
May 7, 2024(1)	May 17, 2024	$0.0037

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

24. 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 condensed interim 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 for three months ended March 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 Marketable securities - stock warrants 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 Restricted cash Trade and other receivables Trade and other payables	Approximated carrying value due to their short-term nature
Debt facilities	Approximated carrying value as discount rate on these instruments approximate the Company's credit risk.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

24. 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:

	March 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)	$51,939	$51,642	$297	$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.

(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:

	March 31, 2024	December 31, 2023
Equity	$1,339,954	$1,358,120
Debt facilities	221,971	219,812
Lease liabilities	34,406	36,702
Less: cash and cash equivalents	(102,069)	(125,581)
	$1,494,262	**$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)). The syndicate agreed to waive the leverage ratio covenant requirement for the period ended March 31, 2024. Therefore, as at March 31, 2024, the Company was in compliance with all of its debt covenants.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

24. 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 March 31, 2024, net VAT receivable was $52.9 million (December 31, 2023 - $52.7 million), of which $21.5 million (December 31, 2023 - $27.5 million) relates to La Encantada, $13.0 million (December 31, 2023 - $29.0 million) relates to San Dimas and $13.5 million relates to Santa Elena (December 31, 2023 - $25.6 million).

The Company sells and receives payment upon delivery of its silver doré and by-products primarily through three 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 March 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	$98,076	$98,076	$—	$—	$—
Debt facilities	257,416	3,104	254,312	—	—
Lease liabilities	37,900	17,683	16,010	3,607	600
Other liabilities	6,081	—	400	5,681	—
Commitments	2,991	2,991	—	—	—
	$402,464	**$121,854**	**$270,722**	**$9,288**	**$600**

At March 31, 2024, the Company had working capital of $159.6 million (December 31, 2023 – $188.9 million). Total available liquidity at March 31, 2024 was $284.2 million (December 31, 2023 - $313.6 million), including $124.6 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.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

24. 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:

							March 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	$10,387	$—	$—	$1,414	($5,278)	$6,523	$652
Mexican Peso	17,122	108,616	52,870	—	(59,811)	118,797	11,880
	$27,509	**$108,616**	**$52,870**	**$1,414**	**($65,089)**	**$125,320**	**$12,532**

From time to time, the Company utilizes certain derivatives to manage its foreign exchange exposures to the Mexican Peso. During the three months ended March 31, 2024, the Company did not have any gain or loss (2023 - $0.4 million) on fair value adjustments to its foreign currency derivatives. As at March 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:

			March 31, 2024
	Effect of +/- 10% change in metal prices		
	Silver	Gold	Total
Metals in doré inventory	$1,792	$801	$2,593
	$1,792	**$801**	**$2,593**

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 March 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 March 31, 2024, a change of 25 basis points increase or decrease of market interest rate does not have a significant impact on net earnings or loss.

Condensed Interim Consolidated Financial Statements - Unaudited (Tabular amounts are expressed in thousands of US dollars)

25. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended March 31,	
	2024	**2023**
Other adjustments to investing activities:		
Proceeds from disposal of marketable securities	2,840	—
	$2,840	**$—**
Net change in non-cash working capital items:		
Decrease in trade and other receivables	$2,488	$1,784
Increase in value added taxes receivable	(133)	(3,194)
Increase in inventories	(2,838)	(5,621)
Increase in prepaid expenses and other	(1,111)	(4,322)
(Decrease) increase in income taxes payable	(78)	965
Increase in trade and other payables	6,728	5,812
Increase in restricted cash (Note 19)	(1,663)	(5,869)
	$3,393	**($10,445)**
Non-cash investing and financing activities:		
Shares received from disposition of mining interest	$—	$33,172
Disposition of La Guitarra	—	(34,550)
Transfer of share-based payments reserve upon settlement of RSU's, PSU's and DSU's	1,022	1,585
Transfer of share-based payments reserve upon exercise of options	—	160
Assets acquired by finance lease	—	(2,231)
	$1,022	**($1,865)**

As at March 31, 2024, cash and cash equivalents include $1.9 million (December 31, 2023 - $1.9 million) that are held in-trust as bonds for tax audits in Mexico.

26. 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.

In 2019, the SAT issued reassessments for the 2010 to 2012 tax years in the total amount of $368.1 million (6,139 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 $194.6 million (3,245 million MXN) and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of $496.0 million (8,273 million MXN) inclusive of interest, inflation, and penalties (collectively, the "Reassessments"). 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 silver spot market prices, 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 process 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.

26. 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, it 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 Court seeking to nullify the APA granted to PEM. The Federal Court's decision directs SAT to re-examine the evidence and basis for the issuance of the APA with retroactive effect, for the following key reasons:

(i) SAT's errors in analyzing PEM's request for the APA and the evidence provided in support of the request; and

(ii) SAT's failure to request from PEM certain additional information before issuing the APA.

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 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 Courts and on December 5, 2023, the Second Collegiate Court issued a decision, which was formally notified to the Company on January 4, 2024.

In such decision, the Second Collegiate 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 the Second Collegiate Court's decision, and PEM is currently waiting for the Supreme Court to admit such appeal.

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 the Government of 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, the Government of 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.

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), a second set of NAFTA arbitration proceedings brought by the Company against Mexico), 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).

26. CONTINGENCIES AND OTHER MATTERS (continued)

(b) Primero Tax Rulings (continued)

Most recently, 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. As a result of this request, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been stayed until a three-member Consolidation Tribunal is constituted, and that tribunal has decided on whether the two arbitration proceedings should be consolidated into one proceeding. Both the Company and Mexico have put forward their nominee to the tribunal, and are awaiting the appointment by ICSID of the third tribunal member. We expect that a separate tribunal to consider the Consolidation Request will be constituted in the second quarter of 2024, and once constituted, it will take 4-6 months for the tribunal to decide on whether to approve the Consolidation Request.

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 approximately $314.2 million (5,307 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.

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. In light of the Consolidation Request (described above), the NAFTA VAT Claim has been stayed until the separate tribunal that will be constituted in respect of the Consolidation Request has decided on whether the two arbitrations should be consolidated into one proceeding.

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 $43.0 million (718 million MXN) and $31.3 million (761 million MXN) including interest, inflation and penalties, respectively. In December 2022, the SAT issued tax assessments to MLE for fiscal years 2014 and 2015 for corporate income tax in the amount of $19.5 million (325 million MXN) and $245.4 million (4,093 million MXN). In 2023, the SAT issued a tax assessment to MLE for the fiscal year 2016 for corporate income tax in the amount of $3.5 million (58 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.

26. CONTINGENCIES AND OTHER MATTERS (continued)

(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 $29.2 million (487 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of $3.8 million (63 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 $70.2 million (1,171 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 $29.2 million (488 million MXN) including interest, inflation and penalties. The major items relate to and denial of the deductibility of mine development costs, refining costs, and other expenses. The Company continues to defend the validity of the expenses and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMDT's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(g) CFM Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of CFM the SAT issued tax assessment for fiscal 2016 for corporate income tax in the total amount of $86.9 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.

26. CONTINGENCIES AND OTHER MATTERS (continued)

(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 approximately $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 has commenced collection actions in Mexico against the Defendant’s assets and continues to seek recovery of the balance against one of the Defendant’s assets located in the United States. Nonetheless, there can be no guarantee that the remainder of the judgment amount will be collected. Therefore, as at March 31, 2024, the Company has not accrued any of the remaining $64.3 million (CAD$81.5 million) unrecovered judgment in favour of the Company.

27. SUBSEQUENT EVENTS

Declaration of Quarterly Dividend

On May 7, 2024, the Company's Board of Directors approved the declaration of its quarterly common share dividend of $0.0037 per share, payable on or after June 7, 2024, to common shareholders of record at the close of business on May 17, 2024. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended March 31, 2024.

At-the-Market Distributions ("ATM") Program

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 "at-the-market distributions", as defined in National Instrument 44-102 Shelf Distributions, carried out on the New York Stock Exchange (the "2024 ATM Program"). Subsequent to the period ended March 31, 2024, the Company sold a total of 4,000,000 common shares of the Company at an average price of $7.13 per share, for gross proceeds of $28.5 million.

FIRST MAJESTIC

SILVER CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED MARCH 31, 2024

TABLE OF CONTENTS

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 unaudited consolidated financial statements of First Majestic Silver Corp. ("First Majestic" or the "Company") for the three months ended March 31, 2024 which are prepared in accordance with International Accounting Standard ("IAS") 34, *"Interim Financial Reporting",* and the audited consolidated financial statements of the Company as at and for the year ended December 31, 2023, as some disclosures from the annual consolidated financial statements have been condensed or omitted. 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 May 7, 2024 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 owns three producing mines in Mexico consisting of the San Dimas Silver/Gold Mine, the Santa Elena 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 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").

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

2024 FIRST QUARTER HIGHLIGHTS

Key Performance Metrics	2024-Q1	2023-Q4	Change Q1 vs Q4	2023-Q1	Change Q1 vs Q1
Operational					
Ore Processed / Tonnes Milled	588,651	652,731	(10%)	845,868	(30%)
Silver Ounces Produced	1,975,176	2,612,416	(24%)	2,543,059	(22%)
Gold Ounces Produced	35,936	46,585	(23%)	60,594	(41%)
Silver Equivalent Ounces Produced	5,162,283	6,640,550	(22%)	7,627,105	(32%)
Cash Costs per Silver Equivalent Ounce(1)	$15.00	$13.01	15%	$15.16	(1%)
All-in Sustaining Cost per Silver Equivalent Ounce(1)	$21.53	$18.50	16%	$20.90	3%
Total Production Cost per Tonne(1)	$128.23	$122.76	4%	$130.71	(2%)
Average Realized Silver Price per Silver Equivalent Ounce(1)	$23.72	$24.16	(2%)	$21.98	8%
Financial (in $millions)					
Revenues	$106.0	$136.9	(23%)	$157.0	(32%)
Mine Operating (Loss) Earnings	($0.3)	$17.9	(102%)	($6.4)	95%
Net (Loss) Earnings	($13.6)	$10.2	NM	($100.7)	87%
Operating Cash Flows before Non-Cash Working Capital and Taxes	$12.6	$36.3	(65%)	$21.9	(42%)
Cash and Cash Equivalents	$102.1	$125.6	(19%)	$104.8	(3%)
Total Assets	$1,955.7	$1,976.4	(1%)	$1,983.6	(1%)
Total Non-Current Financial Liabilities	$495.9	$498.1	0%	$512.2	(3%)
Working Capital(1)	$159.6	$188.9	(16%)	$184.6	(14%)
Free Cash Flow(1)	$0.9	$3.8	(76%)	($26.7)	103%
Shareholders					
(Loss) Earnings per Share ("EPS") - Basic	($0.05)	$0.04	NM	($0.37)	87%
Adjusted EPS(1)	($0.06)	($0.03)	(100%)	$0.00	NM

NM - Not meaningful

(1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 36 to 43 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

First Quarter Production Summary	San Dimas	Santa Elena	La Encantada	Jerritt Canyon(1)	Consolidated
Ore Processed / Tonnes Milled	178,957	224,394	185,298	—	**588,651**
Silver Ounces Produced	1,163,792	355,205	456,179	—	**1,975,176**
Gold Ounces Produced	13,543	21,713	33	647	**35,936**
Silver Equivalent Ounces Produced	2,364,875	2,280,739	459,110	57,559	**5,162,283**
Cash Costs per Silver Equivalent Ounce	$15.81	$12.13	$25.22	$14.16	**$15.00**
All-in Sustaining Cost per Silver Equivalent Ounce	$20.49	$14.70	$31.64	$14.16	**$21.53**
Total Production Cost per Tonne	$200.72	$120.22	$67.80	$—	**$128.23**

(1) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed in Q1 2024 resulted in production of 647 gold ounces.

First Quarter Operational Highlights

- **Record safety performance:** In Q1 2024, the consolidated Total Reportable Incident Frequency Rate ("TRIFR") was 0.48 and the Lost Time Incident Frequency Rate ("LTIFR") was 0.08, an improvement of 53% and 79% compared to the prior quarter, respectively. In support of ongoing strong safety performance and culture, the Company's Silver Helmet Award was issued to the La Encantada Silver Mine for exceptional health and safety leadership.
- **Total production:** The Company produced 5.2 million silver equivalent ("**AgEq**") ounces in the quarter, consisting of 2.0 million silver ounces and 35,936 gold ounces, aligned to its 2024 guidance production plan.
- **La Encantada:** During March 2024, the Company successfully identified and developed a significant new water source and is in the process of increasing water inventory levels and processing rates at the plant. Plant ore throughput rates are expected to return to targeted levels of approximately 3,000 tonnes per day ("tpd") by the third quarter of 2024.
- **Santa Elena continues strong production:** Santa Elena produced 2.3 million AgEq ounces, ahead of the 2024 guidance production plan.
- **Inventory:** The Company held 729,771 silver ounces in finished goods inventory as at March 31, 2024, inclusive of coins and bullion. The fair value of this inventory at March 31, 2024 was $17.9 million.
- **Environmental, Social, Governance ("ESG") performance:** Received our 2023 S&P Global Corporate Sustainability Assessment score, which placed First Majestic above the average performance for the Metals & Mining industry.
- **Completed commissioning of First Mint:** On March 26, 2024, the Company announced commissioning and commencement of bullion sales from our 100% owned and operated minting facility. During the first quarter, the Company sold 36,959 ounces at an average realized price of $26.71 per ounce through its bullion store and minting facility.
- **Cash cost per AgEq ounce:** Cash cost per AgEq ounce for the quarter was $15.00 per ounce, representing a 15% increase from $13.01 per ounce in the previous quarter. The increase in cash costs per ounce was primarily attributable to a 22% decrease in AgEq production mainly from San Dimas in addition to the impact of the strengthening Mexican Peso. A slight decline in production at Santa Elena was anticipated due to stope sequencing in the mine plan after reaching record production in the prior quarter. San Dimas was impacted by reduced throughput and grades caused by the transition to lower grade areas of the Central and Graben blocks. The Company notes that silver and gold production continues to be aligned with its 2024 guidance production plan and anticipates improvements in the second half of the year due to planned higher ore grades and throughput rates.
- **All-In sustaining cost ("AISC") per AgEq ounce:** AISC per AgEq ounce in the first quarter was $21.53 per ounce, representing a 16% increase from $18.50 per ounce in the previous quarter. This was primarily attributable to lower production and the continued strength of the Mexican Peso.
- **17 active drill rigs:** The Company completed a total of 36,274 metres of drilling across its mines in Mexico during the first quarter, representing an increase of 10% and 15% over Q4 and Q3 2023, respectively. Throughout the quarter, up to seventeen drill rigs were active consisting of eleven rigs at San Dimas, and six rigs at Santa Elena.

First Quarter Financial Highlights

- **Cash position and liquidity:** The Company ended the quarter with cash and cash equivalents of $102.1 million compared to $125.6 million in the prior quarter, while working capital was $159.6 million compared to $188.9 million in the prior quarter. Cash and cash equivalents exclude an additional $127.2 million that is held in restricted cash.
- **Revenue:** In the first quarter, the Company generated revenues of $106.0 million compared to $157.0 million in the first quarter of 2023. This was primarily attributed to a 37% decrease in the total number of payable AgEq ounces sold, resulting from the temporary suspension of mining activities at Jerritt Canyon in 2023 which contributed $24.1 million in revenues during the first quarter of 2023. This was partially offset by an 8% increase in the average realized silver price, which was $23.72 per ounce during the quarter, compared to $21.98 per ounce during the same quarter of the prior year.
- **Mine Operating Earnings:** The Company realized mine operating earnings of ($0.3) million compared to mine operating earnings of ($6.4) million in the first quarter of 2023. The increase in mine operating earnings was primarily attributed to a decrease in operating loss of $29.7 million at Jerritt Canyon compared to the first quarter of 2023 following management's decision to temporarily suspend activities. This includes a $5.1 million decrease in standby costs at Jerritt Canyon that the Company had incurred for restructuring and demobilization activities in 2023. Additionally,

operating earnings at Santa Elena increased by $2.7 million compared to the first quarter of 2023, attributable to stronger metal recoveries and grades from Ermitaño. This was offset by higher operating losses at San Dimas and La Encantada because of fewer AgEq ounces produced, along with the continued strength of the Mexican Peso.

- **Cash flow from operations:** Operating cash flow before changes in working capital and taxes in the quarter was $12.6 million compared to $21.9 million in the first quarter of 2023.

- **Net loss:** Net loss for the quarter was $13.6 million (EPS of ($0.05)) compared to a net loss of $100.7 million (EPS of ($0.37)) in the first quarter of 2023. The increase in net earnings was primarily attributed to the impairment charge of $125.2 million, or $94.0 million net of tax, depreciation and depletion expense of $9.0 million and standby costs of $5.1 million, which were recorded at the Jerritt Canyon mine during the first quarter of 2023.

- **Adjusted net loss[1]:** Adjusted net loss for the quarter, normalized for non-cash or non-recurring items such as share-based payments, write-downs on mineral inventory, unrealized losses on marketable securities, and deferred income tax for the quarter ended March 31, 2024, was $18.4 million (Adjusted EPS of ($0.06)) compared to adjusted net earnings of $0.9 million (Adjusted EPS of ($0.00)) in the first quarter of 2023.

- **Capital expenditures**: The Company’s total capital expenditures in the first quarter were $28.2 million (2023 - $46.6 million) consisting of $13.3 million for underground development (2023 - $28.4 million), $9.9 million in exploration (2023 - $9.8 million), and $5.0 million in property, plant and equipment (2023 - $8.4 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 36 to 43 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

OVERVIEW OF OPERATING RESULTS

Selected Production Results for the Past Eight Quarters

PRODUCTION HIGHLIGHTS	2024 Q1[3]	2023 Q4[2]	2023 Q3[2]	2023 Q2[2]	2023 Q1[2]	2022 Q4	2022 Q3	2022 Q2
Ore processed/tonnes milled								
San Dimas	178,957	215,232	213,681	227,065	219,367	210,108	185,126	197,102
Santa Elena	224,394	233,601	226,292	213,878	208,821	207,188	214,387	228,487
La Encantada	185,298	203,898	230,230	260,986	271,278	254,766	255,945	264,555
Jerritt Canyon	—	—	—	31,240	146,403	179,502	181,056	213,647
Consolidated	**588,651**	**652,731**	**670,203**	**733,170**	**845,868**	**851,564**	**836,514**	**903,791**
Silver equivalent ounces produced								
San Dimas	2,364,875	3,110,677	3,010,458	3,372,418	3,296,367	3,054,098	3,776,124	3,046,664
Santa Elena	2,280,739	3,008,449	2,669,411	1,788,596	2,105,336	2,302,904	2,733,761	2,241,763
La Encantada	459,110	521,424	573,458	806,789	843,951	813,649	788,872	871,365
Jerritt Canyon	57,559	—	32,463	353,168	1,381,452	1,388,140	1,467,435	1,546,143
Consolidated	**5,162,283**	**6,640,550**	**6,285,790**	**6,320,971**	**7,627,105**	**7,558,791**	**8,766,192**	**7,705,935**
Silver ounces produced								
San Dimas	1,163,792	1,513,791	1,548,203	1,690,831	1,602,483	1,392,506	1,649,002	1,527,465
Santa Elena	355,205	582,484	347,941	142,037	104,129	199,388	308,070	384,953
La Encantada	456,179	516,141	565,724	800,543	836,448	804,802	779,028	863,510
Consolidated	**1,975,176**	**2,612,416**	**2,461,868**	**2,633,411**	**2,543,059**	**2,396,696**	**2,736,100**	**2,775,928**
Gold ounces produced								
San Dimas	13,543	18,468	17,863	20,509	20,124	20,257	23,675	18,354
Santa Elena	21,713	28,056	28,367	20,073	24,039	25,830	26,989	22,309
Jerritt Canyon	647	—	396	4,364	16,341	16,845	16,299	18,632
Consolidated	**35,903**	**46,524**	**46,626**	**44,946**	**60,504**	**62,932**	**66,963**	**59,295**
Cash cost per Ounce[1]								
San Dimas (per AgEq Ounce)	$ 15.81	$ 13.21	$ 14.07	$ 12.07	$ 10.86	$ 11.54	$ 8.25	$ 10.41
Santa Elena (per AgEq Ounce)	$ 12.13	$ 10.42	$ 11.72	$ 14.45	$ 11.93	$ 11.20	$ 10.37	$ 12.34
La Encantada (per AgEq Ounce)	$ 25.22	$ 26.19	$ 25.63	$ 16.90	$ 15.48	$ 15.48	$ 15.55	$ 14.09
Jerritt Canyon (per Au Ounce)	$ 1,260	$ —	$ 1,478	$ 4,181	$ 2,540	$ 2,519	$ 2,767	$ 1,989
Consolidated (per AgEq Ounce)	**$ 15.00**	**$ 13.01**	**$ 14.13**	**$ 15.58**	**$ 15.16**	**$ 15.36**	**$ 13.34**	**$ 14.12**
All-in sustaining cost per Ounce[1]								
San Dimas (per AgEq Ounce)	$ 20.49	$ 17.80	$ 17.76	$ 15.89	$ 14.67	$ 16.79	$ 10.97	$ 14.97
Santa Elena (per AgEq Ounce)	$ 14.70	$ 12.82	$ 14.68	$ 18.00	$ 15.18	$ 12.75	$ 12.29	$ 15.34
La Encantada (per AgEq Ounce)	$ 31.64	$ 34.14	$ 29.86	$ 19.83	$ 18.64	$ 19.39	$ 18.61	$ 16.65
Jerritt Canyon (per Au Ounce)	$ 1,260	$ —	$ 1,730	$ 4,205	$ 3,055	$ 2,865	$ 3,317	$ 2,429
Consolidated (per AgEq Ounce)	**$ 21.53**	**$ 18.50**	**$ 19.74**	**$ 21.52**	**$ 20.90**	**$ 20.69**	**$ 17.83**	**$ 19.91**
Production cost per tonne								
San Dimas	$ 200.72	$ 183.61	$ 193.41	$ 173.62	$ 157.39	$ 162.68	$ 161.41	$ 155.09
Santa Elena	$ 120.22	$ 117.36	$ 125.05	$ 109.88	$ 108.74	$ 114.29	$ 124.94	$ 109.50
La Encantada	$ 67.80	$ 64.70	$ 61.35	$ 49.91	$ 46.27	$ 47.69	$ 46.29	$ 44.58
Jerritt Canyon	$ —	$ —	$ —	$ 577.83	$ 278.57	$ 233.39	$ 245.66	$ 169.16
Consolidated	**$ 128.23**	**$ 122.76**	**$ 125.81**	**$ 128.21**	**$ 130.71**	**$ 131.41**	**$ 135.07**	**$ 114.55**

(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 36 to 43 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 Q1 2024 resulted in production of 647 gold ounces.

Operating Results – Consolidated Operations

CONSOLIDATED	2024-Q1	2023-Q4	2023-Q1	Change Q1 vs Q4	Change '24 vs '23
Ore processed/tonnes milled	588,651	652,731	845,868	(10%)	(30%)
Production					
Silver ounces produced	1,975,176	2,612,416	2,543,059	(24%)	(22%)
Gold ounces produced	35,936	46,585	60,594	(23%)	(41%)
Silver equivalent ounces produced	5,162,283	6,640,550	7,627,105	(22%)	(32%)
Cost					
Cash cost per AgEq Ounce(1)	$15.00	$13.01	$15.16	15%	(1%)
All-in sustaining costs per AgEq Ounce(1)	$21.53	$18.50	$20.90	16%	3%
Total production cost per tonne(1)	$128.23	$122.76	$130.71	4%	(2%)
Underground development (m)	6,701	6,676	10,962	0%	(39%)
Exploration drilling (m)	36,274	32,881	36,688	10%	(1%)

(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 36 to 43 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

Production

Total production in the first quarter of 2024 was 5.2 million AgEq ounces consisting of 2.0 million ounces of silver, and 35,936 ounces of gold. This represented a decrease of 24% and 23% , respectively, when compared to the previous quarter, after the Company achieved historic production levels at Santa Elena in the prior quarter. Further, San Dimas was impacted by a reduction in throughput and grades caused by the transition to lower grade areas of the Central and Graben blocks and labour disruptions. Production at La Encantada continued to be impacted by limited water supply to the mill due to ongoing severe drought conditions in the region.

At San Dimas, negotiations with the union on base pay, bonuses, and headcount continue into the second quarter. Management anticipates improved throughput resulting from increased productivity in the second half of 2024. Additionally, at La Encantada, with the successful identification of a new water resource, the Company is in the process of increasing water inventory levels and processing rates at the plant. The Company anticipates improved ore throughput rates in the second quarter of the year, before returning to targeted levels in the third quarter. The Company notes that the mine's silver and gold production continues to be aligned with its 2024 guidance production plan and anticipates improvements in the second half of the year.

Total ore processed amounted to 588,651 tonnes during the quarter, representing a 10% decrease compared to the prior quarter, primarily due to lower ore processed at San Dimas along with continued water availability issues at La Encantada.

Cash Cost and All-In Sustaining Cost per Ounce

Cash cost per AgEq ounce for the quarter was $15.00 per ounce, representing a 15% increase from $13.01 per ounce in the previous quarter. The increase in cash costs per ounce was primarily attributable to a 22% decrease in AgEq production mainly from San Dimas in addition to the impact of the strengthening Mexican Peso. A slight decline in production at Santa Elena was anticipated due to stope sequencing in the mine plan after reaching record production in the prior quarter. San Dimas was impacted by reduced throughput and grades caused by the transition to lower grade areas of the Central and Graben blocks. The Company notes that silver and gold production continues to be aligned with its 2024 guidance production plan and anticipates improvements in the second half of the year due to planned higher ore grades and throughput rates.

All-in Sustaining Cost per AgEq ounce in the first quarter was $21.53 per ounce, representing a 16% increase from $18.50 per ounce in the previous quarter. This was primarily attributable to lower production and the continued strength of the Mexican Peso.

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 for 2024 include:

- Renegotiating certain contracts and reducing the use of external consultants;
- Restructuring to optimize the workforce and reduce labour costs;
- Optimizing use of reagent and grinding media consumption;
- Implementing changes in shift line-up and other changes aimed at increasing productivity at San Dimas;
- Utilizing ore control drilling methods to verify stope positioning, grade and tonnage while also increasing rates of mine development which are expected to open additional ore stopes at San Dimas;
- Optimizing mining sequencing with the goal of improving ore extraction at Santa Elena;
- Shifting all cemented rock fill operations underground to increase backfill efficiencies and reduce backfill costs at Santa Elena;
- Increasing the capacity of the tailing filtration of the new press filters at Santa Elena by adding a higher capacity offtake conveyor system, with a goal to increase plant throughput rates;
- Implementing plant optimization methods aimed at lowering costs due to the ongoing water shortage at La Encantada;
- Adding instrumentation and prioritizing the consumption of water within the La Encantada water delivery system including construction of new water wells;
- Lowering holding costs at the Company's suspended operations including the Jerritt Canyon Gold Mine; and
- Increasing bullion sales from the Company's new First Mint facility.

Development and Exploration

During the quarter, the Company completed 6,701 metres of underground development and 36,274 metres of exploration drilling, compared to 6,676 metres and 32,881 metres, respectively, in the previous quarter. Throughout the quarter, up to seventeen drill rigs were active consisting of eleven rigs at San Dimas, and six rigs at Santa Elena. The 2024 exploration program at Jerritt Canyon is planned to commence late in the second quarter, with approximately 25,000 metres of drilling planned for 2024. Exploration activities during the quarter at La Encantada have been temporarily refocused on water source development with expected restart in the second 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 tonnes per day ("tpd") capacity milling operation which 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-Q1	2023-Q4	2023-Q1	Change Q1 vs Q4	Change '24 vs '23
Total ore processed/tonnes milled	178,957	215,232	219,367	(17%)	(18%)
Average silver grade (g/t)	220	234	241	(6%)	(9%)
Average gold grade (g/t)	2.45	2.77	2.98	(12%)	(18%)
Silver recovery (%)	92%	93%	94%	(1%)	(2%)
Gold recovery (%)	96%	96%	96%	0%	0%
Production					
Silver ounces produced	1,163,792	1,513,791	1,602,483	(23%)	(27%)
Gold ounces produced	13,543	18,468	20,124	(27%)	(33%)
Silver equivalent ounces produced	2,364,875	3,110,677	3,296,367	(24%)	(28%)
Cost					
Cash cost per AgEq Ounce(1)	$15.81	$13.21	$10.86	20%	46%
All-In sustaining costs per AgEq Ounce(1)	$20.49	$17.80	$14.67	15%	40%
Total production cost per tonne(1)	$200.72	$183.61	$157.39	9%	28%
Underground development (m)	3,709	3,713	4,664	0%	(20%)
Exploration drilling (m)	26,363	24,932	14,145	6%	86%

(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 36 to 43 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

During the first quarter, San Dimas produced 2,364,875 AgEq ounces consisting of 1,163,792 ounces of silver and 13,543 ounces of gold. Silver and gold production decreased by 23% and 27%, respectively, when compared to the prior quarter primarily due to a decrease in ore processed and lower silver and gold grades.

The mill processed a total of 178,957 tonnes of ore with average silver and gold grades of 220 g/t and 2.45 g/t, respectively, compared to 215,232 tonnes milled with average silver and gold grades of 234 g/t and 2.77 g/t, respectively, in the previous quarter. These reductions in both tonnes milled and grades were caused by the transition into lower grade areas of the Central and Graben blocks. Management anticipates improvement in grades and throughput throughout the year, consistent with the Company's 2024 guidance plan.

Silver and gold recoveries averaged 92% and 96%, respectively, which were in line with the prior quarter.

The Central Block and Sinaloa Graben areas contributed approximately 84% and 16%, respectively, of the total production during the quarter. Reduced ore grades were anticipated as mine sequencing transitioned from the Jessica and Victoria veins into the Roberta, Robertita, and Elia vein systems. In addition, ore flow and processing were disrupted by the union workforce during the quarter. The union has been using 'rolling slowdowns' as a negotiating strategy since mid-2023. These slowdowns have continued into the first quarter. Negotiations on base pay, bonuses, and headcount continue into the second quarter. Management anticipates improved throughput resulting from increased productivity in the second half of 2024.

In the first quarter, cash cost per AgEq ounce was $15.81, representing a 20% increase compared to $13.21 per AgEq ounce in the prior quarter. This was primarily due to a 24% decrease in AgEq production compared to the prior quarter. Total cash costs were 8% lower than the prior quarter.

AISC per AgEq ounce for the quarter was $20.49, representing a 15% increase compared to $17.80 per AgEq ounce in the prior quarter. This was primarily due to reduced AgEq production and higher cash costs during the quarter. Total AISC was 12% lower than the prior quarter due to lower total operating costs and capital investment.

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 March 31, 2024, was 70:1. During the three months ended March 31, 2024, the Company delivered 7,933 ounces (March 31, 2023 - 10,651 ounces) of gold to WPMI at $631 per ounce (March 31, 2023 - $624 per ounce).

A total of 3,709 metres of underground development was completed in the first quarter, compared to 3,713 metres in the prior quarter. During the first quarter, a total of eleven drill rigs, consisting of two surface rigs and nine underground rigs, completed a total of 26,363 metres of drilling on the property, representing a 6% increase compared to 24,932 metres in the prior quarter. Total exploration costs were $2.9 million compared to $3.1 million in the prior quarter. This decrease in exploration costs was a result of improved productivity which lowered the cost per metre.

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 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 Silver/Gold Mine including mining concessions totaling over 102,244 hectares.

Santa Elena	2024-Q1	2023-Q4	2023-Q1	Change Q1 vs Q4	Change '24 vs '23
Total ore processed/tonnes milled	224,394	233,601	208,821	(4%)	7%
Average silver grade (g/t)	72	106	31	(32%)	132%
Average gold grade (g/t)	3.16	3.88	4.00	(19%)	(21%)
Silver recovery (%)	69%	73%	50%	(5%)	38%
Gold recovery (%)	95%	96%	90%	(1%)	6%
Production					
Silver ounces produced	355,205	582,484	104,129	(39%)	NM
Gold ounces produced	21,713	28,056	24,039	(23%)	(10%)
Silver equivalent ounces produced	2,280,739	3,008,449	2,105,336	(24%)	8%
Cost					
Cash cost per AgEq Ounce(1)	$12.13	$10.42	$11.93	16%	2%
All-In sustaining costs per AgEq Ounce(1)	$14.70	$12.82	$15.18	15%	(3%)
Total production cost per tonne(1)	$120.22	$117.36	$108.74	2%	11%
Underground development (m)	2,250	2,224	2,623	1%	(14%)
Exploration drilling (m)	9,911	7,949	14,499	25%	(32%)

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 36 to 43 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

During the first quarter, Santa Elena produced 2,280,739 AgEq ounces consisting of 355,205 ounces of silver and 21,713 ounces of gold representing a decrease of 39% and 23%, respectively, when compared to the record production achieved in the prior quarter. Lower mined grades had been anticipated and are a consequence of stope scheduling in the mine plan. Silver and gold production is tracking above the Company's 2024 guidance production plan.

The mill processed 224,394 tonnes of ore with average silver and gold head grades of 72 g/t and 3.16 g/t, respectively, compared to 233,601 tonnes milled with average silver and gold grades of 106 g/t and 3.88 g/t, respectively, in the previous quarter.

Silver and gold recoveries averaged 69% and 95%, respectively, compared to 73% and 96%, respectively, in the prior quarter. Reduced recoveries were expected and are a direct consequence of the lower mill feed head grades.

Cash cost per AgEq ounce in the first quarter was $12.13, representing a 16% increase compared to $10.42 per AgEq ounce in the previous quarter. This was primarily attributed to a 24% decrease in AgEq ounces produced from lower silver and gold grades as compared to the prior quarter. This was partially offset by lower royalty and milling costs during the quarter, and the positive impact of efficiency and cost reduction programs.

AISC per AgEq ounce for the quarter was $14.70, representing a 15% increase compared to $12.82 per AgEq ounce in the prior quarter. This was primarily driven by the increase in unit cash costs per AgEq ounce due to reduced AgEq production during the quarter. Total AISC was 12% lower than the prior quarter.

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 three months ended March 31, 2024, the Company delivered nil ounces (March 31, 2023 - 856 ounces) of gold to Sandstorm at an average price of $nil per ounce (March 31, 2023 - $473 per ounce).

Orogen Royalties Inc., formerly Evrim Resource Corp., retains a 2% net smelter return ("NSR") royalty from the sale of mineral products extracted from the Ermitaño mining concessions. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR from the sale of mineral products extracted from the Ermitaño mining concessions. For the three months ended March 31, 2024, the Company has incurred $2.1 million (March 31, 2023 - $1.9 million) in NSR payments from the production of Ermitaño.

During the quarter, a total of 2,250 metres of underground development was completed at the Ermitaño mine at Santa Elena, compared to 2,224 metres in the previous quarter. During the quarter, six drill rigs, consisting of four surface rigs and two underground rigs completed 9,911 metres of exploration drilling on the property, representing a 25% increase compared to 7,949 metres in the prior quarter. Total exploration costs in the first quarter were $2.1 million compared to $1.5 million in the previous quarter due to higher exploration metres.

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 Silver Mine.

La Encantada	2024-Q1	2023-Q4	2023-Q1	Change Q1 vs Q4	Change '24 vs '23
Ore processed/tonnes milled	185,298	203,898	271,278	(9%)	(32%)
Average silver grade (g/t)	123	110	132	11%	(7%)
Silver recovery (%)	62%	71%	72%	(12%)	(14%)
Production					
Silver ounces produced	456,179	516,141	836,448	(12%)	(45%)
Gold ounces produced	33	61	89	(46%)	(63%)
Silver equivalent ounces produced	459,110	521,424	843,951	(12%)	(46%)
Cost					
Cash cost per AgEq Ounce(1)	$25.22	$26.19	$15.48	(4%)	63%
All-In sustaining costs per AgEq Ounce(1)	$31.64	$34.14	$18.64	(7%)	70%
Total production cost per tonne(1)	$67.80	$64.70	$46.27	5%	47%
Underground development (m)	742	739	834	0%	(11%)
Exploration drilling (m)	—	—	1,863	0%	(100%)

(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 36 to 43 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

Throughout the first quarter of 2024, and as reflected in the Company's 2024 guidance, La Encantada was impacted by limited water supply to the mill, mainly driven by drought conditions in the region which impacted the existing water wells in the area. Since June 2023, the Company drilled a total of five water exploration holes in an effort to source additional water. The most recent hole (G11) has identified a significant new water resource, and the Company is in the process of increasing water inventory levels and processing rates at the plant. The Company anticipates improved ore throughput rates in the second quarter of the year before reaching targeted levels in the third quarter.

During the first quarter, La Encantada produced 459,110 AgEq ounces consisting of 456,179 ounces of silver and 33 ounces of gold representing a 12% decrease in AgEq ounces when compared to the prior quarter, and is primarily related to a decrease in ore processed and silver recovery rates.

The mill processed a total of 185,298 tonnes of ore with an average silver grade of 123 g/t compared to 203,898 tonnes milled with average silver grades of 110 g/t in the previous quarter. Stope production from the new Beca Zone has contributed 26,910 tonnes with average silver grades of 106 g/t, compared to 48,811 tonnes and 121 g/t, respectively in the fourth quarter of 2023.

Silver recoveries averaged 62% compared to 71% in the prior quarter primarily due to higher manganese content in ore processed. Silver recovery is anticipated to increase in the second quarter as new ore sources are extracted and ore blending practices are expanded to limit manganese content in the ore.

Cash cost per AgEq ounce for the quarter was $25.22, representing a 4% decrease compared to $26.19 per AgEq ounce in the prior quarter and is primarily due to lower energy and reagent costs as fewer tonnes were processed through the mill during the quarter.

AISC per AgEq ounce for the quarter was $31.64, representing a 7% decrease compared to $34.14 per AgEq ounce in the previous quarter. The improvement in AISC per AgEq ounce was primarily due to the lower cash costs and decrease in sustaining capital expenditures compared to the prior quarter.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited ("Metalla"). The agreement requires a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the three months ended March 31, 2024, the Company has incurred $0.2 million (March 31, 2023 - $0.3 million) in NSR payments from production at La Encantada.

A total of 742 metres of underground development was completed in the first quarter compared to 739 metres in the prior quarter. Exploration drilling at La Encantada continued to be temporarily suspended in the first quarter to focus on water conservation efforts, however it is expected to restart in the second 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 allows the Company to sell a greater portion of its silver production directly to its shareholders and bullion customers. First Mint operates some of the most innovative processing equipment in the precious metals industry, including an environmentally friendly flameless tunnel, which uses significantly less electricity and releases fewer emissions when compared to traditional minting processes. This will enable the Company to turn its own silver into an array of finished bullion products, as well as offer manufacturing capacity for third-party demand. The Company owns 100% of First Mint LLC.

First Mint(2)	2024-Q1	2023-Q4	2023-Q1	Change Q1 vs Q4	Change '24 vs '23
Ounces sold	36,959	39,845	151,486	(7%)	(76%)
Financial Results					
Revenues ($ thousands)	$986	$1,082	$3,806	(9%)	(74%)
Average realized price per ounce - Coins and Bullion(1)	$26.71	$27.16	$25.13	(2%)	7%

(1) Average realized price per ounce is disclosed on the Company's financial statements in Note 4 - Segmented Information.

(2) This table is inclusive of the Company's bullion store and its minting facility in Nevada, United States.

During the first quarter, First Mint sold 36,959 ounces, representing a 7% decrease, compared to 39,845 ounces in the previous quarter. These ounces were inclusive of sales through the Company's bullion store in Vancouver Canada, along with the newly opened minting facility which allowed First Mint to commence bullion sales on March 26, 2024. The ounces sold through First Mint accounted for 2% of the Company's total silver production during the first quarter of 2024.

Commissioning commenced in March and was focused on research and development, streamlining production and implementing fulfillment processes. As production ramps up, 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 is currently seeking ISO 9001 certification, which is anticipated by the third quarter. This quality certification will allow First Mint silver to be Individual Retirement Account ("IRA") eligible, permitting investors to hold these silver products within approved retirement accounts.

Total revenues for the quarter were $1.0 million at an average realized price of $26.71 per ounce, representing a decrease of 9% compared to revenues of $1.1 million at an average realized price of $27.16 per ounce in the prior quarter. This decrease was primarily due to the Company focusing efforts on commissioning its new minting facility during the 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, underexplored land package consisting of 30,821 hectares (119 square miles). Jerritt Canyon is 100% owned by the Company.

Jerritt Canyon	2024-Q1	2023-Q4	2023-Q1	Change Q1 vs Q4	Change '24 vs '23
Ore processed/tonnes milled	—	—	146,403	0%	100%
Average gold grade (g/t)	—	—	4.03	0%	(100%)
Gold recovery (%)	—	—	86%	0%	(100%)
Production					
Gold ounces produced	647	—	16,341	100%	(96%)
Silver equivalent ounces produced	57,559	—	1,381,452	100%	(96%)
Underground development (m)	—	—	2,841	0%	(100%)
Exploration drilling (m)	—	—	6,181	0%	(100%)

Operations at the Jerritt Canyon mine were placed on temporary suspension in March 2023. As of April 24, 2023, all activities at the Jerritt Canyon processing plant were fully suspended. In-circuit recovery efforts performed in the first quarter of 2024 resulted in production of 647 ounces of gold.

During the quarter, the Company incurred $4.4 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 operation in the future.

The 2024 exploration program at Jerritt Canyon is planned to commence late in the second quarter, with approximately 25,000 metres of drilling planned for 2024.

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 Silver Storm Mining Ltd. (formerly Golden Tag Resources 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 sale 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.

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, although it is not known when that might, if ever, occur.

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 ("Springpole Silver Stream"), a development stage mining 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 over a period of five years. 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 $0.40 to $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 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 quarters ended March 31, 2024 and 2023 (in thousands of dollars, except for per share amounts):

	First Quarter 2024	First Quarter 2023	Variance %	
Revenues	**$106,014**	**$156,952**	**(32%)**	(1)
Mine operating costs				
Cost of sales	80,489	123,868	(35%)	(2)
Cost of sales - standby costs	—	5,078	(100%)	(2)
Depletion, depreciation and amortization	25,846	34,429	(25%)	(3)
	106,335	163,375	(35%)	
Mine operating loss	**(321)**	**(6,423)**	**95%**	
General and administrative expenses	9,240	8,448	9%	
Share-based payments	4,542	4,629	(2%)	
Mine holding costs	6,297	3,789	66%	(4)
Impairment of non-current assets	—	125,200	(100%)	(5)
Loss on sale of mining interest	—	1,378	(100%)	(6)
Foreign exchange gain	(1,157)	(5,643)	79%	
Operating loss	**(19,243)**	**(144,224)**	**87%**	
Investment and other (loss) income	(358)	3,225	(111%)	(7)
Finance costs	(7,084)	(5,623)	26%	(8)
Loss before income taxes	**(26,685)**	**(146,622)**	**82%**	
Current income tax (recovery) expense	(2,346)	65	NM	
Deferred income tax recovery	(10,776)	(46,027)	77%	
Income tax recovery	(13,122)	(45,962)	71%	(9)
Net loss for the period	**($13,563)**	**($100,660)**	**87%**	(10)
Loss per share (basic and diluted)	**($0.05)**	**($0.37)**	**87%**	(10)

NM - Not meaningful

1. **Revenues** in the quarter decreased $50.9 million compared to the same quarter of the prior year primarily attributed to:
   - a 37% decrease in the total number of payable AgEq ounces sold compared to the first quarter of 2023 which resulted in a decrease in revenues of $56.4 million. This was primarily due to the temporary suspension of mining activities at Jerritt Canyon in 2023 which contributed $24.1 million in revenues during the first quarter of 2023, along with lower production at San Dimas and La Encantada during the quarter.

Partially offset by:

- an 8% increase in the average realized silver price, which was $23.72 per ounce during the quarter, compared to $21.98 per ounce in the first quarter of 2023. This resulted in a $5.4 million increase in revenue compared to the same quarter of the prior year; and
- an 8% increase in payable AgEq ounces produced at Santa Elena.

2. **Cost of sales** in the quarter decreased $48.5 million compared to the same quarter of the prior year primarily due to:
   - a $36.0 million decrease in labour, consumables, energy, other costs including lab work, insurance, and maintenance costs, transportation, worker participation, environmental duties and royalties during the quarter primarily due to the temporary suspension of mining activities at Jerritt Canyon during the first quarter of 2023;
   - a $7.4 million decrease in change in inventory expense compared to the same quarter of 2023; and

- a \$5.1 million decrease in standby costs which were recorded in 2023 after the announcement of the temporary suspension of Jerritt Canyon.

Partially offset by:

- a stronger Mexican Peso against the U.S. dollar, which averaged 9% higher compared to the same period of 2023.

3. **Depletion, depreciation and amortization** in the quarter decreased \$8.6 million compared to the same quarter of the previous year, primarily as a result of:

   - a decrease of \$7.4 million related to lower depletion at Jerritt Canyon following the temporary suspension in the first quarter of 2023; and

   - a decrease of \$1.7 million related to lower depletion at San Dimas due to fewer ounces produced during the quarter.

   Partially offset by:

   - an increase in depletion of \$0.4 million at Santa Elena related to the increase in production.

4. **Mine holding costs** increased by \$2.5 million compared to the same quarter of 2023, primarily due to the temporary suspension of activities at Jerritt Canyon and care and maintenance activities at Santa Elena. 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.

5. **Impairment of non-current assets** for the quarter decreased by \$125.2 million compared to the same quarter of 2023. In March 2023, the Company recorded a \$125.2 million impairment on the Jerritt Canyon mine following the temporary suspension of mining operations.

6. **Loss on sale of mining interest** for the quarter decreased by \$1.4 million compared to the first quarter of the prior 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.

7. **Investment and other income** for the quarter decreased by \$3.6 million compared to the first quarter of the prior year, primarily due to a loss from investment in silver future derivatives of \$1.0 million, compared to a gain of \$3.0 million in the same quarter of the prior year. Additionally, interest income decreased to \$0.7 million, compared to \$1.2 million in the same quarter of the prior year. This was partially offset by a loss on the sale of marketable securities of \$0.1 million compared to a loss of \$0.8 million in the same quarter of the prior year.

8. **Finance costs** in the quarter increased by \$1.5 million compared to the first quarter of the prior year due to an increase in the accretion expense for decommissioning liabilities resulting from changes in the asset retirement obligation. Additionally, there was an increase in interest expense as a result of higher interest rates on the Company's revolving credit facility along with additional interest from the surety bonds issued during the third quarter of 2023.

9. During the quarter, the Company recorded an **income tax recovery** of \$13.1 million compared to a recovery of \$46.0 million in the first quarter of 2023. The decrease in income tax recovery was primarily due to a \$31.2 million income tax recovery recognized on the impairment of Jerritt Canyon that was recorded in the first quarter of 2023.

10. As a result of the foregoing, **net loss** for the quarter was \$13.6 million (EPS of (\$0.05)) compared to a net loss of \$100.7 million (EPS of (\$0.37)) in the same quarter of the prior year. Net earnings improved as a result of a decrease in operating loss of \$29.7 million at Jerritt Canyon following management's decision to temporarily suspend operations in the first quarter of 2023, along with higher impairment and standby costs incurred in the first quarter of 2023.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial information for each of the most recent eight quarters:

	2024	2023				2022		
Selected Financial Information	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**
Revenue	$106,014	$136,946	$133,211	$146,692	$156,952	$148,189	$159,751	$159,443
Cost of sales	$80,489	$89,395	$92,187	$104,607	$123,868	$126,148	$120,707	$113,619
Depletion, depreciation and amortization	$25,846	$29,650	$27,998	$32,587	$34,429	$35,307	$35,707	$34,212
Mine operating (loss) earnings	($321)	$17,901	$13,026	$1,138	($6,423)	($13,266)	$3,337	$11,612
Net (loss) earnings after tax	($13,563)	$10,231	($27,149)	($17,534)	($100,660)	($16,819)	($20,692)	($84,050)
(Loss) earnings per share - basic	($0.05)	$0.04	($0.09)	($0.06)	($0.37)	($0.06)	($0.08)	($0.32)
(Loss) earnings per share - diluted	($0.05)	$0.04	($0.09)	($0.06)	($0.37)	($0.06)	($0.08)	($0.32)

During the first quarter of 2024, mine operating loss was $0.3 million compared to earnings of $17.9 million in the previous quarter. The decrease in mine operating earnings was primarily due to a decrease in payable AgEq ounces sold along with the continued strength of the Mexican Peso.

The net loss for the quarter was $13.6 million compared to a net earnings of $10.2 million in the prior quarter. The decrease in earnings is primarily attributed to the decrease in revenues resulting from 21% fewer AgEq ounces sold and a lower averaged realized silver price of $23.72 per ounce during the quarter, compared to $24.16 in the prior quarter. Additionally, there was an increase in share-based payments of $2.1 million compared to the prior quarter.

LIQUIDITY, CAPITAL RESOURCES AND CONTRACTUAL OBLIGATIONS

Liquidity

As at March 31, 2024, the Company had cash and cash equivalents of $102.1 million, comprised primarily of cash held with reputable financial institutions and is invested in cash accounts and in highly liquid short-term investments with maturities of three months or less. With the exception of $1.9 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.

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 Quebec), 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.

Working capital as at March 31, 2024 was $159.6 million compared to $188.9 million at December 31, 2023. Total available liquidity at March 31, 2024 was $284.2 million, including working capital and $124.6 million of undrawn revolving credit facility.

The following table summarizes the Company's cash flow activity during the period:

	Three Months Ended March 31,	
	2024	**2023**
Cash flow		
Cash generated by (used in) operating activities	$12,434	($4,670)
Cash (used in) investing activities	(28,152)	(52,297)
Cash (used in) provided by financing activities	(7,678)	8,430
Decrease in cash and cash equivalents	**($23,396)**	**($48,537)**
Effect of exchange rate on cash and cash equivalents held in foreign currencies	(116)	1,873
Cash and cash equivalents, beginning of the period	125,581	151,438
Cash and cash equivalents, end of the period	**$102,069**	**$104,774**

The Company's cash flows from operating, investing and financing activities during the three months ended March 31, 2024 are summarized as follows:

- **Cash generated by operating activities** of $12.4 million, primarily due to:
  - $12.6 million in cash flows from operating activities before movements in working capital and taxes;
  - $3.4 million net change in non-cash working capital items during the period, including a $2.8 million increase in inventories, a $1.7 million increase in restricted cash, a $1.1 million increase in prepaid expenses, and a $0.1 million increase in value added tax ("VAT") receivables, partially offset by a $6.7 million increase in trade payable, a $2.5 million decrease in trade and other receivables, and a $0.1 million decrease in income taxes payable.

  net of:
  - $3.6 million in income tax installments paid during the period.

- **Cash used in investing activities** of $28.2 million, primarily related to:
  - $22.0 million spent on mine development and exploration activities;
  - $8.6 million spent on purchase of property, plant and equipment; and
  - $0.5 million spent on deposits on non-current assets.

  net of:
  - $2.8 million of proceeds from the disposals of marketable securities.

- **Cash used in financing activities** of $7.7 million, primarily consists of the following:
  - $3.9 million for repayment of lease obligations;
  - $2.4 million payment of financing costs; and
  - $1.4 million for the payment of dividends during the period.

During the three months ended March 31, 2024, the Company received $15.9 million (264.8 million MXN) related to value added tax filings ("VAT"). In connection with the tax ruling relating to Primero Empresa Minera, S.A. de C.V. ("PEM"), the Servicio de Administracion Tributaria's (the "SAT"), the Mexican tax authority, has frozen a PEM bank account which contains approximately $108.6 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. This balance consists of VAT refunds that the Company has received for claims submitted prior to November 2023, that are owed to PEM and that are currently being withheld from PEM due to the freezing of the bank account into which the SAT is depositing these refunds. The Company does not agree with the SAT's position regarding its tax re-assessments and is challenging the freezing of the bank account, and the failure to provide access to the VAT refunds in such bank account, through various legal actions, both domestically in Mexico and internationally through the NAFTA arbitration process.

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, 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. The syndicate agreed to waive the leverage ratio covenant requirement for the period ended March 31, 2024. Therefore, as at March 31, 2024, the Company was in compliance with all of its debt covenants.

Contractual Obligations and Commitments

As at March 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	$98,076	$98,076	$—	$—	$—
Debt facilities	257,416	3,104	254,312	—	—
Lease liabilities	37,900	17,683	16,010	3,607	600
Other liabilities	6,081	—	400	5,681	—
Purchase obligations and commitments	2,991	2,991	—	—	—
	$402,464	**$121,854**	**$270,722**	**$9,288**	**$600**

At March 31, 2024, the Company had working capital of $159.6 million (December 2023 - $188.9 million) and total available liquidity of $284.2 million (December 2023 - $313.6 million), including $124.6 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 recent AIF under the heading *"Risk Factors"*. The AIF is available under our SEDAR+ profile at www.sedarplus.ca, and on EDGAR as an exhibit to 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 March 31, 2024, net VAT receivable was $52.9 million (December 31, 2023 - $52.7 million), of which $21.5 million (December 31, 2023 - $27.5 million) relates to La Encantada $13.0 million (December 31, 2023 - $29.0 million) relates to San Dimas and $13.5 million relates to Santa Elena (December 31, 2023 - $25.6 million).

The Company sells and receives payment upon delivery of its silver doré and by-products primarily through three 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 of March 31, 2024, the Company's total consolidated indebtedness was $222.0 million, $20.4 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 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 against the U.S. Dollar is included in the table below:

							March 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	$10,387	$—	$—	$1,414	($5,278)	$6,523	$652
Mexican Peso	17,122	108,616	52,870	—	(59,811)	118,797	11,880
	$27,509	**$108,616**	**$52,870**	**$1,414**	**($65,089)**	**$125,320**	**$12,532**

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:

	March 31, 2024		
	Effect of +/- 10% change in metal prices		
	Silver	Gold	Total
Metals in doré inventory	$1,792	$801	$2,593
	$1,792	**$801**	**$2,593**

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 March 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 March 31, 2024, a change of 25 basis points increase or decrease of 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 and 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). 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 rates 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. 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, 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 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 amparo lawsuits, challenging the constitutionality of the Decree. Those amparo lawsuits are pending to be decided by the District Courts. For further details regarding risks relating to government regulations, licenses and permits, see the section in the 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. There can be no assurance that First Majestic has been or will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect the Company’s business, results of operations or financial condition.

On August 26, 2021, the 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. JCG 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.

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.

In 2019, the SAT issued reassessments for the 2010 to 2012 tax years in the total amount of $368.1 million (6,139 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 $194.6 million (3,245 million MXN) and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of $496.0 million (8,273 million MXN) inclusive of interest, inflation, and penalties (collectively, the "Reassessments"). 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 silver spot market prices, 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 process 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, it 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 Court seeking to nullify the APA granted to PEM. The Federal Court's decision directs SAT to re-examine the evidence and basis for the issuance of the APA with retroactive effect, for the following key reasons:

(i) SAT's errors in analyzing PEM's request for the APA and the evidence provided in support of the request; and

(ii) SAT's failure to request from PEM certain additional information before issuing the APA.

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 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 Courts and on December 5, 2023, the Second Collegiate Court issued a decision, which was formally notified to the Company on January 4, 2024.

In such decision, the Second Collegiate 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 the Second Collegiate Court's decision, and PEM is currently waiting for the Supreme Court to admit such appeal.

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 the Government of 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, the Government of 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.

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), a second set of NAFTA arbitration proceedings brought by the Company against Mexico), 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).

Most recently, 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. As a result of this request, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been stayed until a three-member Consolidation Tribunal is constituted, and that tribunal has decided on whether the two arbitration proceedings should be consolidated into one proceeding. Both the Company and Mexico have put forward their nominee to the tribunal, and are awaiting the appointment by ICSID of the third tribunal member. We expect that a separate tribunal to consider the Consolidation Request will be constituted in the second quarter of 2024, and once constituted, it will take 4-6 months for the tribunal to decide on whether to approve the Consolidation Request.

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 approximately $314.2 million (5,307 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.

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. In light of the Consolidation Request (described above), the NAFTA VAT Claim has been stayed until the separate tribunal that will be constituted in respect of the Consolidation Request has decided on whether the two arbitrations should be consolidated into one proceeding.

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 $43.0 million (718 million MXN) and $31.3 million (761 million MXN) including interest, inflation and penalties, respectively. In December 2022, the SAT issued tax assessments to MLE for fiscal years 2014 and 2015 for corporate income tax in the amount of $19.5 million (325 million MXN) and $245.4 million (4,093 million MXN). In 2023, the SAT issued a tax assessment to MLE for the fiscal year 2016 for corporate income tax in the amount of $3.5 million (58 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 $29.2 million (487 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of $3.8 million (63 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 $70.2 million (1,171 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 $29.2 million (488 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 $86.9 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 approximately $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 has commenced collection actions in Mexico against the Defendant’s assets and continues to seek recovery of the balance against one of the Defendant’s assets located in the United States. Nonetheless, there can be no guarantee that the remainder of the judgment amount will be collected. Therefore, as at March 31, 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

Share Repurchase Program

The Company renewed its share repurchase program on March 22, 2023, which authorized the Company to repurchase up to 5,000,000 of the Company's issued and outstanding common shares between March 22, 2023 and March 21, 2024. During the three months ended March 31, 2024, the Company repurchased an aggregate of nil common shares (December 2023 - nil). The share repurchase program expired on March 21, 2024.

Off-Balance Sheet Arrangements

At March 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.

Related Party Disclosures

Amounts paid to related parties were incurred in the normal course of business and measured at the exchange amount, which is the amount agreed upon by the transacting parties and on terms and conditions similar to non-related parties.

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 transactions with related parties outside of the ordinary course of business during the three months ended March 31, 2024.

Outstanding Share Data

As at May 7, 2024, the Company has 291,072,939 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 May 7, 2024:

Stock options	7,429,439
Restricted share unit (share-settled)	1,644,729
Deferred share units (share-settled)	39,584
Performance share units (share-settled)	1,027,768
Total	**10,141,520**

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 March 31, 2024:

Declaration of Quarterly Dividend

On May 7, 2024, the Company's Board of Directors approved the declaration of its quarterly common share dividend of $0.0037 per share, payable on or after June 7, 2024, to common shareholders of record at the close of business on May 17, 2024. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended March 31, 2024.

At-the-Market Distributions ("ATM") Program

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 "at-the-market distributions", as defined in National Instrument 44-102 Shelf Distributions, carried out on the New York Stock Exchange (the "2024 ATM Program"). Subsequent to the period ended March 31, 2024, the Company sold a total of 4,000,000 common shares of the Company at an average price of $7.13 per share, for gross proceeds of $28.5 million.

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.

Within the Company's condensed interim consolidated financial statements for the three months ended March 31, 2024, there were no changes in critical accounting judgments and estimates that were significantly different from those disclosed in the Company's annual MD&A as at and for the year ended December 31, 2023. These were applied in conjunction with the following accounting policies, critical judgments and 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.

<u>Classification of Liabilities as Current or Non-Current with Covenants (Amendments to IAS 1)</u>

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 disclosure requirements 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 March 31, 2024:

At the date of authorization of these financial statements, the Group 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 Group 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.

NON-GAAP MEASURES

The Company has included certain non-GAAP measures including "Cash costs per silver equivalents ounce", "All-in sustaining cost per silver equivalent ounce", "All-in sustaining cost 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", "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, All-In Sustaining Cost per AgEq Ounce, All-In Sustaining Cost 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 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 expenditure is defined 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 March 31, 2024				
	San Dimas	Santa Elena	La Encantada	Jerritt Canyon	Consolidated
Mining cost	$14,442	$12,181	$4,095	$—	$30,718
Milling cost	8,313	9,434	4,850	21	22,617
Indirect cost	13,165	5,361	3,618	—	22,144
Total production cost (A)	**$35,919**	**$26,977**	**$12,562**	**$21**	**$75,480**
Add: transportation and other selling cost	264	198	21	—	557
Add: smelting and refining cost	343	106	92	4	545
Add: environmental duty and royalties cost	264	2,367	217	12	2,860
Add: change in inventory	493	(2,027)	(1,361)	778	(2,117)
Total cash cost (B)	**$37,283**	**$27,621**	**$11,531**	**$815**	**$77,325**
Workers' participation	3,598	365	375	—	4,337
General and administrative expenses	—	—	—	—	8,872
Share-based payments	—	—	—	—	4,542
Accretion of decommissioning liabilities	343	307	284	—	934
Sustaining capital expenditures	6,769	3,469	1,276	—	11,529
Operating lease payments	338	1,726	997	—	3,435
All-In Sustaining Costs (C)	**$48,331**	**$33,488**	**$14,463**	**$815**	**$110,974**
Payable silver equivalent ounces produced (D)	**2,358,963**	**2,277,318**	**457,198**	**57,502**	**5,150,981**
Payable gold ounces produced (E)	**N/A**	**N/A**	**N/A**	**646**	**N/A**
Tonnes milled (F)	**178,957**	**224,394**	**185,298**	**—**	**588,651**
Cash cost per AgEq ounce (B/D)	**$15.81**	**$12.13**	**$25.22**	**$14.16**	**$15.00**
AISC per AgEq ounce (C/D)	**$20.49**	**$14.70**	**$31.64**	**$14.16**	**$21.53**
Cash cost per Au ounce (B/E)	**N/A**	**N/A**	**N/A**	**$1,260**	**N/A**
AISC per Au ounce (C/E)	**N/A**	**N/A**	**N/A**	**$1,260**	**N/A**
Production cost per tonne (A/F)	**$200.72**	**$120.22**	**$67.80**	**N/A**	**$128.24**

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Three Months Ended March 31, 2023				
	San Dimas	Santa Elena	La Encantada	Jerritt Canyon	Consolidated
Mining cost	$14,595	$8,402	$3,826	$24,799	$51,614
Milling cost	7,882	9,114	5,439	11,865	34,300
Indirect cost	12,049	5,191	3,288	4,120	24,647
Total production cost (A)	**$34,517**	**$22,707**	**$12,554**	**$40,783**	**$110,561**
Add: transportation and other selling cost	438	245	176	14	935
Add: smelting and refining cost	385	49	179	36	649
Add: environmental duty and royalties cost	377	2,080	106	632	3,195
Total cash cost (B)	**$35,717**	**$25,081**	**$13,015**	**$41,465**	**$115,340**
Workers' participation	3,394	661	449	—	4,504
General and administrative expenses	—	—	—	—	8,058
Share-based payments	—	—	—	—	4,629
Accretion of decommissioning liabilities	397	280	292	514	1,742
Sustaining capital expenditures	8,550	4,543	1,034	7,889	22,023
Operating lease payments	185	1,351	877	—	2,791
All-In Sustaining Costs (C)	**$48,243**	**$31,916**	**$15,667**	**$49,868**	**$159,087**
Payable silver equivalent ounces produced (D)	**3,288,126**	**2,102,178**	**840,380**	**1,380,070**	**7,610,754**
Payable gold ounces produced (E)	**N/A**	**N/A**	**N/A**	**16,325**	**N/A**
Tonnes milled (F)	**219,367**	**208,821**	**271,278**	**146,403**	**845,868**
Cash cost per AgEq ounce (B/D)	**$10.86**	**$11.93**	**$15.48**	**$30.05**	**$15.16**
AISC per AgEq ounce (C/D)	**$14.67**	**$15.18**	**$18.64**	**$36.14**	**$20.90**
Cash cost per Au ounce (B/E)	**N/A**	**N/A**	**N/A**	**$2,540**	**N/A**
AISC per Au ounce (C/E)	**N/A**	**N/A**	**N/A**	**$3,055**	**N/A**
Production cost per tonne (A/F)	**$157.39**	**$108.74**	**$46.27**	**$278.57**	**$130.71**

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 March 31,	
	2024	**2023**
Revenues as reported	**$106,014**	**$156,952**
Add back: smelting and refining charges	545	650
Gross revenues	**106,559**	**157,602**
Less: Sandstorm gold revenues	—	(405)
Less: Wheaton gold revenues	(5,002)	(6,650)
Gross revenues, excluding Sandstorm, Wheaton (A)	**$101,557**	**$150,547**
Payable silver equivalent ounces sold	4,988,921	7,811,637
Less: Payable silver equivalent ounces sold to Sandstorm	—	(74,988)
Less: Payable silver equivalent ounces sold to Wheaton	(708,045)	(887,701)
Payable silver equivalent ounces sold, excluding Sandstorm and Wheaton (B)	**4,280,876**	**6,848,948**
Average realized silver price per silver equivalent ounce (A/B)	**$23.72**	**$21.98**
Average market price per ounce of silver per COMEX	$23.35	$22.55

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 March 31,	
	2024	**2023**
Gross revenue, excluding Sandstorm, Wheaton	**$101,557**	**$150,547**
Less: Silver revenues	(45,627)	(61,065)
Gross gold revenues, excluding Sandstorm, Wheaton (A)	**$55,930**	**$89,482**
Gold ounces sold	34,786	59,187
Less: Gold ounces sold to Wheaton	(7,933)	(10,651)
Less: Gold ounces sold to Sandstorm	—	(856)
Gold ounces sold, excluding Sandstorm and Wheaton (B)	**26,853**	**47,680**
Average realized gold price per ounce (A/B)	**$2,083**	**$1,877**
Average market price per ounce of gold	$2,072	$1,892

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 March 31,	
	2024	**2023**
Operating cash flows	**$12,434**	**($4,670)**
Less: Sustaining capital expenditures	11,529	22,023
Free cash flow	**$905**	**($26,693)**

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 condensed interim consolidated financial statements to adjusted net earnings and Adjusted EPS:

	Three Months Ended March 31,	
	2024	**2023**
Net loss as reported	**($13,563)**	**($100,660)**
Adjustments for non-cash or unusual items:		
Impairment of non-current assets	—	125,200
Deferred income tax recovery	(10,776)	(46,027)
Loss from investment in marketable securities	143	784
Loss on divestiture of mining interest	—	1,378
Share-based payments	4,542	4,629
Standby Costs	—	5,078
Write-down of mineral inventory	1,216	10,521
Adjusted net (loss) earnings	**($18,438)**	**$903**
Weighted average number of shares on issue - basic	287,210,710	274,220,112
Adjusted EPS	**($0.06)**	**$0.00**

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.

	March 31, 2024	December 31, 2023
Current Assets	$279,413	$309,057
Less: Current Liabilities	(119,862)	(120,138)
Working Capital	**$159,551**	**$188,919**
Available Undrawn Revolving Credit Facility	124,640	124,640
Available Liquidity	**$284,191**	**$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 and 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 March 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 March 31, 2024. There have been no significant changes in our internal controls during the quarter ended March 31, 2024 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the 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 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; 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 including pandemics such as COVID-19 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 Annual Information Form 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.

Cautionary Note regarding Reserves and Resources

National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"), issued by the Canadian Securities Administrators, lays out the standards of disclosure for mineral projects. This includes a requirement that a certified Qualified Person ("QP") (as defined under the NI 43-101) supervises the preparation of the mineral reserves and mineral resources. Gonzalo Mercado, Vice President of Exploration and Technical Services is a certified QP for the Company and has reviewed this MD&A for QP technical disclosures. All NI 43-101 technical reports can be found on the Company's website at www.firstmajestic.com or under the Company's profile on SEDAR+ at www.sedarplus.ca.

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 the requirements of the United States Securities and Exchange Commission (the "SEC") 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 Annual Information Form and the Company's audited consolidated financial statements for the year ended December 31, 2023, is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.firstmajestic.com.