



CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(UNAUDITED)



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

Keith Neumeyer
President & CEO
August 13, 2025

/s/ David Soares

David Soares, CPA, CA
Chief Financial Officer
August 13, 2025

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**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024**

Condensed Interim Consolidated Financial Statements - Unaudited

(In thousands of US dollars, except share and per share amounts)

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.

		Three Months Ended June 30,		Six Months Ended June 30,	
	Note	2025	2024	2025	2024
Revenues	<u>6</u>	\$264,229	\$136,166	\$508,171	\$242,180
Mine operating costs					
Cost of sales	<u>7</u>	141,139	89,096	258,856	169,585
Depletion, depreciation and amortization		73,739	31,608	136,159	57,454
		214,878	120,704	395,015	227,039
Mine operating earnings		49,351	15,462	113,156	15,141
General and administrative expenses	<u>8</u>	12,510	9,506	25,228	18,746
Share-based payments		3,804	3,418	9,306	7,960
Mine holding costs	<u>9</u>	5,323	5,723	10,292	12,020
Acquisition Costs	<u>4</u>	—	—	5,584	—
Foreign exchange (gain) loss		(11,768)	11,133	(12,244)	9,976
Operating earnings (loss)		39,482	(14,318)	74,990	(33,561)
Investment and other income	<u>10</u>	6,334	3,916	6,839	3,558
Finance costs	<u>11</u>	(7,798)	(7,335)	(14,761)	(14,419)
Earnings (loss) before income taxes		38,018	(17,737)	67,068	(44,422)
Income taxes					
Current income tax expense		21,087	7,879	36,174	5,533
Deferred income tax (recovery) expense		(39,648)	22,635	(31,925)	11,859
		(18,561)	30,514	4,249	17,392
Net earnings (loss) for the period		\$56,579	(\$48,251)	\$62,819	(\$61,814)
Net earnings (loss) attributable to:					
Owners of the Company		\$52,548	(\$48,251)	\$54,812	(\$61,814)
Non-controlling interest	<u>23</u>	\$4,031	\$—	\$8,007	\$—
Earnings (loss) per common share attributable to owners of the Company					
Basic	<u>12</u>	\$0.11	(\$0.17)	\$0.12	(\$0.21)
Diluted	<u>12</u>	\$0.11	(\$0.17)	\$0.12	(\$0.21)
Weighted average shares outstanding					
Basic	<u>12</u>	485,086,253	292,027,581	469,163,327	289,619,145
Diluted	<u>12</u>	488,580,386	292,027,581	472,629,976	289,619,145

Approved and authorized by the Board of Directors for issuance on August 13, 2025.

/s/ Keith Neumeyer
Keith Neumeyer, Director

/s/ Colette Rustad
Colette Rustad, Director

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

Condensed Interim Consolidated Financial Statements - Unaudited

(In thousands of US dollars, except share and per share amounts)

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 June 30,		Six Months Ended June 30,	
		2025	2024	2025	2024
Net earnings (loss) for the period		\$56,579	(\$48,251)	\$62,819	(\$61,814)
Other comprehensive income					
Items that will not be subsequently reclassified to net loss:					
Unrealized gain on fair value of investments in marketable securities, net of tax	14(b)	15,879	9,287	30,150	2,487
Realized loss on investments in marketable securities, net of tax	14(b)	(1,888)	(244)	(1,882)	(569)
Other comprehensive income		13,991	9,043	28,268	1,918
Total comprehensive income (loss)		\$70,570	(\$39,208)	\$91,087	(\$59,896)
Comprehensive income (loss) attributable to:					
Owners of the Company		\$66,539	(\$39,208)	\$83,080	(\$59,896)
Non-controlling interests		\$4,031	\$—	\$8,007	\$—

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024

Condensed Interim Consolidated Financial Statements - Unaudited

(In thousands of US dollars)

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 June 30,		Six Months Ended June 30,	
	Note	2025	2024	2025	2024
Operating Activities					
Net earnings (loss) for the period		\$56,579	(\$48,251)	\$62,819	(\$61,814)
Adjustments for:					
Depletion, depreciation and amortization		74,058	31,979	136,832	58,193
Share-based payments		3,000	3,162	7,514	7,063
Income tax (recovery) expense		(18,561)	30,514	4,249	17,392
Finance costs	11	7,798	7,335	14,761	14,419
Unrealized (gain) loss from marketable securities and silver futures derivatives		(2,717)	(1,463)	444	(349)
Other		(5,236)	494	(1,666)	1,479
Operating cash flows before non-cash working capital and taxes		114,921	23,770	224,953	36,383
Net change in non-cash working capital items	25	5,805	3,467	(20,695)	6,860
Income taxes paid		(30,620)	(10,393)	(58,660)	(13,965)
Cash generated in operating activities		90,106	16,844	145,598	29,278
Investing Activities					
Expenditures on mining interests		(31,551)	(22,807)	(77,391)	(44,783)
Acquisition of property, plant and equipment		(17,974)	(4,149)	(28,489)	(12,699)
Deposits paid for acquisition of non-current assets		(49)	(11)	(150)	(477)
Gatos Silver Inc. cash acquired, net of cash consideration paid	4	—	—	159,560	—
Acquisition of Springpole Silver Stream	15(f)	—	—	(5,000)	—
Other	25	1,733	(1,958)	(372)	882
Cash (used in) provided by investing activities		(47,841)	(28,925)	48,158	(57,077)
Financing Activities					
Proceeds from prospectus offering, net of share issue costs	22	—	71,154	—	71,154
Proceeds from exercise of stock options		9,829	31	18,167	31
Repayment of lease liabilities	21	(3,940)	(4,012)	(8,508)	(7,907)
Dividends paid to non-controlling interests	23	(9,688)	—	(9,688)	—
Finance costs paid		(2,237)	(2,207)	(4,133)	(4,611)
Dividends declared and paid	22	(2,180)	(1,080)	(4,939)	(2,459)
Shares repurchased	22	(2,844)	—	(4,270)	—
Cash (used in) provided by financing activities		(11,060)	63,886	(13,371)	56,208
Effect of exchange rate on cash and cash equivalents held in foreign currencies		2,235	(1,701)	2,188	(1,817)
Increase in cash and cash equivalents		31,205	51,805	180,385	28,409
Cash and cash equivalents, beginning of the period		351,313	102,069	202,180	125,581
Cash and cash equivalents, end of period		\$384,753	\$152,173	\$384,753	\$152,173
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 JUNE 30, 2025 AND DECEMBER 31, 2024

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	June 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		\$384,753	\$202,180
Trade and other receivables		36,157	12,303
Value added taxes receivable	24	41,687	33,864
Inventories	13	82,992	62,524
Other financial assets	14	81,824	49,781
Prepaid expenses and other		12,776	8,169
Total current assets		640,189	368,821
Non-current assets			
Mining interests	15	2,675,695	1,034,522
Property, plant and equipment	16	557,087	378,630
Right-of-use assets	17	17,134	23,898
Deposits on non-current assets		5,802	5,720
Trade and other receivables		5,000	5,000
Non-current restricted cash	18	125,327	106,072
Non-current value added taxes receivable	24	10,589	10,750
Deferred tax assets		57,213	46,375
Total assets		\$4,094,036	\$1,979,788
Liabilities and Equity			
Current liabilities			
Trade and other payables	19	\$176,625	\$103,895
Unearned revenue	6	142	580
Current portion of debt facilities	20	735	825
Current portion of lease liabilities	21	12,013	16,215
Income taxes payable		6,527	22,792
Total current liabilities		196,042	144,307
Non-current liabilities			
Debt facilities	20	213,658	208,657
Lease liabilities	21	8,128	11,320
Decommissioning liabilities		174,959	159,067
Other liabilities		6,687	5,587
Non-current income taxes payable		21,115	19,685
Deferred tax liabilities		571,027	80,094
Total liabilities		\$1,191,616	\$628,717
Equity			
Share capital		3,037,808	1,978,101
Equity reserves		126,383	90,028
Accumulated deficit		(667,186)	(717,058)
Equity attributable to owners of the Company		2,497,005	1,351,071
Non-controlling interest	23	405,415	—
Total equity		\$2,902,420	\$1,351,071
Total liabilities and equity		\$4,094,036	\$1,979,788
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 STATEMENTS OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024

Condensed Interim Consolidated Financial Statements - Unaudited

(In thousands of US dollars, except share and per share amounts)

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)	OCI ^(b)	Equity component of convertible debenture ^(c)	Total equity reserves	Accumulated deficit	Equity attributable to owners of the Company	Non-controlling Interest	Total equity
Balance at December 31, 2023	287,146,715	\$1,879,971	\$119,304	(\$35,224)	\$3,945	\$88,025	(\$609,876)	\$1,358,120	\$—	\$1,358,120
Net loss for the period	—	—	—	—	—	—	(61,814)	(61,814)	—	(61,814)
Other comprehensive income	—	—	—	1,918	—	1,918	—	1,918	—	1,918
Total comprehensive loss	—	—	—	1,918	—	1,918	(61,814)	(59,896)	—	(59,896)
Share-based payments	—	—	7,063	—	—	7,063	—	7,063	—	7,063
Shares issued for:										
Prospectus offerings (Note 22(a))	10,600,000	71,154	—	—	—	—	—	71,154	—	71,154
Exercise of stock options (Note 22(b))	5,000	49	(18)	—	—	(18)	—	31	—	31
Settlement of restricted and deferred share units (Note 22(c) and 22(e))	136,900	1,406	(1,406)	—	—	(1,406)	—	—	—	—
Dividend declared and paid (Note 22(f))	—	—	—	—	—	—	(2,459)	(2,459)	—	(2,459)
Balance at June 30, 2024	297,888,615	\$1,952,580	\$124,943	(\$33,306)	\$3,945	\$95,582	(\$674,149)	\$1,374,013	\$—	\$1,374,013
Balance at December 31, 2024	301,863,238	\$1,978,101	\$127,110	(\$41,026)	\$3,945	\$90,029	(\$717,058)	\$1,351,071	\$—	\$1,351,071
Net earnings for the period	—	—	—	—	—	—	54,812	54,812	8,007	62,819
Other comprehensive income	—	—	—	28,268	—	28,268	—	28,268	—	28,268
Total comprehensive income	—	—	—	28,268	—	28,268	54,812	83,080	8,007	91,087
Share-based payments	—	—	7,514	—	—	7,514	—	7,514	—	7,514
Shares issued for:										
Acquisition of Gatos (Note 4)	179,640,768	1,020,359	26,023	—	—	26,023	—	1,046,382	407,096	1,453,478
Exercise of stock options (Note 22(b))	6,058,597	40,377	(22,210)	—	—	(22,210)	—	18,167	—	18,167
Settlement of restricted, preferred, and deferred share units (Note 22(c), 22(d), and 22(e))	460,004	3,241	(3,241)	—	—	(3,241)	—	—	—	—
Dividends to non-controlling interest (Note 23)	—	—	—	—	—	—	—	—	(9,688)	(9,688)
Shares repurchased (Note 22(a))	(768,500)	(4,270)	—	—	—	—	—	(4,270)	—	(4,270)
Dividend declared and paid (Note 22(f))	—	—	—	—	—	—	(4,939)	(4,939)	—	(4,939)
Balance at June 30, 2025	487,254,107	\$3,037,808	\$135,196	(\$12,758)	\$3,945	\$126,383	(\$667,186)	\$2,497,005	\$405,415	\$2,902,420

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

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

2. BASIS OF PRESENTATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “*Interim Financial Reporting*” of the IFRS Accounting Standards 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, 2024 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 14). 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, 2024 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 the Company’s management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

In preparing the Company’s unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2025, 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, 2024 and the following accounting policies, critical judgments and estimates in applying accounting policies:

(Tabular amounts are expressed in thousands of US dollars)

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

Lack of Exchangeability (Amendments to IAS 21)

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

The amendments were applied effective January 1, 2025 and did not have a material impact on the Company's consolidated financial statements.

Future Changes in Accounting Policies Not Yet Effective 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.

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

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

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

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

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

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

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

These amendments are effective for annual reporting periods beginning on or after January 1, 2026, although earlier application is permitted. The Company is currently evaluating the impact of these amendments.

(Tabular amounts are expressed in thousands of US dollars)

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

Critical Judgments and Estimates

Fair Value Estimates in the acquisition of Gatos Silver Inc. (Note 4)

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

- (i) The identifiable assets acquired and liabilities assumed;
- (ii) The consideration transferred in exchange for an interest in the acquiree;
- (iii) Exploration potential and any resulting goodwill.

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

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

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

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

Consideration for the acquisition of Gatos Silver Inc.

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

(Tabular amounts are expressed in thousands of US dollars)

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

Critical Judgments and Estimates (continued)

Determination of Control or Significant Influence in Los Gatos Joint Venture (the "LGJV") (Note 4)

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

Revenue Recognition (Note 6)

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

New Accounting Policies

Non-Controlling Interest (Note 23)

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

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

Revenue Recognition (Note 6)

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

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

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

(Tabular amounts are expressed in thousands of US dollars)

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

New Accounting Policies (continued)

Revenue Recognition (Note 6) (continued)

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

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

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

(Tabular amounts are expressed in thousands of US dollars)

4. ACQUISITION OF GATOS SILVER, INC.

Consideration and Purchase Price Allocation

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

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

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

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

4. ACQUISITION OF GATOS SILVER, INC. (continued)

Consideration and Purchase Price Allocation (continued)

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

Total Consideration

177,433,066 Consideration Shares issued to Gatos shareholders with an accounting fair value of \$5.68 per share ⁽¹⁾	\$1,007,819
2,207,762 Consideration DSUs and RSUs of Gatos converted to First Majestic common shares with an accounting fair value of \$5.68 per share ⁽¹⁾	12,540
8,242,244 Consideration Options of Gatos converted to First Majestic Options with an accounting fair value of \$3.51 per option ⁽³⁾	26,023
Other consideration ⁽²⁾	7,841
Total consideration	\$1,054,223

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

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

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

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

4. ACQUISITION OF GATOS SILVER, INC. (continued)

Consideration and Purchase Price Allocation (continued)

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

Allocation of Purchase Price

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

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

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

Financial and operating results of Gatos are included in the Company's consolidated financial statements effective January 16, 2025. During the three and six months ended June 30, 2025, the acquisition of Gatos contributed \$103.1 and \$193.6 million of revenues, respectively, and \$11.9 million and \$24.1 million of net earnings, respectively, to the Company's financial results since January 16, 2025.

Had the business combination been effective at January 1, 2025, the Company's pro forma revenues and net earnings for the three and six months ended June 30, 2025 would have been \$264.2 million and \$56.6 million, and \$525.7 million and \$66.0 million, respectively. Total transaction costs of \$5.6 million related to the acquisition were expensed in Q1 2025.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

4. ACQUISITION OF GATOS SILVER, INC. (continued)

Consideration and Purchase Price Allocation (continued)

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

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

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

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

(Tabular amounts are expressed in thousands of US dollars)

5. SEGMENTED INFORMATION

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

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

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

For the six months ended June 30, 2025, the Company's significant operating segments include its four operating mines in Mexico, including its newly acquired Los Gatos Silver mine in Chihuahua, its Jerritt Canyon Gold Mine in Nevada, United States, and its "non-producing properties" in Mexico which include the Del Toro and San Martin mines, which have been placed on suspension. In addition, as of January 1, 2024, the Company has added First Mint LLC ("First Mint") as an operating segment, which is inclusive of the Company's bullion store and its minting facility in Nevada, United States. The Jerritt Canyon Gold mine was placed on temporary suspension as of March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. "Others" consists primarily of the Company's corporate assets including cash and cash equivalents, other development and exploration properties (Note [15](#)), debt facilities (Note [20](#)), and corporate expenses which are not allocated to operating segments. The Company's chief operating decision maker ("CODM") evaluates segment performance based on mine operating earnings. Therefore, other income and expense items not directly related to mining operations are not allocated to the segments.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

5. SEGMENTED INFORMATION (continued)

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

Three Months Ended June 30, 2025 and 2024		Revenue	Cost of sales	Depletion, depreciation, and amortization	Mine operating earnings (loss)	Capital expenditures
Mexico						
Santa Elena⁽¹⁾	2025	74,494	37,306	10,543	26,645	15,348
	2024	72,111	33,296	12,551	26,264	12,296
Los Gatos	2025	103,103	37,918	44,627	20,558	20,380
	2024	—	—	—	—	—
San Dimas	2025	\$65,060	\$47,576	\$13,346	\$4,138	\$14,459
	2024	49,038	40,038	11,521	(2,521)	12,849
La Encantada	2025	21,072	17,241	3,821	10	3,300
	2024	14,904	14,277	4,989	(4,362)	1,671
Non-producing Properties	2025	—	—	20	(20)	517
	2024	—	—	40	(40)	—
United States						
Jerritt Canyon⁽¹⁾⁽³⁾	2025	—	4	654	(658)	1,346
	2024	1,574	881	1,748	(1,055)	1,056
First Mint⁽²⁾	2025	7,775	4,986	158	2,631	—
	2024	3,298	3,619	119	(440)	—
Others	2025	—	105	570	(675)	651
	2024	—	1,830	640	(2,470)	424
Intercompany elimination	2025	(7,275)	(3,997)	—	(3,278)	—
	2024	(4,759)	(4,845)	—	86	—
Consolidated	2025	\$264,229	\$141,139	\$73,739	\$49,351	\$56,001
	2024	\$136,166	\$89,096	\$31,608	\$15,462	\$28,296

(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 \$7.8 million (2024 - \$3.3 million) through the sale of 231,506 silver ounces (2024 - 106,890) at an average price of \$33.58 per ounce (2024 - \$30.86).

(3) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed during the three months ended June 30, 2024 resulted in the recovery of 74 ounces.

During the three months ended June 30, 2025, the Company had five (June 30, 2024 - four) customers that accounted for 99% (June 30, 2024 - 96%) of its sales revenue, with two major metal brokers accounting for 78% of total revenue, each contributing 47% and 31%, respectively (June 30, 2024 - one major broker accounting for 83%).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

5. SEGMENTED INFORMATION (continued)

Six Months Ended June 30, 2025 and 2024		Revenue	Cost of sales	Depletion, depreciation, and amortization	Mine operating earnings (loss)	Capital expenditures
Mexico						
Santa Elena⁽²⁾	2025	\$144,971	\$67,229	\$21,621	\$56,121	\$28,858
	2024	124,392	60,699	21,825	41,868	24,086
Los Gatos	2025	193,578	67,159	78,286	48,134	36,733
	2024	—	—	—	—	—
San Dimas	2025	125,012	87,844	26,077	11,091	27,441
	2024	92,327	80,026	22,540	(10,239)	25,140
La Encantada	2025	39,030	32,129	7,370	(469)	5,488
	2024	25,034	27,076	8,222	(10,264)	3,500
Non-producing Properties	2025	—	—	39	(39)	738
	2024	—	—	79	(79)	308
United States						
Jerritt Canyon⁽²⁾	2025	278	47	1,331	(1,100)	2,501
	2024	1,574	893	3,321	(2,640)	2,152
First Mint⁽¹⁾	2025	15,641	10,141	315	5,185	—
	2024	4,284	4,419	188	(323)	—
Others	2025	—	140	1,120	(1,261)	5,196
	2024	—	1,903	1,279	(3,182)	1,283
Intercompany elimination	2025	(10,339)	(5,833)	—	(4,506)	—
	2024	(5,431)	(5,431)	—	—	—
Consolidated	2025	\$508,171	\$258,856	\$136,159	\$113,156	\$106,955
	2024	\$242,180	\$169,585	\$57,454	\$15,141	\$56,469

(1) The First Mint segment is inclusive of operations from the Company's bullion store and its minting facility located in Nevada. This segment generated coin and bullion revenue of \$15.6 million (2024 - \$4.3 million) from coins and bullion sales of 475,371 silver ounces (2024 - 143,849) at an average price of \$32.90 per ounce (2024 - \$29.79).

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

(3) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed during the six months ended June 30, 2024 resulted in the recovery of 721 ounces.

During the six months ended June 30, 2025, the Company had five (June 30, 2024 - four) customers that accounted for 97% (June 30, 2024 - 98%) of its sales revenue, with two major metal broker accounting for 80% of total revenue, each contributing 50% and 30%, respectively (June 30, 2024 one major broker accounting for 88%).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

5. SEGMENTED INFORMATION (continued)

At June 30, 2025 and December 31, 2024		Mining Interests		Property, plant and equipment	Total mining assets	Total assets	Total liabilities
		Producing	Exploration				
Mexico							
Santa Elena	2025	\$152,856	\$47,300	\$ 89,584	\$289,741	\$ 404,194	\$102,303
	2024	121,733	67,029	90,329	279,091	415,618	124,073
Los Gatos	2025	1,074,866	543,478	183,863	1,802,207	2,001,881	534,574
	2024	—	—	—	—	—	—
San Dimas	2025	222,156	44,871	86,813	353,840	561,938	98,995
	2024	221,657	40,718	90,103	352,478	542,760	87,791
La Encantada	2025	19,835	4,720	26,920	51,475	100,250	23,546
	2024	19,366	4,712	27,534	51,612	98,665	24,128
Non-producing Properties	2025	60,465	15,096	17,428	92,989	127,667	14,522
	2024	60,466	14,875	17,035	92,376	129,348	14,141
United States							
Jerritt Canyon	2025	356,669	92,833	128,362	577,864	608,797	150,998
	2024	356,669	91,117	129,057	576,843	608,189	151,670
First Mint	2025	—	—	4,694	4,694	17,547	7,281
	2024	—	—	4,633	4,633	19,399	1,450
Others	2025	—	40,550	19,423	59,973	271,762	259,397
	2024	—	36,180	19,938	56,118	165,812	225,464
Consolidated	2025	\$1,886,847	\$788,848	\$557,087	\$3,232,783	\$4,094,036	\$1,191,616
	2024	\$779,890	\$254,632	\$378,630	\$1,413,151	\$1,979,788	\$628,717

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

6. REVENUES

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

Revenues for the period are summarized as follows:

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
Gross revenue from payable metals:								
Silver	\$143,897	54%	\$55,278	40%	\$283,124	56%	\$100,905	41%
Gold	88,816	34%	81,462	60%	170,406	33%	142,394	59%
Lead	10,741	4 %	—	— %	19,681	4%	—	— %
Zinc	20,952	8 %	—	— %	36,658	7%	—	— %
Copper	320	— %	—	— %	849	—%	—	— %
Gross revenue	264,726	100%	136,740	100%	510,718	100%	243,299	100%
Less: smelting and refining costs	(497)		(574)		(2,547)		(1,119)	
Revenues	\$264,229		\$136,166		\$508,171		\$242,180	

As at June 30, 2025, the Company had \$0.1 million of unearned revenue (December 31, 2024 - \$0.6 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 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 and six months ended June 30, 2025, the Company delivered zero ounces (June 30, 2024 - 21 ounces) of gold to Sandstorm.

(b) Net Smelter Royalty

The Ermitaño mine has a net smelter return ("NSR") royalty agreement with Orogen Royalties Inc. that provides them with a 2% NSR royalty of production. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño mine. For the three and six months ended June 30, 2025, the Company incurred \$3.1 million and \$5.9 million respectively (June 30, 2024 - \$2.9 and \$5.0 million) in NSR royalty payments in connection with production from Ermitaño.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited ("Metalla"). Under the agreement, the Company has granted Metalla a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the three and six months ended June 30, 2025, , the Company has incurred \$0.1 and \$0.2 million (June 30, 2024 - \$nil and \$0.2 million) in royalty payments from gold production at La Encantada.

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

During the three and six months ended June 30, 2025, the Company has incurred \$0.3 million and \$0.6 million (June 30, 2024 - \$nil) in NSR royalty payments in connection with production from Los Gatos.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

6. REVENUES (continued)

(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 June 30, 2025, was 90:1.

During the three and six months ended June 30, 2025, the Company delivered 8,962 and 16,198 ounces (June 30, 2024 - 6,801 and 14,734 ounces) of gold to WPMI at \$640 and \$638 per ounce (June 30, 2024 - \$635 and \$633 per ounce).

7. COST OF SALES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Labour costs	\$57,849	\$42,539	\$106,426	\$83,383
Consumables and materials	31,363	17,942	60,502	37,395
Energy	14,910	10,337	27,207	19,303
Maintenance	2,791	1,431	5,654	3,047
Assays and labwork	762	991	1,454	1,795
Insurance	1,502	593	2,873	1,279
Other costs ⁽¹⁾	4,834	2,498	9,197	5,609
Production costs	\$114,011	\$76,331	\$213,313	\$151,811
Transportation and other selling costs	5,381	732	9,982	1,289
Workers' participation costs	11,920	6,123	18,523	10,460
Environmental duties and royalties	5,985	3,568	11,396	6,428
Finished goods inventory changes	1,086	583	2,886	(2,162)
Other ⁽²⁾	2,756	1,759	2,756	1,759
Cost of Sales	\$141,139	\$89,096	\$258,856	\$169,585

(1) Other costs (within production costs) include services such as machinery rentals, corporate staff support, and external consultants, along with rights payments and land access fees. The inventory write-downs during the three and six months ended June 30, 2025, totaled to \$nil (June 30, 2024 - \$0.2 and \$1.5 million related to La Encantada).

(2) Other costs in 2025 relate to increased diesel consumption due to the use of back up energy sources following weather-events that disrupted operations and prevented the use of liquid natural gas at the end of June. Other cost in 2024 relate to \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

8. GENERAL AND ADMINISTRATIVE EXPENSES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Corporate administration	\$3,517	\$2,312	\$6,547	\$4,590
Salaries and benefits	5,281	4,157	11,209	8,604
Audit, legal and professional fees	2,795	2,363	5,886	4,196
Filing and listing fees	427	166	613	306
Directors' fees and expenses	171	137	300	311
Depreciation	319	371	673	739
	\$12,510	\$9,506	\$25,228	\$18,746

9. MINE HOLDING COSTS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Del Toro	\$443	\$ 771	\$881	\$ 1,409
San Martin	95	80	253	287
Santa Elena ⁽¹⁾	1,135	805	1,826	1,887
Jerritt Canyon	3,650	4,067	7,332	8,437
	\$5,323	\$5,723	\$10,292	\$12,020

(1) During Q2 2025 and Q2 2024, the Company processed ore solely from the Ermitaño mine which is part of the Santa Elena operation. During the three and six months ended June 30, 2025, the Company has incurred \$1.1 and \$1.8 million (June 30, 2024 - \$0.8 and \$1.9 million) in holding costs relating to care and maintenance charges for the Santa Elena mine.

10. INVESTMENT AND OTHER INCOME

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gain (loss) from investment in silver futures derivatives	\$1,609	\$1,223	(\$1,712)	\$252
Gain from investment in marketable securities (Note 14(a))	1,109	240	1,268	97
Interest income and other	3,616	2,453	7,283	3,209
	\$6,334	\$3,916	\$6,839	\$3,558

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

11. FINANCE COSTS

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Debt facilities ⁽¹⁾ (Note 20)	\$3,071	\$3,444	\$6,130	\$6,851
Accretion of decommissioning liabilities	2,784	2,402	5,530	4,805
Lease liabilities (Note 21)	436	607	913	1,238
Interest and other	1,507	882	2,188	1,525
	\$7,798	\$7,335	\$14,761	\$14,419

(1) During the three and six months ended June 30, 2025, finance costs for debt facilities includes non-cash accretion expense of \$2.6 and \$5.2 million (June 30, 2024 - \$2.5 and \$5.0 million).

12. EARNINGS OR LOSS PER SHARE

Basic earnings or loss per share is the net earnings (loss) attributable to owners of the Company divided by the weighted average number of common shares outstanding during the periods. Diluted net earnings or loss per share adjusts basic net earnings or loss per share for the effects of potential dilutive common shares. The calculations of basic and diluted earnings or loss per share for the periods ended June 30, 2025 and 2024 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net earnings (loss) for the year	\$56,579	(\$48,251)	\$62,819	(\$61,814)
Net earnings attributable to non-controlling interests	4,031	—	\$8,007	—
Net earnings (loss) attributable to owners of the Company	\$52,548	(\$48,251)	\$54,812	(\$61,814)
Weighted average number of shares on issue - basic	485,086,253	292,027,581	469,163,327	289,619,145
Effect on dilutive securities:				
Stock options	1,726,311	—	1,689,540	—
Restricted, performance and deferred share units	1,767,822	—	1,777,109	—
Weighted average number of shares on issue - diluted⁽¹⁾	488,580,386	292,027,581	472,629,976	289,619,145
Earnings (loss) per share - basic and diluted	\$0.11	(\$0.17)	\$0.12	(\$0.21)

(1) For the three and six months ended June 30, 2025, diluted weighted average number of shares excluded 6,699,436 and 8,035,000 (June 30, 2024 - 5,520,292 and 7,396,864) options, 5,000,000 (2024 - 5,000,000) warrants, 1,649 and 9,637 restricted and performance share units (June 30, 2024 - 2,680,905) and 13,888,895 common shares issuable under the 2021 convertible debentures (June 30, 2024 - 13,888,895) (Note 20(a)) that were anti-dilutive.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

13. INVENTORIES

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

	June 30, 2025	December 31, 2024
Finished goods	\$6,706	\$5,036
Work-in-process	4,073	4,162
Stockpile	12,492	6,580
Silver coins and bullion	5,965	8,613
Materials and supplies	53,756	38,133
	\$82,992	\$62,524

The amount of inventories recognized as an expense during the period is equivalent to the total of cost of sales plus depletion, depreciation and amortization for the period. As at June 30, 2025, no write down was included in mineral inventories, which consist of stockpile, work-in-process and finished goods (December 31, 2024 - \$nil).

14. OTHER FINANCIAL ASSETS

As at June 30, 2025, other financial assets consist of the Company's investment in marketable securities comprised of the following:

	June 30, 2025	December 31, 2024
FVTPL marketable securities (a)	\$5,893	\$1,283
FVTOCI marketable securities (b)	75,931	48,498
Total other financial assets	\$81,824	\$49,781

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

Gain on marketable securities designated as FVTPL for the three and six months ended June 30, 2025 was \$1.1 and \$1.3 million (June 30, 2024 - gain of \$0.2 and \$0.1 million) and was recorded through profit or loss.

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

Changes in fair value of marketable securities designated as FVTOCI for the three and six months ended June 30, 2025 was a gain of \$14.0 million and \$28.3 million (June 30, 2024 - gain of \$9.0 and \$1.9 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 June 30, 2025, the carrying value of all shares designated at FVTOCI was \$75.9 million (December 2024 - \$48.5 million).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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:

	June 30, 2025	December 31, 2024
Depletable properties	\$1,886,847	\$779,890
Non-depletable properties (exploration and evaluation costs, exploration potential)	788,848	254,632
	\$2,675,695	\$1,034,522

Depletable properties are allocated as follows:

Depletable properties	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Total
Cost							
At December 31, 2023	\$183,123	\$—	\$365,472	\$128,879	\$486,665	\$212,990	\$1,377,129
Additions	21,599	—	29,628	2,927	—	—	54,154
Change in decommissioning liabilities	(1,302)	—	(2,346)	(1,362)	6,165	(2,100)	(945)
Transfer from non-depletable properties	2,179	—	—	1,702	—	—	3,881
At December 31, 2024	\$205,599	\$—	\$392,754	\$132,146	\$492,830	\$210,889	\$1,434,218
Additions	6,875	17,846	13,846	1,857	—	—	40,424
Acquisition of Gatos (Note 4)	—	1,122,262	—	—	—	—	1,122,262
Transfer from non-depletable properties	35,393	—	4,386	1,202	—	—	40,981
At June 30, 2025	\$247,867	\$1,140,108	\$410,986	\$135,205	\$492,830	\$210,889	\$2,637,885
Accumulated depletion, amortization and impairment							
At December 31, 2023	(\$60,000)	\$—	(\$137,530)	(\$106,698)	(\$136,161)	(\$150,424)	(\$590,813)
Depletion and amortization	(23,866)	—	(33,567)	(6,082)	—	—	(63,515)
At December 31, 2024	(\$83,866)	\$—	(\$171,097)	(\$112,780)	(\$136,161)	(\$150,424)	(\$654,328)
Depletion and amortization	(11,145)	(65,242)	(17,733)	(2,590)	—	—	(96,710)
At June 30, 2025	(\$95,011)	(\$65,242)	(\$188,830)	(\$115,370)	(\$136,161)	(\$150,424)	(\$751,038)
Carrying values							
At December 31, 2024	\$121,733	\$—	\$221,657	\$19,366	\$356,669	\$60,466	\$779,890
At June 30, 2025	\$152,856	\$1,074,866	\$222,156	\$19,835	\$356,669	\$60,466	\$1,886,847

(1) Non-producing properties include the San Martin and Del Toro mines.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

15. MINING INTERESTS (continued)

Non-depletable properties costs are allocated as follows:

Non-depletable properties	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Exploration Projects ⁽²⁾	Springpole Stream	Total
At December 31, 2023	\$50,483	\$—	\$24,696	\$4,461	\$82,645	\$14,404	\$23,973	\$11,856	\$212,519
Exploration and evaluation expenditures	18,725	—	16,022	1,953	8,472	471	351	—	45,994
Transfer to depletable properties	(2,179)	—	—	(1,702)	—	—	—	—	(3,881)
At December 31, 2024	\$67,029	\$—	\$40,718	\$4,712	\$91,117	\$14,875	\$24,324	\$11,856	\$254,632
Exploration and evaluation expenditures	15,664	7,051	8,539	1,210	1,716	221	217	4,153	38,770
Acquisition of Gatos (Note 4)	—	536,427	—	—	—	—	—	—	536,427
Transfer to depletable properties	(35,393)	—	(4,386)	(1,202)	—	—	—	—	(40,981)
At June 30, 2025	\$47,300	\$543,478	\$44,871	\$4,720	\$92,833	\$15,096	\$24,541	\$16,009	\$788,848

(1) Non-producing properties include the San Martin and Del Toro mines.

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

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

The Santa Elena Mine is subject to a gold streaming agreement with Sandstorm, which requires the mine to sell 20% of its life of mine gold production from its leach pad and 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 Ermitaño mine has a net smelter return ("NSR") royalty agreement with Orogen Royalties Inc. that provides them with a 2% NSR royalty of production. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño property. During the three and six months ended June 30, 2025, the Company has incurred \$3.1 and \$5.9 million (2024 - \$2.9 and \$5.0 million) in NSR royalty payments in connection with production from Ermitaño.

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

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

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

During the three and six months ended June 30, 2025, the Company has incurred \$0.3 and \$0.6 million (June 30, 2024 - nil) in NSR royalty payments in connection with production from Los Gatos.

(Tabular amounts are expressed in thousands of US dollars)

15. MINING INTERESTS (continued)**(c) San Dimas Silver/Gold Mine, Durango State, Mexico (continued)**

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 June 30, 2025, was 90:1.

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

In December 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited. Under the terms of the agreement, the Company is required to pay a 100% gross value royalty on the first 1,000 ounces of gold produced annually from the La Encantada property. For the three and six months ended June 30, 2025, the Company has incurred \$0.1 and \$0.2 million (June 30, 2024 - \$nil and \$0.2 million) in royalty payments from gold production at La Encantada.

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

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

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

For the three and six months ended June 30, 2025, the Company has incurred \$nil in royalty payments from gold production at Jerritt Canyon (June 30, 2024 - \$nil).

(f) Springpole Silver Stream, Ontario, Canada

In July 2020, the Company completed an agreement with First Mining Gold Corp. ("First Mining") to purchase 50% of the life of mine payable silver produced from the Springpole Gold Project (the "Springpole Silver Stream"), a development-stage gold project located in Ontario, Canada. First Majestic agreed to pay First Mining consideration of \$22.5 million in cash and shares, in three milestone payments, for the right to purchase silver at a price of 33% of the silver spot price per ounce, to a maximum of \$7.50 per ounce (subject to annual inflation escalation of 2%, commencing at the start of the third anniversary of production). Commencing 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 of \$5.0 million was originally scheduled to be made as a combination of cash and First Majestic common shares. On March 13, 2025, the Company signed an amendment agreement (the "Amended Springpole Stream Agreement") to the original streaming agreement for the Springpole property (the "Springpole Stream Agreement") among the Company, Gold Canyon Resources Inc. and First Mining to accelerate the final tranche payment owed by the Company under the Springpole Stream Agreement, such that it will now be a cash-only payment of \$5 million (previously, this final payment was to be a combination of cash and Common Shares), payable by the Company by March 31, 2025. This payment has since been completed.

(Tabular amounts are expressed in thousands of US dollars)

15. MINING INTERESTS (continued)**(f) Springpole Silver Stream, Ontario, Canada (continued)**

In connection with the Springpole Stream Agreement, First Mining also granted First Majestic 30.0 million common share purchase warrants of First Mining (the "First Mining Warrants"), each of which will entitle the Company to purchase one common share of First Mining at CAD\$0.40 expiring July 2, 2025. The fair value of the warrants was measured at \$5.7 million using the Black-Scholes option pricing model.

As part of the March 13, 2025 Amended Springpole Stream Agreement, First Mining agreed to extend the expiry date of the First Mining Warrants to March 31, 2028 and to amend the exercise price to CAD\$0.20. The fair value of the warrants was measured at \$0.8 million using the Black-Scholes option pricing model. Additionally, if the closing price of First Mining's common shares on the TSX equals or exceeds CAD\$0.30 for 45 consecutive trading days, First Mining may accelerate the expiry date of the common share purchase warrants to the date which is 30 days following the dissemination of a news release announcing the acceleration.

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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, 2023	\$245,260	\$641,029	\$48,738	\$38,445	\$973,472
Additions	381	2,370	24,281	149	27,180
Transfers and disposals	12,173	5,042	(29,697)	1,529	(10,953)
At December 31, 2024	\$257,814	\$648,441	\$43,322	\$40,122	\$989,699
Additions	768	5,690	20,971	332	27,761
Acquisition of Gatos (Note 4)	103,465	71,951	9,493	352	185,261
Transfers and disposals	3,264	4,190	(10,178)	89	(2,635)
At June 30, 2025	\$365,311	\$730,272	\$63,608	\$40,895	\$1,200,086
Accumulated depreciation, amortization and impairment reversal					
At December 31, 2023	(\$157,626)	(\$382,139)	\$—	(\$27,413)	(\$567,178)
Depreciation and amortization	(16,720)	(28,282)	—	(3,251)	(48,253)
Transfers and disposals	1,431	2,597	—	334	4,362
At December 31, 2024	(\$172,915)	(\$407,824)	\$—	(\$30,330)	(\$611,069)
Depreciation and amortization	(12,754)	(18,987)	—	(1,628)	(33,369)
Transfers and disposals	4	1,392	—	43	1,439
At June 30, 2025	(\$185,665)	(\$425,419)	\$—	(\$31,915)	(\$642,999)
Carrying values					
At December 31, 2024	\$84,899	\$240,617	\$43,322	\$9,792	\$378,630
At June 30, 2025	\$179,646	\$304,853	\$63,608	\$8,980	\$557,087

(1) Included in land and buildings is \$36.2 million (2024 - \$10.4 million) worth of land which is not subject to depreciation.

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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:

	Santa Elena	Los Gatos	San Dimas	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Other ⁽²⁾⁽³⁾	Total
Cost								
At December 31, 2023	\$180,128	\$—	\$183,371	\$168,736	\$216,668	\$163,498	\$61,071	\$973,472
Additions ⁽²⁾	9,251	—	8,486	3,995	2,689	69	2,690	27,180
Transfers and disposals	(2,507)	—	255	(457)	(1,622)	(1,211)	(5,411)	(10,953)
At December 31, 2024	\$186,872	\$—	\$192,112	\$172,274	\$217,735	\$162,356	\$58,350	\$989,699
Additions ⁽²⁾	6,318	11,836	5,056	2,421	785	517.17	828	27,761
Acquisition of Gatos (Note 4)	—	185,261	—	—	—	—	—	185,261
Transfers and disposals	(1,680)	(430)	(693)	1,038	(183)	(431)	(256)	(2,635)
At June 30, 2025	\$191,510	\$196,667	\$196,475	\$175,733	\$218,337	\$162,442	\$58,922	\$1,200,086
Accumulated depreciation, amortization and impairment								
At December 31, 2023	(\$81,615)	\$—	(\$86,259)	(\$138,721)	(\$82,697)	(\$145,887)	(\$31,999)	(\$567,178)
Depreciation and amortization	(16,314)	—	(16,268)	(7,190)	(6,257)	(92)	(2,130)	(48,253)
Transfers and disposals	1,387	—	518	1,171	275	659	353	4,362
At December 31, 2024	(\$96,542)	\$—	(\$102,009)	(\$144,740)	(\$88,679)	(\$145,320)	(\$33,779)	(\$611,069)
Depreciation and amortization	(6,678)	(12,804)	(8,256)	(3,217)	(1,331)	(14)	(1,069)	(33,369)
Transfers and disposals	1,294	—	603	(856)	35	320	43	1,439
At June 30, 2025	(\$101,926)	(\$12,804)	(\$109,662)	(\$148,813)	(\$89,975)	(\$145,014)	(\$34,805)	(\$642,999)
Carrying values								
At December 31, 2024	\$90,329	\$—	\$90,103	\$27,534	\$129,057	\$17,036	\$24,571	\$378,630
At June 30, 2025	\$89,584	\$183,863	\$86,813	\$26,920	\$128,362	\$17,428	\$24,117	\$557,087

(1) Non-producing properties include the San Martin and Del Toro mines.

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

(3) Included in "Other" is property, plant and equipment of \$4.7 million (2024 - \$4.6 million) for First Mint which includes the Company's bullion store and its minting facility located in Nevada.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

17. RIGHT-OF-USE ASSETS

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

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

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

	Land and Buildings	Machinery and Equipment	Total
At December 31, 2023	\$8,523	\$18,761	\$27,284
Additions	299	7,693	7,992
Remeasurements	236	921	1,157
Depreciation and amortization	(2,012)	(10,522)	(12,534)
At December 31, 2024	\$7,046	\$16,853	\$23,898
Acquisition of Gatos (Note 4)	281	—	281
Additions	181	185	366
Remeasurements	(440)	146	(294)
Depreciation and amortization	(1,090)	(6,028)	(7,118)
At June 30, 2025	\$5,978	\$11,156	\$17,134

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

18. RESTRICTED CASH

Restricted cash is comprised of the following:

	June 30, 2025	December 31, 2024
Nevada Division of Environmental Protection ⁽¹⁾	\$19,765	\$19,346
SAT Primero tax dispute ⁽²⁾	105,562	86,726
Non-Current Restricted Cash	\$125,327	\$106,072

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

(2) In connection with the dispute between Primero Empresa Minera, S.A. de C.V. ("PEM") and the Servicio de Administracion Tributaria ("SAT") relating to the advanced pricing agreement (Note 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 June 30, 2025 was \$105.6 million (1,994 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.

19. 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:

	June 30, 2025	December 31, 2024
Trade payables	\$58,921	\$35,397
Trade related accruals	59,026	23,196
Payroll and related benefits	41,208	32,239
Restructuring obligations	641	709
NSR royalty liabilities (Notes 15(b)(c))	3,194	3,538
Environmental duty and net mineral sales proceeds tax	3,398	2,701
Other accrued liabilities	10,237	6,115
	\$176,625	\$103,895

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

20. DEBT FACILITIES

The movement in debt facilities during the six months ended June 30, 2025 and year ended December 31, 2024, respectively, are comprised of the following:

	Convertible Debentures (a)	Revolving Credit Facility (b)	Total
Balance at December 31, 2023	\$199,406	\$20,406	\$219,812
Finance costs			
Interest expense	863	2,619	3,482
Accretion	9,679	—	9,679
Repayments of principal	—	(20,000)	(20,000)
Repayments of finance costs	(865)	(2,626)	(3,491)
Balance at December 31, 2024	\$209,083	\$399	\$209,482
Finance costs			
Interest expense	400	729	1,129
Accretion	5,001	—	5,001
Repayments of finance costs	(431)	(788)	(1,219)
Balance at June 30, 2025	\$214,053	\$340	\$214,393
Statements of Financial Position Presentation			
Current portion of debt facilities	\$426	\$399	\$825
Non-current portion of debt facilities	208,657	—	208,657
Balance at December 31, 2024	\$209,083	\$399	\$209,482
Current portion of debt facilities	\$395	\$340	\$735
Non-current portion of debt facilities	213,658	—	213,658
Balance at June 30, 2025	\$214,053	\$340	\$214,393

(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.

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.

(Tabular amounts are expressed in thousands of US dollars)

20. DEBT FACILITIES (continued)

(a) Senior Convertible Debentures (continued)

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

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

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

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

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

(b) Revolving Credit Facility

On June 28, 2024, the Company amended its senior secured revolving credit facility (the "Revolving Credit Facility") with the Bank of Montreal, BMO Harris Bank N.A., Bank of Nova Scotia, Toronto Dominion Bank and National Bank of Canada (the "syndicate") to amend the definition of indebtedness to exclude surety bonds, and to adjust the leverage covenant threshold from 3.00:1.00 (gross) to a 3.50:1.00 (net) leverage ratio. On April 11, 2025, the Revolving Credit Facility was further amended to extend the maturity date to April 11, 2028. The credit limit remains at \$175.0 million. The amendment also incorporated Gatos Silver Inc. into the facility as a material subsidiary and guarantor, and included an accordion feature of \$100 million, which may be activated at the Company's discretion, subject to lender approval. Interest on the drawn balance will accrue at the Secured Overnight Financing Rate ("SOFR") plus an applicable range of 2.00% to 3.25% per annum while the undrawn portion is subject to a standby fee with an applicable range of 0.45% to 0.73% per annum, dependent on certain financial parameters of First Majestic. As at June 30, 2025, the applicable rates were 2.00% and 0.45% per annum, respectively.

These debt facilities are guaranteed by certain subsidiaries of the Company and are also secured by a first priority charge against the assets of the Company, and a first priority pledge of shares of the Company's subsidiaries.

The Revolving Credit Facility includes financial covenants, to be tested quarterly on a consolidated basis, requiring First Majestic to maintain the following: (a) a net leverage ratio based on net indebtedness to rolling four quarters adjusted EBITDA of not more than 3.50 to 1.00; and (b) an interest coverage ratio, based on rolling four quarters adjusted EBITDA divided by interest payments, of not less than 4.00 to 1.00. The debt facilities also provide for negative covenants customary for these types of facilities and allows the Company to enter into finance leases, excluding any leases that would have been classified as operating leases in effect immediately prior to the implementation of IFRS 16 - Leases, of up to \$50.0 million. As at June 30, 2025, the Company was in compliance with all of its debt covenants.

At June 30, 2025, the Company had letters of credit outstanding in the amount of \$35.4 million (December 2024 - \$35.4 million) as part of ongoing reclamation and mine closure obligations. As at June 30, 2025 the undrawn portion of the Revolving Credit Facility net of the letters of credit and drawdowns is \$139.6 million (December 2024 - \$139.6 million).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

21. LEASE LIABILITIES

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

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

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

The movement in lease liabilities during the periods ended June 30, 2025 and December 31, 2024 are comprised of the following:

	Category I Leases ^(a)	Category II Leases ^(b)	Total
Balance at December 31, 2023	\$4,671	\$32,031	\$36,702
Additions	1,110	7,992	9,102
Remeasurements	—	1,157	1,157
Finance costs	209	2,067	2,276
Repayments of principal	(3,119)	(14,152)	(17,271)
Repayments of finance costs	(209)	(2,053)	(2,262)
Foreign exchange	—	(2,169)	(2,169)
Balance at December 31, 2024	\$2,662	\$24,873	\$27,535
Acquisition of Gatos (Note 4)	—	415	415
Additions	—	185	185
Remeasurements	—	(294)	(294)
Finance costs	76	837	913
Repayment of principal	(1,135)	(7,373)	(8,508)
Repayments of finance costs	(77)	(649)	(726)
Foreign Exchange	—	621	621
Balance at June 30, 2025	\$1,526	\$18,615	\$20,141
Statements of Financial Position Presentation			
Current portion of lease liabilities	\$1,857	\$14,358	\$16,215
Non-current portion of lease liabilities	805	10,515	11,320
Balance at December 31, 2024	\$2,662	\$24,873	\$27,535
Current portion of lease liabilities	\$1,180	\$10,833	\$12,013
Non-current portion of lease liabilities	346	7,782	8,128
Balance at June 30, 2025	\$1,526	\$18,615	\$20,141

(Tabular amounts are expressed in thousands of US dollars)

21. LEASE LIABILITIES (continued)**(a) Category I leases**

Category I leases primarily relate to financing arrangements entered into for the rental of vehicles and equipment. These leases have remaining lease terms of one to three years, some of which include options to terminate the leases within a year, with incremental borrowing rates ranging from 3.8% to 8.5% per annum.

(b) Category II leases

Category II leases primarily relate to equipment and building rental contracts, land easement contracts and service contracts that contain embedded leases for property, plant and equipment. These leases have remaining lease terms of one to seven years, some of which include options to terminate the leases within a year, with incremental borrowing rates ranging from 3.4% to 11.8% per annum.

(Tabular amounts are expressed in thousands of US dollars)

22. SHARE CAPITAL

(a) Authorized and issued capital

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

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

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

On August 3, 2023, the Company filed a final short form base shelf prospectus in each province of Canada (other than Québec), and a registration statement on Form F-10 in the United States, which allows the Company to undertake offerings (including by way of an ATM) under one or more prospectus supplements of various securities listed in the shelf prospectus, up to an aggregate total of \$500.0 million, over a 25-month period that ends on September 3, 2025.

On February 22, 2024, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC (collectively, the "Agents") and filed a prospectus supplement to its short form base shelf prospectus dated August 3, 2023, pursuant to which the Company may, at its discretion and from time-to-time sell through the Agents, common shares of the Company for aggregate gross proceeds of up to \$150.0 million through an ATM program (the "2024 ATM Program"). During the six months ended June 30, 2025, no shares were sold under the 2024 ATM Program. During the six months ended June 30, 2025, the Company incurred \$nil (June 30, 2024 - \$1.84 million) in transaction costs in relation to the 2024 ATM Program.

On September 12, 2024 the Company renewed its ongoing share repurchase program (the "Share Repurchase Program") which permits it to repurchase up to 10,000,000 shares (3.32% of the Company's issued and outstanding shares as at September 4, 2024) up to September 12, 2025. The Share Repurchase Program is a "normal course issuer bid" and will be carried out through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces. All common shares, if any, purchased pursuant to the Share Repurchase Program will be cancelled. The Company believes that from time to time, the market price of its common shares may not fully reflect the underlying value of the Company's business and its future business prospects. The Company believes that at such times, the purchase of common shares would be in the best interest of the Company. During the three and six months ended June 30, 2025, the Company repurchased an aggregate of 506,000 and 768,500 common shares at an average price of CAD\$7.94 per share and CAD\$7.90 per share, respectively, as part of the Share Repurchase Program for total payments of \$4.0 million and \$6.1 million, respectively (June 30, 2024 - \$nil), net of transaction costs.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

22. SHARE CAPITAL (continued)

(b) Stock options

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

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

The following table summarizes information about Options outstanding as at June 30, 2025:

Exercise prices (CAD\$)	Options Outstanding			Options Exercisable		
	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Weighted Average Remaining Life (Years)	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Weighted Average Remaining Life (Years)
2.01 - 5.00	620,904	2.83	4.86	396,947	2.64	2.85
5.01 - 10.00	6,018,321	8.42	5.82	3,305,866	8.59	3.24
10.01 - 15.00	2,752,149	12.85	6.43	2,561,848	12.90	6.37
15.01 - 20.00	855,500	16.43	5.52	842,700	16.42	5.52
20.01 - 25.00	429,750	21.60	5.92	416,950	21.60	5.92
	10,676,624	10.41	5.90	7,524,311	11.34	4.69

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

22. SHARE CAPITAL (continued)

(b) Stock options (continued)

The movements in Options issued for the six months ended June 30, 2025 and year ended December 31, 2024 are summarized as follows:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Number of Options	Weighted Average Exercise Price (CAD \$/Share)
Balance, beginning of the period	7,929,119	11.59	7,366,252	12.32
Granted	972,038	8.48	1,483,726	8.12
Replacement options in connection with Gatos acquisition	8,242,244	5.08	—	—
Exercised	(6,058,597)	4.19	(20,625)	7.89
Cancelled or expired	(408,180)	9.36	(900,234)	11.89
Balance, end of the period	10,676,624	10.41	7,929,119	11.59

During the six months ended June 30, 2025, the aggregate fair value of Options granted was \$3.4 million (December 31, 2024 - \$4.1 million), or a weighted average fair value of \$3.50 per Option granted (December 31, 2024 - \$2.77).

During the six months ended June 30, 2025, total share-based payments expense related to Options was \$3.8 million (June 30, 2024 - \$2.7 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	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Risk-free interest rate (%)	Yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life	1.90	3.48
Expected life (years)	Weighted average life of previously transacted awards	4.05	4.04
Expected volatility (%)	Historical volatility of the Company's stock	57.85	58.00
Expected dividend yield (%)	Annualized dividend rate as of the date of grant	0.26%	0.28%

The weighted average closing price of the Company's common shares at date of exercise for the six months ended June 30, 2025 was CAD\$10.41 (December 31, 2024 - CAD\$10.53).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

22. 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 six months ended June 30, 2025, a total of 1,058,387 RSUs were awarded by the Company to directors and employees under the 2022 LTIP, of which 214,265 RSUs may only be settled in cash resulting in a total expense of \$0.9 million (June 30, 2024 - \$0.4 million). As at June 30, 2025, there were a total of 381,662 RSUs outstanding that may only be settled in cash, with a total liability of \$1.6 million (2024 - \$0.7 million).

The following table summarizes the changes in RSUs intended to be settled in cash for the six months ended June 30, 2025 and the year ended December 31, 2024:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the year	228,590	7.98	264,280	7.98
Granted	214,265	8.29	—	—
Settled	(21,293)	7.98	—	—
Forfeited	(39,900)	8.16	(35,690)	7.98
Outstanding, end of the year	381,662	8.13	228,590	7.98

The following table summarizes the changes in RSUs intended to be settled in equity for the six months ended June 30, 2025 and the year ended December 31, 2024:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the year	1,292,598	9.23	880,889	11.91
Granted	844,122	8.59	863,050	7.96
Settled	(460,004)	9.92	(374,408)	12.65
Forfeited	(26,040)	8.81	(76,933)	9.10
Outstanding, end of the year	1,650,676	8.72	1,292,598	9.23

During the six months ended June 30, 2025, total share-based payments expense for RSUs that the Company intends to settle in equity was \$2.5 million (June 30, 2024 - \$3.2 million).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

22. SHARE CAPITAL (continued)

(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 six months ended June 30, 2025, a total of 496,697 PSUs were awarded by the Company to employees under the 2022 LTIP, of which 26,840 PSUs may only be settled in cash, resulting in a total expense of \$0.10 million (June 30, 2024 - \$29.6 thousand). As at June 30, 2025, there were a total of 57,270 PSUs outstanding that may only be settled in cash, with a total liability of \$0.2 million (2024 - \$0.1 million).

The following table summarizes the changes in PSUs intended to be settled in equity granted to employees and consultants for the six months ended June 30, 2025 and the year ended December 31, 2024:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	949,809	10.03	624,968	12.86
Granted	469,857	8.58	470,500	7.98
Settled	—	—	(51,050)	17.08
Forfeited	(209,885)	12.95	(94,609)	14.69
Outstanding, end of the period	1,209,781	8.96	949,809	10.03

During the six months ended June 30, 2025, total share-based payments expense related to PSUs that the Company intends to settle in equity was \$1.2 million (June 30, 2024 - \$1.2 million).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

22. SHARE CAPITAL (continued)

(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 six months ended June 30, 2025 and the year ended December 31, 2024:

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

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

The following table summarizes the changes in DSUs granted to directors for the six months ended June 30, 2025 and the year ended December 31, 2024 under the 2022 DSU plan:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	101,144	9.44	62,332	10.97
Granted	63,310	8.46	75,184	7.98
Settled	—	—	(36,372)	9.03
Outstanding, end of the period	164,454	9.06	101,144	9.44

During the six months ended June 30, 2025, total share-based payments expense related to DSU's under the 2022 DSU plan was \$0.7 million (June 30, 2024 - \$0.4 million). As at June 30, 2025, there were a total of 164,454 DSUs outstanding, with a total liability of \$1.4 million (2024 - \$0.6 million).

(f) Dividends

The Company declared the following dividends during the six months ended June 30, 2025:

Declaration Date	Record Date	Dividend per Common Share
February 19, 2025	February 28, 2025	\$0.0057
May 7, 2025	May 16, 2025	\$0.0045
August 13, 2025 ⁽¹⁾	August 29, 2025	\$0.0048

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

23. NON-CONTROLLING INTERESTS

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

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

	June 30, 2025
Current assets	\$104,250
Non-current assets	1,807,791
Total assets	\$1,912,041
Current liabilities	35,472
Non-current liabilities	525,186
Total liabilities	\$560,658
Net assets	\$1,351,383
Non-controlling interest percentage	30%
Non-controlling interest	\$405,415

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Revenue	\$103,103	\$193,578
Expenses	(89,666)	(166,887)
Total net income	\$13,437	\$26,691
Non-controlling interest percentage	30%	30%
Non-controlling interest	\$4,031	\$8,007

	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
Cash flows from:		
Operating activities	\$60,267	\$104,162
Investing activities	(21,030)	(40,127)
Financing activities	(32,315)	(32,326)
Dividends paid to non-controlling interests	(\$9,688)	(\$9,688)

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

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.

Level 1 assets include those assets in which unadjusted quoted prices in active markets are accessible to the Company at the measurement date.

There were no transfers between levels 1, 2, and 3 during the six months ended June 30, 2025.

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

Financial Instruments Measured at Fair Value	Valuation Method
Marketable securities - common shares	Marketable securities and silver future 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).
Marketable securities - stock warrants	
Silver futures derivatives	
Trade receivables from concentrate sales	A portion of the Company's trade receivables arose from provisional concentrate sales and are classified within Level 2 of the fair value hierarchy and valued using quoted market prices based on the forward London Metal Exchange for copper, zinc and lead and the London Bullion Market Association P.M. fix for gold and silver.
Financial Instruments Measured at Amortized Cost	Valuation Method
Cash and cash equivalents	Approximated carrying value due to their short-term nature.
Restricted cash	
Trade and other receivables	
Trade and other payables	
Debt facilities	The debt related to the revolving credit facility approximated carrying value as discount rate on these instruments approximate the Company's credit risk.
	The senior convertible debentures are recognized at amortized cost using the effective interest rate method. The observable fair value of the Company's senior convertible debenture have been estimated based on the current SOFR rates, applicable margin, premium adjustments, and comparison to discount rates used by the peer group on similar notes, which indicates a fair value of \$201.0 million (carrying amount: \$214.1 million).

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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:

	June 30, 2025			December 31, 2024		
	Carrying value	Fair value measurement		Carrying value	Fair value measurement	
		Level 1	Level 2		Level 1	Level 2
Financial assets						
Trade receivable from concentrate sales subject to provisional pricing	\$22,118	\$—	\$22,118	\$—	\$—	\$—
Marketable securities (Note 14)	\$81,824	\$80,229	\$1,595	\$49,781	\$49,718	\$63

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

(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:

	June 30, 2025	December 31, 2024
Equity	\$2,902,420	\$1,351,071
Debt facilities	214,393	209,482
Lease liabilities	20,141	27,535
Less: cash and cash equivalents	(384,753)	(202,180)
	\$2,752,201	\$1,385,908

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

The Company is not subject to any externally imposed capital requirements with the exception of complying with covenants under the debt facilities (Note 20(b)) and lease liabilities (Note 21(b)). As at June 30, 2025, the Company was in compliance with all of its debt covenants.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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 June 30, 2025, net VAT receivable was \$52.3 million (December 31, 2024 - \$44.6 million), of which \$14.5 million (December 31, 2024 - \$14.2 million) relates to La Encantada, \$13.6 million relates to Santa Elena (December 31, 2024 - \$5.1 million), and \$8.1 million (December 31, 2024 - \$7.0 million) relates to San Dimas.

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

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

Liquidity Risk

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

The following table summarizes the maturities of the Company's financial liabilities and commitments as at June 30, 2025 based on the undiscounted contractual cash flows:

	Contractual Cash Flows	Less than 1 year	2 to 3 years	4 to 5 years
Trade and other payables	\$176,625	\$176,625	\$—	\$—
Debt facilities	235,732	2,198	233,534	—
Lease liabilities	21,800	11,962	7,030	2,808
Commitments	6,309	6,309	—	—
	\$440,466	\$197,094	\$240,564	\$2,808

At June 30, 2025, the Company had working capital of \$444.1 million (December 31, 2024 - \$224.5 million). Total available liquidity at June 30, 2025 was \$583.8 million (December 31, 2024 - \$364.2 million), including \$139.6 million of undrawn revolving credit facility (December 31, 2024 - \$139.6 million).

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

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(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:

	June 30, 2025								
	Cash and cash equivalents	Restricted cash	Value added taxes receivable	Trade and other receivables	Other financial assets	Trade and other payables	Foreign exchange derivative	Net assets (liabilities) exposure	Effect of +/- 10% change in currency
Canadian Dollar	\$4,176	\$—	\$—	\$1,160	\$3,526	(\$5,284)	\$2,366	\$5,944	\$594
Mexican Peso	32,737	105,562	52,277	—	—	(78,424)	—	112,152	11,215
	\$36,913	\$105,562	\$52,277	\$1,160	\$3,526	(\$83,708)	\$2,366	\$118,096	\$11,809

From time to time, the Company utilizes certain derivatives to manage its foreign exchange exposures to the Mexican Peso. During the six months ended June 30, 2025, the Company had an unrealized gain of \$nil (2024 - \$0.1 million) on fair value adjustments to its foreign currency derivatives. As at June 30, 2025, the Company held \$2.4 million in foreign currency derivatives (December 31, 2024 - \$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.

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

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

	June 30, 2025					
	Effect of +/- 10% change in metal prices					
	Silver	Gold	Zinc	Lead	Copper	Total
Metals in inventory	\$1,387	\$712	\$75	\$15	\$1	\$2,190
Trade receivable from concentrate sales subject to provisional pricing	\$3,100	\$62	\$3,155	\$278	\$57	\$6,652
	\$4,487	\$774	\$3,230	\$293	\$58	\$8,842

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.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Tabular amounts are expressed in thousands of US dollars)

24. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT (continued)

(c) Financial risk management (continued)

As at June 30, 2025, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. Based on the Company's interest rate exposure at June 30, 2025, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

25. SUPPLEMENTAL CASH FLOW INFORMATION

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Other adjustments to investing activities:				
Loan to Sierra Madre ⁽¹⁾	\$—	(\$5,000)	\$—	(\$5,000)
Purchase of marketable securities	—	(5,876)	(3,096)	(5,876)
Proceeds from disposal of marketable securities	1,733	8,918	2,017	11,758
Other strategic investments	—	—	707	—
	\$1,733	(\$1,958)	(\$372)	\$882
Net change in non-cash working capital items:				
(Increase) decrease in trade and other receivables	(\$6,501)	(\$1,613)	(\$4,917)	\$875
(Increase) decrease in value added taxes receivable	(3,613)	2,842	(5,637)	2,709
(Increase) in inventories	(837)	(534)	(679)	(3,372)
Decrease (increase) in prepaid expenses and other	3,314	1,088	1,898	(23)
Increase (decrease) in income taxes payable	11,437	(892)	(5,063)	(970)
Increase (decrease) Increase in trade and other payables	16,071	(7,151)	12,958	(423)
(Increase) decrease in restricted cash (Note 18)	(14,066)	9,727	(19,255)	8,064
	\$5,805	\$3,467	(\$20,695)	\$6,860
Non-cash investing and financing activities:				
Transfer of share-based payments reserve upon settlement of RSU's, PSU's and DSU's	\$1,389	\$384	\$3,241	\$1,406
Transfer of share-based payments reserve upon exercise of options	13,041	18	22,210	18
Acquisition of Gatos	—	—	1,453,478	—
	\$14,430	\$402	\$1,478,929	\$1,424

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

As at June 30, 2025, cash and cash equivalents include \$6.9 million (December 31, 2024 - \$1.5 million) that are held in-trust as bonds for tax audits in Mexico.

(Tabular amounts are expressed in thousands of US dollars)

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; however, the SAT did not identify an alternative basis in the legal claim for calculating taxes on the silver sold by PEM for which it received the PEM Realized Price.

In 2019, the SAT issued reassessments for the 2010 to 2012 tax years in the total amount of \$338.7 million (6,399 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 \$179.1 million (3,384 million MXN) inclusive of accrued interest, inflation and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of \$456.5 million (8,625 MXN) inclusive of interest, inflation, and penalties (collectively, the "Reassessments"). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments for these years have yet to be issued. The Company believes that the Reassessments fail to recognize the applicability of a valid transfer pricing methodology. The major items in the Reassessments include determination of revenue based on spot market prices of silver, denial of the deductibility of interest expense and service fees, SAT technical error related to double counting of taxes, and interest and penalties.

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

(Tabular amounts are expressed in thousands of US dollars)

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, the Company has also made claims against Mexico under Chapter 11 of the North American Free Trade Agreement ("NAFTA") for violation of its international law obligations.

Domestic Remedies in Mexico

In September 2020, the Company was served with a decision of the Mexican Federal Tax Court on Administrative Matters (the "Federal Tax Court") seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. On December 5, 2023, the Mexican Circuit Court issued a decision, which was formally notified to the Company on January 4, 2024. In such decision, the Mexican Circuit Court partially granted constitutional protection to the Company with respect to certain matters, but not others.

Accordingly, on January 18, 2024, PEM filed an extraordinary appeal to the Mexican Supreme Court of Justice with respect to PEM's constitutional arguments that were not accepted in the Mexican Circuit Court's decision, and following the admission of the appeal, the Second Chamber of the Supreme Court of Justice assumed jurisdiction over the appeal on June 20, 2024. On September 18, 2024, the Supreme Court issued its decision, which was formally notified to the Company on October 15, 2024. The Supreme Court dismissed the Company's appeal regarding the constitutional arguments, but affirmed the validity of certain precedents of the Supreme Court which the Company believes are favourable to PEM and that were not considered by the Federal Tax Court in its original decision in September 2020. The case was sent back to the Federal Tax Court, and on December 4, 2024, the Federal Tax Court issued a new decision which did not take into account the Supreme Court precedents. Accordingly, on January 23, 2025, PEM filed a new constitutional lawsuit against the latest decision of the Federal Tax Court and such lawsuit was admitted by the Second Collegiate Court on February 18, 2025. The Company expects that a decision on this new lawsuit may be issued by the Second Collegiate Court in the second half of 2025.

International Remedies

i. NAFTA APA Claim

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

Of note, on May 26, 2023, the Tribunal partially granted certain provisional measures requested by the Company, issuing an order for Mexico to permit the withdrawal of the Company's VAT refunds for the period as of January 4, 2023 that had been deposited by the SAT into a frozen bank account, and to deposit all future VAT refunds into an account which shall remain freely accessible by the Company (the "PM Decision"). The PM Decision was upheld by the Tribunal on September 1, 2023, in response to a request from Mexico to revoke the decision. As a result, Mexico is obligated to comply with the PM Decision which requires payment of VAT refunds owing to PEM as of January 4, 2023 and into the future until the final award is rendered by the Tribunal. On July 9, 2024, the Company received a transfer of \$11.0 million (198.4 million MXN) from the frozen bank account to a new bank account of PEM that the Company had opened in July 2023. The transfer of such funds was carried out by Mexico in furtherance of its obligations under the PM Decision.

In addition, in response to the Company's counter-arguments to a jurisdictional objection filed by Mexico in late July 2023, the Tribunal dismissed Mexico's objection, agreeing with the Company that the recovery of VAT refunds under the NAFTA VAT Claim (as defined in the section below) does not breach the waiver under NAFTA (i.e. the NAFTA APA Claim and the NAFTA VAT Claim are not in respect of the same measures).

(Tabular amounts are expressed in thousands of US dollars)

26. CONTINGENCIES AND OTHER MATTERS (continued)

(b) Primero Tax Rulings (continued)

On February 12, 2024, Mexico filed a request (the "Consolidation Request") with ICSID pursuant to the procedure in Article 1126 of NAFTA to consolidate the NAFTA APA Claim and the NAFTA VAT Claim into one arbitration proceeding. A separate three-person tribunal to consider the Consolidation Request (the "Consolidation Tribunal") was constituted on May 8, 2024, and the first procedural hearing of the Consolidation Tribunal took place on July 16, 2024.

In order to expedite the arbitration proceedings, the Company has advised the Consolidation Tribunal and Mexico that it is proposing to add claims covered by the NAFTA VAT Claim to the NAFTA APA Claim as ancillary claims. The Tribunal with jurisdiction over the NAFTA APA Claim has, as of July 15, 2024, granted the Company the right to introduce the ancillary claims to the NAFTA APA Claim, which will make it unnecessary for the NAFTA VAT Claim to proceed separately from the NAFTA APA Claim. On October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. In addition, Mexico filed its Memorial in support of the Consolidation Request on October 7, 2024, and the Company filed its Counter-Memorial on December 6, 2024. On January 8, 2025, a pre-hearing conference call took place among the Company, Mexico and the Consolidation Tribunal, and an in-person hearing was held in Washington, D.C. from January 27 to 28, 2025, at which the Consolidation Tribunal heard the Company's arguments against the Consolidation Request, and Mexico's arguments in support of the Consolidation Request. Following the hearing, both Mexico and the Company submitted post-hearing briefs to the Consolidation Tribunal on February 19, 2025.

On July 28, 2025, the Consolidation Tribunal rendered its decision (the "Consolidation Decision") and rejected the Consolidation Request. It also lifted the suspension on the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim effective immediately as of the date of its order, being July 28, 2025. Accordingly, the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim will now reconvene after being suspended for the past year, and the Company expects to make its next set of filings with the Tribunal that is overseeing the NAFTA APA Claim prior to the end of this year.

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 \$298.0 million (5,629 million MXN), before taking into consideration interest or penalties.

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

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

ii. NAFTA VAT Claim

On March 31, 2023, the Company filed a new Notice of Intent on its own behalf and on behalf of PEM under the "legacy investment" claim provisions contained in Annex 14-C of the Canada-United States-Mexico Agreement ("CUSMA") and Chapter 11 of NAFTA to invite the Government of Mexico to engage in discussions to resolve the dispute regarding the ongoing denial of access to PEM's VAT refunds ("NAFTA VAT Claim") within the stipulated 90-day consultation period. The Company submitted its Arbitration Request for the NAFTA VAT Claim to ICSID on June 29, 2023 in order to preserve its legacy claim within NAFTA's applicable limitation period, and the Arbitration Request was registered by ICSID on July 21, 2023. As a result of the Consolidation Request (described above), the NAFTA VAT Claim has been suspended for the past year. As noted above, on October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim

(Tabular amounts are expressed in thousands of US dollars)

26. CONTINGENCIES AND OTHER MATTERS (continued)

(b) Primero Tax Rulings (continued)

pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. As a result of the Consolidation Decision, the suspension on the proceedings with respect to the NAFTA VAT Claim has been lifted, and a three-person tribunal can now be constituted to oversee such proceedings.

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 \$39.1 million (738 million MXN) and \$28.4 million (537 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 \$17.9 million (338 million MXN) and \$225.1 million (4,252 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 \$3.2 million (60 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of \$6.8 million (129 million MXN). The majority of these tax assessments relate to a prior forward silver purchase agreement to which MLE was a party, and to the denial of the deductibility of mine development costs and service fees. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MLE's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(d) San Martin Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of Minera El Pilon, S.A. de C.V. ("MEP"), the SAT issued tax assessments for fiscal 2014, 2015 and 2016 for corporate income tax in the total amount of \$26.7 million (505 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of \$3.4 million (65 million MXN) including interest, inflation, and penalties. The majority of these tax assessments relate to a prior forward silver purchase agreement to which MEP was a party, and to the denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes 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 \$28.3 million (534 million MXN) including interest, inflation and penalties. In 2025, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the total amount of \$2.5 million (47 million MXN) including interest, inflation and penalties. The majority of these tax assessments relate to a prior forward silver purchase agreement to which FMP was a party, and to the denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMP's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(Tabular amounts are expressed in thousands of US dollars)

26. CONTINGENCIES AND OTHER MATTERS (continued)

(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 \$26.7 million (504 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 \$78.0 million (1,473 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the acquisition of SilverCrest Mines Inc. on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest Mines Inc. by First Majestic Silver Corp. although the transaction in question involved the disposition of the shares of one Canadian company by another Canadian company and was reported for tax purposes in Canada. The Company continues to defend the validity of the transaction in question and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes CFM's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(h) First Silver Litigation

In April 2013, the Company received a positive judgment on the First Silver litigation from the Supreme Court of British Columbia (the "Court"), which awarded the sum of \$93.8 million in favour of First Majestic against Hector Davila Santos (the "Defendant") in connection with a dispute between the Company and the Defendant and his private company involving a mine in Mexico (the "Bolaños Mine") as set out further below. The Company received a sum of \$14.1 million in June 2013 as partial payment of the judgment, leaving an unpaid amount of \$64.3 million (CAD\$81.5 million). As part of the ruling, the Court granted orders restricting any transfer or encumbrance of the Bolaños Mine by the Defendant and limiting mining at the Bolaños Mine. The orders also require the Defendant to preserve net cash flow from the Bolaños Mine in a holding account and periodically provide to the Company certain information regarding the Bolaños Mine. After many years of domestic Mexican litigation, the enforceability of the British Columbia judgment was finally recognized by the Mexican Supreme Court in a written judgment on November 11, 2022. The Company is continuing its enforcement efforts in respect of the Defendant's assets in Mexico. There are no assurances that the Company will be successful in collecting on the remainder of the Court's judgment in respect of the Defendant's assets. Therefore, as at September 30, 2024, the Company has not accrued any of the remaining \$64.3 million (CAD\$81.5 million) unrecovered judgment in favour of the Company.

27. SUBSEQUENT EVENTS

Declaration of Quarterly Dividend

On August 13, 2025, the Company's Board of Directors approved the declaration of its quarterly common share dividend of \$0.0048 per share, payable on or after September 15, 2025, to common shareholders of record as at the close of business on August 29, 2025. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended June 30, 2025.



MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED JUNE 30, 2025

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

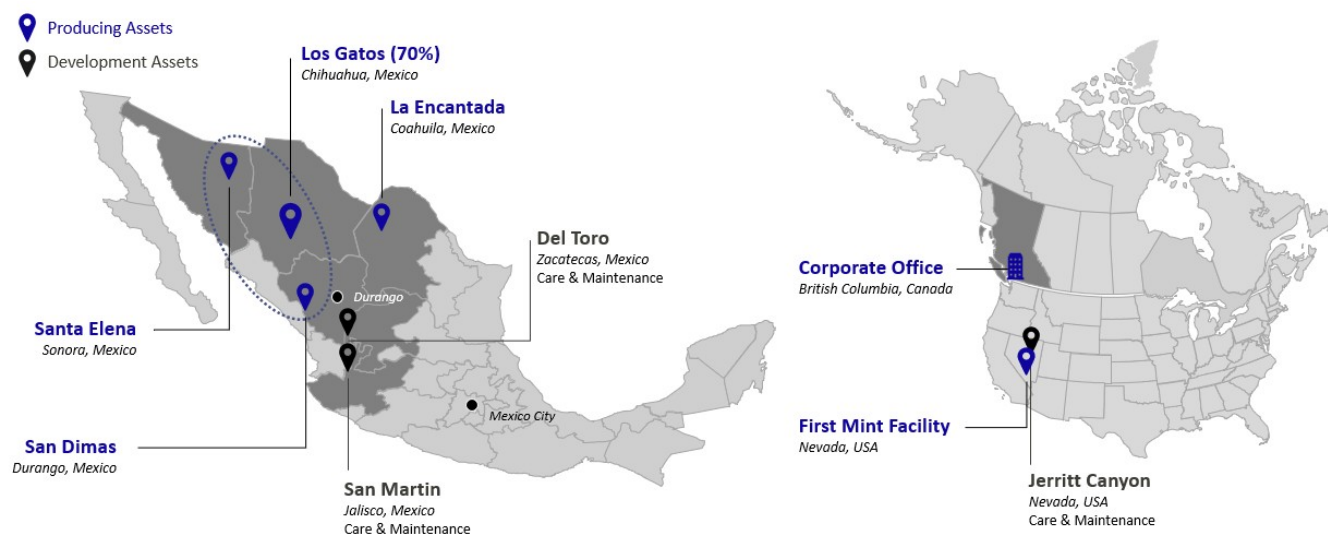
This Management's Discussion and Analysis of Results of Operations and Financial Condition ("MD&A") should be read in conjunction with the unaudited consolidated financial statements of First Majestic Silver Corp. ("First Majestic" or the "Company") for the three and six months ended June 30, 2025 which 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, 2024, 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. Production and certain metrics as specified in each table throughout the MD&A with respect to the Los Gatos Silver Mine are presented on an attributable basis calculated on the basis of the Company's 70% interest in the Los Gatos joint venture and reflect results from January 16, 2025 which is the date of the acquisition by the Company of its interest in the Los Gatos Silver Mine.

This MD&A contains "forward-looking statements" that are subject to risk factors set out in a cautionary note contained at the end of this MD&A. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of August 13, 2025 unless otherwise stated.

COMPANY OVERVIEW

First Majestic is in the business of production, development, exploration, and acquisition of mineral properties with a focus on silver and gold production in North America. The Company owns four producing mines in Mexico consisting of the Santa Elena Silver/Gold Mine, the newly acquired Los Gatos Silver Mine ("Los Gatos") (through the Company's 70% interest in the Los Gatos joint venture), the San Dimas Silver/Gold Mine, and the La Encantada Silver Mine. The Company also owns the Jerritt Canyon Gold Mine in Nevada, USA which the Company placed on temporary suspension on March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. The Company owns two additional mines 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") and the Toronto Stock Exchange ("TSX") under the symbol "AG", and on the Frankfurt Stock Exchange under the symbol "FMV".



2025 SECOND QUARTER HIGHLIGHTS

Key Performance Metrics	2025-Q2	2025-Q1	Change Q2 vs Q1	2024-Q2	Change Q2 vs Q2	2025-YTD	2024-YTD	Change YTD
Operational⁽²⁾								
Ore Processed / Tonnes Milled	1,003,804	944,373	6%	674,570	49%	1,948,177	1,263,221	54%
Silver Ounces Produced	3,701,995	3,704,503	0%	2,104,181	76%	7,406,498	4,079,358	82%
Gold Ounces Produced	33,865	36,469	(7%)	39,339	(14%)	70,333	75,275	(7%)
Silver Equivalent ("AgEq") Ounces Produced	7,852,311	7,711,709	2%	5,289,439	48%	15,564,020	10,451,724	49%
Cash Costs per Silver Equivalent Ounce ⁽¹⁾	\$15.08	\$13.68	10%	\$15.29	(1%)	\$14.39	\$15.14	(5%)
All-in Sustaining Cost per Silver Equivalent Ounce ("AISC") ⁽¹⁾	\$21.02	\$19.24	9%	\$21.64	(3%)	\$20.14	\$21.58	(7%)
Total Production Cost per Tonne ⁽¹⁾	\$104.45	\$97.71	7%	\$113.16	(8%)	\$101.19	\$120.18	(16%)
Average Realized Silver Price per Silver Equivalent Ounce ⁽¹⁾	\$34.62	\$32.50	7%	\$27.81	24%	\$33.57	\$25.88	30%
Financial (in \$millions)								
Revenues	\$264.2	\$243.9	8%	\$136.2	94%	\$508.2	\$242.2	110%
Mine Operating Earnings	\$49.4	\$63.8	(23%)	\$15.5	NM	\$113.2	\$15.1	NM
Net Earnings (Loss)	\$56.6	\$6.2	NM	(\$48.3)	NM	\$62.8	(\$61.8)	NM
Operating Cash Flows before Non-Cash Working Capital and Taxes	\$114.9	\$110.0	4%	\$23.8	NM	\$225.0	\$36.4	NM
Capital Expenditures	\$56.0	\$51.0	10%	\$28.3	98%	\$107.0	\$56.5	89%
Cash and Cash Equivalents	\$384.8	\$351.3	10%	\$152.2	153%	\$384.8	\$152.2	153%
Total Assets	\$4,094.0	\$4,033.7	1%	\$1,987.0	106%	\$4,094.0	\$1,987.0	106%
Total Non-Current Financial Liabilities	\$995.6	\$1,015.3	(2%)	\$501.1	99%	\$995.6	\$501.1	99%
Working Capital ⁽¹⁾	\$444.1	\$404.8	10%	\$229.9	93%	\$444.1	\$229.9	93%
Earnings before Interest, Tax, Depreciation and Amortization ("EBITDA") ⁽¹⁾	\$119.9	\$98.8	21%	\$21.2	NM	\$218.7	\$27.5	NM
Adjusted EBITDA ⁽¹⁾	\$125.3	\$109.7	14%	\$26.4	NM	\$235.0	\$38.5	NM
Free Cash Flow ⁽¹⁾	\$77.9	\$43.5	79%	\$6.4	NM	\$121.4	\$7.4	NM
Shareholders								
Earnings (loss) per Share ("EPS") – Basic & Diluted	\$0.11	\$0.01	NM	(\$0.17)	165%	\$0.12	(\$0.21)	157%
Adjusted EPS ⁽¹⁾	\$0.04	\$0.05	(20%)	(\$0.07)	157%	\$0.08	(\$0.13)	162%

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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

Second Quarter Production Summary	Los Gatos ⁽¹⁾	Santa Elena	San Dimas	La Encantada	Consolidated
Ore Processed / Tonnes Milled	233,480	269,830	219,198	281,296	1,003,804
Silver Ounces Produced	1,524,949	306,224	1,242,717	628,105	3,701,995
Gold Ounces Produced	706	20,637	12,472	49	33,865
Silver Equivalent Ounces Produced	2,436,722	2,318,618	2,464,029	632,942	7,852,311
Cash Costs per Silver Equivalent Ounce ⁽²⁾	\$12.44	\$13.57	\$15.66	\$27.19	\$15.08
All-in Sustaining Cost per Silver Equivalent Ounce ⁽²⁾	\$13.70	\$18.58	\$20.10	\$31.94	\$21.02
Total Production Cost per Tonne ⁽²⁾	\$91.65	\$107.02	\$173.88	\$58.53	\$104.45

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

(2) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" on pages 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

Second Quarter Operational Highlights

- **Strong Quarterly Silver Production:** The Company produced 3.7 million silver ounces in Q2 2025 representing a 76% increase when compared to 2.1 million silver ounces produced in Q2 2024. Total silver production in the quarter included 1.5 million ounces of attributable silver production from Los Gatos. The Company had strong results despite weather-related disruptions and power outages in the final days of June that impacted production at Los Gatos, San Dimas and La Encantada.
- **Robust Silver Equivalent Production:** The Company produced 7.9 million AgEq ounces in Q2 2025 representing a 48% increase compared to 5.3 million AgEq ounces produced in Q2 2024. This growth was primarily driven by a 76% increase in attributable consolidated silver production, including contributions from Los Gatos, as well as a 17% production increase at San Dimas.
- **Inventory:** The Company held 424,272 silver ounces in finished goods inventory as at June 30, 2025, inclusive of coins and bullion. The fair value of this inventory at June 30, 2025 was \$15.3 million, which was not included in revenue during the second quarter.
- **Continued Active Exploration Program:** During the second quarter, the Company completed a total of 66,360 metres ("m") of drilling across its mines in Mexico. During the quarter, up to 28 drill rigs were active consisting of 12 rigs at San Dimas, nine rigs at Santa Elena, five rigs at Los Gatos, and two rigs at La Encantada.
- **High-Grade Gold and Silver Discovery:** The Company announced the discovery of a new, gold and silver vein hosted system - Santo Niño - at the Santa Elena property (see news release dated May 28, 2025). The Santo Niño discovery is 900 m south of the Santa Elena plant and is the second discovery made by the Company in the past 12 months.
- **Strong Safety Performance Continues:** The consolidated Q2 2025 Total Reportable Incident Frequency Rate ("TRIFR") was 0.52, below the Company's 2025 target KPI of 0.70. The Lost Time Incident Frequency Rate ("LTIFR") was 0.11 compared to 0.12 from the same period last year.
- **Cash Costs:** Cash costs per attributable payable AgEq ounce for the quarter were \$15.08, an improvement when compared with \$15.29 per ounce in the second quarter of 2024. The decrease in cash costs was due to a 48% increase in AgEq ounces, primarily driven by the attributable production increase of 2.4 million AgEq ounces from Los Gatos, along with a 17% increase in AgEq production at San Dimas as a result of operational efficiencies and increased plant throughput rates. This decrease was partially offset by higher contractor and energy costs at San Dimas that helped improve and support production, as well as higher maintenance costs as a result of weather-related power outages at San Dimas, La Encantada and Los Gatos in June.
- **AISC:** AISC per attributable payable AgEq ounce in the second quarter was \$21.02, representing a 3% decrease compared to \$21.64 per ounce in the second quarter of 2024. This was primarily attributable to the decrease in cash costs. This decrease was partially offset by an increase in profit sharing per AgEq ounce relating to the prior year, which was paid in the second quarter.

Second Quarter Financial Highlights

- **Record Treasury and Working Capital Position:** The Company ended the quarter with a record \$510.1 million cash in treasury, representing a 65% increase compared to \$308.3 million at December 31, 2024, and the highest in the Company's history. Cash in treasury includes \$125.3 million that is held in restricted cash, representing an 18% increase when compared to \$106.1 million at December 31, 2024. The increase in restricted cash was mostly driven by the strengthening of the Mexican Peso at June 30, 2025. Further, working capital reached a record high of \$444.1 million, representing a 98% increase compared to \$224.5 million at December 31, 2024. The increase in cash was partially offset by income tax installments of \$30.6 million paid during the second quarter primarily related to the true-up of tax payments made for the strong performance in the prior year and the first quarter along with payments related to the annual bonus for 2024. Refer to the "Liquidity, Capital Resources and Contractual Obligations" section below for further details.
- **Record Quarterly Revenue:** In the second quarter, the Company generated a second consecutive quarterly revenue record of \$264.2 million, representing a 94% increase compared to \$136.2 million in the second quarter of 2024. This significant growth was primarily attributable to a 42% increase in payable AgEq ounces sold, mainly driven by the addition of the Los Gatos Silver Mine, which contributed \$103.1 million in revenue. Additional contributions came from continued strong performance at Santa Elena, which contributed \$74.5 million in revenue, and improved production at San Dimas, which contributed \$65.1 million in revenue. Further, the average realized silver price per AgEq ounce increased to \$34.62 per ounce, representing a 24% increase compared to the second quarter of 2024.
- **Improved Mine Operating Earnings:** The Company achieved mine operating earnings of \$49.4 million, representing a significant increase of \$33.9 million compared to mine operating earnings of \$15.5 million in the second quarter of 2024. The increase was mainly driven by the addition of the Los Gatos Silver Mine, which contributed \$20.6 million in mine operating earnings during the quarter. Additionally, the improvement in performance at San Dimas and La Encantada increased mine operating earnings by \$6.7 million and \$4.4 million, respectively, compared to the second quarter of 2024. The increase in mine operating earnings was partially offset by higher contractor and energy costs at San Dimas that supported improvements in production. Additionally, maintenance costs were higher as a result of weather-related power outages at San Dimas, La Encantada and Los Gatos in late June. Mine operating earnings were further impacted by a higher non-cash depletion expense, primarily driven by the addition of Los Gatos and increased overall production. The Company's operating earnings are inclusive of \$51.6 million in non-cash depletion expense.
- **Increased Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes paid in the quarter was \$114.9 million, representing a significant increase compared to \$23.8 million in the second quarter of 2024. This increase was achieved despite incurring higher production bonuses and profit-sharing costs related to the annual bonus for 2024. This improvement was primarily driven by an increase in mine operating earnings, excluding depletion, depreciation and amortization, of \$76.0 million resulting from strong performance at San Dimas and Los Gatos.
- **Increased EBITDA:** EBITDA for the quarter was \$119.9 million, representing a significant increase compared to \$21.2 million in the second quarter of 2024. The increase in EBITDA was primarily attributable to the above-mentioned increase in mine operating earnings.
- **Increased Adjusted EBITDA:** Adjusted EBITDA normalized for non-cash or non-recurring items such as share-based payments, unrealized gains on marketable securities, and abnormal costs for the quarter was \$125.3 million, representing a significant increase compared to \$26.4 million in the second quarter of 2024.
- **Net Earnings:** Net earnings for the quarter were \$56.6 million (EPS of \$0.11) representing a significant increase compared to a net loss of \$48.3 million (EPS of (\$0.17)) in the second quarter of 2024. The increase in net earnings was primarily attributed to higher mine operating earnings compared to the second quarter of 2024. This was partially offset by a non-cash depletion and depreciation expense of \$73.7 million (EPS of (0.15)), compared to \$31.6 million (EPS of (0.11)) in the second quarter of 2024 driven by higher production and the addition of Los Gatos, and a non-cash deferred income tax recovery of \$39.6 million (EPS of \$0.08), compared to a non-cash deferred income tax expense of \$22.6 million (EPS (\$0.08)) in the second quarter of 2024. Additionally, the Company incurred higher general and administrative costs related to the integration of Los Gatos, including costs associated with insurance, travel, legal fees, systems implementation and consulting services. The Company expects to realize significant synergies and cost reductions after the integration of Los Gatos is complete.
- **Increased Adjusted Net Earnings:** Adjusted net earnings excluding non-cash or non-recurring items such as share-based payments, unrealized gains on marketable securities, abnormal costs, and deferred income tax for the quarter was \$18.4 million (Adjusted EPS of \$0.04), representing a significant increase compared to an adjusted net loss of \$20.4 million (Adjusted EPS of (\$0.07)) in the second quarter of 2024.

- **Capital Expenditures:** The Company's total capital expenditures in the second quarter were \$56.0 million, representing a 98% increase compared to \$28.3 million in total capital expenditures in the second quarter of 2024 as the Company continues to focus on growth and mine development in line with the 2025 guidance. Total capital expenditures consisted of \$17.3 million in underground development (2024 - \$13.5 million), \$19.6 million in property, plant and equipment (2024 - \$5.4 million), and \$19.1 million in exploration (2024 - \$9.4 million).

ACQUISITION OF GATOS SILVER INC.

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

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

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

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

Consideration and Purchase Price Allocation

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

Total Consideration

177,433,066 Consideration Shares issued to Los Gatos shareholders with an accounting fair value of \$5.68 per share ⁽¹⁾	\$1,007,819
2,207,762 Consideration DSUs and RSUs of Los Gatos converted to First Majestic common shares with an accounting fair value of \$5.68 per share ⁽¹⁾	12,540
8,242,244 Consideration Options of Los Gatos converted to First Majestic Options with an accounting fair value of \$3.51 per option ⁽³⁾	26,023
Other consideration ⁽²⁾	7,841
Total consideration	\$1,054,223

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

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

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

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

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

Allocation of Purchase Price

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

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

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

Financial and operating results of Gatos are included in the Company's consolidated financial statements effective January 16, 2025. During the three and six months ended June 30, 2025, the acquisition of Gatos contributed \$103.1 and \$193.6 million of revenues, respectively, and \$11.9 million and \$24.1 million of net earnings, respectively, to the Company's financial results since January 16, 2025.

Had the business combination been effective at January 1, 2025, the Company's pro forma revenues and net earnings for the three and six months ended June 30, 2025 would have been \$264.2 million and \$56.6 million, and \$525.7 million and \$66.0 million, respectively. Total transaction costs of \$5.6 million related to the acquisition were expensed in Q1 2025.

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

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

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

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

2025 PRODUCTION OUTLOOK AND COST GUIDANCE UPDATE

This section provides management's updated production outlook and cost guidance for 2025. These are forward-looking estimates and are subject to the cautionary note at the end of this MD&A regarding the risks associated with relying on forward-looking statements. Actual results may vary based on production throughputs, grades, recoveries and changes in economic circumstances.

The Company is updating its full year 2025 guidance, primarily to reflect the following changes:

1. **Improved metal price environment:** The silver and gold price assumptions for the second half of 2025 have been revised to \$30.00 and \$2,800 per ounce, respectively.
2. **Los Gatos:** Management is increasing the Los Gatos attributable production forecast to 9.1 – 9.7 million AgEq ounces, an increase of 6% (midpoint) compared to the original guidance. The revision is primarily driven by higher throughput rates and slightly improved silver grades, with a long-term objective of achieving and sustaining a throughput level of 4,000 tpd.
3. **Santa Elena:** Management is increasing the Santa Elena production forecast to 8.8 – 9.4 million AgEq ounces, an increase of 12% (midpoint) compared to the original guidance, primarily due to higher gold grades and slightly increased gold recoveries.
4. **San Dimas:** Management is increasing the San Dimas production forecast to 9.9 – 10.5 million AgEq ounces, an increase of 7% (midpoint) compared to the original guidance, primarily due to higher throughput rates.
5. **Capital Investments:** Management has increased the 2025 capital budget by 7% to \$193 million to support key growth initiatives, including the plant expansion at Santa Elena, early-stage development at the Navidad discovery, and the acquisition of additional equipment to enhance and sustain higher throughput rates at Los Gatos.

As a result of the Company's strong production results in H1 2025 and continued operating efficiencies, the 2025 attributable consolidated production guidance has increased to 30.6 – 32.6 (midpoint: 31.6) million AgEq ounces, representing a 7% increase compared to the original guidance of 27.8 – 31.2 (midpoint: 29.5) million AgEq ounces, with a 6% and 2% increase in silver and gold production (midpoints), respectively, along with 11% and 8% increases in lead and zinc production (mid-points), respectively.

A mine-by-mine breakdown of the Company's revised 2025 production and cost guidance is included in the table below. The Company reports cost guidance to reflect cash costs and AISC on a per AgEq attributable payable ounce basis. The metal price and foreign currency assumptions that were used to calculate the numbers below were: silver: \$30.00/oz, gold: \$2,800/oz, lead: \$0.95/lb., zinc: \$1.25/lb. and MXN:USD 19.5:1.

GUIDANCE FOR FULL YEAR 2025

Operation:	Silver Oz (M)	Gold Oz (k)	Lead Lbs (M)	Zinc Lbs (M)	Silver Eqv Oz (M)	Cash Cost (\$ per AgEq Oz)*	AISC (\$ per AgEq Oz)*
Los Gatos (70%), Mexico	5.6 – 6.0	3	33 – 35	52 – 56	9.1 – 9.7	11.14 – 11.46	14.62 – 15.13
Santa Elena, Mexico	1.5 – 1.6	79 – 84	—	—	8.8 – 9.4	13.56 – 13.95	17.39 – 18.02
San Dimas, Mexico	4.9 – 5.2	53 – 57	—	—	9.9 – 10.5	14.11 – 14.56	18.38 – 19.10
La Encantada, Mexico	2.8 – 3.0	—	—	—	2.8 – 3.0	22.29 – 23.15	28.16 – 29.42
Operations Total	14.8 – 15.8	135 – 144	33 – 35	52 – 56	30.6 – 32.6	\$13.94 – \$14.37	\$18.11 – \$18.79
Corporate:							
Corp. G&A and Services	—	—	—	—	—	—	1.91 – 2.03
Total:							
Total Consolidated	14.8 – 15.8	135 – 144	33 – 35	52 – 56	30.6 – 32.6	\$13.94 – \$14.37	\$20.02 – \$20.82

*Certain amounts shown in the above table may not add exactly to the total amount due to rounding differences

*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. The Company calculates cash costs and consolidated AISC in the manner set out in the table below. These measures have been calculated on a basis consistent with historical periods. See "Non-GAAP Measures" at the end of this MD&A for further details regarding these measures and a reconciliation of non-GAAP to GAAP measures.

For the full year of 2025, the Company now estimates silver production will range between 14.8 to 15.8 million ounces compared to the prior guidance of 13.6 to 15.3 million ounces, a 6% increase at the midpoint. Additionally, gold production is estimated to range between 135,000 to 144,000 ounces compared to the prior guidance of 129,000 to 144,000, a 2% increase at the midpoint.

Annual cash costs are now expected to be within the range of \$13.94 to \$14.37 per ounce, an improvement from the previous guidance of \$14.10 to \$14.86 per ounce, primarily due to higher production.

The Company is projecting its consolidated 2025 AISC to be within the range of \$20.02 to \$20.82 on a per consolidated payable AgEq ounce basis, in line with the original guidance range of \$19.89 to \$21.27 with a 1% improvement on the midpoint average. Excluding non-cash items, the Company anticipates its 2025 AISC to be within a range of \$19.41 to \$20.17 per payable AgEq ounce. An itemized AISC cost table is provided below:

All-In Sustaining Cost Calculation	FY 2025 (\$ per AgEq oz)
Total Cash Costs per Payable Equivalent Silver Ounce	13.94 – 14.37
General and Administrative Costs	1.46 – 1.56
Sustaining Development Costs	0.68 – 0.71
Sustaining Property, Plant and Equipment Costs	1.77 – 1.88
Profit Sharing	1.03 – 1.09
Lease Payments	0.53 – 0.56
Share-based Payments (non-cash)	0.45 – 0.48
Accretion and Reclamation Costs (non-cash)	0.16 – 0.17
All-In Sustaining Costs (AgEq Oz)	20.02 – 20.82
All-In Sustaining Costs: (AgEq Oz excluding non-cash items)	19.41 – 20.17

1. Certain amounts shown may not add exactly to the total amount due to rounding differences.
2. AISC does not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate AISC may differ from methods used by other companies with similar descriptions. See "Non-GAAP Measures" at the end of this MD&A for further details regarding these measures and a reconciliation of non-GAAP to GAAP measures.
3. Consolidated AISC includes general and administrative cost estimates and non-cash costs of \$2.07 to \$2.21 per AgEq ounce.

UPDATED CAPITAL INVESTMENTS IN 2025

The Company now plans to invest approximately \$193 million in capital expenditures in 2025 consisting of \$76 million for sustaining activities and \$117 million for expansionary projects. This represents a 7% increase over the original 2025 guidance, primarily driven by higher investments in Property, Plant and Equipment to support increased production forecasts for 2025 and beyond. Key initiatives include plant upgrades at Santa Elena to gradually increase throughput to 3,500 tonnes per day ("tpd"), ongoing studies and early-stage mine development at the Navidad discovery, and the acquisition of additional equipment to support higher mining and processing rates at Los Gatos. These investments are fully aligned with the Company's long-term growth strategy.

Area	Sustaining (\$M)	Expansionary (\$M)	Total (\$M)
Underground Development	\$21	\$61	\$82
Exploration	\$—	\$43	\$43
Property, Plant and Equipment	\$54	\$13	\$67
Corporate Projects	\$1	\$—	\$1
Total	\$76	\$117	\$193

The updated 2025 guidance includes total capital investments of \$82 million for underground development; \$43 million in exploration; \$67 million towards property, plant and equipment; and \$1 million towards corporate innovation projects.

Under the updated 2025 budget, the Company is planning to complete a total of approximately 44,000 m of lateral underground development drilling, representing a 24% increase to what was set out in the original guidance. In addition,

the Company is now planning to complete a total of approximately 255,000 m of exploration drilling in 2025, representing a 6% decrease compared to the original guidance. The decrease in exploration spend and metres is mostly at Los Gatos reflecting forecasted improved cost per metre guidance as a result of takeover synergies and a program rationalization where the Company will defer some drilling in the South East Deep zone to prioritize Central and North West Deep drilling for an overall cost and total metre reduction.

In the first half of 2025, the Company completed 23,100 m of underground development drilling and 128,141 m of exploration drilling.

Management may revise the Company's guidance during the year to reflect actual and anticipated changes in metal prices or to the business. There can be no assurance that cost estimates related to the Company's 2025 guidance will prove to be accurate. For further details regarding relevant risks, including those related to the allocation of capital by the Company, see the section entitled "*Risk Factors*" in the Company's most recently filed Annual Information Form ("AIF").

OVERVIEW OF OPERATING RESULTS

Selected Production Results for the Past Eight Quarters:

	2025		2024				2023	
PRODUCTION HIGHLIGHTS	Q2	Q1 ⁽³⁾	Q4	Q3	Q2	Q1	Q4	Q3
Ore processed/tonnes milled								
Los Gatos (70%) ⁽²⁾	233,480	193,825	—	—	—	—	—	—
Santa Elena	269,830	270,203	271,783	259,919	256,427	224,394	233,601	226,292
San Dimas	219,198	231,190	219,388	195,279	183,188	178,957	215,232	213,681
La Encantada	281,296	249,155	253,953	223,200	234,955	185,298	203,898	230,230
Jerritt Canyon	—	—	—	—	—	—	—	—
Consolidated	1,003,804	944,373	745,124	678,397	674,570	588,651	652,731	670,203
Silver equivalent ounces produced								
Los Gatos (70%) ⁽²⁾	2,436,722	2,252,258	—	—	—	—	—	—
Santa Elena	2,318,618	2,259,772	2,719,702	2,685,375	2,580,497	2,280,739	3,008,449	2,669,411
San Dimas	2,464,029	2,636,689	2,235,407	2,110,905	2,114,072	2,364,875	3,110,677	3,010,458
La Encantada	632,942	562,990	758,181	550,042	589,060	459,110	521,424	573,458
Jerritt Canyon	—	—	—	144,093	5,811	57,559	—	32,463
Consolidated	7,852,311	7,711,709	5,713,289	5,490,416	5,289,439	5,162,283	6,640,550	6,285,790
Silver ounces produced								
Los Gatos (70%) ⁽²⁾	1,524,949	1,444,719	—	—	—	—	—	—
Santa Elena	306,224	339,784	406,009	376,203	376,947	355,205	582,484	347,941
San Dimas	1,242,717	1,359,378	1,191,893	1,046,340	1,141,906	1,163,792	1,513,791	1,548,203
La Encantada	628,105	560,622	755,963	545,031	585,329	456,179	516,141	565,724
Consolidated	3,701,995	3,704,503	2,353,865	1,967,574	2,104,181	1,975,176	2,612,416	2,461,868
Gold ounces produced								
Los Gatos (70%) ⁽²⁾	706	794	—	—	—	—	—	—
Santa Elena	20,637	21,408	27,216	27,435	27,176	21,713	28,056	28,367
San Dimas	12,472	14,241	12,264	12,582	12,043	13,543	18,468	17,863
La Encantada	49	26	26	—	—	—	—	—
Jerritt Canyon	—	—	—	1,684	74	647	—	396
Consolidated	33,864	36,469	39,506	41,701	39,293	35,903	46,524	46,626
Cash cost per Ounce⁽¹⁾								
Los Gatos (per AgEq Ounce) ⁽²⁾	\$ 12.44	\$ 10.82	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Santa Elena (per AgEq Ounce)	\$ 13.57	\$ 12.92	\$ 10.99	\$ 11.96	\$ 12.25	\$ 12.13	\$ 10.42	\$ 11.72
San Dimas (per AgEq Ounce)	\$ 15.66	\$ 13.82	\$ 15.14	\$ 16.50	\$ 16.66	\$ 15.81	\$ 13.21	\$ 14.07
La Encantada (per AgEq Ounce)	\$ 27.19	\$ 26.03	\$ 20.01	\$ 25.24	\$ 23.69	\$ 25.22	\$ 26.19	\$ 25.63
Jerritt Canyon (per Au Ounce)	\$ —	\$ —	\$ —	\$ 1,491	\$ 1,186	\$ 1,260	\$ —	\$ 1,478
Consolidated (per AgEq Ounce)	\$ 15.08	\$ 13.68	\$ 13.82	\$ 15.17	\$ 15.29	\$ 15.00	\$ 13.01	\$ 14.13
All-in sustaining cost per Ounce⁽¹⁾								
Los Gatos (per AgEq Ounce) ⁽²⁾	\$ 13.70	\$ 13.07	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Santa Elena (per AgEq Ounce)	\$ 18.58	\$ 15.46	\$ 13.54	\$ 14.38	\$ 15.07	\$ 14.70	\$ 12.82	\$ 14.68
San Dimas (per AgEq Ounce)	\$ 20.10	\$ 17.57	\$ 20.63	\$ 21.44	\$ 21.78	\$ 20.49	\$ 17.80	\$ 17.76
La Encantada (per AgEq Ounce)	\$ 31.94	\$ 31.68	\$ 25.34	\$ 30.10	\$ 27.87	\$ 31.64	\$ 34.14	\$ 29.86
Jerritt Canyon (per Au Ounce)	\$ —	\$ —	\$ —	\$ 1,491	\$ 1,186	\$ 1,260	\$ —	\$ 1,730
Consolidated (per AgEq Ounce)	\$ 21.02	\$ 19.24	\$ 20.34	\$ 21.03	\$ 21.64	\$ 21.53	\$ 18.50	\$ 19.74
Production cost per tonne								
Los Gatos ⁽²⁾	\$ 91.65	\$ 84.46	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Santa Elena	\$ 107.02	\$ 94.28	\$ 91.11	\$ 107.80	\$ 107.47	\$ 120.22	\$ 117.36	\$ 125.05
San Dimas	\$ 173.88	\$ 156.10	\$ 149.49	\$ 168.45	\$ 193.02	\$ 200.72	\$ 183.61	\$ 193.41
La Encantada	\$ 58.53	\$ 57.56	\$ 56.88	\$ 60.86	\$ 57.11	\$ 67.80	\$ 64.70	\$ 61.35
Consolidated	\$ 104.45	\$ 97.71	\$ 96.63	\$ 109.81	\$ 113.16	\$ 128.23	\$ 122.76	\$ 125.81

(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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

(3) Los Gatos production during Q1 2025 was from January 16, 2025 to March 31, 2025 or 74 days.

Operating Results – Consolidated Operations

CONSOLIDATED	2025-Q2	2025-Q1	2024-Q2	2025-YTD	2024-YTD	Change Q2 vs Q2	Change '25 vs '24
Ore processed/tonnes milled	1,003,804	944,373	674,570	1,948,177	1,263,221	49%	54%
Production							
Silver ounces produced	3,701,995	3,704,503	2,104,181	7,406,498	4,079,358	76%	82%
Gold ounces produced	33,865	36,469	39,339	70,333	75,275	(14%)	(7%)
Pounds of lead produced	9,014,545	7,487,065	—	16,501,610	—	100%	100%
Pounds of zinc produced	16,063,947	12,492,869	—	28,556,816	—	100%	100%
Silver equivalent ounces produced	7,852,311	7,711,709	5,289,439	15,564,020	10,451,724	48%	49%
Cost							
Cash cost per AgEq Ounce ⁽¹⁾	\$15.08	\$13.68	\$15.29	\$14.39	\$15.14	(1%)	(5%)
All-in sustaining costs per AgEq Ounce ⁽¹⁾	\$21.02	\$19.24	\$21.64	\$20.14	\$21.58	(3%)	(7%)
Total production cost per tonne ⁽¹⁾	\$104.45	\$97.71	\$113.16	\$101.19	\$120.18	(8%)	(16%)
Underground development (m)	11,403	11,664	8,135	23,066	14,836	40%	55%
Exploration drilling (m)	66,360	61,218	47,447	127,579	83,721	40%	52%

(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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

Production

Total attributable production in the second quarter of 2025 was 7.9 million AgEq ounces, consisting of 3.7 million ounces of silver, and 33,865 ounces of gold, representing a 48% increase, a 76% increase, and a 14% decrease, respectively, compared to 5.3 million AgEq ounces, 2.1 million ounces of silver and 39,339 ounces of gold in the second quarter of 2024. Additionally, the Company produced 9.0 million pounds of lead and 16.1 million pounds of zinc during the quarter. This growth was driven by a 76% increase in silver production when compared to 2.1 million ounces in the same period last year. Total silver production in the quarter included 1.5 million ounces of attributable silver production from Los Gatos. Production at San Dimas increased by 17% compared to the second quarter of 2024 due to operational improvements that increased ore tonnes processed during the quarter. Finally, there was a 7% increase in silver production at La Encantada compared to the second quarter of 2024, primarily due to improved water availability, increases in ore processed and higher silver recoveries. Although production increased, weather-related power outages at the end of June 2025 slightly reduced production at Los Gatos, San Dimas, and La Encantada.

Total ore processed amounted to 1,003,804 tonnes during the quarter, representing a 49% increase compared to 674,570 tonnes in the second quarter of 2024. The higher tonnage processed was primarily due to the addition of the Los Gatos Silver Mine, along with significantly higher tonnage at La Encantada and San Dimas each up 20%, and a more modest 5% increase at Santa Elena, compared to the second quarter of 2024. The higher throughput at San Dimas was driven by increased mining rates, which enabled the buildup of an ore stockpile and supported above-nameplate mill performance during the quarter. Additionally, the Company continues to focus on achieving a sustainably higher mill throughput at Los Gatos, having reached a record average of 4,125 tpd, based on operating days in June.

Cash Costs and All-In Sustaining Cost per AgEq Ounce

Cash costs per AgEq ounce for the quarter was \$15.08, an improvement when compared with \$15.29 per ounce in the second quarter of 2024. The decrease in cash costs was due to a 48% increase in AgEq ounces, primarily driven by the attributable production increase of 2.4 million AgEq ounces from Los Gatos, along with a 17% increase in AgEq production at San Dimas as a result of operational efficiencies and increased plant throughput rates. This decrease was partially offset by higher contractor and energy costs at San Dimas that helped improve and support production, as well as higher maintenance costs as a result of weather-related power outages at San Dimas, La Encantada and Los Gatos in June.

AISC per AgEq ounce in the second quarter was \$21.02, representing a 3% decrease compared to \$21.64 per ounce in the second quarter of 2024. This was primarily attributable to the decrease in cash costs. This decrease was partially offset by an increase in profit sharing per AgEq ounce relating to the prior year, which was paid in the second quarter.

Management continues to undertake a series of cost reduction initiatives across the organization aimed at improving efficiencies, lowering production costs, capital spending, care and maintenance holding costs and corporate G&A costs while also increasing production. Additionally, management continues to integrate the Los Gatos Silver Mine into the Company's business by identifying and realizing synergies. Current initiatives include:

- Negotiating workforce improvement processes with the National Union at San Dimas;
- Reducing remnant pillar extraction at San Dimas within the mine plan and confirming remaining pillars using ore control (termita) drilling processes;
- Managing over-break and under-break to reduce ore dilution impacts and optimize ore extraction at San Dimas, Los Gatos, and Santa Elena;
- Increasing mine development rates at San Dimas, Los Gatos, and La Encantada to access additional ore;
- Renegotiating consumable contracts and reducing the use of external consultants;
- Optimizing use of reagent and grinding media consumption;
- Implementing LNG based supplemental power at San Dimas to lower energy costs, improve power and plant reliability, and reduce our carbon footprint;
- At San Dimas, changes in shift line-up and other productivity-enhancing adjustments are being implemented, alongside the use of quality assurance and quality control on operating drilling methods to verify stope positioning, grade, and tonnage. These efforts are also expected to increase development rates and open additional ore stopes;
- Optimizing mining sequencing with the goal of improving ore extraction at San Dimas, Los Gatos, Santa Elena and La Encantada;
- Converting from contractor haulage at La Encantada to Owner haulage to support increased mill throughput rates and lower unit haulage costs;
- Improve La Encantada metallurgical recoveries through the addition of lead nitrate to processing;
- Lowering holding costs at the Company's suspended operations including the Jerritt Canyon Gold Mine; and
- Identifying and realizing synergies at Los Gatos, including but not limited to: evaluating global supply chain contracts, minimizing reliance on external consultants, utilizing internal maintenance expertise, capturing corporate G&A savings, enhancing operating efficiencies, reducing overbreak and ore dilution, and optimizing capital expenditures to further reduce costs and improve operational performance.

Development and Exploration

During the quarter, the Company completed 11,403 m of underground development drilling and 66,360 m of exploration drilling, representing a 40% increase for each, compared to 8,135 m of underground development drilling and 47,447 m of exploration drilling, respectively, in the second quarter of 2024. During the quarter, up to 28 drill rigs were active consisting of 12 rigs at San Dimas, nine rigs at Santa Elena, five rigs at Los Gatos, and two rigs at La Encantada.

Los Gatos Silver Mine, Chihuahua, Mexico

The Los Gatos Silver Mine is located in the state of Chihuahua, Mexico, approximately 120 kilometres (“km”) south of Chihuahua City. The mine operates with a processing capacity of 4,000 tpd, utilizing a flotation circuit to produce high-grade zinc, lead, and copper concentrates. The Los Gatos Silver Mine is part of the larger Los Gatos District, which hosts multiple mineralized zones with significant exploration potential. The Company owns 70% of the Los Gatos Mine through its interest in the Los Gatos Joint Venture, which covers a land package of approximately 103,000 ha.

Los Gatos (disclosed 70% ownership interest)	2025-Q2	2025-Q1	2025-YTD
Total ore processed/tonnes milled	233,480	193,825	427,305
Average silver grade (g/t)	230	262	244
Average gold grade (g/t)	0.20	0.24	0.22
Average zinc grade (%)	4%	4%	4%
Average lead grade (%)	2%	2%	2%
Average copper grade (%)	0.07%	0.10%	0.07%
Silver recovery (%)	88%	89%	88%
Gold recovery (%)	47%	53%	50%
Lead Recovery (%)	88%	89%	88%
Zinc Recovery (%)	74%	72%	73%
Copper Recovery (%)	62%	63%	63%
Attributable Production			
Silver ounces produced	1,524,949	1,444,719	2,969,668
Gold ounces produced	706	794	1,500
Zinc pounds produced	16,063,947	12,492,869	28,556,816
Lead pounds produced	9,014,545	7,487,065	16,501,610
Copper pounds produced	205,288	237,860	443,148
Silver equivalent ounces produced	2,436,722	2,252,258	4,688,980
Cost			
Cash cost per AgEq Ounce ⁽¹⁾	\$12.44	\$10.82	\$11.66
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$13.70	\$13.07	\$13.40
Total production cost per tonne ⁽¹⁾	\$91.65	\$84.46	\$88.39
Underground development (m)	1,924	1,687	3,611
Exploration drilling (m)	11,317	14,880	26,197

(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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

On January 16, 2025, the Company completed its acquisition of Gatos Silver, Inc., and as a result, Gatos became a wholly-owned subsidiary of the Company. Gatos holds a 70% interest in the Los Gatos Joint Venture (“LGJV”), which owns and operates the producing Los Gatos Silver Mine in Chihuahua, Mexico. Los Gatos consists of approximately 103,000 ha of mineral rights, representing a highly prospective and under-explored district with numerous silver-zinc-lead epithermal mineralized zones identified as priority targets. The acquisition is consistent with the Company's growth strategy by adding another cornerstone asset within a world-class mining jurisdiction to the Company's portfolio.

During the second quarter, Los Gatos produced 2,436,722 attributable AgEq ounces, consisting of 1,524,949 ounces of silver, 16,063,947 pounds of zinc, 9,014,545 pounds of lead, and 706 ounces of gold. Production at Los Gatos was slightly impacted at the end of June due to a weather-related power outage that lasted three days. Power was fully restored on July 1, 2025. Production at Los Gatos represented 30% of the Company's total production in AgEq ounces, primarily due to its high silver, zinc and lead grades.

The mill processed a total of 233,480 tonnes of ore, with head grades of 230 g/t silver, 4% zinc, 2% lead, and 0.2 g/t gold. Management continues to focus on achieving a sustainably higher mill throughput at Los Gatos. In June, the mill achieved a record average throughput of 4,125 tpd, based on operating days.

Silver, zinc, lead and gold recoveries during the quarter averaged 88%, 74%, 88% and 47%, respectively.

Cash costs per AgEq ounce for the quarter were \$12.44 and were mainly driven by increased production throughput along with lower milling costs during the quarter. AISC per AqEq ounce for the quarter was \$13.70 and was primarily driven by changes in cash costs and higher equipment maintenance costs during the quarter as part of the increasing production plan. The Company continues to integrate the Los Gatos Silver Mine with its business by identifying and realizing synergies to improve operating efficiencies and reduce costs.

During the quarter, five drill rigs completed 11,317 m of exploration drilling on the property, and a total of 1,924 m of underground development drilling were completed at Los Gatos. Total exploration costs in the second quarter were \$2.3 million.

Santa Elena Silver/Gold Mine, Sonora, Mexico

The Santa Elena Silver/Gold Mine is located approximately 150 km northeast of the city of Hermosillo, Sonora, Mexico. The operating plan for Santa Elena involves the processing of ore in a 3,200 tpd cyanidation circuit from underground reserves. Santa Elena consists of a central processing plant that can receive ore from separate underground mining operations, Santa Elena and Ermitaño. The Company owns 100% of the Santa Elena mine including mining concessions totaling 102,244 ha.

Santa Elena	2025-Q2	2025-Q1	2024-Q2	Change Q2 vs Q2	2025-YTD	2024-YTD	Change '25 vs '24
Total ore processed/tonnes milled	269,830	270,203	256,427	5%	540,033	480,820	12%
Average silver grade (g/t)	55	58	69	(20%)	56	70	(20%)
Average gold grade (g/t)	2.54	2.59	3.52	(28%)	2.56	3.35	(24%)
Silver recovery (%)	64%	68%	66%	(3%)	66%	67 %	(1%)
Gold recovery (%)	94%	95%	94%	0%	95%	94%	1%
Production							
Silver ounces produced	306,224	339,784	376,947	(19%)	646,008	732,152	(12%)
Gold ounces produced	20,637	21,408	27,176	(24%)	42,045	48,889	(14%)
Silver equivalent ounces produced	2,318,618	2,259,772	2,580,497	(10%)	4,578,390	4,861,237	(6%)
Cost							
Cash cost per AgEq Ounce ⁽¹⁾	\$13.57	\$12.92	\$12.25	11%	\$13.25	\$12.19	9%
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$18.58	\$15.46	\$15.07	23%	\$17.04	\$14.90	14%
Total production cost per tonne ⁽¹⁾	\$107.02	\$94.28	\$107.47	0%	\$100.64	\$113.42	(11%)
Underground development (m)	2,268	2,307	2,329	(3%)	4,574	4,579	0%
Exploration drilling (m)	22,751	16,809	15,591	46%	39,560	25,502	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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

Santa Elena produced 2,318,618 AgEq ounces during the quarter, representing a 10% decrease compared to the second quarter of 2024. This included 306,224 ounces of silver and 20,637 ounces of gold, representing decreases of 19% and 24% respectively compared to the second quarter of 2024. The decrease in production was primarily due to lower ore grades from the Ermitaño mine, in line with the current mine plan.

The mill processed a total of 269,830 tonnes of ore, representing a 5% increase compared to the same period last year, with average silver and gold head grades of 55 g/t and 2.54 g/t, respectively. Silver and gold ore grades declined 28% and 20%, respectively, compared to the same period last year, in line with the mine plan.

Silver and gold recoveries during the quarter averaged 64% and 94%, respectively, compared to 66% and 94%, respectively, in the same period last year.

Cash costs per AgEq ounce in the second quarter were \$13.57, representing an 11% increase compared to \$12.25 per AgEq ounce in the second quarter of 2024. The increase was primarily attributed to the lower production levels consistent with the mine plan, along with higher royalty payments and maintenance activities at the mill during the quarter. These cost increases were partially offset by a decrease in change in inventory expense and a weakening of the Mexico peso against the US dollar, which averaged 6% lower compared to the second quarter of 2024.

AISC per AgEq ounce for the quarter was \$18.58, representing a 23% increase compared to \$15.07 per AgEq ounce in the second quarter of 2024. This was primarily attributable to the increase in cash costs, higher profit sharing allocated to Santa Elena relating to prior year performance, which was paid in the second quarter, and higher sustaining capital costs compared to the second quarter of 2024.

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 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 and six months ended June 30, 2025, the Company delivered nil ounces (June 30, 2024 - 21 ounces) of gold to Sandstorm. On July 7, 2025, it was announced that Sandstorm entered into a definitive arrangement agreement with Royal Gold Inc. ("Royal Gold"), under which Royal Gold will acquire all of the issued and outstanding common shares of Sandstorm.

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 and six months ended June 30, 2025, the Company incurred \$3.1 and \$5.9 million (June 30, 2024 - \$2.9 and \$5.0 million) in NSR royalty payments in connection with production from Ermitaño.

During the quarter, a total of 2,268 m of underground development drilling was completed at the Ermitaño mine, representing a 3% decrease when compared with the 2,329 m in the second quarter of 2024. During the quarter, nine drill rigs, consisting of six surface rigs and three underground rigs, completed 22,751 m of drilling on the property. Total exploration costs in the second quarter were \$3.9 million, representing a 27% increase compared to \$3.1 million in the second quarter of 2024. The Company is working to continue to grow and define the mineral deposits at the Navidad and Santo Niño targets to expand the Mineral Resource and Mineral Reserve base for the Santa Elena operation. During the quarter, the Company announced the discovery of a second new, high-grade gold and silver vein hosted system - Santo Niño - at the Santa Elena property (see news release dated May 28, 2025). The Santo Niño discovery is 900 m south of the Santa Elena plant and is the second major orebody discovery made by the Company in the past 12 months.

San Dimas Silver/Gold Mine, Durango, Mexico

The San Dimas Silver/Gold Mine is located approximately 130 km northwest of the city of Durango, Durango State, Mexico and consists of 71,868 ha of mining claims located in the states of Durango and Sinaloa, Mexico. San Dimas is the largest producing underground mine in the state of Durango with over 250 years of operating history. The San Dimas operating plan involves processing ore from several underground mining areas with a 2,700 tpd capacity milling operation that produces silver/gold doré bars. The mine is accessible via a 40-minute flight from the Durango International Airport to a private airstrip in the town of Tayoltita, or by improved roadway. The Company owns 100% of the San Dimas mine.

San Dimas	2025-Q2	2025-Q1	2024-Q2	Change Q2 vs Q2	2025-YTD	2024-YTD	Change '25 vs '24
Total ore processed/tonnes milled	219,198	231,190	183,188	20%	450,388	362,145	24%
Average silver grade (g/t)	197	203	210	(6%)	200	215	(7%)
Average gold grade (g/t)	1.90	2.04	2.15	(12%)	1.97	2.30	(14%)
Silver recovery (%)	90%	90%	92%	(2%)	90%	92%	(2%)
Gold recovery (%)	93%	94%	95%	(2%)	94%	96%	(2%)
Production							
Silver ounces produced	1,242,717	1,359,378	1,141,906	9%	2,602,095	2,305,698	13%
Gold ounces produced	12,472	14,241	12,043	4%	26,713	25,586	4%
Silver equivalent ounces produced	2,464,029	2,636,689	2,114,072	17%	5,100,718	4,478,947	14%
Cost							
Cash cost per AgEq Ounce ⁽¹⁾	\$15.66	\$13.82	\$16.66	(6%)	\$14.71	\$16.21	(9%)
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$20.10	\$17.56	\$21.78	(8%)	\$18.79	\$21.10	(11%)
Total production cost per tonne ⁽¹⁾	\$173.88	\$156.10	\$193.02	(10%)	\$164.75	\$196.83	(16%)
Underground development (m)	6,255	6,716	4,859	29%	12,971	8,568	51%
Exploration drilling (m)	29,746	28,535	31,249	(5%)	58,281	57,613	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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

San Dimas produced 2,464,029 AgEq ounces during the quarter, representing a 17% increase compared to Q2 2024, consisting of 1,242,717 ounces of silver and 12,472 ounces of gold. Silver production increased by 9%, while gold production increased by 4%, when compared to the same period last year. Operational performance at San Dimas continued to benefit from enhanced labour practices and improved efficiencies during the second quarter of 2025. These ongoing advancements supported the site's strong production results and reflect the sustained progress in workforce engagement and process optimization. Quarterly performance was impacted by lower mined gold grades and multiple weather-related power interruptions at the end of June as the annual monsoon season began.

The mill processed a total of 219,198 tonnes of ore, an increase of 20% compared to Q2 2024, with average silver and gold grades of 197 g/t and 1.90 g/t, respectively, compared with 210 g/t and 2.15 g/t, respectively, in the same period last year. Higher throughput was driven by increased mine development and higher mining rates, which enabled the buildup of the ore feed stockpile and supported above-nameplate mill performance during the quarter.

Silver and gold recoveries during the quarter averaged 90% and 93%, respectively, compared to 92% and 95%, respectively, in the same period last year.

In the second quarter, cash cost per AgEq ounce was \$15.66, representing a 6% decrease compared to \$16.66 per AgEq ounce in the second quarter of 2024. This was primarily attributable to the increase in production compared to the same period last year. This was partially offset by higher contractor costs due to the use of mining contractors to support increased mine development and higher ore production, higher energy costs relating to higher tonnes milled, and higher electrical maintenance costs.

AISC per AgEq ounce for the quarter was \$20.10, representing an 8% decrease compared to \$21.78 per AgEq ounce in the second quarter of 2024. This was primarily attributable to the decrease in cash costs.

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 June 30, 2025, was 90:1. During the three and six months ended June 30, 2025, the Company delivered 8,962 and 16,198 ounces (June 30, 2024 - 6,801 and 14,734 ounces) of gold to WPMI at \$640 and \$638 per ounce (June 30, 2024 - \$635 and \$633 per ounce).

A total of 6,255 m of underground infill drilling was completed in the second quarter, representing a 29% increase compared to 4,859 m in the second quarter of 2024. During the quarter, a total of 12 drill rigs consisting of two surface rigs and 10 underground rigs completed 29,746 m of exploration drilling on the property, a 5% decrease compared to 31,249 m in the second quarter of 2024. Total exploration costs were \$3.5 million, representing a 3% increase compared to \$3.3 million in the second quarter of 2024.

La Encantada Silver Mine, Coahuila, Mexico

The La Encantada Silver Mine is an underground mine located in the northern Mexico State of Coahuila, 708 km northeast of Torreon. La Encantada has 4,076 ha of mineral concessions and surface land ownership of 1,343 ha. La Encantada also has a 4,000 tpd cyanidation plant, a camp with 120 houses as well as administrative offices, laboratory, general store, hospital, airstrip and all the necessary infrastructure required for such an operation. The mine is accessible via a two-hour flight from the Durango International Airport to the operation's private airstrip, or via an improved road from the closest city, Muzquiz, Coahuila State, which is 225 km away. The Company owns 100% of the La Encantada mine.

La Encantada	2025-Q2	2025-Q1	2024-Q2	Change Q2 vs Q2	2025-YTD	2024-YTD	Change '25 vs '24
Ore processed/tonnes milled	281,296	249,155	234,955	20%	530,451	420,253	26%
Average silver grade (g/t)	106	104	129	(18%)	105	126	(17%)
Silver recovery (%)	65%	67%	60%	8%	66%	61%	8%
Production							
Silver ounces produced	628,105	560,622	585,329	7%	1,188,727	1,041,508	14%
Gold ounces produced	49	26	46	7%	75	79	(5%)
Silver equivalent ounces produced	632,942	562,990	589,060	7%	1,195,932	1,048,170	14%
Cost							
Cash cost per AgEq Ounce ⁽¹⁾	\$27.19	\$26.03	\$23.69	15%	\$26.65	\$24.36	9%
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$31.95	\$31.68	\$27.87	15%	\$31.82	\$29.52	8%
Total production cost per tonne ⁽¹⁾	\$58.53	\$57.56	\$57.11	2%	\$58.07	\$61.82	(6%)
Underground development (m)	956	954	947	1%	1,910	1,690	13%
Exploration drilling (m)	2,546	995	607	NM	3,541	607	NM

(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 52 to 62 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

During the quarter, La Encantada produced 628,105 ounces of silver, representing a 7% increase compared to the second quarter of 2024, driven primarily by a 20% increase in ore processed, and an 8% increase in silver recovery, partially offset by lower silver grades. Production at La Encantada was slightly impacted in June by a severe weather event that disrupted power to the water pumping system. Power has since been restored, and production levels are returning to normal.

The mill processed a total of 281,296 tonnes of ore, representing a 20% increase compared to 234,955 tonnes of ore in the second quarter of 2024, with an average silver grade of 106 g/t, compared to an average silver grade of 129 g/t in the second quarter of 2024. The increase in processing rates compared to the second quarter of 2024 was supported by improved water availability compared to the same period last year. Water inventory levels at the plant remained at full capacity during the second quarter of 2025, enabling ore throughput rates to return to normal levels.

Silver recovery for the quarter was 65%, representing an 8% increase when compared to 60% in the second quarter of 2024. The improvement was primarily driven by the addition of lead nitrate and increased residence time, supported by improved water availability compared to the same period last year.

Cash costs per AgEq ounce for the quarter were \$27.19, representing a 15% increase compared to \$23.69 per AgEq ounce in the second quarter of 2024, which was primarily attributed to a 32% and 12% increase in on-site mining and milling costs, respectively, due to increases in energy and maintenance costs compared to the second quarter of 2024, some of which were driven by weather-related power outages experienced at the end of June. This was partially offset by the 7% improvement in AgEq ounces compared to the second quarter of 2024.

AISC per AgEq ounce for the quarter was \$31.95, representing a 15% increase when compared with \$27.87 in the second quarter of 2024. This was primarily due to higher cash costs and increased sustaining property, plant, and equipment ("PP&E") costs related to machinery rental and the addition of a gas-powered generator to maintain plant capacity.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited ("Metalla"). Under the agreement, the Company has granted Metalla a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the three and six months ended June 30, 2025, the Company has incurred \$0.1 and \$0.2 million (June 30, 2024 - \$nil and \$0.2 million) in royalty payments from gold production at La Encantada.

A total of 956 m of underground development drilling was completed in the second quarter at La Encantada, consistent when compared to 947 m in the second quarter of 2024. During the quarter, two underground drill rigs completed 2,546 m of drilling on the property, as compared to 607 m in the second quarter of 2024. Total exploration costs in the second quarter were \$0.7 million, representing a 128% increase when compared to \$0.3 million in the second quarter of 2024.

First Mint LLC, Nevada, United States

First Mint, LLC ("First Mint") is the Company's operating minting facility located in Nevada, United States. The state of the art facility produces an array of high-quality silver bullion products and provides manufacturing capacity for third-party demand. All products are crafted from silver sourced directly from First Majestic's mining operations in Mexico providing better margins and controlling the supply chain, while capitalizing on the strong investment demand for physical silver. First Mint allows the Company to sell a greater portion of its silver production directly to its shareholders and bullion customers. First Mint operates some of the most innovative processing equipment in the precious metals industry, including an environmentally friendly flameless tunnel, which uses significantly less electricity and produces near zero emissions when compared to traditional minting processes. The Company owns 100% of First Mint.

First Mint ⁽¹⁾	2025-Q2	2025-Q1	2024-Q2	Change Q2 vs Q2	2025- YTD	2024- YTD	Change '25 vs '24
Ounces sold	231,506	243,865	106,890	117%	475,371	143,849	NM
Financial Results							
Revenue (\$ thousands)	\$7,775	\$7,866	\$3,298	136%	\$15,641	\$4,285	NM
Average realized price per ounce - Bullion ⁽²⁾	\$33.58	\$32.25	\$30.86	9%	\$32.90	\$29.79	10%

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

(2) Average realized silver price per ounce is disclosed on the Company's financial statements in Note 5 - Segmented Information.

Commissioning for First Mint commenced in March 2024 and was focused on commissioning production and research and development. First Mint officially celebrated its inauguration on September 26, 2024. While silver bullion sales by First Mint commenced in March of 2024, the inauguration celebrated the mint's progress to-date on implementing innovative production and fulfillment processes at the facility. During this time, the Mint also commissioned several pieces of new equipment including coin presses, lasers, etching equipment for bar and coin manufacturing. First Mint achieved ISO 9001 certification in April 2025. This quality certification allows silver products sold by First Mint to be eligible for Individual Retirement Accounts ("IRAs"), permitting investors to hold silver products purchased from First Mint in their IRAs. First Mint enables First Majestic to turn its mined silver into an array of finished bullion products for direct sale to the public and offers manufacturing capacity for third-party custom projects.

During the second quarter of 2025, First Mint sold 231,506 ounces of silver, representing a 117% increase compared to 106,890 ounces in the second quarter of 2024. The ounces sold through First Mint represented 6% of the Company's total silver production during the second quarter of 2025.

Total revenues for the second quarter of 2025 were \$7.8 million, representing a 136% increase compared to revenues of \$3.3 million in the second quarter of 2024. The average realized price for the quarter was \$33.58 per ounce, representing a 9% increase compared to the average realized price of \$30.86 per ounce in the second quarter of 2024.

Jerritt Canyon Gold Mine, Nevada, United States

The Jerritt Canyon Gold Mine is an underground mining complex located in northern Nevada, United States. Jerritt Canyon was discovered in 1972 and has been in production since 1981 having produced over 9.5 million ounces of gold over its 40-year production history. The operation, which was purchased by the Company on April 30, 2021, has one of only three permitted gold processing plants in Nevada that uses roasting in its treatment of ore. This processing plant has a capacity of 4,000 tpd.

On March 20, 2023, the Company temporarily suspended mining activities at Jerritt Canyon to reduce overall costs and refocus mining and exploration plans at the mine. The property consists of a large, under-explored land package consisting of 30,821 ha (119 square miles). Jerritt Canyon is 100% owned by the Company.

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.

During the quarter, the Company incurred \$3.7 million in holding costs at Jerritt Canyon, representing a 10% decrease compared to \$4.1 million in the second quarter of 2024. The mine holding costs at Jerritt Canyon primarily relate to care and maintenance activities such as water management and treatment, maintaining environmental permits and controls, keeping the plant 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.

Total exploration costs amounted to \$0.5 million in the second quarter of 2025, representing a 19% decrease compared to \$0.7 million in the second quarter of 2024. Exploration work primarily consisted of road and site preparation for the 2025 drilling season which began in July 2025.

Del Toro Silver Mine, Zacatecas, Mexico

The Del Toro Silver Mine is located in the Municipality of Chalchihuites, Zacatecas, Mexico. and consists of 3,815 ha of mining concessions and 219 ha of surface rights. The Del Toro operation represents the consolidation of three historical silver mines, the Perseverancia, San Juan and Dolores mines, which are approximately one and three km 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 ha, plus an application of a new mining concession covering 24,723 ha to be granted. In addition, the mine includes 160 ha of surface land where the processing plant, camp, office facilities, maintenance shops, and tailings dams are located, and an additional 640 ha of surface rights. The 1,300 tpd mill and processing plant consists of crushing, grinding and conventional cyanidation by agitation in tanks and a Merrill-Crowe doré production system. The mine can be accessed via small plane, 150 km from Durango, or 250 km by paved road north of Guadalajara, Jalisco. The San Martin Silver Mine is 100% owned by the Company.

In July 2019, the Company suspended all mining and processing activities at the San Martin operation due to growing insecurity in the area. Increasing violence and safety concerns resulted in the Company removing all of its remaining employees from the area in 2021 and the mine and plant have been occupied and are currently under the de facto control of an organized criminal group. Due to this situation, the Company has been unable to carry out proper care and maintenance of the mine and plant and tailings storage facilities and the Company has limited information as to the current state of repair at the mine, including the tailings storage facility. The Company has repeatedly requested all applicable governmental authorities to take action to secure the area but, to date, the Mexican government has failed to take any such action and the Company's own efforts have been unsuccessful. The Company is continuing its efforts to work with governmental authorities to take action to secure the area.

Springpole Silver Stream, Ontario, Canada

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

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

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

In connection with the Springpole Stream Agreement, First Mining also granted First Majestic 30.0 million common share purchase warrants of First Mining (the “First Mining Warrants”), each of which will entitle the Company to purchase one common share of First Mining at CAD\$0.40 expiring July 2, 2025. The fair value of the warrants was measured at \$5.7 million using the Black-Scholes option pricing model.

As part of the March 13, 2025 Amended Springpole Stream Agreement, First Mining agreed to extend the expiry date of the First Mining Warrants to March 31, 2028 and to amend the exercise price to CAD\$0.20. The fair value of the warrants was measured at \$0.8 million using the Black-Scholes option pricing model. Additionally, if the closing price of First Mining’s common shares on the TSX equals or exceeds CAD\$0.30 for 45 consecutive trading days, First Mining may accelerate the expiry date of the common share purchase warrants to the date which is 30 days following the dissemination of a news release announcing the acceleration.

First Mining has the right to repurchase 50% of the silver stream from First Majestic for \$22.5 million at any time prior to the commencement of production at Springpole, and if such a repurchase takes place, the Company will be left with a reduced silver stream of 25% of life of mine payable silver production from Springpole.

Springpole is one of Canada’s largest, undeveloped gold projects with permitting underway. In January 2021, First Mining announced results of its Pre-Feasibility Study (“PFS”) which supports a 30,000 tpd open pit mining operation over an 11-year mine life. First Mining announced resources of 24.3 million ounces of silver in the Indicated category and 1.4 million ounces of silver in the Inferred category, plus 4.6 million ounces of gold in the Indicated category and 0.3 million ounces of gold in the Inferred category. A draft Environmental Impact Statement for Springpole was published in June 2022, and the Federal and Provincial Environment Assessment processes for the project are in progress.

The Springpole Project also includes large land holdings of 41,913 ha which are fully encompassed under the silver streaming agreement.

Keith Neumeyer, our President & Chief Executive Officer and a director of the Company, and Raymond Polman, a director of the Company, are each also directors of First Mining and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Silver Stream Agreement.

OVERVIEW OF FINANCIAL PERFORMANCE

For the quarters ended June 30, 2025 and 2024 (in thousands of dollars, except for per share amounts):

	Second Quarter 2025	Second Quarter 2024	Variance %
Revenues	\$264,229	\$136,166	94% (1)
Mine operating costs			
Cost of sales	141,139	89,096	58% (2)
Depletion, depreciation and amortization	73,739	31,608	133% (3)
	214,878	120,704	78%
Mine operating earnings	49,351	15,462	NM
General and administrative expenses	12,510	9,506	32% (4)
Share-based payments	3,804	3,418	11%
Mine holding costs	5,323	5,723	(7%)
Foreign exchange (gain) loss	(11,768)	11,133	NM
Operating earnings (loss)	39,482	(14,318)	NM
Investment and other income	6,334	3,916	62% (5)
Finance costs	(7,798)	(7,335)	6%
Earnings (loss) before income taxes	38,018	(17,737)	NM
Current income tax expense	21,087	7,879	168%
Deferred income tax (recovery) expense	(39,648)	22,635	NM
Income tax (recovery) expense	(18,561)	30,514	161% (6)
Net earnings (loss) for the period	\$56,579	(\$48,251)	NM (7)
Net earnings (loss) attributable to:			
Owners of the Company	\$52,548	(\$48,251)	NM
Non-controlling interests	\$4,031	\$—	100%
Earnings (loss) per common share attributable to owners of the Company:			
Basic	\$0.11	(\$0.17)	165% (7)
Diluted	\$0.11	(\$0.17)	165% (7)

NM - Not meaningful

- Revenues** in the quarter were \$264.2 million, representing a 94% increase compared to \$136.2 million in the same quarter of the prior year primarily attributed to:
 - a 42% increase in payable AgEq ounces sold compared to the same quarter of the prior year driven by the addition of 2.4 million attributable AgEq ounces from the Los Gatos Silver Mine, a notable 17% (0.4 million AgEq ounces) production increase at San Dimas largely due to significant operational improvements, along with continued strong performance at Santa Elena. These factors collectively contributed to a \$76.5 million increase in revenues; and
 - a 24% increase in the average realized silver price, which was \$34.62 per AgEq ounce during the quarter, compared to \$27.81 per AgEq ounce in the second quarter of 2024. This resulted in a \$51.4 million increase in revenue compared to the same quarter of the prior year.

2. **Cost of sales** in the quarter increased by 52.0 million, or a 58% increase compared to the same quarter of the prior year primarily attributed to:
- the addition of the Los Gatos Silver Mine on January 16, 2025 which contributed \$37.9 million to costs of sales during the second quarter;
 - a \$5.5 million increase in worker participation costs in Mexico for all sites excluding Los Gatos;
 - a \$4.8 million increase in labour and energy costs due to higher mine contractor and energy costs at San Dimas to increase mine development and support production, as well as higher maintenance costs at San Dimas, La Encantada and Los Gatos in late June;
 - a \$2.9 million increase in change in inventory expense compared to the second quarter of 2024 from drawdowns of doré inventory at San Dimas, La Encantada, and Santa Elena, as well as bullion inventory at First Mint during the quarter; and
 - \$2.8 million in abnormal costs primarily due to the increased diesel consumption resulting from the use of back up energy sources following weather-events that disrupted operations and prevented the use of liquid natural gas at the end of June.
3. **Depletion, depreciation and amortization** in the quarter was \$73.7 million compared to \$31.6 million in the same quarter of the prior year, primarily as a result of:
- the addition of Los Gatos which contributed \$44.6 million; and
 - a \$1.8 million increase in depletion and depreciation from San Dimas due to higher production.

Partially offset by:

- a decrease of \$2.0 million in depreciation and amortization from Santa Elena, a decrease of \$1.2 from La Encantada compared to the same quarter of the prior year, and a decrease of \$1.1 million from Jerritt Canyon.
4. **General and administrative expense** in the quarter was \$12.5 million, representing a 32% increase compared to \$9.5 million in the same quarter of the prior year. This was primarily attributable to the increased workforce following the acquisition of Los Gatos on January 16, 2025. Additionally, general and administrative costs were impacted by the integration of Los Gatos, including costs associated with insurance, travel, legal fees, system implementation and consulting services. The Company expects to realize significant synergies and cost reductions after the integration of Los Gatos is complete.
5. **Investment and other income** in the quarter was \$6.3 million, representing a 62% increase compared to a \$3.9 million gain during the same quarter of the prior year. This was primarily driven by \$3.6 million in interest income compared to \$2.1 million in the same quarter of the prior year, a \$1.6 million gain from investment in silver future derivatives compared to \$1.2 million in the same quarter of the prior year, and a \$1.1 million gain from investment in marketable securities, compared to \$0.2 million compared to the same quarter in the prior year.
6. During the quarter, the Company recorded an **income tax recovery** of \$18.6 million compared to a \$30.5 million income tax expense in the second quarter of 2024. The increase in income tax recovery was primarily related to the non-cash foreign exchange impact on available Mexican tax pools to account for the weakening of the Mexico peso relative to the US dollar resulting in an increased deferred tax recovery offset by an increased current tax expense driven by higher earnings during the quarter.
7. As a result of the foregoing, **net earnings** for the quarter were \$56.6 million. Additionally, net earnings attributable to owners of the Company were \$52.5 million (EPS of \$0.11) during the quarter, compared to a net loss of \$48.3 million (EPS of (\$0.17)) in the same quarter of the prior year.

For the years to date ended June 30, 2025, and 2024 (in thousands of dollars, except for per share amounts):

	Year to Date 2025	Year to Date 2024	Variance % '25 vs '24
Revenues	\$508,171	\$242,180	110% (1)
Mine operating costs			
Cost of sales	258,856	169,585	53% (2)
Depletion, depreciation and amortization	136,159	57,454	137% (3)
	395,015	227,039	74%
Mine operating earnings	113,156	15,141	NM
General and administrative	25,228	18,746	35% (4)
Share-based payments	9,306	7,960	17%
Mine holding costs	10,292	12,020	(14%) (5)
Acquisition costs	5,584	—	100%
Foreign exchange (gain) loss	(12,244)	9,976	NM
Operating gain (loss)	74,990	(33,561)	NM
Investment and other income	6,839	3,558	92% (6)
Finance costs	(14,761)	(14,419)	2%
Earnings (loss) before income taxes	67,068	(44,422)	NM
Current income tax expense	36,174	5,533	NM
Deferred income tax (recovery) expense	(31,925)	11,859	NM
Income tax expense (recovery)	4,249	17,392	(76%) (7)
Net earnings (loss) for the period	\$62,819	(\$61,814)	NM (8)
Net earnings (loss) attributable to:			
Owners of the Company	\$54,812	(\$61,814)	189%
Non-controlling interests	\$8,007	\$—	100%
Earnings (loss) per common share			
Basic and diluted	\$0.12	(\$0.21)	157% (8)

NM - Not meaningful

- Revenue** for the six months ended June 30, 2025 was \$508.2 million, or a 110% increase compared to \$242.2 million in the same period of the prior year, primarily attributed to:
 - a 43% increase in payable AgEq ounces sold compared to the same period of the prior year driven by the addition of 4.7 million attributable AgEq ounces from the Los Gatos mine, a notable 14% (0.6 million AgEq ounces) production increase at San Dimas largely due to significant operational improvements, along with the strong performance at Santa Elena. These factors collectively contributed to a \$151.8 million increase in revenues; and
 - a 30% increase in the average realized silver price, which was \$33.57 per AgEq ounce during the period, compared to \$25.88 per AgEq ounce in the same period of the prior year. This resulted in a \$115.6 million increase in revenue compared to the same period of the prior year.
- Cost of sales** in the period increased \$89.3 million, or a 53% increase compared to \$169.6 million the same period of the prior year primarily attributed to:
 - the addition of the Los Gatos mine which contributed \$67.2 million to costs of sales during the year;
 - a \$7.2 million increase in worker participation costs in Mexico for all sites excluding Los Gatos;

- a \$6.1 million increase in consumables, materials, environmental duties, and royalty costs for all sites excluding Los Gatos;
 - a \$4.1 million increase in labour and energy costs due to higher contractor and energy costs at San Dimas that helped improve and support production, as well as higher maintenance costs at San Dimas, La Encantada and Los Gatos in late June;
 - a \$3.8 million increase in change in inventory expense compared to the same period of 2024 from drawdowns of doré inventory at San Dimas and La Encantada, as well as bullion inventory at First Mint during the period; and
 - \$2.8 million in abnormal costs primarily due to the increased diesel consumption due to the use of back up energy sources following weather-events that disrupted operations and prevented the use of liquid natural gas at the end of June.
3. **Depletion, depreciation and amortization** in the period was \$136.2 million, representing a 137% increase compared to \$57.5 million in the same period of the prior year, primarily as a result of:
- the addition of the Los Gatos mine which contributed \$78.3 million; and
 - a \$3.5 million increase in depletion and depreciation primarily due to higher produced tonnes at San Dimas.

Partially offset by:

- a decrease of \$2.0 million in depreciation and amortization from Jerritt Canyon compared to the same period of the prior year.
4. **General and administrative expense** in the year was \$25.2 million, representing a 35% increase compared to \$18.7 million in the same period of the previous year. This was primarily attributable to the increased workforce following the acquisition of Los Gatos on January 16, 2025. Additionally, general and administrative costs were impacted by the integration of Los Gatos, including costs associated with insurance, travel, legal fees, system implementation and consulting services. The Company expects to realize significant synergies and cost reductions after the integration of Los Gatos is complete.
5. **Mine holding costs** in the year were \$10.3 million, representing a 14% decrease compared to \$12.0 million in the same period of the previous year, primarily driven by a decrease in holding costs for the Jerritt Canyon and Del Toro properties.
6. **Investment and other income** for the year totaled \$6.8 million, representing a 92% increase compared to \$3.6 million in the same period of the previous year. This was primarily attributable to interest income of \$7.3 million compared to interest income of \$2.8 million in the same period of the prior year and a gain from investment in marketable securities of \$1.2 million compared to a gain of \$0.1 million in the same period of the prior year. This was partially offset by a loss from investment in silver future derivatives of \$1.7 million, compared to a \$0.3 million gain in the same period of the prior year.
7. During the six months ended June 30, 2025, the Company recorded an **income tax expense** of \$4.2 million, representing a 76% decrease compared to an income tax expense of \$17.4 million during the previous year primarily due to an increase in the deferred income tax recovery. The deferred income tax recovery during the year was primarily related to the foreign exchange impact on available Mexican tax pools to account for the weakening of the Mexican peso relative to the US dollar.
8. As a result of the foregoing, **the net earnings** for the six months ended June 30, 2025 was \$62.8 million. Additionally, net earnings attributable to owners of the Company were \$54.8 million (EPS of \$0.12) during the quarter, compared to a net loss of \$61.8 million (EPS of (\$0.21)) in the same period of the prior year.

SUMMARY OF QUARTERLY RESULTS

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

Selected Financial Information	2025		2024				2023	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$264,229	\$243,942	\$172,337	\$146,087	\$136,166	\$106,014	\$136,946	\$133,211
Cost of sales	\$141,139	\$117,717	\$89,424	\$85,694	\$89,096	\$80,489	\$89,395	\$92,187
Depletion, depreciation and amortization	\$73,739	\$62,420	\$34,676	\$31,871	\$31,608	\$25,846	\$29,650	\$27,998
Mine operating earnings (loss)	\$49,351	\$63,805	\$48,237	\$28,522	\$15,462	(\$321)	\$17,901	\$13,026
Net earnings (loss) after tax	\$56,579	\$6,240	(\$13,478)	(\$26,593)	(\$48,251)	(\$13,563)	\$10,231	(\$27,149)
Earnings (loss) per share – basic & diluted	\$0.11	\$0.01	(\$0.04)	(\$0.09)	(\$0.17)	(\$0.05)	\$0.04	(\$0.09)

During the second quarter of 2025, mine operating earnings were \$49.4 million, representing a significant increase compared to mine operating earnings of \$15.5 million in the second quarter of 2024. The increase was primarily due to a 65% increase in payable AgEq ounces sold mainly due to the addition of the Los Gatos mine, the strong performance at San Dimas and Santa Elena, as well as a 30% increase in the average realized silver price. This was partially offset by increased contractor and energy costs at San Dimas, along with higher maintenance expenses from late-June weather-related outages at San Dimas, La Encantada, and Los Gatos. Mine operating earnings were also affected by higher non-cash depletion from Los Gatos and increased production.

Net earnings for the quarter were \$56.6 million, representing a 217% improvement compared to a net loss of \$48.3 million in the same quarter of the prior year. This improvement was primarily attributed to a \$33.9 million increase in mine operating earnings compared to second quarter of 2024, an income tax recovery of \$18.6 million compared to a \$30.5 million income tax expense in the second quarter of 2024, and a non-cash foreign exchange gain of \$11.8 million compared to a \$11.1 million loss in the second quarter of 2024. This was partially offset by a \$3.0 million increase in general and administrative costs due to the increased workforce following the acquisition of Los Gatos. General and administrative costs were also impacted by the integration of Los Gatos, including costs associated with insurance, travel, legal fees, system implementation and consulting services. The Company expects to realize significant synergies and cost reductions after the integration of Los Gatos is complete.

LIQUIDITY, CAPITAL RESOURCES AND CONTRACTUAL OBLIGATIONS

Liquidity

As at June 30, 2025, the Company had cash and cash equivalents of \$384.8 million, comprised primarily of cash held with reputable financial institutions and invested in cash accounts and highly liquid short-term investments with maturities of three months or less. With the exception of \$6.9 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. Cash and cash equivalents exclude \$125.3 million of restricted cash as at June 30, 2025.

On August 3, 2023, the Company filed and obtained a receipt for a final short form base shelf prospectus in each province of Canada (other than Québec), and a registration statement on Form F-10 in the United States, which will allow the Company to undertake offerings (including by way of “at-the-market distributions”) under one or more prospectus supplements of various securities listed in the shelf prospectus, up to an aggregate total of \$500.0 million, over a 25-month period commencing as of the filing date of the base shelf prospectus.

On February 22, 2024, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC (collectively, the “Agents”) and filed a prospectus supplement to its short form base shelf prospectus dated August 3, 2023, pursuant to which the Company may, at its discretion and from time-to-time, sell through the Agents common shares of the Company for aggregate gross proceeds of up to \$150.0 million through the ATM program (the “2024 ATM Program”). During the six months ended June 30, 2025, no shares were sold under the 2024 ATM Program. During the six months ended June 30, 2025, the Company incurred \$nil (June 30, 2024 - \$1.84 million) in transaction costs in relation to the 2024 ATM Program.

Working capital as at June 30, 2025 was \$444.1 million compared to \$224.5 million as at December 31, 2024. Total available liquidity as at June 30, 2025 was \$583.8 million, including \$444.1 of working capital and \$139.6 million of undrawn revolving credit facility, and excluding \$125.3 million held in restricted cash.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Cash flow				
Cash generated by operating activities	\$90,106	\$16,844	\$145,598	\$29,278
Cash (used in) generated by investing activities	(47,841)	(28,925)	48,158	(57,077)
Cash (used in) generated by in financing activities	(11,060)	63,886	(13,371)	56,208
Increase in cash and cash equivalents	\$31,205	\$51,805	\$180,385	\$28,409
Effect of exchange rate on cash and cash equivalents held in foreign currencies	2,235	(1,701)	2,188	(1,817)
Cash and cash equivalents, beginning of the period	351,313	102,069	202,180	125,581
Cash and cash equivalents, end of the period	\$384,753	\$152,173	\$384,753	\$152,173

The Company's cash flows from operating, investing and financing activities during the six months ended June 30, 2025 are summarized as follows:

- **Cash generated by operating activities** of \$145.6 million, primarily due to:
 - \$225.0 million in cash flows from operating activities before movements in working capital and taxes. Operating cash flows during the quarter were impacted by increased contractor and energy costs at San Dimas, along with higher maintenance expenses at San Dimas, La Encantada, and Los Gatos. Operating cash flows were also impacted by payments related to the annual bonus for 2024 that were paid during the quarter.

Net of:

- \$58.7 million in income tax installments paid during the period primarily related to the true-up of tax payments made for prior year and the first quarter performance. These true-up payments are not expected to recur going forward; and
 - \$20.7 million net change in non-cash working capital items during the period, including a \$19.3 million increase in restricted cash, a \$5.6 million increase in value added tax ("VAT") receivables, and a \$5.1 million decrease in income taxes payable, partially offset by a \$13.0 million increase in trade payables and a \$1.9 million increase in prepaid expenses.
- **Cash provided from investing activities** of \$48.2 million, primarily related to:
 - \$159.6 million cash acquired from the acquisition of Los Gatos, net of acquisition costs; and
 - \$2.0 million in proceeds from disposal of marketable securities.

Net of:

- \$77.4 million spent on mine development and exploration activities;
 - \$28.5 million spent on the purchase of property, plant and equipment;
 - \$5.0 million spent in connection with the final payment of the Springpole Silver Stream; and
 - \$3.1 million spent on the purchase of marketable securities.
- **Cash used in financing activities** of \$13.4 million, primarily related to the following:
 - \$9.7 million dividend paid to non-controlling interest. Distributions are paid to partners on a quarterly basis based on their attributable ownership of Los Gatos;

- \$8.5 million repayment of lease obligations;
- \$4.9 million for the payment of dividends during the period;
- \$4.3 million spent on share repurchases; and
- \$4.1 million payment of financing costs.

Net of:

- \$18.2 million proceeds from the exercise of stock options.

During the six months ended June 30, 2025, the Company received \$34.3 million (648.4 million MXN) related to VAT filings. In connection with the tax ruling relating to Primero Empresa Minera, S.A. de C.V. ("PEM"), the Servicio de Administracion Tributaria (the "SAT"), the Mexican tax authority, has frozen a PEM bank account which contains approximately \$105.6 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. The Company does not agree with the SAT's position regarding its tax re-assessments, which were issued as a result of the SAT unilaterally declaring that the Company's APA was not valid, and is challenging Mexico's actions with respect to the APA through various legal actions, both domestically in Mexico and internationally through NAFTA arbitration proceedings.

Capital Resources

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

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

The Company is not subject to any externally imposed capital requirements with the exception of complying with banking covenants defined in its debt facilities. As at June 30, 2025, the Company was in compliance with all of its debt covenants.

The Company is party to a revolving credit facility and an at-the-market finance facility. For further information, see "Liquidity, Capital Resources, and Contractual Obligations - Liquidity".

Contractual Obligations and Commitments

As at June 30, 2025, the Company's contractual obligations and commitments are summarized as follows:

	Contractual Cash Flows	Less than 1 year	2 to 3 years	4 to 5 years
Trade and other payables	\$176,625	\$176,625	\$—	\$—
Debt facilities	235,732	2,198	233,534	—
Lease liabilities	21,800	11,962	7,030	2,808
Purchase obligations and commitments	6,309	6,309	—	—
	\$440,466	\$197,094	\$240,564	\$2,808

As at June 30, 2025, the Company had working capital of \$444.1 million (December 2024 - \$224.5 million) and total available liquidity of \$583.8 million (December 2024 - \$364.2 million), including \$139.6 million (December 2024 - \$139.6 million) of undrawn revolving credit facility.

The Company believes it has sufficient cash on hand, combined with cash flows from operations, to meet operating requirements as they arise for at least the next 12 months.

MANAGEMENT OF RISKS AND UNCERTAINTIES

The Company thoroughly examines the various financial instruments and risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include credit risk, liquidity risk, currency risk, commodity price risk, and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors. Some of these risks and uncertainties are detailed below. For a comprehensive list of the Company's risks and uncertainties, see the Company's most recently filed AIF under the heading "*Risk Factors*". The AIF is available under the Company's SEDAR+ profile at www.sedarplus.ca, and on EDGAR as an exhibit to the Company's recently filed Form 40-F.

Credit Risk

Credit risk is the risk of financial loss if a customer or counterparty fails to meet its contractual obligations. The Company's credit risk relates primarily to chartered banks, trade receivables in the ordinary course of business, value added taxes receivable and other receivables.

As at June 30, 2025, net VAT receivable was \$52.3 million (December 31, 2024 - \$44.6 million), of which \$14.5 million (December 31, 2024 - \$14.2 million) relates to La Encantada, \$13.6 million relates to Santa Elena (December 31, 2024 - \$5.1 million), and \$8.1 million (December 31, 2024 - \$7.0 million) relates to San Dimas.

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

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

Liquidity Risk

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

Indebtedness

As at June 30, 2025, the Company's total consolidated indebtedness was \$214.4 million, \$0.3 million of which was secured indebtedness.

The Company may be required to use a portion of its cash flow to service principal and interest owing thereunder, which will limit the cash flow available for other business opportunities. The Company may in the future determine to borrow additional funds from lenders. For further details regarding this risk, see the section in the Company's most recently filed AIF entitled "*Risk Factors – Financial Risks – Indebtedness*".

Currency Risk

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

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

	Cash and cash equivalents	Restricted cash	Value added taxes receivable	Trade and other receivables	Other financial assets	Trade and other payables	Foreign exchange derivative	Net assets (liabilities) exposure	Effect of +/- 10% change in currency
Canadian Dollar	\$4,176	\$—	\$—	\$1,160	\$3,526	(\$5,284)	\$2,366	\$5,944	\$594
Mexican Peso	32,737	105,562	52,277	—	—	(78,424)	—	112,152	11,215
	\$36,913	\$105,562	\$52,277	\$1,160	\$3,526	(\$83,708)	\$2,366	\$118,096	\$11,809

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.

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

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

June 30, 2025

	Effect of +/- 10% change in metal prices					
	Silver	Gold	Zinc	Lead	Copper	Total
Metals in inventory	\$1,387	\$712	\$75	\$15	\$1	\$2,190
Trade receivable from concentrate sales subject to provisional pricing	\$3,100	\$62	\$3,155	\$278	\$57	\$6,652
	\$4,487	\$774	\$3,230	\$293	\$58	\$8,842

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 June 30, 2025, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. Based on the Company's interest rate exposure at June 30, 2025, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

Political and Country Risk

First Majestic currently conducts foreign operations in Mexico and the United States, and as such the Company's operations are exposed to various levels of political and economic risks by factors outside of the Company's control. These potential factors include, but are not limited to: royalty and tax increases or claims by governmental bodies (including the imposition of import and export tariffs or duties), expropriation or nationalization, trade disputes, foreign exchange controls, high rates of inflation, fluctuations in foreign currency exchange rates, import and export regulations, lawlessness, cancellation or renegotiation of contracts, environmental and permitting regulations, illegal mining operations by third parties on the Company's properties, labour unrest and surface access issues. The Company currently has no political risk insurance coverage against these risks.

The Company is unable to determine the impact of these risks on its future financial position or results of operations. Changes, if any, in mining or investment policies or shifts in political attitude in foreign countries may substantively affect the Company's exploration, development and production activities.

Uncertainty in the Estimation of Mineral Resources and Mineral Reserves, and Metal Recoveries

There is a degree of uncertainty attributable to the estimation of Mineral Resources and Mineral Reserves (as defined in the Canadian Institute of Mining's Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines and included by reference in the Canadian Securities Administrators' National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101")), and undue reliance should not be placed on the Company's estimates of Mineral Resources and Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Until Mineral Reserves or Mineral Resources are actually mined, extracted and processed, the quantity of minerals and their grades must be considered estimates only. In addition, the quantity of Mineral Reserves and Mineral Resources may vary depending on, among other things, applicable metal prices, exchange rate assumptions used, underground stability conditions, the ability to maintain constant underground access to all working areas, geological variability, mining methods assumptions used and operating cost escalation. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or dimensions of the geological structures may affect the economic viability of some or all of the Company's mineral properties and may have a material adverse effect on the Company's operational results and financial condition. Mineral Reserves on the Company's properties have been estimated on the basis of economic factors at the time of calculation, including commodity prices and operating costs. Variations in such factors may have an impact on the amount of the Company's Mineral Reserves and Mineral Resources, or may affect the Company's ability to extract Mineral Reserves, all of which could have a material adverse effect on the Company's results of operations and financial condition. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be replicated in larger-scale tests under on-site conditions or during production, or that the existing known and experienced recoveries will continue.

Governmental Regulations, Laws, Licenses and Permits

The Company's mining, exploration and development projects are subject to extensive laws and regulations which vary based on the jurisdiction in which the projects are located. Such laws and regulations govern various matters which may include exploration, development, production, price controls, exports, taxes, mining royalties, environmental levies, labour standards, expropriation of property, maintenance of mining claims, land use, land claims of local people, water use, waste disposal, power generation, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety, occupational health, and the management and use of toxic substances and explosives, including handling, storage and transportation of hazardous substances.

Such laws and regulations may require the Company to obtain licenses and permits from various governmental authorities, and there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at the Company's projects. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, requiring the installation of additional equipment, requiring remedial actions or imposing additional local or foreign parties as joint venture partners, any of which could result in significant expenditures or loss of income by the Company. The Company may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, licensing requirements or permitting requirements.

The Company's income and its mining, exploration and development projects, could be adversely affected by amendments to applicable existing laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in applicable government policies affecting investment, mining and repatriation of financial assets, by shifts in political attitudes by changes in trade policy and the imposition of tariffs or non-tariff trade barriers, and by exchange controls. The effect, if any, of these factors cannot be accurately predicted.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing the Company's mining, exploration and development activities and operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations, and new taxes, could become such that the Company would not proceed with mining, exploration and development at one or more of its properties. Moreover, it is possible that future regulatory developments, such as increasingly strict environmental protection laws, regulations and enforcement policies thereunder, could result in substantial costs and liabilities for the Company, such that the Company would halt or not proceed with mining, exploration and development at one or more of its properties.

Amendments to Mining and Other Related Laws in Mexico

On May 8, 2023, the Mexican Government enacted a decree amending several provisions of the Mining Law, the Law on National Waters, the Law on Ecological Equilibrium and Environmental Protection and the General Law for the Prevention and Integral Management of Waste (the "Decree"), which became effective on May 9, 2023. The Decree amends the mining and water laws, including: (i) the duration of the mining concession titles, (ii) the process to obtain new mining concessions (through a public tender), (iii) imposing conditions on water use and availability for the mining concessions, (iv) the elimination of "free land and first applicant" scheme; (v) new social and environmental requirements in order to obtain and keep mining concessions, (vi) the authorization by the Mexican Ministry of Economy of any mining concession's transfer, (vii) new penalties and cancellation of mining concessions grounds due to non-compliance with the applicable laws, (viii) the automatic dismissal of any application for new concessions, and (ix) new financial instruments or collaterals that should be provided to guarantee the preventive, mitigation and compensation plans resulting from the social impact assessments, among other amendments.

These amendments are expected to have an impact on our current and future exploration activities and operations in Mexico and the extent of such impact is yet to be determined but could be material for the Company. On June 7, 2023, the Senators of the opposition parties (PRI, PAN and PRD) filed a constitutional action against the Decree, which is pending to be decided by Plenary of the Supreme Court of Justice. Additionally, during the second quarter of 2023, the Company filed various *amparo* lawsuits challenging the constitutionality of the Decree. As of the date of this MD&A, these *amparos* filed by First Majestic, along with numerous *amparos* in relation to the Decree that have been filed by other companies, are still pending before the District or Collegiate Courts. On July 15, 2024, the Supreme Court of Justice in Mexico suspended all on-going *amparo* lawsuits against the Decree whilst the aforementioned constitutional action is being considered by the Supreme Court. As of the date of this MD&A, the Supreme Court has not yet rendered an official ruling on the constitutional action against the Decree that was brought by the opposition parties within the Mexican government.

In addition, on September 15, 2024, the Mexican Congress and a majority of state legislatures approved amendments to the Mexican Constitution to implement certain structural changes to the Mexican judiciary (the "Judiciary Reform"). The Judiciary Reform introduces significant changes to the Mexican judiciary, including (i) shifting from an appointment-based system, largely dependent on qualifications, to a system where judges are elected; and (ii) replacing the Federal Judicial Council with two new entities: the Judicial Administration Body and the Judicial Discipline Tribunal, which will oversee judicial careers, the Judiciary Branch's budgeting, and disciplinary actions for public officials. These proposed changes may have impacts on the Mexican court system and litigation in Mexico, the effects of which cannot be predicted at this time. In October 2024, opposition parties (PRI and PAN), along with certain judges and members of the Mexican Congress, filed constitutional actions with the Mexican Supreme Court of Justice against the Judiciary Reform. The Supreme Court of Justice has accepted the constitutional actions for its review.

The Company's income and its mining, exploration and development projects, could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in applicable government policies affecting investment, mining and repatriation of financial assets, by changes in the independence and reliability of Mexican courts, by shifts in political attitudes and by exchange controls. The effect, if any, of these factors cannot be accurately predicted.

Evolving Foreign Trade Policies

New tariffs and evolving trade policy between the United States and other countries, including China, Mexico and Canada, may have an adverse effect on the Company's business and results of operations. There is currently significant uncertainty about the future relationship between the United States and various other countries, including China, Mexico and Canada, with respect to trade policies, treaties, government regulations and tariffs. Any increased restrictions or disruptions on international trade or significant increases in tariffs on goods could potentially disrupt the Company's existing supply chains and impose additional costs on the Company's business. The United States government has passed executive orders establishing significant tariffs against certain goods from Canada and Mexico and Canada has announced retaliatory tariffs against certain US goods, while Mexico has threatened retaliatory tariffs but has not enacted any as of the date of this MD&A. As of the date of this MD&A, the extent and duration of such tariffs is unclear and the potential impact of these tariffs on the Company's operations remains uncertain.

Joint Ventures

The Company holds a 70% interest in the Los Gatos Joint Venture, which owns the producing Los Gatos Silver Mine in Chihuahua, Mexico, and may enter into other joint venture or partnership agreements in the future. Accordingly, the Company's activities may be subject to the risks associated with the conduct of non-wholly owned projects or joint arrangements. Such risks may include, but are not limited to, inability of joint venture partners to meet their obligations pursuant to the joint venture arrangement, disagreements with joint venture partners on how to develop and operate mines effectively, inconsistent economic or business interests or goals between joint venture partners, disputes between joint venture partners regarding management or other decisions related to the joint venture and inability to have complete control over strategic decisions made in respect of the properties. The potential occurrence of one or more of the foregoing events could have a material impact on the financial position and the results of operations of the Company.

Public Health Crises

Global financial conditions and the global economy in general have, at various times in the past and may in the future, experience extreme volatility in response to economic shocks or other events. Many industries, including the mining industry, are impacted by volatile market conditions in response to the widespread outbreak of epidemics, pandemics, or other health crises. Such public health crises and the responses of governments and private actors can result in disruptions and volatility in economies, financial markets, and global supply chains as well as declining trade and market sentiment and reduced mobility of people, all of which could impact commodity prices, interest rates, credit ratings, credit risk and inflation. The Company's business could be materially adversely affected by the effects of such public health crises.

Any public health crises could materially and adversely impact the Company's business, including without limitation, employee health, workforce availability and productivity, limitations on travel, supply chain disruptions, increased insurance premiums, increased costs and reduced efficiencies, the availability of industry experts and personnel, restrictions on the Company's exploration and drilling programs and/or the timing to process drill and other metallurgical testing and the slowdown or temporary suspension of operations at some or all of the Company's properties, resulting in reduced production volumes. Any such disruptions could have an adverse effect on the Company's production, revenue, net income and business.

Environmental and Health and Safety Risks

The Company's activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. Environmental laws and regulations are complex and have tended to become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation rules and permits. Although the Company makes provisions for environmental compliance and reclamation costs, it cannot be assured that these provisions will be adequate to discharge its future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the costs of compliance with such standards are increasing while the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require submission of, and approval of, environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company's operations.

On August 26, 2021, the Nevada Division of Environmental Protection ("NDEP") issued 10 Notices of Alleged Violation (collectively, the "2021 NOAV") that alleged the Company doing business as Jerritt Canyon Gold, LLC had violated various air permit conditions and regulations applicable to operations at the Jerritt Canyon in Elko County, Nevada. The 2021 NOAV are related to compliance with emission monitoring, testing, recordkeeping requirements, and emission and throughput limits.

The Company filed a Notice of Appeal on September 3, 2021, challenging the 2021 NOAV before the Nevada State Environmental Commission ("NSEC"). The Company raised various defenses to the 2021 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 (the "2022 NOAV") to Jerritt Canyon Gold, LLC for alleged exceedances and violations of an Air Quality Operating permit and Mercury Operating Permit to Construct. The 2022 NOAV relate to alleged exceedances of mercury emission limitations, exceedances of operating parameters, installation of equipment, and recordkeeping requirements. The Company filed a Request for Hearing with the Nevada State Environmental Commission on March 18, 2022, that challenged the bases for the alleged 2022 NOAV and any potential penalties associated with the NOAVs. Jerritt Canyon Gold and NDEP agreed to waive the 20-day hearing requirement for the NOAVs and the parties request that the NSEC withhold schedule a hearing for the NOAVs at this time. At this time the estimated amount cannot be reliably determined.

The Company intends to, and attempts to, fully comply with all applicable environmental regulations, however the Company's ability to conduct adequate maintenance and safety protocols may be considerably constrained or even prevented in areas where its control is impacted by criminal activities, such as the San Martin mine. Although the Company has repeatedly requested all applicable governmental authorities to take action to secure the area, to date, the Mexican government has failed to take any such action and the Company's own efforts have been unsuccessful. Due to this situation, the Company has been unable to conduct care and maintenance activities at San Martin since its remaining employees were withdrawn in 2021 and the Company has limited information as to the current state of repair at the mine, including the tailing storage facility. As a result, there may be an increased risk that an environmental incident may occur at this operation and, as applicable Mexican laws impose strict liability on the property owner, the Company could incur material financial liabilities and suspension of authorizations as a result.

While responsible environmental stewardship is a top priority for the Company, there can be no assurance that the Company has been or will be at all times in complete compliance with applicable environmental laws, regulations and permits, or that the costs of complying with current and future environmental laws and permits will not materially and adversely affect the Company's business, results of operations or financial condition.

Natural Protected Areas Risk

Pursuant to the General Law of Ecological Equilibrium and Environmental Protection (the "General Law"), the Government of Mexico may, from time to time, establish Natural Protected Areas. There are a variety of different levels of environmental protection provided under the General Law which limit the economic activity that may be undertaken in any particular Natural Protected Area. The Mexican government has announced its intention to create additional Natural Protected Areas in Mexico. Although there are currently no Natural Protected Areas in effect in the vicinity of the Company's mining operations in Mexico, there can be no assurance that any such area will not be established in the future. In the event that a Natural Protected Area is established over land which is a part of or is nearby to any of the Company's mineral properties in Mexico, the Company's activities on such properties may be restricted or prevented entirely which may have a material adverse impact on the Company's business.

Climate Related Risks

A number of governments have introduced or are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulation relating to emission levels (such as carbon taxes) and energy efficiency is becoming more stringent. If the current regulatory trend continues, this may result in increased costs at some or all of the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These risks include the following:

- Changes in sea levels could affect ocean transportation and shipping facilities that are used to transport supplies, equipment and workforce and products from the Company's operations to world markets.
- Extreme weather events (such as the recent drought conditions at the La Encantada mine, flooding or freezing conditions) have the potential to disrupt operations at the Company's mines and may require the Company to make additional expenditures to mitigate the impact of such events. Extended disruptions to supply lines could result in interruption to production.
- The Company's facilities depend on regular supplies of consumables (diesel, tires, sodium cyanide, etc.) and reagents to operate efficiently. In the event that the effects of climate change or extreme weather events cause prolonged disruption to the delivery of essential commodities, production levels at the Company's operations may be reduced.

There can be no assurance that efforts to mitigate the risks of climate changes will be effective and that the physical risks of climate change will not have an adverse effect on the Company's operations and profitability.

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 ("WPML") 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 WPML and Silver Trading (Barbados) Limited ("STB") in connection with the Company entering into a new stream agreement with WPML concurrent with the acquisition of Primero by the Company.

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

To obtain tax and legal assurance that the Mexican tax authority, Servicio de Administración Tributaria ("SAT") would accept the PEM Realized Price as the transfer price to calculate Mexican income taxes payable by PEM, a mutually binding Advance Pricing Agreement ("APA") was entered into with the SAT for taxation years 2010 to 2014. On October 4, 2012, the SAT confirmed that based on the terms of the APA, the PEM Realized Price could be used as PEM's basis for calculating taxes owed for the silver sold under the Old Stream Agreement.

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

In 2019, the SAT issued reassessments for the 2010 to 2012 tax years in the total amount of \$338.7 million (6,399 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 \$179.1 million (3,384 million MXN) inclusive of accrued interest, inflation and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of \$456.5 million (8,625 MXN) inclusive of interest, inflation, and penalties (collectively, the “Reassessments”). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments for these years have yet to be issued. The Company believes that the Reassessments fail to recognize the applicability of a valid transfer pricing methodology. The major items in the Reassessments include determination of revenue based on spot market prices of silver, denial of the deductibility of interest expense and service fees, SAT technical error related to double counting of taxes, and interest and penalties.

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

The Company continues to pursue all available domestic and international remedies under the laws of Mexico and under the relevant tax treaties. Furthermore, as discussed further below, the Company has also made claims against Mexico under Chapter 11 of the North American Free Trade Agreement (“NAFTA”) for violation of its international law obligations.

Domestic Remedies in Mexico

In September 2020, the Company was served with a decision of the Mexican Federal Tax Court on Administrative Matters (the “Federal Tax Court”) seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. On December 5, 2023, the Mexican Circuit Court issued a decision, which was formally notified to the Company on January 4, 2024. In such decision, the Mexican Circuit Court partially granted constitutional protection to the Company with respect to certain matters, but not others.

Accordingly, on January 18, 2024, PEM filed an extraordinary appeal to the Mexican Supreme Court of Justice with respect to PEM’s constitutional arguments that were not accepted in the Mexican Circuit Court’s decision, and following the admission of the appeal, the Second Chamber of the Supreme Court of Justice assumed jurisdiction over the appeal on June 20, 2024. On September 18, 2024, the Supreme Court issued its decision, which was formally notified to the Company on October 15, 2024. The Supreme Court dismissed the Company’s appeal regarding the constitutional arguments, but affirmed the validity of certain precedents of the Supreme Court which the Company believes are favourable to PEM and that were not considered by the Federal Tax Court in its original decision in September 2020. The case was sent back to the Federal Tax Court, and on December 4, 2024, the Federal Tax Court issued a new decision which did not take into account the Supreme Court precedents. Accordingly, on January 23, 2025, PEM filed a new constitutional lawsuit against the latest decision of the Federal Tax Court and such lawsuit was admitted by the Second Collegiate Court on February 18, 2025. The Company expects that a decision on this new lawsuit may be issued by the Second Collegiate Court in the second half of 2025.

International Remedies

i. NAFTA APA Claim

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

Of note, on May 26, 2023, the Tribunal partially granted certain provisional measures requested by the Company, issuing an order for Mexico to permit the withdrawal of the Company's VAT refunds for the period as of January 4, 2023 that had been deposited by the SAT into a frozen bank account, and to deposit all future VAT refunds into an account which shall remain freely accessible by the Company (the "PM Decision"). The PM Decision was upheld by the Tribunal on September 1, 2023, in response to a request from Mexico to revoke the decision. As a result, Mexico is obligated to comply with the PM Decision which requires payment of VAT refunds owing to PEM as of January 4, 2023 and into the future until the final award is rendered by the Tribunal. On July 9, 2024, the Company received a transfer of \$11.0 million (198.4 million MXN) from the frozen bank account to a new bank account of PEM that the Company had opened in July 2023. The transfer of such funds was carried out by Mexico in furtherance of its obligations under the PM Decision.

In addition, in response to the Company's counter-arguments to a jurisdictional objection filed by Mexico in late July 2023, the Tribunal dismissed Mexico's objection, agreeing with the Company that the recovery of VAT refunds under the NAFTA VAT Claim (as defined in the section below) does not breach the waiver under NAFTA (i.e. the NAFTA APA Claim and the NAFTA VAT Claim are not in respect of the same measures). On February 12, 2024, Mexico filed a request (the "Consolidation Request") with ICSID pursuant to the procedure in Article 1126 of NAFTA to consolidate the NAFTA APA Claim and the NAFTA VAT Claim into one arbitration proceeding. A separate three-person tribunal to consider the Consolidation Request (the "Consolidation Tribunal") was constituted on May 8, 2024, and the first procedural hearing of the Consolidation Tribunal took place on July 16, 2024.

In order to expedite the arbitration proceedings, the Company has advised the Consolidation Tribunal and Mexico that it is proposing to add claims covered by the NAFTA VAT Claim to the NAFTA APA Claim as ancillary claims. The Tribunal with jurisdiction over the NAFTA APA Claim has, as of July 15, 2024, granted the Company the right to introduce the ancillary claims to the NAFTA APA Claim, which will make it unnecessary for the NAFTA VAT Claim to proceed separately from the NAFTA APA Claim. On October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. In addition, Mexico filed its Memorial in support of the Consolidation Request on October 7, 2024, and the Company filed its Counter-Memorial on December 6, 2024. On January 8, 2025, a pre-hearing conference call took place among the Company, Mexico and the Consolidation Tribunal, and an in-person hearing was held in Washington, D.C. from January 27 to 28, 2025, at which the Consolidation Tribunal heard the Company's arguments against the Consolidation Request, and Mexico's arguments in support of the Consolidation Request. Following the hearing, both Mexico and the Company submitted post-hearing briefs to the Consolidation Tribunal on February 19, 2025.

On July 28, 2025, the Consolidation Tribunal rendered its decision (the "Consolidation Decision") and rejected the Consolidation Request. It also lifted the suspension on the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim effective immediately as of the date of its order, being July 28, 2025. Accordingly, the arbitration proceedings related to the NAFTA APA Claim and the NAFTA VAT Claim will now reconvene after being suspended for the past year, and the Company expects to make its next set of filings with the Tribunal that is overseeing the NAFTA APA Claim prior to the end of this year.

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 \$298.0 million (5,629 million MXN), before taking into consideration interest or penalties.

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

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

ii. NAFTA VAT Claim

On March 31, 2023, the Company filed a new Notice of Intent on its own behalf and on behalf of PEM under the "legacy investment" claim provisions contained in Annex 14-C of the Canada-United States-Mexico Agreement ("CUSMA") and Chapter 11 of NAFTA to invite the Government of Mexico to engage in discussions to resolve the dispute regarding the ongoing denial of access to PEM's VAT refunds ("NAFTA VAT Claim") within the stipulated 90-day consultation period. The Company submitted its Arbitration Request for the NAFTA VAT Claim to ICSID on June 29, 2023 in order to preserve its legacy claim within NAFTA's applicable limitation period, and the Arbitration Request was registered by ICSID on July 21, 2023. As a result of the Consolidation Request (described above), the NAFTA VAT Claim has been suspended for the past year. As noted above, on October 1, 2024, the Company submitted its request to the Secretary-General of ICSID to discontinue the NAFTA VAT Claim pursuant to Rule 56 of the 2022 ICSID Arbitration Rules. Mexico objected to the discontinuance on October 7, 2024, so pursuant to Rule 56, the proceedings with respect to the NAFTA VAT Claim will continue. As a result of the Consolidation Decision, the suspension on the proceedings with respect to the NAFTA VAT Claim has been lifted, and a three-person tribunal can now be constituted to oversee such proceedings.

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 \$39.1 million (738 million MXN) and \$28.4 million (537 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 \$17.9 million (338 million MXN) and \$225.1 million (4,252 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 \$3.2 million (60 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of \$6.8 million (129 million MXN). The majority of these tax assessments relate to a prior forward silver purchase agreement to which MLE was a party, and to the denial of the deductibility of mine development costs and service fees. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MLE's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

San Martin Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of Minera El Pilon, S.A. de C.V. ("MEP"), the SAT issued tax assessments for fiscal 2014, 2015 and 2016 for corporate income tax in the total amount of \$26.7 million (505 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of \$3.4 million (65 million MXN) including interest, inflation, and penalties. The majority of these tax assessments relate to a prior forward silver purchase agreement to which MEP was a party, and to the denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes 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 \$28.3 million (534 million MXN) including interest, inflation and penalties. In 2025, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the total amount of \$2.5 million (47 million MXN) including interest, inflation and penalties. The majority of these tax assessments relate to a prior forward silver purchase agreement to which FMP was a party, and to the denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMP's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

Del Toro Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of First Majestic Del Toro, S.A. de C.V. (“FMDT”), the SAT issued tax assessment for fiscal 2015 and 2016 for corporate income tax in the total amount of \$26.7 million (504 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 \$78.0 million (1,473 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the acquisition of SilverCrest Mines Inc. on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest Mines Inc. by First Majestic Silver Corp. although the transaction in question involved the disposition of the shares of one Canadian company by another Canadian company and was reported for tax purposes in Canada. The Company continues to defend the validity of the transaction in question and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes CFM’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

First Silver Litigation

In April 2013, the Company received a positive judgment on the First Silver litigation from the Supreme Court of British Columbia (the “Court”), which awarded the sum of \$93.8 million in favour of First Majestic against Hector Davila Santos (the “Defendant”) in connection with a dispute between the Company and the Defendant and his private company involving a mine in Mexico (the “Bolaños Mine”) as set out further below. The Company received a sum of \$14.1 million in June 2013 as partial payment of the judgment, leaving an unpaid amount of \$64.3 million (CAD\$81.5 million). As part of the ruling, the Court granted orders restricting any transfer or encumbrance of the Bolaños Mine by the Defendant and limiting mining at the Bolaños Mine. The orders also require the Defendant to preserve net cash flow from the Bolaños Mine in a holding account and periodically provide to the Company certain information regarding the Bolaños Mine. After many years of domestic Mexican litigation, the enforceability of the British Columbia judgment was finally recognized by the Mexican Supreme Court in a written judgment on November 11, 2022. The Company is continuing its enforcement efforts in respect of the Defendant’s assets in Mexico. There are no assurances that the Company will be successful in collecting on the remainder of the Court’s judgment in respect of the Defendant’s assets. Therefore, as at September 30, 2024, the Company has not accrued any of the remaining \$64.3 million (CAD\$81.5 million) unrecovered judgment in favour of the Company.

OTHER FINANCIAL INFORMATION

Off-Balance Sheet Arrangements

As at June 30, 2025, the Company had no material off-balance sheet arrangements such as contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that generate financing, liquidity, market or credit risk to the Company, other than contingent liabilities and vendor liability and interest, as disclosed in this MD&A and the consolidated financial statements and the related notes.

Share Repurchase Program

On September 12, 2024, the Company established a share repurchase program (the “Share Repurchase Program”) which permits it to repurchase up to 10,000,000 common shares (3.32% of the Company’s issued and outstanding common shares as at September 4, 2024) up to September 12, 2025. The Share Repurchase Program is a “normal course issuer bid” and will be carried out through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces. All common shares, if any, purchased pursuant to the Share Repurchase Program will be cancelled. The Company believes that from time to time, the market price of its common shares may not fully reflect the underlying value of the Company’s business and its future business prospects. The Company believes that at such times, the purchase of common shares under the Share Repurchase Program would be in the best interest of the Company. During the three and six months ended June 30, 2025, the Company repurchased an aggregate of 506,000 and 768,500 common shares at an average price of CAD\$7.94 per

share and CAD\$7.90 per share, respectively, as part of the Share Repurchase Program for total payments of \$4.0 million and \$6.1 million, respectively (June 30, 2024 - \$nil), net of transaction costs.

Related Party Disclosures

In July 2020, the Company entered into a streaming agreement with First Mining to purchase 50% of the payable silver produced over the life of the Springpole Gold Project for total consideration of \$22.5 million in cash and shares, over three payments. Keith Neumeyer, our President & Chief Executive Officer and a director of the Company, and Raymond Polman, a director of the Company, are each also directors of First Mining and accordingly may be considered to have a conflict of interest with respect to First Mining and the Springpole Silver Stream Agreement.

With the exception of the agreement with First Mining, there were no significant transactions with related parties during the six months ended June 30, 2025.

Outstanding Share Data

As at August 13, 2025, the Company has 488,551,323 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 August 13, 2025:

Stock options	9,920,543
Restricted share units (share-settled)	1,550,268
Deferred share units (share-settled)	30,161
Performance share units (share-settled)	1,142,521
Total	12,643,493

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 June 30, 2025:

Declaration of Quarterly Dividend

On August 13, 2025, the Company's Board of Directors approved the declaration of its quarterly common share dividend of \$0.0048 per share, payable on or after September 15, 2025, to common shareholders of record as at the close of business on August 29, 2025. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended June 30, 2025.

ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Critical Accounting Judgments and Estimates

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") requires management to make judgments, estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results may differ from these estimates.

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

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

Lack of Exchangeability (Amendments to IAS 21)

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

The amendments were applied effective January 1, 2025 and did not have a material impact on the Company’s consolidated financial statements.

Future Changes in Accounting Policies Not Yet Effective as at June 30, 2025:

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

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

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

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

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

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

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

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

These amendments are effective for annual reporting periods beginning on or after January 1, 2026, although earlier application is permitted. The Company is currently evaluating the impact of these amendments.

Critical Judgments and Estimates

Fair Value Estimates in the Acquisition of Gatos Silver Inc.

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

- (i) The identifiable assets acquired and liabilities assumed;
- (ii) The consideration transferred in exchange for an interest in the acquiree;
- (iii) Exploration potential and any resulting goodwill.

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

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

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

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

Consideration for the acquisition of Gatos Silver Inc.

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

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

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

Revenue Recognition

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

New Accounting Policies

Non-Controlling Interest

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

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

Revenue Recognition

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

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

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

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

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

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

NON-GAAP MEASURES

The Company has included certain non-GAAP measures including “Cash costs per silver equivalents ounce”, “All-in sustaining cost (“AISC”) per silver equivalent ounce”, “AISC per gold ounce”, “Production cost per tonne”, “Average realized silver price per silver equivalent ounce”, “Average realized gold price”, “Adjusted net earnings”, “Adjusted earnings per share”, “Earnings before interest, tax, depreciation and amortization” (“EBITDA”), “Adjusted EBITDA”, “Free cash flow” and “Working capital” to supplement its consolidated financial statements, which are presented in accordance with IFRS Accounting Standards. The terms IFRS and generally accepted accounting principles (“GAAP”) are used interchangeably throughout this MD&A.

The Company believes that these measures, together with measures determined in accordance with IFRS Accounting Standards, provide investors with an improved ability to evaluate the underlying performance of the Company. Non-GAAP measures do not have any standardized meaning prescribed under IFRS Accounting Standards and the methods used by the Company to calculate such measures may differ from methods used by other companies with similar descriptions, therefore they may not be comparable to similar measures employed by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Cash Cost per AgEq Ounce, AISC per AgEq Ounce, AISC per Au Ounce, and Production Cost per Tonne

Cash costs per AgEq ounce and total production cost per tonne are non-GAAP performance measures used by the Company to manage and evaluate operating performance at each of the Company’s operating mining units, in conjunction with the related GAAP amounts. These metrics are widely reported in the mining industry as benchmarks for performance but do not have a standardized meaning and are disclosed in addition to IFRS Accounting Standards measures. Management and investors use these metrics for comparing the costs against peers in the industry and for assessing the performance of each mine within the portfolio.

Management calculates the cash costs per ounce and production costs per tonne by:

- starting with the production costs (GAAP) from the income statement;
- adding back duties and royalties, smelting and refining costs as well as transportation and selling costs, which form a part of the cost of sales on the financial statements and provide a better representation of total costs incurred;
- cash costs are divided by the payable silver equivalent ounces produced; and
- production costs are divided by the total tonnes milled.

AISC is a non-GAAP performance measure and was calculated by the Company based on guidance provided by the World Gold Council (“WGC”). WGC is not a regulatory industry organization and does not have the authority to develop accounting standards for disclosure requirements. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles and policies applied, as well as differences in definitions of sustaining versus expansionary capital expenditures. AISC is a more comprehensive measure than cash cost per ounce and is useful for investors and management to assess the Company’s operating performance by providing greater visibility, comparability and representation of the total costs associated with producing silver from its current operations, in conjunction with related GAAP amounts. AISC helps investors to assess costs against peers in the industry and help management assess the performance of each mine within the portfolio in a standardized manner.

The Company defines sustaining capital expenditures as *“costs incurred to sustain and maintain existing assets at current productive capacity and constant planned levels of productive output without resulting in an increase in the life of assets, future earnings, or improvements in recovery or grade. Sustaining capital includes costs required to improve/enhance assets to minimum standards for reliability, environmental or safety requirements. Sustaining capital expenditures excludes all expenditures at the Company’s new projects and certain expenditures at current operations which are deemed expansionary in nature.”*

Expansionary capital expenditures are defined by the Company as *“costs incurred to extend existing assets beyond their current productive capacity and beyond their planned levels of productive output, resulting in an increase in the life of the assets, increasing their future earnings potential, or improving their recoveries or grades which would serve to increase the*

value of the assets over their useful lives". Development and exploration work which moves inferred resources to measured or indicated resources and adds to the Net Present Value of the assets is considered expansionary in nature. Expansionary capital also includes costs required to improve/enhance assets beyond their minimum standard for reliability, environmental or safety requirements.

Consolidated AISC includes total production costs (GAAP measure) incurred at the Company's mining operations, which forms the basis of the Company's total cash costs. Additionally, the Company includes sustaining capital expenditures, corporate general and administrative expenses, share-based payments, operating lease payments and reclamation cost accretion. AISC by mine does not include certain corporate and non-cash items such as general and administrative expense and share-based payments. The Company believes this measure represents the total sustainable costs of producing silver from current operations and provides additional information of the Company's operational performance and ability to generate cash flows. As the measure seeks to reflect the full cost of silver production from current operations, new projects and expansionary capital at current operations are not included. Certain other cash expenditures, including tax payments, dividends and financing costs are also not included.

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 June 30, 2025					
	Los Gatos ⁽¹⁾	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$10,442	\$12,793	\$16,514	\$5,947	\$—	\$45,696
Milling cost	4,369	10,890	8,502	6,563	—	30,324
Indirect cost	6,580	5,193	13,097	3,952	—	28,822
Total production cost (A)	\$21,390	\$28,876	\$38,114	\$16,462	\$—	\$104,842
Add: transportation and other selling cost	3,560	250	(180)	117	3	3,855
Add: smelting and refining cost	(20)	95	297	134	—	506
Add: environmental duty and royalties cost	798	3,810	692	342	1	5,643
Add: change in inventory	589	(1,619)	(437)	85	—	(1,382)
Total cash cost (B)	\$26,318	\$31,412	\$38,485	\$17,140	\$4	\$113,464
Workers' participation	204	5,949	5,864	(184)	—	11,833
General and administrative expenses	—	—	—	—	—	12,191
Share-based payments	—	—	—	—	—	3,804
Accretion of decommissioning liabilities	167	324	349	302	—	1,142
Sustaining capital expenditures	2,289	3,528	4,428	1,778	—	12,237
Operating lease payments	—	1,798	281	1,099	—	3,515
All-In Sustaining Costs (C)	\$28,978	\$43,011	\$49,407	\$20,135	\$4	\$158,186
Payable silver equivalent ounces produced (D)	2,111,464	2,315,140	2,457,869	630,284	—	7,514,758
Payable gold ounces produced (E)	N/A	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	233,480	269,830	219,198	281,296	—	1,003,804
Cash cost per AgEq ounce (B/D)	\$12.44	\$13.57	\$15.66	\$27.19	\$—	\$15.08
AISC per AgEq ounce (C/D)	\$13.70	\$18.58	\$20.10	\$31.95	\$—	\$21.02
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	N/A	\$—	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	N/A	\$—	N/A
Production cost per tonne (A/F)	\$91.65	\$107.02	\$173.88	\$58.53	N/A	\$104.45

(1) All production and costs shown in the table above are reported on an attributable basis to account for the Company's 70% ownership of the Los Gatos mine.

Three Months Ended June 30, 2024

(expressed in thousands of U.S. Dollars,
except ounce and per ounce amounts)

	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$12,595	\$14,648	\$4,199	\$—	\$31,442
Milling cost	9,767	7,663	5,474	—	22,904
Indirect cost	5,196	13,043	3,746	—	21,986
Total production cost (A)	\$27,558	\$35,354	\$13,419	\$—	\$76,331
Add: transportation and other selling cost	322	277	64	—	732
Add: smelting and refining cost	119	323	126	6	574
Add: environmental duty and royalties cost	3,208	255	106	—	3,569
Add: Change in Inventory	356	(1,090)	180	82	(471)
Total cash cost (B)	\$31,563	\$35,119	\$13,895	\$88	\$80,735
Workers' participation	1,890	3,907	325	—	6,123
General and administrative expenses	—	—	—	—	9,135
Share-based payments	—	—	—	—	3,418
Accretion of decommissioning liabilities	307	344	285	—	936
Sustaining capital expenditures	3,315	6,248	770	—	10,397
Operating lease payments	1,747	315	1,077	—	3,519
All-In Sustaining Costs (C)	\$38,822	\$45,933	\$16,352	\$88	\$114,263
Payable silver equivalent ounces produced (D)	2,576,627	2,108,786	586,607	5,578	5,277,598
Payable gold ounces produced (E)	N/A	N/A	N/A	74	N/A
Tonnes milled (F)	256,427	183,188	234,955	—	674,570
Cash cost per AgEq ounce (B/D)	\$12.25	\$16.66	\$23.69	\$15.71	\$15.30
AISC per AgEq ounce (C/D)	\$15.07	\$21.78	\$27.88	\$15.74	\$21.65
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	1,188	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	1,188	N/A
Production cost per tonne (A/F)	\$107.47	\$193.02	\$57.11	N/A	\$113.16

Six Months Ended June 30, 2025

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)

	Los Gatos⁽¹⁾	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$19,541	\$23,329	\$32,538	\$10,965	\$—	\$86,373
Milling cost	8,823	20,725	16,788	12,471	—	58,807
Indirect cost	9,404	10,296	24,877	7,369	—	51,946
Total production cost (A)	\$37,768	\$54,350	\$74,203	\$30,805	\$—	\$197,126
Add: transportation and other selling cost	6,306	524	106	164	38	7,279
Add: smelting and refining cost	1,040	200	594	257	10	2,101
Add: environmental duty and royalties cost	1,468	7,373	1,344	574	8	10,767
Add: change in inventory	876	(1,878)	(1,425)	(64)	—	(2,491)
Total cash cost (B)	\$47,458	\$60,569	\$74,822	\$31,736	\$56	\$214,782
Workers' participation	592	6,649	10,914	114	—	18,287
General and administrative expenses	—	—	—	—	—	24,555
Share-based payments	—	—	—	—	—	9,306
Accretion of decommissioning liabilities	309	647	699	604	—	2,259
Sustaining capital expenditures	6,157	6,483	8,073	3,255	—	24,227
Operating lease payments	—	3,547	1,089	2,187	—	7,480
All-In Sustaining Costs (C)	\$54,516	\$77,895	\$95,597	\$37,896	\$56	\$300,878
Payable silver equivalent ounces produced (D)	4,068,988	4,571,523	5,087,966	1,190,961	—	14,919,437
Payable gold ounces produced (E)	N/A	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	427,305	540,033	450,388	530,451	—	1,948,177
Cash cost per AgEq ounce (B/D)	\$11.66	\$13.25	\$14.71	\$26.65	\$—	\$14.39
AISC per AgEq ounce (C/D)	\$13.40	\$17.04	\$18.79	\$31.82	\$—	\$20.14
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	N/A	\$—	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	N/A	\$—	N/A
Production cost per tonne (A/F)	\$88.39	\$100.64	\$164.75	\$58.07	—	\$101.19

(1) All production and costs shown in the table above are reported on an attributable basis to account for the Company's 70% ownership of the Los Gatos mine and includes production starting on January 16, 2025.

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Six Months ended June 30, 2024				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$24,777	\$29,090	\$8,294	\$—	\$62,161
Milling cost	19,201	15,976	10,324	20	45,521
Indirect cost	10,557	26,208	7,364	—	44,130
Total production cost (A)	\$54,535	\$71,274	\$25,982	\$20	\$151,811
Add: transportation and other selling cost	520	541	85	—	1,289
Add: smelting and refining cost	225	667	218	9	1,119
Add: environmental duty and royalties cost	5,575	519	323	11	6,428
Add: change in inventory	(1,672)	(596)	(1,181)	862	(2,587)
Total cash cost (B)	\$59,183	\$72,405	\$25,427	\$902	\$158,060
Workers' participation	2,255	7,505	700	—	10,460
General and administrative expenses	—	—	—	—	18,007
Share-based payments	—	—	—	—	7,960
Accretion of decommissioning liabilities	614	687	569	—	1,869
Sustaining capital expenditures	6,784	13,017	2,046	—	21,926
Operating lease payments	3,473	653	2,074	—	6,954
All-In Sustaining Costs (C)	\$72,309	\$94,267	\$30,816	\$902	\$225,100
Payable silver equivalent ounces produced (D)	4,853,945	4,467,750	1,043,804	63,080	10,428,579
Payable gold ounces produced (E)	N/A	N/A	N/A	721	N/A
Tonnes milled (F)	480,820	362,145	420,253	—	1,263,221
Cash cost per AgEq ounce (B/D)	\$12.19	\$16.21	\$24.36	\$14.30	\$15.14
AISC per AgEq ounce (C/D)	\$14.90	\$21.10	\$29.52	\$14.30	\$21.58
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	\$1,252	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	\$1,251	N/A
Production cost per tonne (A/F)	\$113.42	\$196.83	\$61.82	\$—	\$120.18

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues as reported	\$264,229	\$136,166	\$508,171	\$242,180
Add back: smelting and refining charges	497	574	2,547	1,119
Gross revenues	264,726	136,740	510,718	243,299
Less: Sandstorm gold revenues	—	(10)	—	(10)
Less: Wheaton gold revenues	(4,632)	(4,320)	(10,340)	(9,322)
Gross revenues, excluding Sandstorm, Wheaton (A)	\$260,094	\$132,410	\$500,378	\$233,967
Payable silver equivalent ounces sold	8,223,378	5,299,680	16,418,109	10,288,602
Less: Payable silver equivalent ounces sold to Sandstorm	—	(1,837)	—	(1,837)
Less: Payable silver equivalent ounces sold to Wheaton	(710,744)	(537,048)	(1,511,126)	(1,245,093)
Payable silver equivalent ounces sold, excluding Sandstorm and Wheaton (B)	7,512,634	4,760,794	14,906,983	9,041,672
Average realized silver price per silver equivalent ounce (A/B)	\$34.62	\$27.81	\$33.57	\$25.88
Average market price per ounce of silver per COMEX	\$33.70	\$28.86	\$32.80	\$26.10

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Gross revenue, excluding Sandstorm, Wheaton	\$260,094	\$132,410	\$500,378	\$233,967
Less: Silver revenues	(143,897)	(55,279)	(283,124)	(100,906)
Less: Lead Revenue	(10,741)	—	(19,681)	—
Less: Zinc Revenue	20,953	—	(36,658)	—
Less: Copper Revenue	(319)	—	(849)	—
Gross gold revenues, excluding Sandstorm, Wheaton (A)	\$84,184	\$77,131	\$160,066	\$133,061
Gold ounces sold	34,415	40,184	70,693	74,970
Less: Gold ounces sold to Wheaton	(7,235)	(6,801)	(16,198)	(14,734)
Less: Gold ounces sold to Sandstorm	—	(21)	—	(21)
Gold ounces sold, excluding Sandstorm and Wheaton (B)	27,180	33,362	54,495	60,215
Average realized gold price per ounce (A/B)	\$3,097	\$2,312	\$2,937	\$2,210
Average market price per ounce of gold	\$3,289	\$2,338	\$3,075	\$2,205

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating cash flows	\$90,106	\$16,844	\$145,598	\$29,278
Less: Sustaining capital expenditures ⁽¹⁾	12,237	10,397	24,227	21,926
Free cash flow	\$77,869	\$6,447	\$121,371	\$7,352

(1) Sustaining capital expenditures are based on the attributable expenditures from Los Gatos relating to the Company's 70% ownership of the entity.

Adjusted Earnings per Share (“Adjusted EPS”)

The Company uses the financial measure “Adjusted EPS” which is a non-GAAP measure, to supplement earnings per share (GAAP) information in its consolidated financial statements. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company’s performance.

Management uses adjusted earnings per share as a critical measure of operating performance in conjunction with the related GAAP amounts. The only items considered in the adjusted earnings-per-share calculation are those that management believes (1) may affect trends in underlying performance from year to year and (2) are not considered normal recurring cash operating expenses.

Adjusted earnings per share is used for forecasting, operational and strategic decision making, evaluating current Company and management performance, and calculating financial covenants. Management believes that excluding certain non-cash and non-recurring items from the calculation increases comparability of the metric from period to period, which makes it useful for management, the audit committee and investors, to evaluate the underlying core operations. The presentation of Adjusted EPS is not meant to be a substitute for EPS presented in accordance with IFRS Accounting Standards, but rather should be evaluated in conjunction with such IFRS Accounting Standards measure.

To calculate adjusted earnings per share, management adjusts from net earnings (GAAP), the per-share impact, net of the tax effects of adjustments, of the following:

- share based payments;
- realized and unrealized gains and losses from investment in derivatives and marketable securities; and
- other infrequent or non-recurring losses and gains.

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 June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net earnings (loss) attributable to owners of the company as reported	\$52,548	(\$48,251)	\$54,812	(\$61,814)
Adjustments for non-cash or unusual items:				
Deferred income tax (recovery) expense	(39,648)	22,635	(31,925)	11,859
Gain from investment in marketable securities	(1,109)	(240)	(1,268)	(97)
Share-based payments	3,804	3,418	9,306	7,960
Acquisition costs	—	—	5,584	—
Abnormal costs ⁽¹⁾	2,756	1,759	2,756	1,759
Write-down of mineral inventory	—	249	—	1,465
Adjusted net earnings (loss)	\$18,351	(\$20,430)	\$39,265	(\$38,868)
Weighted average number of shares on issue - basic	485,086,253	292,027,581	469,163,327	289,619,145
Adjusted EPS	\$0.04	(\$0.07)	\$0.08	(\$0.13)

(1) Abnormal costs in 2025 primarily relate to increased diesel consumption due to the use of back up energy sources following weather-events that disrupted operations and prevented the use of liquid natural gas at the end of June. Abnormal costs in 2024 relate to \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

Earnings before interest, taxes, depreciation and amortization (“EBITDA”) and Adjusted EBITDA

The Company uses the financial measures “EBITDA” and “Adjusted EBITDA” which are both non-GAAP measures, to supplement net earnings (GAAP) information in its consolidated financial statements. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company’s performance.

Management uses EBITDA and Adjusted EBITDA as a critical measure of operating performance in conjunction with the related GAAP amounts. EBITDA is profit before net finance expense, provision for income taxes, and depreciation and amortization. The only items considered in the Adjusted EBITDA calculation are those that management believes (1) may affect trends in underlying performance from year to year and (2) are not considered normal recurring cash operating expenses.

EBITDA and Adjusted EBITDA is used for forecasting, operational and strategic decision making and evaluating current Company and management performance. Management believes that excluding certain non-cash and non-recurring items from the EBITDA calculation increases comparability of the metric from period to period, which makes it useful for management, the audit committee and investors, to evaluate the underlying core operations. The presentation of EBITDA and Adjusted EBITDA is not meant to be a substitute for net earnings presented in accordance with IFRS, but rather should be evaluated in conjunction with such IFRS Accounting Standards measure.

To calculate EBITDA, management adjusts from net earnings (GAAP) by adding back finances costs, depletion, depreciation and amortization, and income taxes. To calculate Adjusted EBITDA, management adjusts from EBITDA, net of the tax effects of adjustments, the following:

- share-based payments;
- realized and unrealized gains and losses from investment in derivatives and marketable securities; and
- other infrequent or non-recurring losses and gains.

The following table provides a detailed reconciliation of net earnings (losses) as reported in the Company's condensed interim consolidated financial statements to EBITDA and Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net earnings (loss) as reported	\$56,579	(\$48,251)	\$62,819	(\$61,814)
Add back:				
Finance costs	7,798	7,335	14,761	14,419
Depletion, depreciation and amortization	74,058	31,608	136,832	57,454
Income tax (recovery) expense	(18,561)	30,514	4,249	17,392
EBITDA	119,874	21,206	218,661	27,451
Adjustments for non-cash or unusual items:				
Gain from investment in marketable securities	(1,109)	(240)	(1,268)	(97)
Share-based payments	3,804	3,418	9,306	7,960
Write-down of mineral inventory	—	249	—	1,465
Abnormal Costs ⁽¹⁾	2,756	1,759	2,756	1,759
Acquisition costs	—	—	5,584	—
Adjusted EBITDA	\$125,325	\$26,392	\$235,039	\$38,538

(1) Abnormal costs in 2025 primarily relate to increased diesel consumption due to the use of back up energy sources following weather-events that disrupted operations and prevented the use of liquid natural gas at the end of June. Abnormal costs in 2024 relate to \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

Working Capital and Available Liquidity

Working capital is determined based on current assets and current liabilities as reported in the Company's consolidated financial statements. The Company uses working capital as a measure of the Company's short-term financial health and operating efficiency. Available liquidity includes the Company's working capital and undrawn revolving credit facility.

	June 30, 2025	December 31, 2024
Current Assets	\$640,189	\$368,821
Less: Current Liabilities	(196,042)	(144,307)
Working Capital	\$444,147	\$224,514
Available Undrawn Revolving Credit Facility	139,640	139,640
Available Liquidity	\$583,787	\$364,154

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

The Company's management, with the participation of its President & Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), has evaluated the effectiveness of the Company's disclosure controls and procedures. Based upon the results of that evaluation, the Company's CEO and CFO have concluded that, as of June 30, 2025, the Company's disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

The Company's management, with the participation of its CEO and CFO, is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in the rules of the United States Securities and Exchange Commission and the Canadian Securities Administrators. The Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the IASB. The Company's internal control over financial reporting includes policies and procedures that:

- maintain records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary for preparation of financial statements in accordance with IFRS Accounting Standards as issued by IASB;
- provide reasonable assurance that the Company's receipts and expenditures are made only in accordance with authorizations of management and the Company's Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

The Company's internal control over financial reporting may not prevent or detect all misstatements because of inherent limitations. Additionally, projections of any evaluation of effectiveness for future periods are subject to the risk that controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with the Company's policies and procedures.

The Company's management evaluated the effectiveness of our internal controls over financial reporting based upon the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management's evaluation, our CEO and CFO concluded that our internal controls over financial reporting was effective as of June 30, 2025. There have been no significant changes in our internal controls during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. Refer to the "Report of Independent Registered Public Accounting Firm" section of the financial

statements for the independent registered public accounting firm's attestation regarding the Company's internal control over financial reporting.

Management excluded from its assessment the internal controls, policies and procedures of Gatos, which the Company acquired control on January 16, 2025. On a combined basis, Gatos' total assets and net assets as of June 30, 2025 constitute approximately 49% and 51%, respectively, of the condensed interim consolidated financial statement amounts as of June 30, 2025. On a combined basis, Gatos' total revenues and net profit for the three and six months ended June 30, 2025 constitute approximately 39% and 21%, and 38% and 38%, respectively, of the condensed interim consolidated financial statement amounts as of June 30, 2025. This limitation of scope is in accordance with section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of DC&P or ICFR to exclude a business that the issuer acquired not more than 365 days before the end of the financial period to which the CEO's and CFO's certification of annual filings relates. With the exception of the internal controls of Gatos, there have been no significant changes in our internal controls during the quarter ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the 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; assumptions used in determining the fair value of mining interests; statements related to production outlook and cost guidance, including, but not limited to, estimates of silver production and annual cash costs; statements relating to potential capital investments; the results of the exploration efforts on the Navidad (as defined herein) system at the Santa Elena property; the security situation at the San Martin mine; the estimated cost and timing of plant improvements at the Company's operating mines and development of the Company's development projects; 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 Jerriitt Canyon; future exploration activities at Jerriitt Canyon and the costs thereof; 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 continued integration of the Cerro Los Gatos mine with the business through identifying and realizing synergies; the preparation of technical reports and completion of preliminary economic assessments; viability of the Company's projects; potential metal recovery rates; sales of bullion direct to customers; payment of dividends; the operations of mines that are not wholly-owned or that are owned through joint arrangements; the potential impact of tariffs imposed by governments; the 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 on the Company's operations, the global economy and the market for the Company's products; and other statements identified as such in the documents incorporated by reference herein. All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "forecast", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions) are not statements of historical fact and may be "forward-looking statements".

Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management made in light of management's experience and perception of historical trends, current conditions and expected future developments at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, without limitation: global economic conditions including public health threats, the inherent risks involved in the mining, exploration and development of mineral properties, the uncertainties involved in interpreting drilling results and other geological data, fluctuating commodity prices, fluctuating currency exchange rates, the possibility of project delays or cost overruns or unanticipated excessive operating costs and expenses, uncertainties related to the necessity of financing, the availability of and costs of financing needed in the future, uninsured risks, defects in title, availability and costs of materials and equipment, climate change events including, but not limited to, drought conditions, changes in national or local governments, changes in applicable legislation or application thereof, timeliness of government approvals, actual performance of facilities, equipment, and processes relative to specifications and expectations and unanticipated environmental impacts on operations, availability of time on court calendars in Canada and elsewhere, the recognition of Canadian judgments under Mexican law, the possibility of settlement discussions, the risk of appeal of judgment, and the insufficiency of the defendant's assets to satisfy the judgment amount and other factors described in the Company's most recently filed AIF under the heading "Risk Factors".

The Company believes that the expectations reflected in any such forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included herein this MD&A should not be unduly relied upon. These statements speak only as of the date of this MD&A. The Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by applicable laws. Actual results may differ materially from those expressed or implied by such forward-looking statements.

Technical Information

Scientific and technical information contained in this MD&A has been reviewed and approved by Gonzalo Mercado, P. Geo., the Company's Vice President of Exploration & Technical Services and a "Qualified Person" as defined under NI 43-101. For more detailed information regarding the Company's material mineral properties, please refer to the Company's most recently filed AIF which is available under our SEDAR+ profile at www.sedarplus.ca, and on EDGAR as an exhibit to our most recently filed Form 40-F.

Cautionary Note to United States Investors Concerning Estimates of Mineral Reserves and Resources

This Management's Discussion and Analysis has been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ materially from the requirements of United States securities laws applicable to U.S. companies. Information concerning our mineral properties has been prepared in accordance with the requirements of Canadian securities laws, which differ in material respects from SEC requirements applicable to domestic United States issuers. Accordingly, the disclosure in this Management's Discussion and Analysis regarding our mineral properties is not comparable to the disclosure of United States issuers subject to the SEC's mining disclosure requirements.

Additional Information

Additional information on the Company, including the Company's most recently filed AIF and the Company's audited consolidated financial statements for the year ended December 31, 2024, is available under the Company's profile on SEDAR+ at www.sedarplus.ca and on the Company's website at www.firstmajestic.com.