



fm
FIRST MAJESTIC
SILVER CORP.

RISING WITH SILVER.

2024 ANNUAL REPORT

TSX AG / NYSE AG / FSE FMV

There’s no substitute
for *silver*.

OUR VISION, OUR MISSION, OUR VALUES, AND
OUR COMMITMENT TO DIVERSITY

04/05

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GROWING. INNOVATIVE. RESPONSIBLE.

Vancouver, Canada-based First Majestic Silver Corp. owns and operates four silver/gold mines in Mexico. We rank as one of the world’s top silver producers, and we’re the only mining company minting and selling its own silver. The acquisition of Gatos Silver, Inc. in January 2025 will bring First Majestic’s annual production to approximately 30 million ounces of silver equivalent and 15 million ounces of pure silver, moving us closer to our vision of becoming the world’s largest primary silver producer. We employ more than 5,000 workers in North America and represent one of Mexico’s leading employers.

First Majestic is a diverse and inclusive organization, committed to socially responsible mining. Our Mexican operations have been recognized for 17 consecutive years as Socially Responsible by Centro Mexicano para la Filantropía (CEMEFI).



OUR VISION

First Majestic’s vision is to become the world’s largest primary silver producer while improving lives and communities in our host regions and increasing shareholder value.



OUR MISSION

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

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

OUR VALUES

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

Diversity, Equity and Inclusion: At First Majestic Silver Corp., we value the diversity of our people, our partners, and our communities. We believe a successful organization is built on its commitment to provide a respectful, equitable, diverse, and inclusive work environment that promotes trust and encourages innovation, agility, and sustainability.

SILVER DEMAND

SILVER'S UTILITY AND VALUE CONTINUE TO RISE

Silver remained essential to the world in 2024, with forecasted annual demand nearing an all-time high of 1.2 billion ounces.

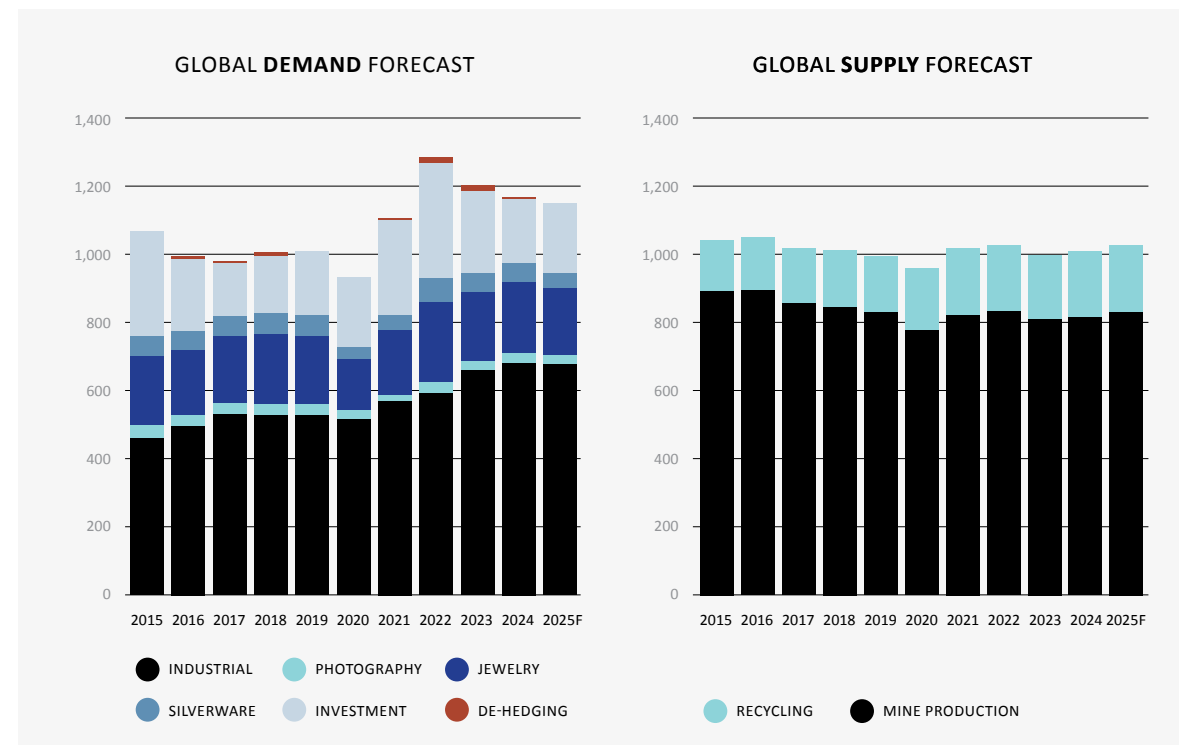
The chart below illustrates the approximate 250-million-ounce rise in demand since 2017, driven largely by the metal's increasing utility for green energy and technology.

10,000 USES AND GROWING

Silver, with its unique characteristics, ranks second only to oil as the world's most widely used commodity. The metal's list of more than 10,000 uses today—ranging from cell phones to nuclear energy to hospital gowns—means the modern world simply cannot function without silver. And this dependence continues to strengthen.

SILVER IS:

1. The most reflective of any raw material.
2. The most electrically and thermally conductive metal.
3. Strongly resistant to corrosion and oxidation.
4. The second most malleable and tactile metal next to gold.
5. Antibacterial and antimicrobial.



Source: Metals Focus, Silver Institute, 2025

35%

increase in the price of silver

THERE IS NOT ENOUGH SILVER—AGAIN

Despite silver's growing importance, supplies failed to meet demand for the fourth straight year, resulting in a deficit of 149 million ounces in 2024.

As the charts indicate, forecasted mine production reached only 819.7 million ounces in 2024. Estimated recycling of already above-ground silver material contributed just 193.9 million ounces. Mine production has declined slowly since 2016, while recycling supply has remained flat. These trends are likely to continue.

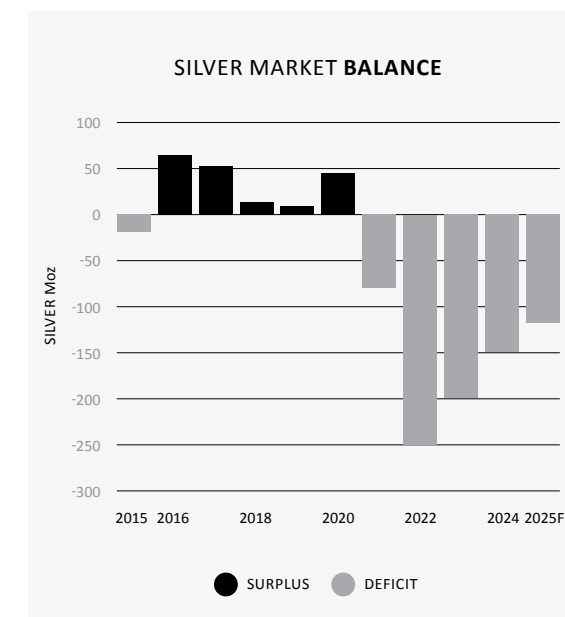
Any significant increase in silver supply must come from mining. However, building a mine from discovery now requires an average of 17 years with enormous investment and high risk. The price of silver must rise dramatically to make future mines feasible and economic over the long run, especially with grades in decline.

THE PRICE OF SILVER INCREASED 35% IN 2024

The supply/demand imbalance contributed to a 35% increase in the price of silver for 2024, averaging US\$27.08 per ounce for the year while hitting a 12-year high of \$34.84 per ounce in October.

Considering silver's growing demand by industry, technology and investment, combined with the great challenges of finding and developing new mines, we believe upward price pressure will continue for years to come.

As the charts indicate, forecasted mine production reached only 819.7 million ounces in 2024.



Source: Metals Focus, Silver Institute, 2025

KEY FACTORS CONTRIBUTING TO THE GROWING SILVER SHORTFALL INCLUDE:

1. Declining silver grades – a worldwide trend.
2. Increasing industry demand - especially for solar panels, electric vehicles and electronic devices.
3. Increasing investment demand - primarily through ETFs, coins, and bars.
4. Recycling limitations - silver is difficult and expensive to recover from electronics.

INDUSTRIAL USE CLIMBS TO 58%

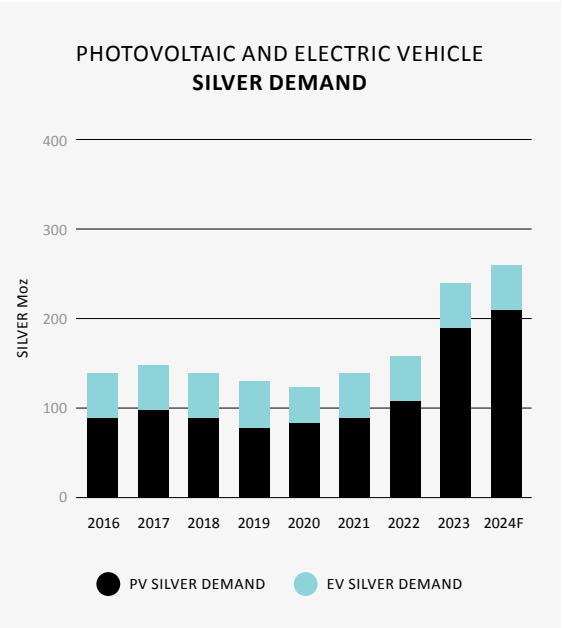
Historically, industrial use has consumed half of all silver produced, with the remaining amount purchased for investment, jewelry and silverware. In recent years, the balance has shifted more to industrial use, which now represents approximately 58% of total demand and continues to rise.

Industrial use has grown 15% in the past two years, and by approximately 50% since 2015.

Solar power and electric vehicles consumed more than 250 million ounces of silver in 2024, or 30% of the total produced worldwide. These numbers will continue to grow as the world shifts to clean energy and technology.

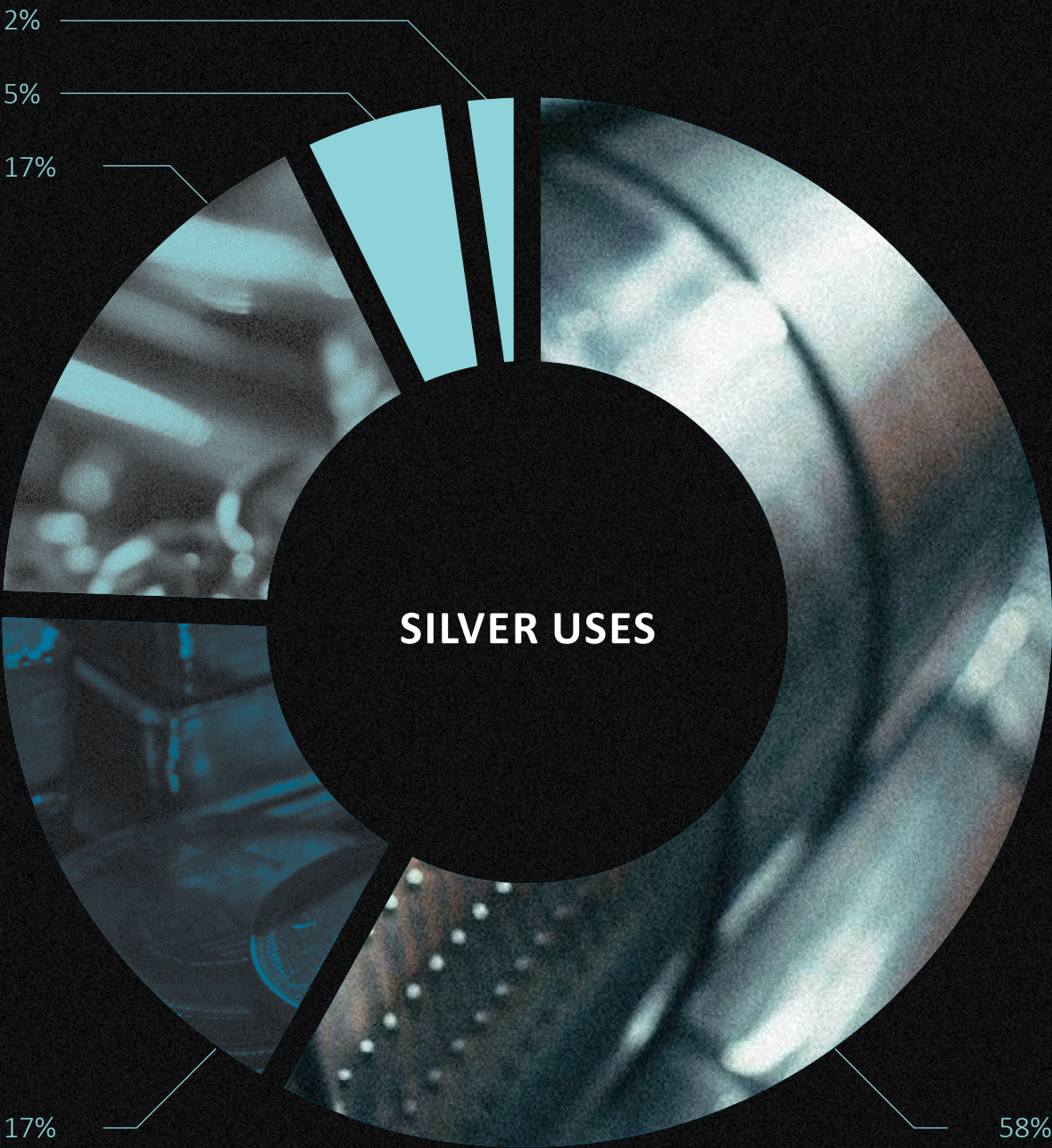
THERE IS NO SUBSTITUTE FOR SILVER

A guiding principle at First Majestic, upon which we have built this company, is that there is simply no substitute for silver. Market dynamics of the past ten years, and in particular silver’s growing demand and utility with supplies in decline, reinforce this principle more than ever.



58%

of total demand from Industrial use



INDUSTRIAL FABRICATION	58%
COINS & BARS	17%
JEWELRY	17%
SILVERWARE	5%
PHOTOGRAPHY	2%

MILESTONES OF

2024

“There were two stand-out achievements in 2024, among a long list of successes. We achieved our best safety performance on record, and made two major high-grade discoveries.”

– STEVEN HOLMES, COO

- Announced the acquisition of Gatos Silver, Inc., adding a fourth producing mine and a third cornerstone, long-life, low-cost underground operation in Mexico with significant exploration potential
- Met original and revised 2024 guidance, achieving 21.7 million silver equivalent (AgEq) ounces total production
- Drove record AgEq production of 10.3 million ounces at our Santa Elena Silver/Gold Mine
- Launched bullion sales from First Mint, LLC., our 100%-owned silver minting facility in Nevada, USA
- Achieved annual revenues of \$560.6 million
- Increased annual mine operating earnings to \$91.9 million compared to \$25.6 million in 2023
- Produced Operating cash flow before changes in working capital and taxes of \$138.6 million, up 40% year-over-year
- Strengthened our balance sheet, ending the year with a treasury of \$308.3 million, consisting of \$202.2 million in cash and cash equivalents, as well as \$106.1 million in restricted cash
- Continued dividend policy of 1% of revenues through all four quarters, paying out \$5.3 million to shareholders
- Invested \$127.3 million in capital expenditures for development and exploration
- Discovered Navidad and Winter high-grade gold and silver vein systems at Santa Elena through a near-record exploration budget and comprehensive drilling program, while derisking 2025 and 2026 production at San Dimas
- Resolved water issues at La Encantada, bringing production back to historic levels by year end
- Achieved record and peer-leading safety performances for the Company
- Mexico operations recognized for the 17th consecutive year as Socially Responsible by Centro Mexicano Para La Filantropia’s 2024 Empresa Socialmente Responsable awards

KEY TARGETS FOR

2025

“The Gatos acquisition allows us to consolidate three world-class, producing silver mining districts in Mexico under the First Majestic umbrella.”

– KEITH NEUMEYER, CEO

- Achieve total production of 27.8 to 31.2 million ounces of AgEq, consisting of 13.6 million to 15.3 million silver ounces and 129,000 to 144,000 gold ounces
- Complete the integration of Gatos to achieve key mining and management synergies
- Advance capital expenditures of \$182 million, consisting of \$80 million for sustaining activities and \$102 million for expansionary projects
- Invest \$49 million in exploration drilling for a total of 270,000 metres, representing a 47% increase in metres drilled from 2024
- Further develop and explore Navidad, Winter, and Luna veins to provide future production at Santa Elena
- Continue expansion and marketing of First Mint, integrating coin presses and lasers for coin manufacturing to produce an array of new silver bullion products
- Continue to improve the Company’s leading safety, environmental, social, and sustainability performances
- Continue to strengthen the Company’s balance sheet

“Not only does the Gatos acquisition double our expected cash flow, it allows us to achieve many important synergies that will make First Majestic more efficient and productive.”

– DAVID SOARES, CFO

MESSAGE FROM
THE PRESIDENT AND CEO

RISING
WITH SILVER



This year’s theme of “Rising with Silver” tells two primary and exciting stories. One is how First Majestic continues to rise as a leading primary silver producer, overcoming challenges and positioning itself to grow with silver in the coming decade. The other story is silver’s rise, not only in price (reaching a 12-year high in October 2024), but more so in its growing importance as an industrial powerhouse metal.

Silver’s unique characteristics have made it essential across a broad spectrum of industries, especially for green energy, electronics, and transportation. With over 10,000 uses today, a number that continues to rise, silver remains one of the world’s most important and strategic metals. The basic principle that *“There is no substitute for silver”* remains truer today than when we started this company over 20 years ago.

ACQUISITION OF GATOS SILVER

Silver’s growing value is one reason First Majestic made the most consequential transaction in its history, announcing the purchase of Gatos Silver, Inc. in September 2024 and closing the transaction in January 2025 after finalizing shareholder and all other approvals.

Adding Gatos Silver’s flagship Cerro Los Gatos mine in Chihuahua, Mexico allows us to integrate a high-quality, long-life, low-cost, and positive free cash flow district into our portfolio of producing mines in Mexico. It also brings us an innovative team that will provide important synergies for all our operations going forward.

While Cerro Los Gatos adds approximately 9 million attributable silver equivalent ounces to our annual production, the mine represents only part of this transaction’s value. In our search for good assets, we look for districts, not mines. In this regard, Cerro Los Gatos is truly a world-class district with over 103,000 hectares of mineral rights in Chihuahua, representing a highly prospective and under-explored asset with numerous exploration targets that we believe will drive growth for decades to come.

We welcome Gatos Silver shareholders to First Majestic as we continue to build the industry’s leading primary silver producer.

FIRST MINT

Other positive events included the opening of First Mint, LLC., our 100%-owned silver minting facility in Nevada, USA, making us the only public mining company minting its own metal (see page 20). In the fall, we commissioned new coin press equipment to expand the product range beyond silver bars to silver rounds and coins, enabling us to produce an array of finished silver bullion products.

“Looking ahead to 2025, we expect improvement on many levels including production, cash flow and liquidity, as well as expanded sales from First Mint.”

SETTING THE STAGE FOR BETTER PERFORMANCE

The Santa Elena mine exceeded guidance in 2024 and produced record silver equivalent production of 10.3 million ounces. At San Dimas, we made meaningful progress with labour issues that impacted efficiency and put the mine on track for higher production in 2025. New wells at La Encantada resolved critical water issues and brought the mine back to its historic production levels by the end of the year. The 2024 exploration program’s success shined another spotlight at Santa Elena with the new Navidad discovery; the most promising discovery at this district since Ermitaño was discovered in 2016.

HIGH MARKS FOR SAFETY AND SUSTAINABILITY

I’m also pleased to report that we enjoyed a banner year for safety and sustainability performance at all operations, achieving high marks across a range of industry-relevant metrics. I extend congratulations to everyone at First Majestic who continued to make our operations safe and responsible places to work.

CHALLENGES AND SETBACKS FOR 2024

It was also a year of challenges and setbacks. Like the entire mining sector, we continued to face declining grades and inflationary pressures that impacted our cost efficiency measures—all compounded by a strong Mexican peso for much of 2024. Labour disruptions at San Dimas contributed to a decline in production from 2023. Throughout the year, First Majestic’s share price endured a stubborn and volatile market for mining stocks that has continued into 2025.

Confronting and resolving challenges like these has allowed First Majestic to grow despite the headwinds typical of all mining companies. We are fortunate to have an agile and dedicated team that continues to innovate, that continues to rise to meet these challenges and drive our long-term growth.

LOOKING AHEAD

Looking ahead to 2025, we expect improvement on many levels including production, cash flow and liquidity, as well as expanded sales from First Mint. And with 270,000 metres of exploration drilling planned, I’m confident we will add new resources for long-term growth. We will also continue making safety and sustainability priorities at all operations, striving to build upon the very positive metrics established in 2024.

In closing, I extend my gratitude to the entire First Majestic team for their steadfast work, innovation and enthusiasm in 2024. You are the reason we remain on track in realizing our vision of becoming the world’s leading primary silver producer.

“We welcome Gatos Silver shareholders to First Majestic as we continue to build the industry’s leading primary silver producer.”

/s/ Keith Neumeyer

KEITH NEUMEYER
President and CEO

MESSAGE FROM
THE CHIEF OPERATING OFFICER

PROGRESS,
CHALLENGES
AND GROWTH



Operationally, the past year delivered a mix of progress, challenges and growth. The Santa Elena mine outperformed expectations, while our sustainability initiatives produced exceptional results. Operating issues at San Dimas and La Encantada hindered production levels and decreased our overall output. However, with challenges at both mines largely resolved by year end, and with completion of the Gatos Silver acquisition, we have started 2025 in a greatly improved position.

SANTA ELENA CONTINUES TO SHINE

Santa Elena became our leading producer in 2024, achieving record output exceeding 10 million silver equivalent ounces. This improved performance resulted largely from continued plant optimization, which has delivered increased recovery rates and higher plant throughput.

ACHIEVING WORLD-CLASS SUSTAINABILITY METRICS

Expanded sustainability and community programs, along with a concerted effort throughout our operations, helped First Majestic position itself amongst the world’s most responsible mining companies in 2024. Our health and safety performance rose to the best in company history, with reportable injury frequency and lost time incident rates well below our peers.

When we achieve strong sustainability metrics, our employees and contractors enjoy safer and more productive working conditions. Communities benefit socially, environmentally, and financially, and are more supportive of our operations and initiatives. The resulting positive impacts improve lives, and they save lives. They make us more efficient and cost-effective. They lower employee turnover and improve our ability to raise capital.

In short, responsible mining is simply good business—which is why First Majestic has committed to making further advances in our sustainability initiatives for 2025.

LOWER PRODUCTION AT SAN DIMAS

San Dimas presented our most difficult challenges for the year, where ore flow and processing rates were impacted by labor slowdowns and declining grades. Following extensive negotiations with the National Union, we reached agreement on new contract provisions in Q3. This resolution, combined with an intensive mine performance initiative, resulted in higher mine and plant throughput, which generated improved production levels by Q4. As a result, we are starting the year with operating momentum and anticipate higher production at San Dimas in 2025.

To offset the decline in grades at San Dimas in 2024, we successfully reduced overbreak in our long-hole stoping operations and lowered ore dilution. Concurrently, we drilled 113,738 metres in the district last year seeking to identify the next rich vein in this prolific district. This program intersected significant silver and gold mineralization in multiple veins, which will help de-risk mining activities at San Dimas in the years ahead.

WATER RETURNS LA ENCANTADA TO ITS HISTORIC OUTPUT

At La Encantada, we resolved the water shortages, due to the loss of one of our wells in 2023, by identifying and developing a significant water well which came on line in the fourth quarter. This allowed the mine to return to historical operating rates in the fall, along with higher silver grades and recoveries. Silver production for Q4 reached 755,963 ounces, exceeding Q3 by 39% and hitting the mine’s highest quarterly production since Q2 2023. We are confident that La Encantada will make its normal contribution to overall production levels in 2025.

“In short, responsible mining is simply good business—which is why First Majestic has committed to making further advances in our sustainability initiatives for 2025.”

GATOS SILVER TO ADD 8.4 TO 9.4 MILLION OUNCES

The newest asset in our portfolio, the Cerro Los Gatos mine, is expected to produce between 12.0 and 13.4 million silver equivalent ounces in 2025, with 70% attributable to First Majestic, while the current 10-year life of the Cerro Los Gatos Mine gives us room to explore the district’s 103,000-hectare land package. We believe the quality of known targets, along with the highly prospective brownfield and greenfield holdings, have the potential to extend the mine life significantly at Cerro Los Gatos over time. In 2025 we will continue to increase ore extraction and plant throughput rates as we continue to utilize the plant’s capacity. Additionally, anticipated synergies with

the Gatos team on maintenance, operations, procurement and systems should provide new efficiencies of scale and help us keep costs low at this profitable operation.

In summary, we have the elements in place for significantly improved operations at First Majestic in 2025.

/s/ Steven Holmes

STEVEN HOLMES
Chief Operating Officer

OPERATING AND
FINANCIAL HIGHLIGHTS

All dollar amounts are expressed in USD unless otherwise indicated

OPERATING	2024	2023	2022	2021	2020
Silver equivalent ounces produced	21,655,427	26,874,417	31,252,920	26,855,783	20,379,010
Silver ounces produced	8,400,796	10,250,755	10,522,051	12,842,945	11,598,380
Gold ounces produced	156,542	198,921	248,394	192,353	100,081
Cash costs per silver equivalent ounce ¹	\$14.80	\$14.49	\$14.39	\$13.23	\$9.00
All-in Sustaining Costs per silver equivalent ounce ¹	\$21.11	\$20.16	\$19.74	\$18.84	\$14.03
FINANCIAL (Millions except per share amounts)	2024	2023	2022	2021	2020
Revenues	\$560.6	\$573.8	\$624.2	\$584.1	\$363.9
Mine Operating earnings	\$91.9	\$25.6	\$16.8	\$101.4	\$105.1
Net (loss) earnings	(\$101.9)	(\$135.1)	(\$114.3)	\$(4.9)	\$23.1
Earnings (loss) per share (“EPS”) - basic	(\$0.34)	(\$0.48)	(\$0.43)	\$(0.02)	\$0.11
Free Cash Flow ¹	\$107.1	(\$9.0)	(\$64.9)	(\$16.9)	\$30.7

1. The Company reports non-GAAP measures which include cash costs per ounce produced, all-in sustaining cost per ounce, total production cost per tonne, average realized silver price per ounce sold, working capital, adjusted EPS and free cash flow. These measures are widely used in the mining industry as a benchmark for performance, but do not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate such measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on page 121 for further details on each measure and a reconciliation of non-GAAP to GAAP measures.

COMMUNITY, HEALTH & SAFETY

A RECORD YEAR FOR SUSTAINABILITY

Continuous Improvement Aligned with our Sustainability Strategy.
The past year brought significant improvements and record performances across a range of sustainability measures at First Majestic.

Within our public-facing Sustainability Strategy we have provided public metrics against which we are sharing our broad-spectrum sustainability performance, including a focus on health and safety initiatives, environmental stewardship, and working alongside our neighbour communities. This strategy provides a framework through which we share the long-standing practices that we have followed to ensure our position as a responsible mining company that has resulted in some of our best sustainability performance to date.

Our Sustainalytics ESG Risk Rating improved by 39% over 2023, and as of Q4 2024 First Majestic’s score of 30.4 places us in the top 44% industry performance. Our S&P Global Corporate Sustainability Assessment ESG score improved to 37, well above the Metals & Mining industry average of 29.

FOCUSED ON SAFETY, INVESTING IN COMMUNITIES

Our people are our greatest asset and their safety is our highest priority. 2024 marked our best Health and Safety performance on record, with an injury frequency rate well below our peers. This is attributable in part to a strong commitment through the year to our safety culture programming and providing more than twice the annual safety training hours as compared to the prior year.

In addition, this year we contributed \$1.2 million to local community projects. Ongoing community engagement at towns around our Santa Elena, San Dimas and La Encantada mines resulted in an 89% annual reduction in community complaints.

ETHICAL, INNOVATIVE AND SUSTAINABLE PRACTICES

Our Community, Health and Safety accomplishments in 2024 adhere to First Majestic’s mission, which is to produce profitable silver ounces and grow our mineral resources through ethical, innovative, and sustainable practices, implemented by an empowered workforce that fosters the permanence of the organization.

“2024 marked our best Health and Safety performance on record, with an injury frequency rate well below our peers.”

– ED KIRWAN, DIRECTOR, HEALTH, SAFETY & ENVIRONMENT

HIGHLIGHTS FOR THE YEAR



HEALTH & SAFETY: OUR BEST YEAR ON RECORD



OUR PEOPLE: INVESTING IN EXCELLENCE



COMMUNITIES: STRONG SUPPORT OF OUR LOCAL COMMUNITIES



ENVIRONMENTAL REVIEW

“First Majestic recorded significant environmental achievements in 2024, including our lowest carbon footprint since we began reporting.”

— STEVEN HOLMES, CHIEF OPERATING OFFICER

ADOPTING CLEANER ENERGY

First Majestic recorded significant environmental achievements in 2024, including our lowest carbon footprint since we began reporting, realising a 30% annual reduction in carbon footprint per tonne of ore processed compared with 2023. A significant contributing factor to this accomplishment is our ongoing work to shift our energy mix to less environmentally impactful options including hydro-electric power and liquified natural gas (“LNG”). In 2024 we began a project to move our San Dimas backup generators from diesel to LNG. Meanwhile, at Santa Elena we executed an electrical grid upgrade that reduced blackout times by 70%, making the site 99.9% reliant on our on-site LNG electrical plant and only 0.1% on our backup diesel generator. When used for power generation, LNG reduces carbon emissions by approximately 30% compared to diesel.

EVOLVING AND EXPANDING OUR ENVIRONMENTAL PRACTICES

Our environmental management model and operations plans consider the entire mine life cycle from early exploration to mine closure and post-closure. Throughout 2024, we continued to evolve, and expand, our environmental

practices across all sub-topics. On the topic of water, we began conducting a water balance assessment to better understand both our current water needs, and future demands based on our life of mine projections. On the topic of biodiversity and land use, we continued our progressive reforestation and land rehabilitation program, preferentially utilizing native species at all sites. For details about all our environmental activities throughout the year, see our 2024 Sustainability Report.

THE BENEFITS OF GOOD ENVIRONMENTAL PRACTICES

Beyond the obvious benefits of minimizing impacts on natural resources and ecosystems, we know that good environmental practices also represent good business practices. They enhance relationships with local communities, governments, and investors and help establish our social license to operate. The inherent efficiencies can minimize operational costs, through minimizing utility use such as water, fuel, and energy. Being an environmentally responsible operator helps to avoid fines, shutdowns or legal actions. Reducing our environmental and regulatory risk also improves our attractiveness to investors and can provide better access to capital.

...we know that good environmental practices also represent good business practices.



2024 ENVIRONMENTAL HIGHLIGHTS

Our environmental highlights for 2024 centered around lowering our use of natural resources, including:

CARBON

Lowest carbon footprint on record. 30% annual drop in carbon per tonne of ore processed, and a reduction in Scope 1 emissions by 29%.

ENERGY

40% of electricity from renewable sources. 47% annual reduction in gasoline use. 14% annual reduction in diesel use.

WASTE

26% annual reduction in waste rock generated. 53% of non-mineral waste recycled.

WATER

21% annual reduction in water used per tonne of ore processed. 34% annual reduction in use of well water.

FIRST MINT

TAKING CONTROL OF OUR SUPPLY CHAIN TO ACHIEVE HIGHER MARGINS

A key highlight for First Majestic in 2024 was the opening of First Mint, LLC., in late March. This state-of-the-art facility, owned 100% by First Majestic, produces high-quality silver bars, rounds, and medallions. All products are crafted from 0.999+ fine silver sourced directly from First Majestic’s mining operations in Mexico, making us the only public mining company that is taking silver from its mine face and minting it straight into coins and bars.

EMPLOYING THE BEST

Production at First Mint is led by industry veterans with over 20 years’ experience. The facility employs some of the industry’s most innovative processing equipment, highlighted by an environmentally friendly flameless tunnel that produces zero emissions and uses significantly less electricity when compared to traditional minting processes. The mint commissioned several pieces of new equipment in 2024, including coin presses and lasers for coin manufacturing.

SELLING OUR SILVER ABOVE SPOT MARKET

A key advantage for First Majestic is that silver sold from the mint generates a higher price than silver sold on the spot market, providing better margins while eliminating the middleman. This vertical integration allows us to control the supply chain while capitalizing on the strong investment demand for physical silver. It also allows us to sell a substantially greater portion of our silver production directly to our shareholders and bullion customers at some of the lowest premiums available.



“First Majestic is the only public mining company that takes silver from our mine face and mints it straight into coins and bars. That makes us unique.”

—KEITH NEUMEYER, CEO



From Mine to Mint.

Silver ounces sold through First Mint accounted for 6% of First Majestic’s total silver production in 2024. Our near-term goal is to sell 10% of First Majestic’s silver production through the mint. Longer term, we plan to sell an increasing percentage of our silver and provide manufacturing capacity to other mining companies and third-party clients. Ultimately, with expansion of the plant, our vision is to sell all our silver doré production through the mint.

In April 2025, the mint achieved ISO 9001 certification, which makes First Mint products eligible for Individual Retirement Accounts (IRAs). Along with this certification comes a quality commitment: First Mint will fully guarantee the weight, purity, and content of its bullion products. First Majestic shareholders with at least 100 shares qualify for a silver discount of \$0.50 per ounce from our posted price through the Shareholder Benefits program.

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

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

IDEAS PROGRAM

PROMOTING EMPLOYEE INNOVATION

In May of 2024, First Majestic re-launched the IDEAS program—an initiative designed to democratize innovation across our workforce. This program encourages employees at all levels to submit ideas for how First Majestic may better operate, allowing us to tap into a wealth of creativity. Each submission is reviewed and, if implemented, employees are eligible for a cash award and are entered into a year-end prize drawing. Almost immediately, the program yielded innovative solutions for enhancing safety, efficiency, and sustainability across our operations. We received a total of 112 submissions in 2024, of which 48 were accepted for further evaluation and development. By the end of the year, 16 of these employee-nominated projects had been completed. **The following are the most impactful projects that we executed at First Majestic as a result:**

SANTA ELENA MINE: ENERGY RELIABILITY IMPROVEMENTS At Santa Elena, energy is primarily provided by our on-site LNG power plant. If energy is interrupted, a more expensive diesel generator is used. José proposed an adjustment to the site's grid layout to reduce site-wide energy disruptions. This project was completed in 2024 and resulted in a 70% reduction in blackout periods and an estimated revenue increase of approximately \$2 million per year.	1ST PLACE WINNER José Luis Montoya Ortega 
LA ENCANTADA MINE: INCREASED SILVER RECOVERY The usual process for extracting silver uses a pH between 10.5 and 11. Xiomara suggested that a higher pH would be more effective and require less cyanide to achieve the same results. The site trialled this approach, and noted improved silver recoveries by approximately 3% overall, and lower cyanide use. This project saved approximately \$350,000 in 2024.	2ND PLACE WINNER Xiomara Almanza Ramirez 
LA ENCANTADA MINE: SHOTCRETE IMPROVEMENT In underground mines, a substance called shotcrete is sprayed onto tunnel surfaces to make them more stable and uniform. Emmanuel identified changes that led to improved performance of the material, raising safety factors and resulting in over \$150,000 in direct cost savings this year.	3RD PLACE WINNER (TIE) Emmanuel Diaz de la Torre 
SANTA ELENA MINE: WHATSAPP CHANNEL FOR SAFETY Oscar proposed the creation of an official WhatsApp channel for the Santa Elena mine, which would connect to employees where they already look for communications. The channel provides consistent, frequent safety-focused messaging and notifications. As of the end of the year, the channel had about 250 followers, and had sent over 50 notifications.	3RD PLACE WINNER (TIE) Oscar Rafael Valenzuela Lope 

OUR MINES

A WORLD-CLASS PORTFOLIO OF SILVER PRODUCING ASSETS

CERRO LOS GATOS
SILVER MINE

SANTA ELENA
SILVER / GOLD MINE

SAN DIMAS
SILVER / GOLD MINE

LA ENCANTADA
SILVER MINE





CERRO LOS GATOS SILVER MINE

CHIHUAHUA STATE, MÉXICO

HIGHLIGHTS

Ownership	70%
2024 Silver Production (ounces) (100%)	9,680,000
2024 Silver Equivalent Production (ounces) (100%)	15,570,000
2025 Projected Cash Costs per AgEq Ounce	\$11.98 – \$12.56
2025 Projected All-In Sustaining Costs per AgEq Ounce	\$15.03 – \$15.92
2025 Projected Silver Production (ounces) (100%)	7,100,000 - 8,000,000
2025 Projected Silver Equivalent Production (ounces) (100%)	12,000,000 to 13,400,000



First Majestic acquired its interest in Cerro Los Gatos through the acquisition of Gatos Silver, Inc., completed on January 16, 2025.

OUR NEWEST FLAGSHIP ASSET

Cerro Los Gatos is situated in northern Mexico’s Sierra Madre Occidental Mountains, a region known for rich mineral deposits. Owned 70% by First Majestic and 30% by Dowa Metals & Mining Ltd. of Japan, the mine has operated since 2019.

Los Gatos represents one of the lowest-cost silver mines currently in operation. The modern, well-capitalized underground mine produces high-grade silver in a lead and zinc concentrate. First Majestic has inherited a proven operating team that continues to optimize the asset and elevate targets.

The mine finished the year with a production capacity of 3,300 tonnes per day. The deposit geometry and vein width allow for efficient, mechanized mining methods. Metal production in 2024 was higher than 2023 across all metals, supported by expanding mill throughput rates. Both silver and gold production in 2024 increased by 5%, while zinc and lead production rose by 22% and 20%, respectively.

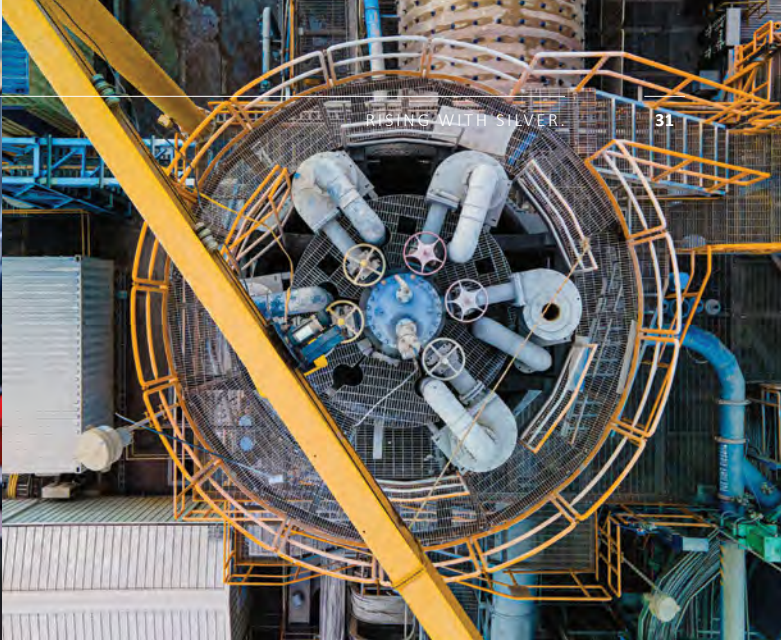
In September 2024, Los Gatos released an updated mine plan that added two years of additional reserves with 36% higher silver production. This increase is attributed to higher mill throughput, anticipated to surpass design capacity by 40% starting in mid-2025. The new plan also predicts robust annual cash flows and presents a marked improvement in mining efficiency and cost management.

The Los Gatos property covers over 103,000 hectares in a highly prospective and under-explored district with numerous silver-zinc-lead epithermal mineralized zones. Silver deposits are typically found in veins within the regional fault systems.



SANTA ELENA SILVER / GOLD MINE

SONORA STATE, MÉXICO



HIGHLIGHTS

Ownership	100%
2024 Silver Production (ounces)	1,514,364
2024 Silver Equivalent Production (ounces)	10,266,313
2024 Cash Costs per AgEq Ounce	\$11.81
2024 All-In Sustaining Costs Per AgEq Ounce	\$14.40
2025 Projected Cash Costs per AgEq Ounce	\$14.91 – \$15.71
2025 Projected All-In Sustaining Costs per AgEq Ounce	\$18.60 – \$19.79
2025 Projected Silver Production (ounces)	1,600,000 – 1,800,000
2025 Projected Silver Equivalent Production (ounces)	7,700,000 – 8,600,000

The Santa Elena mine achieved its third straight year of record silver equivalent production in 2024, and exceeded 2023 production by 7%.

RECORD PRODUCTION WITH
SIGNIFICANT NEW DISCOVERIES

The Santa Elena mine, located approximately 150 kilometres northeast of the city of Hermosillo, achieved its second straight year of record silver equivalent production in 2024 and exceeded 2023 production by 7%. Continued optimization of the dual circuit and press filter led to increased recovery rates and higher plant throughput of approximately 3,200 tonnes per day by year end.

The mine processes ore in a cyanide leach circuit from underground mining operations producing doré bars. The processing facility consists of a centralized processing plant that can receive blended ore from separate underground operations. The property also includes an ISO 9001:2015 Certified Assay Lab, which raises the standard of lab operations, reduces costs, and allows for faster assay turnaround times.

A dual-circuit concept with an additional leach tank, CCD thickener and filter press was implemented at the plant to further improve the metallurgical performance. More recently, the processing team has been designing, implementing, and operating with an advanced process control system with machine learning capabilities to unlock the

full potential of the processing facility to improve recoveries, reduce costs and improve safety.

NAVIDAD DISCOVERY HIGHLIGHTS
EXPLORATION POTENTIAL

The Santa Elena District, covering over 102,000 hectares, offers exceptional exploration and expansion potential. Drilling in 2024 located the Navidad vein system (including the parallel Winter vein), the most promising discovery at Santa Elena since Ermitaño was discovered in 2016. Navidad’s proximity to the producing Ermitaño mine is important from an operational standpoint and very encouraging for the prospects of continued exploration. The gold and silver mineralization identified to date extends greater than 1,000 metres by 300 metres in strike and dip with the true thickness of mineralization averaging between 2.8 metres and 4.4 metres. Multiple drill rigs are focused on this area, which appears to have the potential to expand as it is open in all directions. A maiden Inferred Mineral Resource estimate was published in March 2025 (see page 34).

Underground development at Santa Elena totaled 9,206 metres in 2024, compared with 10,497 in 2023. Exploration drilling in 2024 totaled 58,312 metres, compared with 48,058 in 2023.

SAN DIMAS SILVER / GOLD MINE

DURANGO STATE, MÉXICO

HIGHLIGHTS

Ownership	100%
2024 Silver Production (ounces)	4,543,931
2024 Silver Equivalent Production (ounces)	8,825,259
2024 Cash Costs per AgEq Ounce	\$16.01
2024 All-In Sustaining Costs Per AgEq Ounce	\$21.06
2025 Projected Cash Costs per AgEq Ounce	\$13.28 – \$14.04
2025 Projected All-In Sustaining Costs per AgEq Ounce	\$17.86 – \$19.09
2025 Projected Silver Production (ounces)	4,300,000 – 4,800,000
2025 Projected Silver Equivalent Production (ounces)	9,000,000 – 10,100,000



In 2024, Q4 production rose by 6% over Q3. This improving trend should continue in 2025.

PRODUCTION REBOUND AND NEW DISCOVERIES
HIGHLIGHT IMPROVING TRENDS

San Dimas, located approximately 130 kms northwest of the city of Durango, covers 71,867 hectares and represents one of Mexico’s key mining districts and the largest producing underground mine in the state. Silver has been mined in the district for over 250 years, with historic production estimated at 11.1 million ounces of gold and 756 million ounces of silver.

The San Dimas mine processes ore from several underground areas, with a 2,500 tpd milling operation at the Tayoltita mill producing silver/gold doré bars. San Dimas utilizes underground long-hole stoping and mechanized cut-and-fill as the primary mining methods.

Labor slowdowns impacted operations at San Dimas in 2024, and along with a reduction in ore grades and vein widths, resulted in lower production compared to 2023. Following protracted negotiations with the National Union, an agreement was reached in H2, and Q4 production rose by 6% over Q3. This improving trend should continue in 2025.

Low-cost and environmentally clean hydroelectric power from the local Las Truchas plant provides over 40% of the power requirements for San Dimas. Following extended drought conditions in 2023, significant rain during 2024 brought the plant back to full capacity. Additionally, as part of its ongoing cost reduction and carbon reduction initiatives, First Majestic is advancing the replacement of the diesel generators used for on-site backup power with LNG units. This addition will generate substantial cost savings and result in reducing carbon emissions by up to 25% when backup power is required.

The 2024 exploration program at Sam Dimas, at \$12.6 million and more than 113,000 metres, was the largest since asset acquisition and intersected significant silver and gold mineralization in multiple veins. Drilling results successfully expanded Inferred Mineral Resources and will ultimately expand Mineral Resources and Mineral Reserves. A comparable exploration investment is expected in 2025.

Underground development at San Dimas totaled 19,493 metres in 2024, compared with 17,641 metres in 2023. Exploration drilling totaled 113,738 metres, compared with 78,039 metres in 2023.

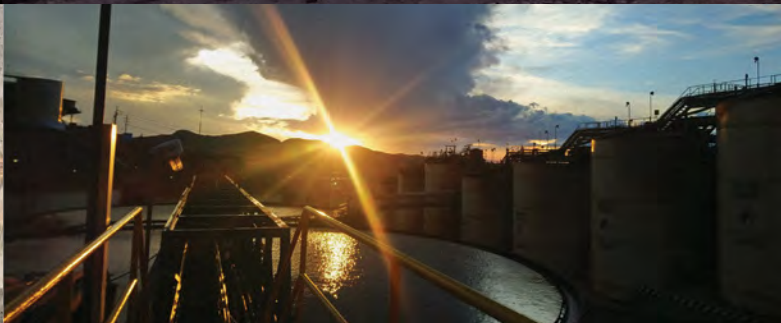


LA ENCANTADA
SILVER MINE

COAHUILA STATE, MÉXICO

HIGHLIGHTS

Ownership	100%
2024 Silver Production (ounces)	2,342,502
2024 Silver Equivalent Production (ounces)	2,356,393
2024 Cash Costs per AgEq Ounce	\$23.17
2024 All-In Sustaining Costs Per AgEq Ounce	\$28.31
2025 Projected Cash Costs per AgEq Ounce	\$20.16 – \$21.32
2025 Projected All-In Sustaining Costs per AgEq Ounce	\$25.30 – \$26.98
2025 Projected Silver Production (ounces)	2,700,000 – 3,100,000



Extensive drilling in 2024 identified a new water source that restored La Encantada’s water inventory levels. As a result, the site produced 39% more silver ounces in Q4 2024 compared to Q3, and returned the site to normal operations.

ENTERING ITS 20TH YEAR
AS A KEY FIRST MAJESTIC ASSET

La Encantada, an essential asset of our production portfolio since 2005, is an underground mine located 708 kilometres northeast of Torreon in northern Mexico. Holdings consist of 4,076 hectares of mineral concessions and surface land ownership of 1,343 hectares. The facility includes a 4,000 tpd cyanidation mill, a camp with 120 houses and administrative offices, laboratory, general store, hospital, airstrip and all the necessary infrastructure required for such an operation.

Through H2 of 2023 and into early 2024, La Encantada’s plant throughput and production were impacted by the collapse of one of three water wells that had supplied water to the mill for over 30 years. Extensive drilling in 2024 identified a new water well that allowed the mine

to restore water inventory levels. As a result, La Encantada produced 755,963 ounces of silver in Q4 2024, representing a 39% increase over Q3 as tonnes of ore processed, silver grades and silver recovery improved with the return to normal operations.

First Majestic continues to optimize and upgrade the processing facility to reduce costs and improve efficiencies. Natural gas generators currently supply approximately 90% of power requirements, providing significant cost savings over diesel generation and producing considerably lower greenhouse gas emissions.

Underground development at La Encantada totaled 3,347 metres in 2024, compared with 3,067 metres in 2023. Exploration drilling in 2024 totaled 5,513 metres, compared with 3,812 metres in 2023.

EXPLORATION OVERVIEW

EXPANDING MINERAL RESERVES AND UNLOCKING NEW POTENTIAL

In 2024, First Majestic drilled over 180,000 metres, leading to key discoveries at Santa Elena's Navidad vein and multiple zones at San Dimas. With 270,000 metres planned for 2025, exploration remains central to unlocking long-term value across all core assets.

NAVIDAD DISCOVERY AND SAN DIMAS SUCCESS HIGHLIGHT A BANNER YEAR

First Majestic's growth strategy is centered around the ownership and development of mining districts with significant potential for ongoing ore replacement and new discoveries. Our district-scale holdings include Cerro Los Gatos, Santa Elena, San Dimas, and Jerritt Canyon, and all offer exceptional targets to sustain and grow our assets for decades. Mergers and acquisitions can set the stage, but it's good exploration that keeps them going and growing.

This strategy guided our successful exploration efforts in 2024 with over 180,000 metres of drilling spread across all key projects. Highlights for the year included the discovery of Navidad, a major new vein system at Santa Elena, and intersection of significant silver and gold mineralization in multiple veins at San Dimas. In 2024, the Company increased its silver equivalent ounce Proven and Probable Reserves by 45%, and its Measured & Indicated, and Inferred Mineral Resources by 25% and 23%, respectively. These strong increases were driven by the success of our 2024 exploration program and the strategic acquisition of Gatos. Looking ahead to 2025, we are budgeting for 270,000 metres of drilling to sustain operations and discover new orebodies.

NAVIDAD—SANTA ELENA'S MOST PROMISING DISCOVERY SINCE ERMITAÑO

The high-grade Navidad gold and silver vein hosted system, the most promising discovery at Santa Elena since Ermitaño in 2016, was announced in July of 2024. Navidad's proximity to the Ermitaño mine is important from an operational standpoint and very encouraging for the prospects of continued exploration success across the under-

explored, 102,000-hectare Santa Elena land package. First Majestic will focus its 2025 Santa Elena exploration efforts on Navidad to continue to delineate this vein system.

New information in 2024 led to a paradigm change in the way we are exploring Santa Elena, offering a much better understanding of the district's stratigraphy and host rocks. This refined approach generated the Navidad discovery, and it also helped us identify other new veins that we will investigate further in 2025.

We believe Navidad holds the potential to significantly increase Santa Elena's estimated Mineral Resources and, ultimately, extend the Life of Mine at this operation. We declared a maiden Inferred Mineral Resource Estimate for Navidad of 29.7 million AgEq ounces, as at December 31,

“We believe Navidad holds the potential to significantly increase Santa Elena's estimated Mineral Resources and, ultimately, extend the Life of Mine at this operation.”

— KEITH NEUMEYER, CEO



2024. The full extent and geometry of the Navidad system are not yet known, and the exploration potential is open in all directions. Additional drill rigs have been reassigned to explore the extent and grade of the Navidad mineralization in 2025, with approximately 57,000 metres of drilling targeted property wide.

DISCOVERIES AT SAN DIMAS EXPECTED TO ADD SIGNIFICANT INDICATED RESOURCES

Exploration at San Dimas is focused on converting Inferred Resources to Indicated Resources and derisking mineralization for mining in 2025 and 2026. The positive results announced in Q1 2025, from the Perez, Sinaloa-Elia, Santa Teresa and Jessica East veins, along with the continued drilling programs in 2025, are expected to add significant Mineral Resources and ultimately add to Mineral Reserves.

The 2024 program at San Dimas consisted primarily of infill, step-out and exploratory holes focused on near-mine and brownfield targets, including major ore controlling

structures in the West, Central and Sinaloa blocks. We plan to continue this approach in 2025, with over 112,000 metres of drilling planned.

LOS GATOS

Approximately 76,000m of planned drilling for Los Gatos in 2025 will focus on testing potential areas for mineralization expansion at the Central Deep and South East targets. We will also conduct our initial exploration of the wider land package in search of new ore bodies.

JERRITT CANYON

Difficulties with drilling contractors and poor weather led to limited exploration at Jerritt Canyon in 2024. In the meantime, we continued to work on an updated mine plan design that will assist future exploration. Drilling at Jerritt Canyon for 2025, planned at 18,000 metres, remains flexible pending findings from the mine plan. Currently we intend to focus on confirming the inferred mineralization established to date and investigate selected new targets.

PROVEN AND PROBABLE MINERAL RESERVES,

Proven and Probable Mineral Reserve Estimates with an Effective Date of December 31, 2024

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

(1) Mineral Reserves are classified per CIM Definition Standards and NI 43-101, derived from Measured & Indicated Resources, and are reported with a reference point of mined ore delivered to the plant. (2) For San Dimas, Santa Elena and La Encantada: Mineral Reserves are effective December 31, 2024, and account for depletion to that date. (3) For Cerro Los Gatos: Mineral Reserves are effective July 1, 2024, account for depletion to December 31, 2024, and are reported on a 70% attributable basis to the Company. (4) Reserve estimates were supervised or reviewed by Andrew Pocock, P.Eng., Internal Qualified Person for First Majestic per NI 43-101. (5) Silver equivalent grade is estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the selling contract. The AgEq grade formulas vary and are presented in each mine section of the AIF. (6) Metal prices for Mineral Reserves estimates for the Santa Elena, San Dimas and La Encantada properties were \$26/oz Ag and \$2,200 oz Au; and metal prices for the Cerro Los Gatos property were \$23/oz Ag, \$1,850/oz Au, \$0.95/lb Pb, \$1.25/lb Zn and \$4.0/lb Cu. (7) Modifying factors for conversion of resources to reserves include but are not limited to consideration for mining methods, mining recovery, dilution, sterilization, depletion, cutoff grades, geotechnical conditions, metallurgical factors, infrastructure, operability, safety, environmental, regulatory, social and legal factors. These factors were applied to produce mineable stope shapes. These parameters are different for each mine and mining method assumed and are presented in each mine section of the AIF. (8) The cutoff grades, metallurgical recoveries, payable terms and modifying factors used to convert Mineral Reserves from Mineral Resources are different for all mines and are presented in the 2024 AIF. (9) Modifying factors for conversion of resources to reserves include consideration for planned dilution which is based on spatial and geotechnical aspects of the designed stopes and economic zones, additional dilution consideration due to unplanned events, materials handling and other operating aspects, and mining recovery factors. Mineable shapes were used as geometric constraints. (10) Tonnage in thousands of tonnes, metal content in thousands of ounces, prices/costs in USD. Numbers are rounded, and as a result, may not sum due to rounding. (11) The technical reports from which the above-mentioned information is derived are cited under the heading “Technical Reports for Material Properties” in the 2024 AIF.

PRODUCTION 2024

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

(1) AgEq ounces are estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the corresponding contract of each mine. Details as to the method of calculation can be found in the applicable tables in each mine section of the Company’s 2024 AIF, which is available under the Company’s profile on SEDAR+ at www.sedarplus.ca. Numbers in the above are rounded, and totals may not sum as a result.

MEASURED AND INDICATED MINERAL RESOURCE ESTIMATES WITH AN EFFECTIVE DATE OF DECEMBER 31, 2024

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

INFERRED MINERAL RESOURCE ESTIMATES WITH AN EFFECTIVE DATE OF DECEMBER 31, 2024

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

MEASURED AND INDICATED MINERAL RESOURCE ESTIMATES FOR THE NON-MATERIAL PROPERTIES, DECEMBER 31, 2024

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

INFERRED MINERAL RESOURCE ESTIMATES FOR THE NON-MATERIAL PROPERTIES, DECEMBER 31, 2024

Category/Area	Mineral Type	Tonnage	Grades						Metal Content					
		k tonnes	Ag (g/t)	Au (g/t)	Cu (%)	Pb (%)	Zn (%)	Ag-Eq (g/t)	Ag (k Oz)	Au (k Oz)	Cu (%)	Pb (M lb)	Zn (M lb)	Ag-Eq (k Oz)
SAN MARTIN														
Inferred Total (UG)	Oxides	2,533	226	0.36		-	-	256	18,400	29		-	-	20,870
DEL TORO														
Inferred Total (UG)	All Mineral Types	1,186	183	0.15	-	3.46	1.15	293	6,970	6	-	91	30	11,180
Total Inferred Non-Material Properties	All Mineral Types	3,719							25,370	35		91	30	32,050

(1) Mineral Resource estimates are classified per CIM Definition Standards and NI 43-101. (2) The Mineral Resource estimates have an effective date of December 31, 2024. Sample data was collected through a cutoff date of December 31, 2024, for the Material Properties except for the Cerro Los Gatos estimate, which was March 31, 2024. All properties account for relevant technical information and mining depletion through December 31, 2024. (3) The Cerro Los Gatos Mineral Resources are reported on a 70% FM attributable basis. (4) Mineral Resource estimates were supervised or reviewed by David Rowe, CPG, Internal Qualified Person for First Majestic, per NI 43-101. (5) Silver equivalent grade is estimated considering metal price assumptions, metallurgical recovery for the corresponding mineral type/mineral process and the metal payable of the corresponding contract of each mine. Estimation details are listed in each mine section of the AIF. (6) Metal prices considered for all Mineral Resources estimates for the Santa Elena, San Dimas, Jerritt Canyon and La Encantada properties were \$28/oz Ag and \$2,400 oz Au. Metal prices considered for the Cerro Los Gatos Silver Mine were \$23/oz Ag, \$1,850/oz Au, \$0.95/lb Pb, \$1.25/lb Zn and \$4.0/lb Cu. (7) The cutoff grades and cutoff values used to report Mineral Resources are different for all mines. The cutoff grades, values and economic parameters are listed in the applicable section describing each mine section of the 2024 AIF. (8) Mineral Resources are reported within mineable stope shapes or open pit shapes the cutoff values calculated using the stated metal prices and metal recoveries in the mine section of the AIF. The cutoff values include mill recoveries and payable metal factors appropriate to the existing processing circuit. (9) No dilution was applied to the Mineral Resource which are reported on an in situ basis. (10) Tonnage is expressed in thousands of tonnes; metal content is expressed in thousands of ounces and millions of pounds. Totals may not add up due to rounding. (11) Measured and Indicated Mineral Resources are reported inclusive of Mineral Reserves. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. (12) The technical reports from which the above-mentioned information for the material properties is derived are cited under the heading “Technical Reports for Material Properties “ of the 2024 AIF.

FIRST MAJESTIC SILVER CORP.

2024 Audited Consolidated Financial Statements

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MANAGEMENT’S RESPONSIBILITIES
FOR FINANCIAL REPORTING

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

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

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

/s/ Keith Neumeyer

Keith Neumeyer
President & CEO
February 19, 2025

/s/ David Soares

David Soares, CPA, CA
Chief Financial Officer
February 19, 2025

MANAGEMENT’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING

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

The Company’s management assessed the effectiveness of the Company’s Internal control over financial reporting as of the year ended December 31, 2024, in accordance with the criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that, as of December 31, 2024, the Company’s internal control over financial reporting was effective.

Deloitte LLP, an Independent Registered Public Accounting Firm, has audited the Company’s consolidated financial statements for the year ended December 31, 2024, and as stated in the Report of Independent Registered Public Accounting Firm, they have expressed an unqualified opinion on the effectiveness of the Company’s internal control over financial reporting as of the year ended December 31, 2024.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of First Majestic Silver Corp. and subsidiaries (the “Company”) as at December 31, 2024 and December 31, 2023, the related consolidated statements of earnings (loss), comprehensive income (loss), changes in equity, and cash flows, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and December 31, 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 19, 2025, expressed an unqualified opinion on the Company’s internal control over financial reporting.

Basis for Opinion

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

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

Critical Audit Matters

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

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

Critical Audit Matter Description

The Company’s determination of whether or not an indication of impairment or impairment reversal exists at the cash generating unit (“CGU”) level requires significant management judgments pertaining to mining interests and property, plant and equipment. Management considers both external and internal sources of information in assessing whether there are any indications that the Company’s mining interests and property, plant and equipment are impaired or previous impairments should be reversed.

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

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to changes in market conditions including future commodity prices and market interest rates in the assessment of whether indicators of impairment or impairment reversal exists included, with the assistance of our financial valuation specialists, the following, among others:

- Evaluated the effectiveness of controls over management’s assessment of whether there are indicators of impairment or impairment reversal; and
- Assessed if changes in market conditions could indicate impairment by:
 - Comparing management’s future commodity prices to third party forecasts; and
 - Evaluating if there were any significant changes in the market interest rates.

Primero Tax Rulings - Refer to Note 28(b) to the Financial Statements

Critical Audit Matter Description

The Company has an ongoing dispute with the Mexican Tax Authorities, the Servicio de Administracion Tributaria (“SAT”). The dispute relates to the determination of the transfer price, which is based upon an Advanced Pricing Agreement (“APA”) from the SAT, applied to intercompany silver sales in connection with a silver streaming arrangement with an unrelated third-party. In 2020, the Mexican Federal Court on Administrative Matters issued a decision nullifying the APA and directing the SAT to reexamine the evidence and basis for the issuance of the APA; the Company has appealed this decision to the Mexican Circuit Courts. As a result of the tax dispute with the SAT, should the Company ultimately be required to pay tax on its intercompany silver revenues based on market prices, the incremental income tax for the years 2010 - 2019 would be approximately \$272.9 million, before interest and penalties, without any mitigating adjustments. The Company has not recognized a tax liability related to the Primero tax dispute with the SAT.

The evaluation of the accounting and the disclosure of the matter requires significant management judgments to determine the probability of having to pay incremental income tax. Auditing the accounting and the disclosures related to the tax matter required a high degree of auditor judgments due to the significant judgments by management and evaluating whether the audit evidence supports management’s position. This resulted in an increased extent of audit effort, including the involvement of tax specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures relating to the evaluation of the accounting and disclosure related to the tax matter included, with the involvement of tax specialists, included the following, among others:

- Inquired of management to understand the developments of the tax dispute;
- Evaluated the effectiveness of management’s controls over the evaluation of the appropriateness of income tax filing positions and corresponding disclosures in the financial statements;
- Obtained and evaluated management’s assessment of the dispute, including analysis from the Company’s external counsel;
- Analyzed, the Company’s accounting position related to the tax dispute; and
- Evaluated the Company’s disclosures for consistency with our knowledge of the Company’s tax matters and audit evidence obtained.

/s/ Deloitte LLP
Chartered Professional Accountants
Vancouver, Canada
February 19, 2025

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

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of First Majestic Silver Corp. and subsidiaries (the “Company”) as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as at and for the year ended December 31, 2024, of the Company and our report dated February 19, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

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

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

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ Deloitte LLP

Chartered Professional Accountants

Vancouver, Canada

February 19, 2025

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In thousands of US dollars, except share and per share amounts)

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

	Note	Year Ended December 31,	
		2024	2023
Revenues	<u>5</u>	\$560,604	\$573,801
Mine operating costs			
Cost of sales	<u>6</u>	344,703	410,057
Cost of sales - standby costs	<u>6</u>	—	13,438
Depletion, depreciation and amortization		124,001	124,664
		468,704	548,159
Mine operating earnings		91,900	25,642
General and administrative expenses	<u>7</u>	39,597	38,709
Share-based payments		13,490	13,177
Mine holding costs	<u>8</u>	23,666	22,088
Write down on asset held-for-sale	<u>14</u>	—	7,229
Restructuring costs		—	6,883
Impairment of non-current asset	<u>18</u>	—	125,200
Loss on sale of mining interest	<u>14</u>	—	3,024
Foreign exchange loss (gain)		18,902	(11,884)
Operating Loss		(3,755)	(178,784)
Investment and other income	<u>9</u>	5,361	9,149
Finance costs	<u>10</u>	(28,060)	(26,280)
Loss before income taxes		(26,454)	(195,915)
Income taxes			
Current income tax expense		31,997	14,005
Deferred income tax expense (recovery)		43,434	(74,808)
		75,431	(60,803)
Net loss for the year		(\$101,885)	(\$135,112)
Loss per common share			
Basic	<u>11</u>	(\$0.34)	(\$0.48)
Diluted	<u>11</u>	(\$0.34)	(\$0.48)
Weighted average shares outstanding			
Basic	<u>11</u>	295,544,681	282,331,106
Diluted	<u>11</u>	295,544,681	282,331,106

Approved and authorized by the Board of Directors for issuance on February 19, 2025.

/s/ Keith Neumeyer

Keith Neumeyer
Director

/s/ Colette Rustad

Colette Rustad
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In thousands of US dollars, except share and per share amounts)

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

	Note	Year Ended December 31,	
		2024	2023
Net loss for the year		(\$101,885)	(\$135,112)
Other comprehensive loss			
Items that will not be subsequently reclassified to net loss:			
Unrealized loss on fair value of investments in marketable securities, net of tax	<u>13(b)</u>	(5,232)	(18,768)
Realized loss on investments in marketable securities, net of tax	<u>13(b)</u>	(541)	(580)
Remeasurement of retirement benefit plan		(30)	50
Other comprehensive loss		(5,803)	(19,298)
Total comprehensive loss		(\$107,688)	(\$154,410)

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 *(In thousands of US dollars)*

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

		Year Ended December 31,	
	Note	2024	2023
Operating Activities			
Net loss for the year		(\$101,885)	(\$135,112)
Adjustments for:			
Depletion, depreciation and amortization		125,492	126,170
Share-based payments		12,192	12,874
Income tax expense (recovery)		75,431	(60,803)
Finance costs	<u>10</u>	28,060	26,280
Write down on asset held-for-sale	<u>14</u>	—	7,229
Unrealized gain from marketable securities and silver futures derivatives		(119)	(2,639)
Loss on sale of mining interest	<u>14</u>	—	3,024
Impairment of non-current asset	<u>18</u>	—	125,200
Other		(595)	(3,029)
Operating cash flows before non-cash working capital and taxes		138,576	99,194
Net change in non-cash working capital items	<u>27</u>	29,233	(18,916)
Income taxes paid		(15,839)	(24,664)
Cash generated in operating activities		151,970	55,614
Investing Activities			
Expenditures on mining interests		(95,097)	(113,994)
Acquisition of property, plant and equipment		(20,024)	(31,987)
Cash disposed as part of the sale of La Guitarra	<u>27</u>	—	(5,401)
Deposits paid for acquisition of non-current assets		142	(1,398)
Other	<u>27</u>	819	(1,219)
Cash (used in) investing activities		(114,160)	(153,999)
Financing Activities			
Proceeds from prospectus offering, net of share issue costs	<u>25(a)</u>	93,899	92,092
Proceeds from exercise of stock options		116	2,134
Repayment of lease liabilities	<u>22</u>	(17,271)	(15,238)
Finance costs paid		(8,766)	(8,471)
Repayment of debt facilities	<u>21(b)</u>	(20,000)	—
Dividends declared and paid	<u>25(f)</u>	(5,297)	(5,868)
Shares repurchased	<u>25(a)</u>	(271)	—
Cash provided by financing activities		42,410	64,649
Effect of exchange rate on cash and cash equivalents held in foreign currencies		(3,621)	2,660
Increase (decrease) in cash and cash equivalents		80,220	(33,736)
Cash and cash equivalents, beginning of the year		125,581	151,438
Change in cash and cash equivalents classified as held for sale	<u>14</u>	—	5,219
Cash and cash equivalents, end of year		\$202,180	\$125,581
Supplemental cash flow information	<u>27</u>		

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 *(In thousands of US dollars)*

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

	Note	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		\$202,180	\$125,581
Trade and other receivables		12,303	10,099
Value added taxes receivable	<u>26(c)</u>	33,864	38,587
Inventories	<u>12</u>	62,524	63,690
Other financial assets	<u>13</u>	49,781	62,380
Prepaid expenses and other		8,169	8,720
Total current assets		368,821	309,057
Non-current assets			
Mining interests	<u>15</u>	1,034,522	998,835
Property, plant and equipment	<u>16</u>	378,630	406,294
Right-of-use assets	<u>17</u>	23,898	27,284
Deposits on non-current assets		5,720	6,430
Trade and other receivables		5,000	—
Non-current restricted cash	<u>19</u>	106,072	125,573
Non-current value added taxes receivable	<u>26(c)</u>	10,750	14,150
Deferred tax assets	<u>24</u>	46,375	88,732
Total assets		\$1,979,788	\$1,976,355
Liabilities and Equity			
Current liabilities			
Trade and other payables	<u>20</u>	\$103,895	\$94,413
Unearned revenue	<u>5</u>	580	2,301
Current portion of debt facilities	<u>21</u>	825	832
Current portion of lease liabilities	<u>22</u>	16,215	17,370
Income taxes payable	<u>24</u>	22,792	5,222
Total current liabilities		144,307	120,138
Non-current liabilities			
Debt facilities	<u>21</u>	208,657	218,980
Lease liabilities	<u>22</u>	11,320	19,332
Decommissioning liabilities	<u>23</u>	159,067	151,564
Other liabilities		5,587	5,592
Non-current income taxes payable	<u>24</u>	19,685	23,612
Deferred tax liabilities	<u>24</u>	80,094	79,017
Total liabilities		\$628,717	\$618,235
Equity			
Share capital		1,978,101	1,879,971
Equity reserves		90,028	88,025
Accumulated deficit		(717,058)	(609,876)
Total equity		\$1,351,071	\$1,358,120
Total liabilities and equity		\$1,979,788	\$1,976,355
Commitments (Note <u>26</u>); Contingencies (Note <u>28</u>); Subsequent event (Note <u>31</u>)			

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In thousands of US dollars)

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

	Share Capital		Equity Reserves					
	Shares	Amount	Share-based payments ^(a)	Other comprehensive income(loss) ^(b)	Equity component of convertible debenture ^(c)	Total equity reserves	Accumulated deficit	Total equity
Balance at December 31, 2022	272,577,979	\$1,781,280	\$110,895	(\$15,926)	\$3,945	\$98,914	(\$468,896)	\$1,411,298
Net loss for the period	—	—	—	—	—	—	(135,112)	(135,112)
Other comprehensive loss	—	—	—	(19,298)	—	(19,298)	—	(19,298)
Total comprehensive loss	—	—	—	(19,298)	—	(19,298)	(135,112)	(154,410)
Share-based payments	—	—	12,874	—	—	12,874	—	12,874
Shares issued for:								
Prospectus offerings (Note 25(a))	13,919,634	92,092	—	—	—	—	—	92,092
Exercise of stock options (Note 25(b))	337,500	3,189	(1,055)	—	—	(1,055)	—	2,134
Settlement of restricted and deferred share units (Note 25(c) and 25(e))	311,602	3,410	(3,410)	—	—	(3,410)	—	—
Dividend declared and paid (Note 25(f))	—	—	—	—	—	—	(5,868)	(5,868)
Balance at December 31, 2023	287,146,715	\$1,879,971	\$119,304	(\$35,224)	\$3,945	\$88,025	(\$609,876)	\$1,358,120
Net loss for the period	—	—	—	—	—	—	(101,885)	(101,885)
Other comprehensive loss	—	—	—	(5,803)	—	(5,803)	—	(5,803)
Total comprehensive loss	—	—	—	(5,803)	—	(5,803)	(101,885)	(107,688)
Share-based payments	—	—	12,192	—	—	12,192	—	12,192
Shares issued for:								
Prospectus offerings (Note 25(a))	14,300,000	93,899	—	—	—	—	—	93,899
Exercise of stock options (Note 25(b))	20,625	173	(57)	—	—	(57)	—	116
Settlement of restricted, preferred, and deferred share units (Note 25(c), 25(d), and 25(e))	445,898	4,329	(4,329)	—	—	(4,329)	—	—
Shares repurchased (Note 25(a))	(50,000)	(271)	—	—	—	—	—	(271)
Dividenddeclared and paid (Note 25(f))	—	—	—	—	—	—	(5,297)	(5,297)
Balance at December 31, 2024	301,863,238	\$1,978,101	\$127,110	(\$41,026)	\$3,945	\$90,028	(\$717,058)	\$1,351,071

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

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

1. NATURE OF OPERATIONS

First Majestic Silver Corp. (the “Company” or “First Majestic”) is in the business of production, development, exploration, and acquisition of mineral properties with a focus on silver and gold production in North America. The Company owns three producing mines in Mexico consisting of the Santa Elena Silver/Gold Mine, the San Dimas Silver/Gold Mine, and the La Encantada Silver Mine. The Company also owns the Jerritt Canyon Gold Mine in Nevada, USA which the Company placed on temporary suspension on March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. The Company owns two additional mines in Mexico that are in suspension: the San Martin Silver Mine and the Del Toro Silver Mine, and several exploration stage projects. In addition, the Company is the 100% owner and operator of its own minting facility, First Mint, LLC (“First Mint”). On September 5, 2024, the Company announced that it had entered into a definitive agreement (the “Merger Agreement”) with Gatos Silver, Inc. (“Gatos”) pursuant to which it will, subject to the satisfaction of certain conditions, acquire all of the shares of Gatos common stock, which holds a 70% joint venture interest in the Cerro Los Gatos underground silver mine in Chihuahua, Mexico. On January 16, 2025, the Company completed the acquisition of 100% of the issued and outstanding shares of Gatos.

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

2. BASIS OF PRESENTATION

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

These audited consolidated financial statements have been prepared on an historical cost basis except for certain items that are measured at fair value such as other financial assets (Note 13). All dollar amounts presented are in thousands of United States dollars unless otherwise specified.

These audited consolidated financial statements incorporate the financial statements of the Company and its controlled subsidiaries. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its subsidiaries (see Note 29). Intercompany balances, transactions, income and expenses are eliminated on consolidation.

These audited consolidated financial statements of First Majestic Silver Corp. for the years ended December 31, 2024 and 2023 were approved and authorized for issue by the Board of Directors on February 19, 2025.

3. MATERIAL ACCOUNTING POLICY INFORMATION, ESTIMATES AND JUDGMENTS

The Company’s management makes judgments in its process of applying the Company’s accounting policies in the preparation of its audited annual consolidated financial statements. In addition, the preparation of the financial data requires the Company’s management to make assumptions and estimates of the impacts of uncertain future events on the carrying amounts of the Company’s assets and liabilities at the end of the reporting period, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on

historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates and the resulting impacts on the carrying amounts of the Company’s assets and liabilities are accounted for prospectively.

New and amended IFRS standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”) that were effective for annual periods that begin on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

In addition, the amendment requires entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company’s consolidated financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company’s consolidated financial statements.

Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments require disclosures regarding the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk. Entities are required to disclose the following:

- The terms and conditions;
- The amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are reflected in the balance sheet;
- Ranges of payment due dates; and
- Liquidity risk information.

The amendments were applied effective January 1, 2024 and did not have a material impact on the Company’s consolidated financial statements.

Business Combinations

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

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

Accounting Estimates and Judgments:
Determination of a Business

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

Fair Value Estimates

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

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

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

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

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

The fair value of assets acquired and liabilities assumed are subject to change for up to one year from the Acquisition Date. If new information arises which would impact management's assessment of the fair value at the Acquisition

Date, any adjustments to the allocation of the purchase consideration will be recognized retrospectively and comparative information will be revised.

Consideration for any acquisition

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

Determining what is part of the business combination

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

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

Goodwill

Accounting Policy:
Goodwill arising on the acquisition of a business is carried at cost as established at the date of the acquisition less accumulated impairment losses, if any. Goodwill is allocated to each of the Company's cash-generating units that is expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statements of earnings or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. As at December 31, 2024, the Company had ₺nil goodwill (2023 - ₺nil).

Foreign Currency

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

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

Determination of Functional Currency

The functional currency for each of the Company's subsidiaries is the curren-

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

Revenue Recognition (Note 5)

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

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

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

Metals in doré sold are priced on date of transfer of control. Final weights and assays are adjusted on final settlement which is approximately one month after delivery.

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

Determination of Performance Obligations

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

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

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

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

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

trates at our operations and finished goods in-transit. Materials and supplies inventories are valued at the lower of weighted average cost and net realizable value. Costs include acquisition, freight and other directly attributable costs.

Exploration Potential, Exploration and Evaluation Expenditures (Note 15)

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

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

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

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

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

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

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

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

Once the technical feasibility, commercial viability and a development decision have been established, the value of the exploration and evaluation asset is reclassified and accounted for in accordance with IAS 16, Property, Plant and Equipment ("IAS 16"). The exploration and evaluation asset is subject to an

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impairment test prior to reclassification in accordance with IFRS 6, Exploration and Evaluation of Mineral Resources (“IFRS 6”). It is subsequently measured at cost less accumulated depletion and accumulated impairment losses, if any.

Accounting Estimates and Judgments:
Economic recoverability and probability of future economic benefits of exploration, evaluation and development costs

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

Mining Interests (Note 15)

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

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

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

Accounting Estimates and Judgments:
Mineral Reserve and Resource Estimates

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

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

Depletion Rate for Mining Interests

Mining interests are depleted on a units-of-production basis over the estimated economic life of the mine. In applying the units of production method, de-

pletion is determined using quantity of material extracted from the mine in the period as a portion of total quantity of material to be extracted in current and future periods based on reserves and resources considered to be highly probable to be economically extracted over the life of mine. Should there be a change in the associated depletion rate from the initial estimate, the change in estimate would be made prospectively in the consolidated statements of earnings or loss.

Stream Asset (Note 15)

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

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

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

Property, Plant and Equipment (Note 16)

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

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

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

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

Commencement of Commercial Production

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

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

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

Depreciation and Amortization Rates for Property, Plant and Equipment

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

Borrowing Costs

Accounting Policy:
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the asset until the asset is substantially ready for its intended use. Other borrowing costs are recognized as an expense in the period incurred. As at December 31, 2024 and 2023, the Company does not have any qualifying assets under construction.

Right of Use Assets (Note 17) and Lease Liabilities (Note 22)

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

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

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

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

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

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

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

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

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

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

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

Impairment of Non-Current Assets (Note 18)

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

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

FVLCD is determined as the amount that would be obtained from the sale of the asset or CGU in an arm’s length transaction between knowledgeable and willing parties. The Company considers the use of a combination of its internal discounted cash flow economic models and in-situ value of reserves, resources and exploration potential of each CGU for estimation of its FVLCD. These cash

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flows are discounted by an appropriate post-tax discount rate to arrive at a net present value of the asset. VIU is determined as the present value of the estimated cash flows expected to arise from the continued use of the asset or CGU in its present form and its eventual disposal. VIU is determined by applying assumptions specific to the Company’s continued use and does not take into account future development.

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

Indications of Impairment and Reversal of Impairment

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

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

Fair Value Estimates

In determining the recoverable amounts of the Company’s property, plant and equipment and mining interests, management makes estimates of the discounted future cash flows expected to be derived from the Company’s mining properties, costs of disposal of the mining properties and the appropriate discount rate. Reductions in metal price forecasts, increases in estimated future costs of production, increases in estimated future capital expenditures, reductions in the amount of recoverable reserves, resources, and exploration potential, and/or adverse current economics can result in an impairment of the carrying amounts of the Company’s non-current assets. Conversely, favourable changes to the aforementioned factors can result in a reversal of previous impairments.

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

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

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

Accounting Policy:
Employees (including directors and officers) of the Company may receive a portion of their remuneration in the form of stock options which are share-based payment transactions (“share-based payments”). Stock options issued

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

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

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

Valuation of Share-based Payments

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

Taxation (Note 24)

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

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

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

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

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

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

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

Recognition of Deferred Income Tax Assets

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

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

Tax Contingencies

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

Cash and Cash Equivalents (Note 19)

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

Determination and classification of current and non-current restricted cash

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

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

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

Financial Instruments

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

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

Amortized cost

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

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

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

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

Fair value through other comprehensive income (“FVTOCI”)

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

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

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

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

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

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

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

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in Note 26. The Company's financial assets at FVTPL include its account receivable arising from sales of metal contained in concentrates.

Financial liabilities and equity

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

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

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

Investments in Associates and Joint Ventures

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

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

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

Based on the qualitative factors noted above, the restrictions imposed on voting rights, and the lack of rights to have or appoint members to the Board, the Company has determined that significant influence does not exist despite holding a 45% interest in Sierra Madre and a 35% interest in Silver Storm. The Company began accounting for the shares received from Sierra Madre and Silver Storm as equity securities at FVTOCI.

Provisions (Note 23)

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

Estimated Reclamation and Closure Costs

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

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

Earnings or Loss per Share (Note 11)

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

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

Assets Held-for-Sale (Note 14)

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

- (i) The non-current asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets or disposal groups; and
- (ii) The sale of the non-current asset or disposal group is highly probable. For the sale to be highly probable:
 - The appropriate level of management must be committed to a plan to sell the asset or disposal group;
 - An active program to locate a buyer and complete the plan must have been initiated;
 - The non-current asset or disposal group must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
 - The sale should be expected to qualify for recognition as a completed sale within one year from the date of classification as held for sale (with certain exceptions); and

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- Actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets and disposal groups are classified as held for sale from the date these criteria are met and are measured at the lower of the carrying amount and fair value less costs to sell ("FVLCTS"). If the FVLCTS is lower than the carrying amount, an impairment loss is recognized in net earnings. Upon classification as held for sale, non-current assets are no longer depreciated.

Probability of Sale Completion Within One Year

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

Future Changes in Accounting Policies Not Yet Effective as at December 31, 2024:

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

Lack of Exchangeability (Amendments to IAS 21)

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, although earlier application is permitted. This amendment is not expected to have a material impact on the Company's consolidated financial statements.

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

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

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

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

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

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

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

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

4. SEGMENTED INFORMATION

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

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

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

For the year ended December 31, 2024, the Company's significant operating segments include its three operating mines in Mexico, the Jerritt Canyon Gold Mine in Nevada, United States and its "non-producing properties" in Mexico which include the Del Toro and San Martin mines, which have been placed on suspension. In addition, as of January 1, 2024, the Company has added First Mint LLC ("First Mint") as an operating segment, which is inclusive of the Company's bullion store and its minting facility in Nevada, United States. Prior period information relating to First Mint was previously shown with "Others" and this corresponding comparative information has now been included within the First Mint segment. The Jerritt Canyon Gold mine was placed on temporary suspension as of March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. "Others" consists primarily of the Company's corporate assets including cash and cash equivalents, other development and exploration properties (Note 15), debt facilities (Note 21), and corporate expenses which are not allocated to operating segments. The Company's chief operating decision maker ("CODM") evaluates segment performance based on mine operating earnings. Therefore, other income and expense items are not allocated to the segments.

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Year Ended December 31, 2024 and 2023		Revenue	Cost of sales	Depletion, depreciation, and amortization	Mine operating earnings (loss)	Capital expenditures
Mexico						
San Dimas	2024	\$198,186	\$156,952	\$50,266	(\$9,032)	\$54,136
	2023	242,958	173,987	50,327	18,644	49,657
Santa Elena ⁽³⁾	2024	288,202	124,246	47,942	116,014	49,575
	2023	224,356	117,191	39,950	67,215	49,062
La Encantada	2024	65,336	56,119	15,850	(6,633)	8,876
	2023	64,118	56,443	12,186	(4,511)	8,608
Non-producing Properties	2024	—	—	146	(146)	540
	2023	—	—	291	(291)	637
United States						
Jerritt Canyon ⁽²⁾⁽³⁾	2024	4,001	2,736	6,780	(5,515)	11,160
	2023	40,521	74,682	18,891	(53,052)	28,113
First Mint ⁽¹⁾	2024	16,000	10,775	472	4,753	—
	2023	8,890	5,603	—	—	—
Others	2024	—	2,021	2,545	(4,566)	3,043
	2023	—	272	3,019	(5)	4,892
Intercompany elimination	2024	(11,121)	(8,146)	—	(2,975)	—
	2023	(7,041)	(4,683)	—	(2,358)	—
Consolidated	2024	\$560,604	\$344,703	\$124,001	\$91,900	\$127,329
	2023	\$573,801	\$423,495	\$124,664	\$25,642	\$140,970

(1) The First Mint segment is inclusive of operations from the Company’s bullion store and its minting facility located in Nevada. This segment generated coin and bullion revenue of \$16.0 million (2023 - \$8.9 million) from coins and bullion sales of 521,979 silver ounces (2023 - 290,432) at an average price of \$30.66 per ounce (2023 - \$26.60). Prior period information relating to First Mint was previously shown within the “Others” segment.

(2) Cost of Sales for Jerritt Canyon is inclusive of one time standby costs incurred in 2023 (Note 6).

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

During the year ended December 31, 2024, the Company had four (December 31, 2023 - three) customers that accounted for 96% (December 31, 2023 - 98%) of its sales revenue, with two major metal brokers accounting for 90% of total revenue, each contributing 75% and 14%, respectively (December 31, 2023 one major broker accounting for 94%).

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At December 31, 2024 and 2023		Mining Interests		Property, plant and equipment	Total mining assets	Total assets	Total liabilities
		Producing	Exploration				
Mexico							
SanDimas	2024	\$221,657	\$40,718	\$90,103	\$352,478	\$542,760	\$87,791
	2023	227,942	24,696	97,112	349,750	581,639	89,280
SantaElena	2024	121,733	67,029	90,329	279,091	415,618	124,073
	2023	123,123	50,483	98,513	272,119	363,460	98,100
LaEncantada	2024	19,366	4,712	27,534	51,612	98,665	24,128
	2023	22,181	4,461	30,015	56,657	112,310	26,702
Non-producingProperties	2024	60,466	14,875	17,035	92,376	129,348	14,141
	2023	62,566	14,404	17,611	94,580	141,841	17,794
UnitedStates							
JerrittCanyon	2024	356,669	91,117	129,057	576,843	608,189	151,670
	2023	350,504	82,645	133,971	567,120	600,101	150,958
FirstMint	2024	—	—	4,633	4,633	19,399	1,450
	2023	—	—	1,830	1,830	12,145	1,627
Others	2024	—	36,180	19,941	56,121	165,812	225,464
	2023	—	35,830	27,242	63,072	164,859	233,774
Consolidated	2024	\$779,890	\$254,632	\$378,632	\$1,413,154	\$1,979,788	\$628,717
	2023	\$786,316	\$212,519	\$406,294	\$1,405,129	\$1,976,355	\$618,235

5. REVENUES

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

Revenues for the period are summarized as follows:

Year Ended December 31,				
	2024		2023	
Gross revenue from payable metals:				
Silver	\$240,737	43%	\$243,682	42%
Gold	322,894	57%	332,703	58%
Gross revenue	563,631	100%	576,385	100%
Less: smelting and refining costs	(3,027)		(2,584)	
Revenues	\$560,604		\$573,801	

As at December 31, 2024, the Company had \$0.6 million of unearned revenue (December 31, 2023 - \$2.3 million) that has not satisfied performance obligations.

(a) Gold Stream Agreement with Sandstorm Gold Ltd.

The Santa Elena mine is subject to a gold streaming agreement with Sandstorm Gold Ltd. (“Sandstorm”), which requires the Company to sell to Sandstorm 20% of its gold production over the life of mine from its leach pad and a designated area of its underground operations. The selling price to Sandstorm is the lesser of the prevailing market price or \$450 per ounce, subject to a 1% annual inflation adjustment. During the year ended December 31, 2024, the Company delivered 47 ounces (2023 - 1,094 ounces) of gold to Sandstorm at an average price \$482 per ounce (2023 - \$473 per ounce).

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(b) Net Smelter Royalty

The Santa Elena mine has a net smelter return (“NSR”) royalty agreement with Orogen Royalties Inc. that provides Orogen with a 2% NSR royalty from the production of the Ermitaño property. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño property. For the year ended December 31, 2024, the Company has incurred \$11.3 million (2023 - \$8.7 million) in NSR royalty payments in connection with production from Ermitaño.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited (“Metalla”). Under the agreement, the Company has granted Metalla a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the year ended December 31, 2024, the Company has incurred \$0.4 million (2023 - \$0.5 million) in NSR royalty payments from production at La Encantada.

(c) Gold Stream Agreement with Wheaton Precious Metals Corporation

In 2018, the San Dimas mine entered into a purchase agreement with Wheaton Precious Metals International (“WPMI”), a wholly owned subsidiary of Wheaton Precious Metals Corp., which entitles WPMI to receive 25% of the gold equivalent production (based on a fixed exchange ratio of 70 silver ounces to 1 gold ounce) at San Dimas in exchange for ongoing payments equal to the lesser of \$600 (subject to a 1% annual inflation adjustment) and the prevailing market price for each gold equivalent ounce delivered. Should the average gold to silver ratio over a six-month period exceed 90:1 or fall below 50:1, the fixed exchange ratio would be increased to 90:1 or decreased to 50:1, respectively. The fixed gold to silver exchange ratio as of December 31, 2024, was 70:1.

During the year ended December 31, 2024, the Company delivered 28,746 ounces (2023 - 42,172 ounces) of gold to WPMI at \$635 per ounce (2023 - \$628 per ounce).

6. COST OF SALES

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

	Year Ended December 31,	
	2024	2023
Labour costs	159,884	208,050
Consumables and materials	80,008	91,197
Energy	35,443	42,292
Maintenance	6,204	6,847
Assays and labwork	3,350	3,299
Insurance	2,483	3,531
Other costs ⁽¹⁾	10,991	13,796
Production costs	\$298,363	\$369,012
Transportation and other selling costs	2,788	3,163
Workers’ participation costs	20,636	18,897
Environmental duties and royalties	14,752	12,880
Finished goods inventory changes	6,405	6,105
Other ⁽³⁾	1,759	—
Cost of Sales	\$344,703	\$410,057
Cost of Sales - Standby Costs⁽²⁾	\$—	\$13,438

(1) Other costs include inventory write-downs, stockpile and work-in-process inventory changes, land access payments as well as services related to travel to corporate staff services, external consultants, and machinery rentals. The inventory write-downs during the year ended December 31, 2024, totaled \$1.5 million (2023 - \$15.5 million) and related to inventory at La Encantada (2023 - \$13.9 million at Jerritt Canyon and \$1.6 million at La Encantada).

(2) Cost of sales for the year ended December 31, 2023 included one-time standby costs of \$13.4 million primarily related to direct severance and demobilization costs at the Jerritt Canyon mine following the temporary suspension announced on March 20, 2023.

(3) Other for the year ended December 31, 2024 relates to \$1.8 million incurred at San Dimas during the second quarter as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

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7. GENERAL AND ADMINISTRATIVE EXPENSES

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

	Year Ended December 31,	
	2024	2023
Corporate administration	\$9,001	\$9,190
Salaries and benefits	17,217	17,570
Audit, legal and professional fees	10,229	9,090
Filing and listing fees	1,076	610
Directors’ fees and expenses	583	743
Depreciation	1,491	1,506
	\$39,597	\$38,709

8. MINE HOLDING COSTS

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

	Year Ended December 31,	
	2024	2023
La Parrilla ⁽¹⁾	\$—	\$3,576
Del Toro	2,358	2,849
San Martin	551	905
La Guitarra ⁽¹⁾	—	514
Santa Elena ⁽²⁾	3,469	3,296
Jerritt Canyon	17,288	10,948
	\$23,666	\$22,088

(1) The La Guitarra and the La Parrilla mines were sold during the first quarter and the third quarter of 2023, respectively (Note 14).

(2) During 2023 and 2024, the Company processed ore solely from the Ermitaño mine which is part of the Santa Elena operation. During the year ended December 31, 2024, the Company has incurred \$3.5 million (2023 - \$3.3 million) in holding costs relating to care and maintenance charges for the Santa Elena mine.

9. INVESTMENT AND OTHER INCOME

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

	Year Ended December 31,	
	2024	2023
Gain from investment in silver futures derivatives	\$98	\$4,279
Gain (loss) from investment in marketable securities (Note 13(a))	21	(1,640)
Interest income and other	5,242	6,510
	\$5,361	\$9,149

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10. FINANCE COSTS

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

	Year Ended December 31,	
	2024	2023
Debt facilities ⁽¹⁾ (Note 21)	\$13,161	\$12,644
Accretion of decommissioning liabilities	9,610	8,325
Lease liabilities (Note 22)	2,276	2,605
Interest and other	3,013	2,706
	\$28,060	\$26,280

(1) During the year ended December 31, 2024, finance costs for debt facilities includes non-cash accretion expense of \$10.1 million (2023 - \$9.6 million).

11. EARNINGS OR LOSS PER SHARE

Basic earnings or loss per share is the net earnings or loss available to common shareholders divided by the weighted average number of common shares outstanding during the periods. Diluted net earnings or loss per share adjusts basic net earnings or loss per share for the effects of potential dilutive common shares. The calculations of basic and diluted earnings or loss per share for the periods ended December 31, 2024 and 2023 are as follows:

	Year Ended December 31,	
	2024	2023
Net loss for the year	(\$101,885)	(\$135,112)
Weighted average number of shares on issue - basic	295,544,681	282,331,106
Weighted average number of shares on issue - diluted⁽¹⁾	295,544,681	282,331,106
Loss per share - basic and diluted	(\$0.34)	(\$0.48)

(1) For the year ended December 31, 2024, diluted weighted average number of shares excluded 6,680,915 (2023 - 6,984,369) options, 5,000,000 (2023 - 5,000,000) warrants, 2,272,568 restricted and performance share units (2023 - 1,556,458) and 13,888,895 common shares issuable under the 2021 convertible debentures (2023 - 13,888,895) (Note 21(a)) that were anti-dilutive.

12. INVENTORIES

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

	December 31, 2024	December 31, 2023
Finished goods - doré	\$5,036	\$3,529
Work-in-process	4,162	7,542
Stockpile	6,580	5,055
Silver coins and bullion	8,613	8,360
Materials and supplies	38,133	39,204
	\$62,524	\$63,690

The amount of inventories recognized as an expense during the period is equivalent to the total of cost of sales plus depletion, depreciation and amortization for the period. As at December 31, 2024, no write down was included in mineral inventories, which consist of stockpile, work-in-process and finished goods (2023 - \$0.7 million which was recognized in cost of sales - Note 6).

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13. OTHER FINANCIAL ASSETS

As at December 31, 2024, other financial assets consist of the Company’s investment in marketable securities comprised of the following:

	December 31, 2024	December 31, 2023
FVTPL marketable securities (a)	\$1,283	\$6,279
FVTOCI marketable securities (b)	48,498	56,101
Total other financial assets	\$49,781	\$62,380

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

Gain on marketable securities designated as FVTPL for the year ended December 31, 2024 was \$nil (December 31, 2023 - loss of \$1.6 million) and was recorded through profit or loss.

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

Changes in fair value of marketable securities designated as FVTOCI for the year ended December 31, 2024 was a loss of \$5.8 million (December 31, 2023 - loss of \$19.3 million), net of tax, and were recorded through other comprehensive income and will not be transferred into earnings or loss upon disposition or impairment. The Company made the irrevocable election to designate these equity securities as FVTOCI because these financial assets are not held for trading and are not contingent consideration recognized in a business combination. As at December 31, 2024, the carrying value of all shares designated at FVTOCI was \$48.5 million (December 2023 - \$56.1 million).

14. DIVESTITURES

(a) La Guitarra Silver Mine

On May 24, 2022, the Company announced that it had entered into a share purchase agreement with Sierra Madre Gold and Silver Ltd. (“Sierra Madre”), to sell the Company’s subsidiary, La Guitarra Compañia Minera S.A. de C.V. (“La Guitarra”), which owns the La Guitarra Silver Mine, to Sierra Madre for total consideration of approximately \$35 million, consisting of 69,063,076 Sierra Madre common shares at a deemed price of \$0.51 per share. Closing of the transaction was subject to customary closing conditions including approval of the Sierra Madre shareholders (which was obtained in December 2022), regulatory approval and that Sierra Madre raise a minimum of \$7.7 million (CAD \$10 million) in a private placement concurrent or prior to the sale.

On March 29, 2023, the Company completed the sale of La Guitarra to Sierra Madre and received total consideration of \$33.2 million net of transaction costs, before working capital adjustments. Pursuant to the share purchase agreement, the purchase price increased to the extent the working capital of La Guitarra is greater than zero, and decreased to the extent the working capital is less than zero. Based on the carrying value of the asset at the time of disposal of \$34.3 million, and the working capital adjustment of \$0.2 million, the Company recorded a loss on disposition of \$1.4 million. The Company began accounting for the common shares received from Sierra Madre as an equity security at FVTOCI (Note 13).

(b) La Parrilla Silver Mine

On December 7, 2022, the Company announced that it had entered into an asset purchase agreement with Golden Tag Resources Ltd. (which subsequently changed its name to Silver Storm Mining Ltd.) (“Silver Storm”) to sell the La Parrilla Silver Mine for total consideration of up to \$33.5 million, consisting of 143,673,684 common shares of Silver Storm at a deemed price of \$0.16 per share, having an aggregate value as of the date of the agreement of \$20 million, and up to \$13.5 million in contingent consideration, in the form of three milestone payments, payable in either cash or Silver Storm shares, out of which \$2.7 million is payable no later than 18 months following the closing date. The Company has also agreed to purchase \$2.7 million of Silver Storm securities in a future Silver Storm equity financing of up to CAD \$7.2 million. Closing the transaction was subject to customary closing conditions, including completion of such financing and receipt of all necessary regulatory approvals (which were obtained in May 2023). At March 31, 2023, the sale continued to be considered highly probable; therefore the assets and liabilities were presented as assets and liabilities held for sale and presented separately under current assets and current liabilities.

During the three months ended June 30, 2023, the Company recorded a write down on assets held-for-sale related to La Parrilla of \$7.2 million, based on the change in value of Silver Storm’s common shares at the end of the reporting period.

Of the \$7.2 million write down related to La Parrilla, \$3.7 million was allocated to depletable mining interest, \$1.4 million was allocated to non-depletable mining interest, and the remaining \$2.1 million was allocated to property, plant and equipment, resulting in a write down of \$7.2 million, net of a \$nil adjustment to the deferred tax liability. The recoverable amount of La Parrilla, being its FVLCD, was \$14.9 million, net of estimated transaction costs, based on the expected proceeds from the sale.

On August 14, 2023, the Company completed the sale of La Parrilla to Silver Storm and received total consideration of \$13.3 million net of transaction costs. Based on the price of Silver Storm’s common shares at the time of closing the transaction, the Company recorded a loss on disposition of \$1.6 million. In addition, First Majestic participated in Silver Storm’s offering of subscription receipts (the “Subscription Receipts”) and purchased 18,009,000 Subscription Receipts at a price of CAD\$0.20 per Subscription Receipt which, in accordance with their terms, have now converted into 18,009,000 Silver Storm common shares and 9,004,500 common share purchase warrants (the “Warrants”). Each Warrant is exercisable for one additional Silver Storm common share until August 14, 2026, at a price of CAD\$0.34. The Company began accounting for the shares received from Silver Storm as an equity security at FVTOCI (Note 13).

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On March 30, 2023 and August 14, 2023, the Company disposed of its interest in the La Guitarra and La Parrilla mines, respectively. The carrying value of the net assets of these mining interests at the date of disposal were as follows:

At date of disposition	March 30, 2023	August 14, 2023
	La Guitarra ⁽¹⁾	La Parrilla ⁽²⁾
Cash and cash equivalents	\$5,401	\$—
Other Receivable	427	—
Inventory	440	854
Prepaid expenses and other	35	—
Mineral Property Interest	34,089	13,891
Property plant and equipment	4,003	5,829
Other assets	40	680
Total assets	\$44,435	\$21,254
Trade Payables and accrued liabilities	\$232	\$—
Leases	21	519
Deferred tax liabilities	6,894	1,667
Decommissioning liabilities	2,951	4,167
Total liabilities	\$10,098	\$6,353
Net assets disposed	\$34,337	\$14,901
Loss on disposal	(\$1,378)	(\$1,646)
Total non-cash consideration	\$33,172	\$13,822

(1) On March 29, 2023, the Company completed the sale of La Guitarra to Sierra Madre Gold and Silver Ltd. As such, the assets and liabilities were derecognized after disposition.

(2) On August 14, 2023, the Company completed the sale of La Parrilla to Silver Storm Mining Ltd. (formerly Golden Tag Resources Ltd.). As such, the assets and liabilities were derecognized after disposition.

The La Guitarra and La Parrilla mines are presented in the non-producing properties reportable segment up to the date of disposition (Note 4, 15 and 16).

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.

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

	December 31, 2024	December 31, 2023
Depletable properties	\$779,890	\$786,316
Non-depletable properties (exploration and evaluation costs, exploration potential)	254,632	212,519
	\$1,034,522	\$998,835

Depletable properties are allocated as follows:

Depletable properties	San Dimas	Santa Elena	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Total
Cost						
At December 31, 2022	\$315,129	\$151,396	\$124,740	\$476,541	\$212,838	\$1,280,644
Additions	26,602	29,014	2,752	13,307	—	71,675
Change in decommissioning liabilities	(2,685)	816	(634)	(3,183)	152	(5,534)
Transfer from non-depletable properties	26,426	1,897	2,021	—	—	30,344
At December 31, 2023	\$365,472	\$183,123	\$128,879	\$486,665	\$212,990	\$1,377,129
Additions	29,628	21,599	2,927	—	—	54,154
Change in decommissioning liabilities	(2,346)	(1,302)	(1,362)	6,165	(2,100)	(945)
Transfer from non-depletable properties	—	2,179	1,702	—	—	3,881
At December 31, 2024	\$392,754	\$205,599	\$132,146	\$492,830	\$210,889	\$1,434,218
Accumulated depletion, amortization and impairment						
At December 31, 2022	(\$103,471)	(\$41,302)	(\$101,244)	(\$51,383)	(\$150,424)	(\$447,824)
Depletion and amortization	(34,059)	(18,698)	(5,454)	(6,650)	—	(64,861)
Impairment (Note 18)	—	—	—	(78,128)	—	(78,128)
At December 31, 2023	(\$137,530)	(\$60,000)	(\$106,698)	(\$136,161)	(\$150,424)	(\$590,813)
Depletion and amortization	(33,567)	(23,866)	(6,082)	—	—	(63,515)
At December 31, 2024	(\$171,097)	(\$83,866)	(\$112,780)	(\$136,161)	(\$150,424)	(\$654,328)
Carrying values						
At December 31, 2023	\$227,942	\$123,123	\$22,181	\$350,504	\$62,566	\$786,316
At December 31, 2024	\$221,657	\$121,733	\$19,366	\$356,669	\$60,466	\$779,890

(1) Non-producing properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines. La Guitarra and La Parrilla were disposed on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2023, the assets and liabilities have been derecognized (Note 14).

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Non-depletable properties costs are allocated as follows:

Non-depletable properties	San Dimas ^(a)	Santa Elena ^(b)	La Encantada ^(c)	Jerritt Canyon ^(d)	Non-producing Properties ⁽¹⁾	Exploration Projects ⁽²⁾	Springpole Stream ^(e)	Total
At December 31, 2022	\$38,831	\$41,731	\$4,935	\$93,680	\$13,781	\$23,489	\$11,856	\$228,304
Exploration and evaluation expenditures	12,291	10,649	1,547	6,353	623	695	—	32,158
Change in decommissioning liabilities	—	—	—	—	—	(15)	—	(15)
Impairment (Note 18)	—	—	—	(17,388)	—	—	—	(17,388)
Disposal of La Joya	—	—	—	—	—	(196)	—	(196)
Transfer to depletable properties	(26,426)	(1,897)	(2,021)	—	—	—	—	(30,344)
At December 31, 2023	\$24,696	\$50,483	\$4,461	\$82,645	\$14,404	\$23,973	\$11,856	\$212,519
Exploration and evaluation expenditures	16,022	18,725	1,953	8,472	471	351	—	45,994
Transfer to depletable properties	—	(2,179)	(1,702)	—	—	—	—	(3,881)
At December 31, 2024	\$40,718	\$67,029	\$4,712	\$91,117	\$14,875	\$24,324	\$11,856	\$254,632

(1) Non-producing properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines. La Guitarra and La Parrilla were classified as assets held-for-sale up to the date of disposition on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2023, the assets and liabilities have been derecognized (Note 14).

(2) Exploration projects include the La Luz, La Joya, Los Amoles, Jalisco Group of Properties and Jimenez del Tuel projects. The La Joya project was disposed during the second quarter of 2023.

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

The San Dimas Mine is subject to a gold and silver streaming agreement with WPMI which entitles WPMI to receive 25% of the gold equivalent production (based on a fixed exchange ratio of 70 silver ounces to 1 gold ounce) at San Dimas in exchange for ongoing payments equal to the lesser of \$600 (subject to a 1% annual inflation adjustment commencing in May 2019) and the prevailing market price for each gold ounce delivered. Should the average gold to silver ratio over a six-month period exceed 90:1 or fall below 50:1, the fixed exchange ratio would be increased to 90:1 or decreased to 50:1, respectively. The fixed gold to silver exchange ratio as of December 31, 2024, was 70:1.

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

The Santa Elena Mine is subject to a gold streaming agreement with Sandstorm, which requires the mine to sell 20% of its life of mine gold production from its leach pad and a designated area of its underground operations of the Santa Elena mine to Sandstorm. The selling price to Sandstorm is currently the lesser of \$450 per ounce, subject to a 1% annual inflation increase every April, and the prevailing market price.

The Santa Elena mine has a net smelter return (“NSR”) royalty agreement with Orogen Royalties Inc. that provides them with a 2% NSR royalty from the production of the Ermitaño property. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño property. During the year ended December 31, 2024, the Company has incurred \$11.3 million (2023 - \$8.7 million) in NSR royalty payments in connection with production from Ermitaño.

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

In December 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited. Under the terms of the agreement, the Company is required to pay a 100% gross value royalty on the first 1,000 ounces of gold produced annually from the La Encantada property. For the year ended December 31, 2024, the Company has incurred \$0.4 million (2023 - \$0.5 million) in royalty payments from gold production at La Encantada.

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

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

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

For the year ended December 31, 2024, the Company has incurred \$nil in royalty payments from gold production at Jerritt Canyon (2023 - \$0.7 million).

(e) Springpole Silver Stream, Ontario, Canada

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

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

- The first payment of \$10.0 million, consisting of \$2.5 million in cash and \$7.5 million in First Majestic common shares (805,698 common shares), was paid to First Mining on July 2, 2020;
- The second payment of \$7.5 million, consisting of \$3.75 million in cash and \$3.75 million in First Majestic common shares (287,300 common shares), was paid on January 21, 2021 upon the completion and public announcement by First Mining of the results of a Pre-Feasibility Study for Springpole; and
- The third payment, consisting of \$2.5 million in cash and \$2.5 million in First Majestic common shares (based on a 20-day volume weighted average price), will be paid upon receipt by First Mining of a Federal or Provincial Environmental Assessment approval for Springpole, which has not yet been received.

In connection with the streaming agreement, First Mining also granted First Majestic 30.0 million common share purchase warrants of First Mining (the “First Mining Warrants”), each of which will entitle the Company to purchase one common share of First Mining at CAD\$0.40 expiring July 2, 2025. As a result of the distribution by First Mining of shares and warrants of Treasury Metals Inc. that was completed by First Mining on July 15, 2021, pursuant to the adjustment provisions of the First Mining Warrants, the exercise price of these warrants was reduced from CAD\$0.40 to CAD\$0.37, and the number of these warrants was increased from 30.0 million to 32.1 million. The fair value of the warrants was measured at \$5.7 million using the Black-Scholes option pricing model. First Mining has the right to repurchase 50% of the silver stream from First Majestic for \$22.5 million at any time prior to the commencement of production at Springpole, and if such a repurchase takes place, the Company will be left with a reduced silver stream of 25% of life of mine payable silver production from Springpole. First Mining is a related party with two independent board members who are also directors and/or officers of First Majestic.

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16. PROPERTY, PLANT AND EQUIPMENT

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

Property, plant and equipment are comprised of the following:

	Land and Buildings ⁽¹⁾	Machinery and Equipment	Assets under Construction ⁽²⁾	Other	Total
Cost					
At December 31, 2022	\$237,246	\$595,008	\$73,927	\$36,751	\$942,932
Additions	14	2,719	33,749	655	37,137
Reclassification to assets held-for-sale (Note 14)	(14)	26	—	—	12
Transfers and disposals	8,014	43,276	(58,938)	1,039	(6,609)
At December 31, 2023	\$245,260	\$641,029	\$48,738	\$38,445	\$973,472
Additions	381	2,370	24,281	149	27,180
Transfers and disposals	12,173	5,042	(29,697)	1,529	(10,953)
At December 31, 2024	\$257,814	\$648,441	\$43,322	\$40,123	\$989,699
Accumulated depreciation, amortization and impairment reversal					
At December 31, 2022	(\$136,987)	(\$330,728)	\$—	(\$23,882)	(\$491,597)
Depreciation and amortization	(13,303)	(32,134)	—	(3,600)	(49,037)
Impairment (Note 18)	(7,585)	(21,979)	—	(120)	(29,684)
Reclassification to assets held-for-sale (Note 14)	—	(117)	—	—	(117)
Transfers and disposals	249	2,819	—	189	3,257
At December 31, 2023	(\$157,626)	(\$382,139)	\$—	(\$27,413)	(\$567,178)
Depreciation and amortization	(16,720)	(28,282)	—	(3,251)	(48,253)
Transfers and disposals	1,431	2,597	—	334	4,362
At December 31, 2024	(\$172,915)	(\$407,824)	\$—	(\$30,330)	(\$611,069)
Carrying values					
At December 31, 2023	\$87,634	\$258,890	\$48,738	\$11,032	\$406,294
At December 31, 2024	\$84,899	\$240,617	\$43,322	\$9,793	\$378,630

(1) Included in land and buildings is \$10.4 million (2023 - \$10.4 million) worth of land which is not subject to depreciation.

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

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

	San Dimas	Santa Elena	La Encantada	Jerritt Canyon	Non-producing Properties ⁽¹⁾	Other ⁽²⁾⁽³⁾	Total
Cost							
At December 31, 2022	\$164,796	\$167,542	\$157,923	\$209,749	\$165,018	\$77,904	\$942,932
Additions ⁽²⁾	10,765	9,399	4,309	8,453	14	4,197	37,137
Reclassification to assets held-for-sale	—	—	—	—	12	—	12
Transfers and disposals	7,810	3,187	6,504	(1,534)	(1,546)	(21,030)	(6,609)
At December 31, 2023	\$183,371	\$180,128	\$168,736	\$216,668	\$163,498	\$61,071	\$973,472
Additions ⁽²⁾	8,486	9,251	3,995	2,689	69	2,690	27,180
Transfers and disposals	255	(2,507)	(457)	(1,622)	(1,211)	(5,411)	(10,953)
At December 31, 2024	\$192,112	\$186,872	\$172,274	\$217,735	\$162,356	\$58,350	\$989,699

Accumulated depreciation, amortization and impairment							
At December 31, 2022	(\$70,419)	(\$67,563)	(\$133,501)	(\$42,971)	(\$146,823)	(\$30,320)	(\$491,597)
Depreciation and amortization	(15,577)	(15,543)	(4,889)	(10,614)	(165)	(2,249)	(49,037)
Impairment	—	—	—	(29,684)	—	—	(29,684)
Reclassification to assets held-for-sale	—	—	—	—	(117)	—	(117)
Transfers and disposals	(263)	1,491	(331)	572	1,218	570	3,257
At December 31, 2023	(\$86,259)	(\$81,615)	(\$138,721)	(\$82,697)	(\$145,887)	(\$31,999)	(\$567,178)
Depreciation and amortization	(16,268)	(16,314)	(7,190)	(6,257)	(92)	(2,130)	(48,253)
Transfers and disposals	518	1,387	1,171	275	659	353	4,362
At December 31, 2024	(\$102,009)	(\$96,542)	(\$144,740)	(\$88,679)	(\$145,320)	(\$33,776)	(\$611,069)

Carrying values							
At December 31, 2023	\$97,112	\$98,513	\$30,015	\$133,971	\$17,611	\$29,072	\$406,294
At December 31, 2024	\$90,103	\$90,329	\$27,534	\$129,057	\$17,036	\$24,574	\$378,630

(1) Non-producing properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines. La Guitarra and La Parrilla were classified as assets held-for sale up to the date of their dispositions on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2023, the assets and liabilities have been derecognized.

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

(3) Included in “Other” is property, plant and equipment of \$4.6 million (2023 - \$1.8 million) for First Mint which includes the Company’s bullion store and its minting facility located in Nevada.

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17. RIGHT-OF-USE ASSETS

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

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

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

	Land and Buildings	Machinery and Equipment	Other	Total
At December 31, 2022	\$8,424	\$18,216	\$9	\$26,649
Additions	1,719	2,821	—	4,540
Remeasurements	131	6,020	—	6,151
Depreciation and amortization	(1,813)	(8,301)	(9)	(10,123)
Transfer to asset held-for-sale	47	10	—	57
Disposals	15	(5)	—	10
At December 31, 2023	\$8,523	\$18,761	\$—	\$27,284
Additions	299	7,693	—	7,992
Remeasurements	236	921	—	1,157
Depreciation and amortization	(2,012)	(10,522)	—	(12,534)
At December 31, 2024	\$7,046	\$16,853	\$—	\$23,898

18. IMPAIRMENT OF NON-CURRENT ASSET

On March 20, 2023, the Company announced the temporary suspension of operations at the Jerritt Canyon Gold mine. Having considered the facts and circumstances including the temporary suspension of operations, heightened costs, and operating mine performance, the Company determined that impairment indicators existed for the Jerritt Canyon Gold mine. IFRS accounting standards require an entity to assess its assets for indicators of impairment at the cash-generating unit level based on their individual recoverable amounts. After the Company identified an indicator of impairment for Jerritt Canyon, the Company assessed the recoverable value of the Jerritt Canyon Gold Mine based on its FVLCD.

Key Assumptions

The FVLCD for Jerritt Canyon was determined using a multiple-based valuation method to estimate the value per in-situ ounce based on comparable market transactions. Valuation multiples applied to mineral resources and property, plant and equipment in the CGU, subject to impairment testing were determined as follows:

- External valuation specialists were used to obtain a population of gold exploration, development and operating companies. The value of trading multiples for operating companies based on recent transactions was determined to be between \$149 per ounce and \$248 per ounce.
- Management considered the \$165 per ounce multiple to be the most reasonable estimate of the fair value of Jerritt Canyon, as companies in this range included companies in operations that had invested significantly in exploration, capital structure, an operating plant and had significant exploration potential.

The market approach used to determine FVLCD is significantly affected by changes in key assumptions of determining which population of comparable companies are most relevant and the price for these precedent transactions. In determining the comparability of public companies and precedent transactions, factors such as primary ore, location, stage of operations, reserves and resources, exploration potential, infrastructure, and accessibility for the underlying commodity were taken into consideration. The Company performed a sensitivity analysis on the key assumption being the population of comparable transactions and determined that a change in this assumption could lead to a different fair value of this asset. Management’s estimate of FVLCD is classified as a level 3 in the fair value hierarchy as the inputs are not based on observable market data.

In prior periods, management utilized the discounted cash flow method as the valuation technique to determine the recoverable amount. Recoverable values were determined with internal discounted cash flow economic models projected using management’s best estimate of recoverable mineral reserves and resources, future operating costs, capital expenditures and long-term foreign exchange rates and corroborated by in situ value of its Reserves and Resources. As Jerritt Canyon does not currently have a mine plan to estimate future cash flows, the market approach was used during the current period to determine the FVLCD.

Based on the Company’s assessment, the Company concluded that the carrying value of the Jerritt Canyon mine had an estimated recoverable value, based on its FVLCD, below its carrying value at March 31, 2023. As a result, the following impairment charge was recognized during the first quarter of 2023:

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	Year Ended December 31, 2023
Impairment of non-current asset	\$125,200
Deferred income tax recovery	(31,237)
Impairment of non-current asset, net of tax	\$93,963

As at December 31, 2024, the Company determined there were no significant events or changes in circumstances to indicate that the carrying amount of its non-current assets may not be recoverable, nor indicators that the recoverable amount of its previously impaired assets will exceed its carrying value. As such, no impairment or impairment reversal was recognized during the year ended December 31, 2024 (year ended December 31, 2023 - \$125.2 million (Note 14) and \$nil million impairment, respectively).

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

	Year Ended December 31, 2023
Mining interest - producing properties	\$78,128
Mining interests - exploration properties (non-depletable)	17,388
Property, plant and equipment	29,684
Impairment of non-current asset	\$125,200

19. RESTRICTED CASH

Restricted cash is comprised of the following:

	December 31, 2024	December 31, 2023
Nevada Division of Environmental Protection ⁽¹⁾	\$19,346	\$18,408
SAT Primero tax dispute ⁽²⁾	86,726	107,165
Non-Current Restricted Cash	\$106,072	\$125,573

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

(2) In connection with the dispute between Primero Empresa Minera, S.A. de C.V. (“PEM”) and the Servicio de Administracion Tributaria (“SAT”) relating to the advanced pricing agreement (Note 28), the SAT froze a PEM bank account as security for certain tax reassessments which are being disputed. The balance in this frozen account as at December 31, 2024 was \$86.7 million (1,758 million MXN). This balance consists of Value Added Tax (“VAT”) refunds due to PEM. The Company does not agree with SAT’s position and has challenged it through the relevant legal channels, both domestically and internationally.

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20. TRADE AND OTHER PAYABLES

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

Trade and other payables are comprised of the following items:

	December 31, 2024	December 31, 2023
Trade payables	\$35,397	\$31,863
Trade related accruals	23,196	16,302
Payroll and related benefits	32,239	35,331
Restructuring obligations	709	1,456
NSR royalty liabilities (Notes 15(b)(c))	3,538	2,850
Environmental duty and net mineral sales proceeds tax	2,701	3,023
Other accrued liabilities	6,115	3,588
	\$103,895	\$94,413

21. DEBT FACILITIES

The movement in debt facilities during the year ended December 31, 2024 and year ended December 31, 2023, respectively, are comprised of the following:

	Convertible Debentures (a)	Revolving Credit Facility (b)	Total
Balance at December 31, 2022	\$190,242	\$20,120	\$210,362
Finance costs			
Interest expense	858	2,616	3,474
Accretion	9,170	—	9,170
Repayments of finance costs	(864)	(2,330)	(3,194)
Balance at December 31, 2023	\$199,406	\$20,406	\$219,812
Finance costs			
Interest expense	863	2,619	3,482
Accretion	9,679	—	9,679
Repayments of principal	—	(20,000)	(20,000)
Repayments of finance costs	(865)	(2,626)	(3,491)
Balance at December 31, 2024	\$209,083	\$399	\$209,482
Statements of Financial Position Presentation			
Current portion of debt facilities	\$426	\$406	\$832
Non-current portion of debt facilities	198,980	20,000	218,980
Balance at December 31, 2023	\$199,406	\$20,406	\$219,812
Current portion of debt facilities	\$426	\$399	\$825
Non-current portion of debt facilities	208,657	—	208,657
Balance at December 31, 2024	\$209,083	\$399	\$209,482

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(a) Convertible Debentures

Senior Convertible Debentures

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

The Notes are convertible into common shares of the Company at any time prior to maturity at a conversion rate of 60.3865 common shares per \$1,000 principal amount of Notes converted, representing an initial conversion price of \$16.56 per common share, subject to certain anti-dilution adjustments. In addition, if certain fundamental changes occur, holders of the Notes may be entitled to an increased conversion rate.

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

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

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

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

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

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

(b) Revolving Credit Facility

On June 28, 2024, the Company amended its senior secured revolving credit facility (the “Revolving Credit Facility”) with the Bank of Montreal, BMO Harris Bank N.A., Bank of Nova Scotia, Toronto Dominion Bank and National Bank of Canada (the “syndicate”) to amend the definition of indebtedness to exclude surety bonds, and to adjust the leverage covenant threshold from 3.00:1.00 (gross) to a 3.50:1.00 (net) leverage ratio. The maturity date of the credit facility continues to be June 29, 2026, with a credit limit of \$175.0 million. Interest on the drawn balance will accrue at the Secured Overnight Financing Rate (“SOFR”) plus an applicable range of 2.25% to 3.50% per annum while the undrawn portion is subject to a standby fee with an applicable range of 0.563% to 0.875% per annum, dependent on certain financial parameters of First Majestic. As at December 31, 2024, the applicable rates were 2.250% and 0.563% per annum, respectively.

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

The Revolving Credit Facility includes financial covenants, to be tested quarterly on a consolidated basis, requiring First Majestic to maintain the following: (a) a net leverage ratio based on net indebtedness to rolling four quarters adjusted EBITDA of not more than 3.50 to 1.00; and (b) an interest coverage ratio, based on rolling four quarters adjusted EBITDA divided by interest payments, of not less than 4.00 to 1.00. The debt facilities also provide for negative covenants customary for these types of facilities and allows the Company to enter into finance leases, excluding any leases that would have been classified as operating leases in effect immediately prior to the implementation of IFRS 16 - Leases, of up to \$50.0 million. As at December 31, 2024, the Company was in compliance with all of its debt covenants.

At December 31, 2024, the Company had letters of credit outstanding in the amount of \$35.4 million (December 2023 - \$30.4 million) as part of ongoing reclamation and mine closure obligations. As at December 31, 2024 the undrawn portion of the Revolving Credit Facility net of the letters of credit and drawdowns is \$139.6 million (December 2023 - \$124.6 million).

22. LEASE LIABILITIES

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

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

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

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The movement in lease liabilities during the periods ended December 31, 2024 and December 31, 2023 are comprised of the following:

	Category I Leases ^(a)	Category II Leases ^(b)	Total
Balance at December 31, 2022	\$5,943	\$31,640	\$37,583
Additions	2,231	4,540	6,771
Remeasurements	—	6,151	6,151
Disposals	—	(36)	(36)
Finance costs	388	2,217	2,605
Repayments of principal	(3,502)	(11,736)	(15,238)
Repayments of finance costs	(389)	(2,183)	(2,572)
Transfer to asset held-for-sale (Note 14)	—	(82)	(82)
Foreign exchange	—	1,520	1,520
Balance at December 31, 2023	\$4,671	\$32,031	\$36,702
Additions	1,110	7,992	9,102
Remeasurements	—	1,157	1,157
Finance costs	209	2,067	2,276
Repayment of principal	(3,119)	(14,152)	(17,271)
Repayments of finance costs	(209)	(2,053)	(2,262)
Foreign Exchange	—	(2,169)	(2,169)
Balance at December 31, 2024	\$2,662	\$24,873	\$27,535
Statements of Financial Position Presentation			
Current portion of lease liabilities	\$3,144	\$14,226	\$17,370
Non-current portion of lease liabilities	1,527	17,805	19,332
Balance at December 31, 2023	\$4,671	\$32,031	\$36,702
Current portion of lease liabilities	\$1,857	\$14,358	\$16,215
Non-current portion of lease liabilities	805	10,515	11,320
Balance at December 31, 2024	\$2,662	\$24,873	\$27,535

(a) Category I leases

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

(b) Category II leases

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

During the year ended December 31, 2024 and 2023, the amounts of lease payments recognized in the profit and loss are summarized as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Expenses relating to variable lease payments not included in the measurement of lease liability	\$75,789	\$113,486
Expenses relating to short-term leases	19,059	29,996
Expenses relating to low value leases	98	661
	\$94,946	\$144,143

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23. DECOMMISSIONING LIABILITIES

The Company has an obligation to undertake decommissioning, restoration, rehabilitation and environmental work when environmental disturbance is caused by the development and ongoing production of a mining operation. Movements in decommissioning liabilities during the years ended December 31, 2024 and 2023 are allocated as follows:

	San Dimas	Santa Elena	La Encantada	Jerritt Canyon	Non-Operating Properties ⁽¹⁾	Total
Balance at December 31, 2022	\$15,423	\$10,839	\$11,306	\$100,979	\$10,470	\$149,017
Movements during the year:						
Change in rehabilitation provision	(2,687)	816	(634)	(3,183)	139	(5,549)
Reclamation costs incurred	—	—	—	(270)	(5)	(275)
Accretion expense	1,467	1,032	1,076	3,796	954	8,325
Foreign exchange gain	—	—	—	—	46	46
Balance at December 31, 2023	\$14,203	\$12,687	\$11,748	\$101,322	\$11,604	\$151,564
Movements during the year:						
Change in rehabilitation provision	(2,346)	(1,302)	(1,362)	6,165	(2,159)	(1,004)
Reclamation costs incurred	—	(387)	(140)	(480)	(96)	(1,103)
Accretion expense	1,372	1,228	1,136	4,798	1,076	9,610
Balance at December 31, 2024	\$13,229	\$12,226	\$11,382	\$111,805	\$10,425	\$159,067

(1) Non-operating properties include the San Martin, Del Toro, La Parrilla and La Guitarra mines, along with the La Luz project. La Guitarra and La Parrilla were classified as assets held-for-sale up to the date of disposition on March 29, 2023 and August 14, 2023, respectively. As of December 31, 2024, the assets and liabilities have been derecognized (Note 14).

A provision for decommissioning liabilities is estimated based on current regulatory requirements and is recognized at the present value of such costs. The expected timing of cash flows in respect of the provision is based on the estimated life of the Company’s mining operations. The discount rate for Mexico is 10.6% (2023 - 9.7%), while the inflation rate used is based on long-term expected inflation rate of 3.7% (2023 - 3.6%).

At the Jerritt Canyon Gold Mine, the discount rate used is 4.6% (2023 - 4.7%), while the inflation rate is based on the long-term expected inflation rate of 2.2% in the U.S (2023 - 2.4%).

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

At December 31, 2024, the reclamation and closure cost obligation for the Jerritt Canyon Gold Mine totaled \$111.8 million. This obligation is secured through \$82.4 million in surety bonds held with the NDEP and the USFS, with \$35.4 million in letters of credit as collateral for these bonds, to support various reclamation obligation bonding requirements (Note 19).

Additionally, on November 2, 2021, the Company executed an agreement with the NDEP relating to funds required to establish a trust agreement to cover post-closure water treatment cost at Jerritt Canyon. The amounts were funded into a trust on October 31, 2022 which are included in the decommissioning liabilities provision with a total of \$19.3 million being currently held in this account.

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24. INCOME TAXES

The following is a reconciliation of income taxes calculated at the combined Canadian federal and provincial statutory tax rate to the income tax expense for the year ended December 31, 2024 and 2023:

	Year Ended December 31,	
	2024	2023
Loss before tax	(\$26,454)	(\$195,915)
Combined statutory tax rate	27%	27%
Income tax recovery computed at statutory tax rate	(7,143)	(52,897)
Reconciling items:		
Effect of different foreign statutory tax rates on earnings of subsidiaries	(2,060)	6,152
Impact of foreign exchange on deferred income tax assets and liabilities	63,844	(60,889)
Change in unrecognized deferred income tax asset	12,469	44,230
7.5% mining royalty in Mexico and Nevada net proceeds tax	13,539	2,100
Other non-deductible expenses	9,660	13,994
Impact of inflationary adjustments	(14,228)	(12,714)
Change in tax provision estimates	(3,740)	448
Value of losses forgone due to tax settlement	311	—
Tax settlement	205	—
Other	2,574	(1,227)
Income tax expense (recovery)	\$75,431	(\$60,803)

Statements of Earnings Presentation		
Current income tax expense	\$31,997	\$14,005
Deferred income tax recovery	43,434	(74,808)
Income tax expense (recovery)	\$75,431	(\$60,803)
Effective tax rate	(285%)	31%

The Company’s statutory tax rate increased effective January 1, 2018 to 27.00%.

For the year ended December 31, 2024, the effective income tax rate on income from operations was (285%) (2023 - 31%). The significant items impacting the effective income tax rate on losses from operations include foreign exchange effects, inflationary adjustment impacts, Mexico specific mining tax, the tax impact of the deferred tax assets not recognized, and non-deductible expenses. The tax provision on earnings is computed after taking account of intercompany transactions such as interest on loans, sales, and other charges and credits among subsidiaries resulting from their capital structure as well as from the various jurisdictions in which operations and assets are owned. For these reasons, the effective tax rate differs from the combined corporate statutory rate in Canada. The Company’s effective tax rate and its cash tax cost depend on the laws of numerous countries and the provisions of multiple income tax conventions between various countries in which the Company operates.

As at December 31, 2024 and 2023, the Company has the following income tax payable balances:

	Year Ended December 31,	
	2024	2023
Current income tax payable	\$22,792	\$5,222
Non-current income tax payable	19,685	23,612
	\$42,477	\$28,834

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During the years ended December 31, 2024 and 2023, the movement in deferred tax assets and deferred tax liabilities is shown as follows:

Deferred tax assets	Losses	Provisions	Deferred tax asset not recognized	Other	Total
At December 31, 2022	\$147,630	\$42,677	(\$70,716)	\$15,994	\$135,585
Benefit (expense) to statement of earnings	54,978	(784)	(59,897)	5,824	121
Translation and other	—	314	—	—	314
At December 31, 2023	\$202,608	\$42,207	(\$130,613)	\$21,818	\$136,020
Benefit (expense) to statement of earnings	35,406	2,043	(28,715)	(2,960)	5,774
At December 31, 2024	\$238,014	\$44,250	(\$159,328)	\$18,858	\$141,794

Deferred tax liabilities	Property, plant and equipment and mining interests	Effect of Mexican tax deconsolidation	Other	Total
At December 31, 2022	\$178,991	\$—	\$22,000	\$200,991
Benefit to statement of earnings	(49,050)	—	(25,637)	(74,687)
At December 31, 2023	\$129,941	\$—	(\$3,637)	\$126,304
Benefit to statement of earnings	58,576	—	(9,367)	49,209
At December 31, 2024	\$188,517	\$—	(\$13,004)	\$175,513

Statements of Financial Position Presentation	
Deferred tax assets	\$88,732
Deferred tax liabilities	79,017
At December 31, 2023	(\$9,715)
Deferred tax assets	\$46,375
Deferred tax liabilities	80,094
At December 31, 2024	\$33,719

At December 31, 2024, the Company recognized \$46.4 million (2023 - \$88.7 million) of net deferred tax assets in entities that have had a loss for tax purposes in either 2024 or 2023, or both. In evaluating whether it is probable that sufficient taxable income will be generated to realize the benefit of these deferred tax assets, the Company considered all available evidence, including approved budgets, forecasts and business plans and, in certain cases, tax planning opportunities.

The aggregate amount of taxable temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized, as at December 31, 2024 was \$303.3 million (2023 - \$263.9 million).

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

	Year Ended December 31,	
	2024	2023
Non-capital losses	\$460,193	\$347,291
Capital losses	32,971	33,005
Accrued expenses	849	628
Mineral properties, plant and equipment	39,145	46,188
Other	49,007	53,592
	\$582,165	\$480,704

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As at December 31, 2024 and 2023, the Company has available Canadian, US and Mexican non-capital tax losses, which if not utilized will expire as follows:

Year of expiry	Canadian non-capital losses	US non-capital losses	Mexican non-capital losses	December 31, 2024	December 31, 2023
2025	—	—	19,991	19,991	33,213
2026	—	—	2,759	2,759	21,168
2027	—	—	8,086	8,086	3,211
2028	—	—	45,953	45,953	8,587
2029	—	—	84,046	84,046	48,690
2030	—	—	73,514	73,514	89,522
2031	—	—	56,090	56,090	55,906
2032	—	—	7,768	7,768	62,244
2033	—	—	81,247	81,247	8,904
2034 and after	51,206	26,492	90,383	168,081	132,085
No expiry	—	285,569	—	285,569	261,576
Total	\$51,206	\$312,061	\$469,837	\$833,104	\$725,106
Unrecognized losses	\$51,206	\$26,492	\$343,501	\$421,199	\$175,705

25. SHARE CAPITAL

(a) Authorized and issued capital

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

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

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Number of Shares	Net Proceeds	Number of Shares	Net Proceeds
ATM program	14,300,000	\$93,899	13,919,634	\$92,092

The Company files prospectus supplements to its short form base shelf prospectus, pursuant to which the Company may, at its discretion and from time-to-time, sell common shares of the Company. The sale of common shares has taken place through “at-the-market” (“ATM”) distributions”, as defined in National Instrument 44-102 Shelf Distributions, directly on the New York Stock Exchange. During the year ended December 31, 2023, the Company sold 1,719,634 common shares under its 2022 ATM program in existence at that time at an average price of \$8.75 per common share for gross proceeds of \$15.0 million, or net proceeds of \$14.4 million. During the year ended December 31, 2023, the Company sold 12,200,000 common shares under its 2023 ATM program in existence at that time at an average price of \$6.51 per common share for gross proceeds of \$79.5 million, or net proceeds of \$77.9 million. During the year ended December 31, 2024, no shares were sold under the 2022 or 2023 ATM program. As at December 31, 2024, the Company incurred \$nil (2023 - \$2.4 million) in transaction costs in relation to the 2022 and 2023 ATM programs.

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

On February 22, 2024, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC (collectively, the “Agents”) and filed a prospectus supplement to its short form base shelf prospectus dated August 3, 2023, pursuant to which the Company may, at its discretion and from time-to-time sell through the Agents, common shares of the Company for aggregate gross proceeds of up to \$150.0 million through an ATM program (the “2024 ATM Program”). During the year ended December 31, 2024, 14,300,000 common shares were sold under the 2024 ATM Program at an average price of \$6.73 per share, for gross proceeds of \$96.2 million or net proceeds of \$93.9 million. As at December 31, 2024, the Company incurred \$2.3 million in transaction costs in relation to the 2024 ATM Program.

On September 12, 2024 the Company renewed its ongoing share repurchase program (the “Share Repurchase Program”) which permits it to repurchase up to 10,000,000 shares (3.32% of the Company’s issued and outstanding shares as at September 4, 2024) up to September 12, 2025 The Share Repurchase Program is a “normal course issuer bid” and will be carried out through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces. All common shares, if any, purchased pursuant to the Share Repurchase Program will be cancelled. The Company believes that from time to time, the market price of its common shares may not fully reflect the underlying value of the Company’s business and its future business prospects. The Company believes that at such times, the purchase of common shares would be in the best interest of the Company. During the year ended December 31, 2024, the Company repurchased an aggregate of 50,000 common shares at an average price of CAD\$7.81 per share as part of the Share Repurchase Program (December 2023 - \$nil) for total payments of \$0.3 million, net of transaction costs.

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(b) Stock options

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

The following table summarizes information about Options outstanding as at December 31, 2024:

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)
5.01 - 10.00	3,715,562	8.31	7.17	1,575,397	8.60	4.75
10.01 - 15.00	2,886,075	12.81	6.76	2,375,636	13.01	6.59
15.01 - 20.00	888,982	16.42	5.83	839,382	16.42	5.85
20.01 - 250.00	438,500	21.61	6.36	412,900	21.60	6.36
	7,929,119	11.59	6.83	5,203,315	12.91	5.90

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

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Number of Options	Weighted Average Exercise Price (CAD \$/Share)	Number of Options	Weighted Average Exercise Price (CAD \$/Share)
Balance, beginning of the period	7,366,252	12.32	7,275,744	13.19
Granted	1,483,726	8.12	1,881,297	9.15
Exercised	(20,625)	7.89	(337,500)	8.42
Cancelled or expired	(900,234)	11.89	(1,453,289)	13.51
Balance, end of the period	7,929,119	11.59	7,366,252	12.32

During the year ended December 31, 2024, the aggregate fair value of Options granted was \$4.1 million (December 31, 2023 - \$6.1 million), or a weighted average fair value of \$2.77 per Option granted (December 31, 2023 - \$3.23).

During the year ended December 31, 2024, total share-based payments expense related to Options was \$5.0 million (December 31, 2023 - \$6.9 million).

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

Assumption	Based on	Year Ended December 31, 2024	Year Ended December 31, 2023
Risk-free interest rate (%)	Yield curves on Canadian government zero- coupon bonds with a remaining term equal to the stock options’ expected life	3.48	3.80
Expected life (years)	Weighted average life of previously transacted awards	4.04	4.06
Expected volatility (%)	Historical volatility of the Company’s stock	58.00	59.05
Expected dividend yield (%)	Annualized dividend rate as of the date of grant	0.28%	0.35%

The weighted average closing price of the Company’s common shares at date of exercise for the year ended December 31, 2024 was CAD\$10.53 (December 31, 2023 - CAD\$9.78).

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(c) Restricted Share Units

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

During the year ended December 31, 2024, a total of 1,127,330 RSUs were awarded by the Company to directors and employees under the 2022 LTIP, of which 264,280 RSUs may only be settled in cash resulting in a total expense of \$0.7 million (2023 - \$nil million). During the year ended December 31, 2024, 35,690 cash-settled RSUs were forfeited at a weighted average price of CAD\$7.98 per share. As at December 31, 2024, there were a total of 228,590 RSUs outstanding that may only be settled in cash, with a total liability of \$0.7 million (2023 - \$nil million).

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

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the year	880,889	11.91	652,339	14.35
Granted	863,050	7.96	768,066	10.90
Settled	(374,408)	12.65	(273,515)	14.74
Forfeited	(76,933)	9.10	(266,001)	12.05
Outstanding, end of the year	1,292,598	9.23	880,889	11.92

During the year ended December 31, 2024, total share-based payments expense for RSUs that the Company intends to settle in equity was \$5.0 million (December 31, 2023 - \$4.5 million).

(d) Performance Share Units

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

During the year ended December 31, 2024, a total of 500,930 PSUs were awarded by the Company to employees under the 2022 LTIP, of which 30,430 PSUs may only be settled in cash, resulting in a total expense of \$0.1 million (2023 - \$nil). As at December 31, 2024, there were a total of 30,430 PSUs outstanding that may only be settled in cash, with a total liability of \$0.1 million (2023 - \$nil).

The following table summarizes the changes in PSUs intended to be settled in equity granted to employees and consultants for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	624,968	12.86	474,654	14.82
Granted	470,500	7.98	384,653	11.12
Settled	(51,050)	17.08	(38,087)	15.47
Forfeited	(94,609)	14.69	(196,252)	13.69
Outstanding, end of the period	949,809	10.03	624,968	12.86

During the year ended December 31, 2024, total share-based payments expense related to PSUs that the Company intends to settle in equity was \$2.1 million (year ended December 31, 2023 - \$1.5 million).

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(e) Deferred Share Units

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

The following table summarizes the changes in DSUs granted to directors under the 2019 LTIP for the year ended December 31, 2024 and the year ended December 31, 2023:

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	50,601	15.83	50,601	15.83
Settled	(20,440)	15.59	—	—
Outstanding, end of the period	30,161	15.99	50,601	15.83

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

The following table summarizes the changes in DSUs granted to directors for the year ended December 31, 2024 and the year ended December 31, 2023 under the 2022 DSU plan:

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Number of shares	Weighted Average Fair Value (CAD\$)	Number of shares	Weighted Average Fair Value (CAD\$)
Outstanding, beginning of the period	62,332	10.97	9,143	13.63
Granted	75,184	7.98	53,189	10.51
Settled	(36,372)	9.03	—	—
Outstanding, end of the period	101,144	9.44	62,332	10.97

During the year ended December 31, 2024, total share-based payments expense related to DSU’s under the 2022 DSU plan was \$0.4 million (year ended December 31, 2023 - \$0.3 million). As at December 31, 2024, there were a total of 101,144 DSUs outstanding, with a total liability of \$0.6 million (2023 - \$0.5 million).

(f) Dividends

The Company declared the following dividends during the year ended December 31, 2024:

Declaration Date	Record Date	Dividend per Common Share
February 21, 2024	March 14, 2024	\$0.0048
May 7, 2024	May 17, 2024	\$0.0037
July 31, 2024	August 16, 2024	\$0.0046
November 6, 2024	November 15, 2024	\$0.0048
February 19, 2025 ⁽¹⁾	February 28, 2025	\$0.0057

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

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26. FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

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

(a) Fair value and categories of financial instruments

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

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

- Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- Level 2: All inputs which have a significant effect on the fair value are observable, either directly or indirectly, for substantially the full contractual term.
- Level 3: Inputs which have a significant effect on the fair value are not based on observable market data.

During the three months ended June 30, 2023, marketable securities valued at \$19.6 million were transferred from Level 3 to Level 1 due to the resumption of trading of Sierra Madre shares on the TSX Venture on June 5, 2023. Level 1 assets include those assets in which unadjusted quoted prices in active markets are accessible to the Company at the measurement date.

There were no transfers between levels 1, 2, and 3 during the year ended December 31, 2024.

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

Financial Instruments Measured at Fair Value	Valuation Method
Marketable securities - common shares	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	
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	The debt related to the revolving credit facility approximated carrying value as discount rate on these instruments approximate the Company’s credit risk.
Debt facilities	
	The senior convertible debentures are recognized at amortized cost using the effective interest rate method. The observable fair value of the Company’s senior convertible debenture have been estimated based on the the current SOFR rates, applicable margin, premium adjustments, and comparison to discount rates used by the peer group on similar notes, which indicates a fair value of \$191.7 million (carrying amount: \$209.1 million).

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

	December 31, 2024			December 31, 2023		
	Carrying value	Fair value measurement		Carrying value	Fair value measurement	
		Level 1	Level 2		Level 1	Level 2
Financial assets						
Marketable securities (Note 13)	\$49,781	\$49,718	\$63	\$62,380	\$61,749	\$631

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

In 2023, an impairment was recorded for the Jerritt Canyon mine bringing the carrying value of the asset to its recoverable amount, being its FVLCD (Note 18). Management’s estimate of FVLCD is classified as a level 3 in the fair value hierarchy as the inputs are not based on observable market data. During the year ended December 31, 2023, an additional write down was recorded for the La Parrilla mine (Note 14), bringing the carrying value of the asset to its recoverable amount, being its FVLCD. The valuation technique used in the calculation of the fair value of consideration receivable, is categorized as Level 2 as it is based on the selling price in the market.

(b) Capital risk management

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

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

	December 31, 2024	December 31, 2023
Equity	\$1,351,071	\$1,358,120
Debt facilities	209,482	219,812
Lease liabilities	27,535	36,702
Less: cash and cash equivalents	(202,180)	(125,581)
	\$1,385,908	\$1,489,053

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

The Company is not subject to any externally imposed capital requirements with the exception of complying with covenants under the debt facilities (Note 21(b)) and lease liabilities (Note 22(b)). As at December 31, 2024, the Company was in compliance with all of its debt covenants.

(c) Financial risk management

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

Credit Risk

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

As at December 31, 2024, net VAT receivable was \$44.6 million (December 31, 2023 - \$52.7 million), of which \$14.2 million (December 31, 2023 - \$27.5 million) relates to La Encantada, \$5.1 million relates to Santa Elena (December 31, 2023 - \$23.0 million), and \$7.0 million (December 31, 2023 - \$29.0 million) relates to San Dimas.

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

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

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Liquidity Risk

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

The following table summarizes the maturities of the Company's financial liabilities and commitments as at December 31, 2024 based on the undiscounted contractual cash flows:

	Contractual Cash Flows	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years
Trade and other payables	\$103,895	\$103,895	\$—	\$—	\$—
Debt facilities	234,097	2,444	231,653	—	—
Lease liabilities	30,572	16,497	10,631	3,247	197
Other liabilities	5,587	—	329	5,258	—
Commitments	3,654	3,654	—	—	—
	\$377,805	\$126,490	\$242,613	\$8,505	\$197

At December 31, 2024, the Company had working capital of \$224.5 million (December 31, 2023 – \$188.9 million). Total available liquidity at December 31, 2024 was \$364.2 million (December 31, 2023 - \$313.6 million), including \$139.6 million of undrawn revolving credit facility (December 31, 2023 - \$124.6 million).

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

Currency Risk

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

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

December 31, 2024								
	Cash and cash equivalents	Restricted cash	Value added taxes receivable	Trade and other receivables	Other financial assets	Trade and other payables	Net assets (liabilities) exposure	Effect of +/- 10% change in currency
Canadian Dollar	\$1,097	\$—	\$—	\$1,165	\$1,282	(\$5,422)	(\$1,878)	(\$188)
Mexican Peso	25,748	86,726	44,614	—	—	(63,988)	93,100	9,310
	\$26,845	\$86,726	\$44,614	\$1,165	\$1,282	(\$69,410)	\$91,222	\$9,122

From time to time, the Company utilizes certain derivatives to manage its foreign exchange exposures to the Mexican Peso. During the year ended December 31, 2024, the Company had an unrealized gain of \$nil (2023 - \$nil) on fair value adjustments to its foreign currency derivatives. As at December 31, 2024, the Company does not hold any foreign currency derivatives (December 31, 2023 - \$nil).

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Commodity Price Risk

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

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

	December 31, 2024		
	Effect of +/- 10% change in metal prices		
	Silver	Gold	Total
Metals in inventory	\$1,557	\$676	\$2,233
	\$1,557	\$676	\$2,233

Interest Rate Risk

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

As at December 31, 2024, the Company's exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. Based on the Company's interest rate exposure at December 31, 2024, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

27. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended December 31,	
	2024	2023
Other adjustments to investing activities:		
Loan to Sierra Madre ⁽¹⁾	(\$5,000)	\$—
Purchase of marketable securities	(11,967)	(2,493)
Proceeds from disposal of marketable securities	18,481	1,274
Other strategic investments	(695)	—
	\$819	(\$1,219)
Net change in non-cash working capital items:		
(Increase) in trade and other receivables	(\$1,509)	(\$1,501)
Decrease (increase) in value added taxes receivable	8,123	(7,765)
Decrease (Increase) in inventories	2,268	(505)
Decrease (increase) in prepaid expenses and other	552	(3,103)
(Decrease) increase in income taxes payable	(2,520)	531
Increase (decrease) in trade and other payables	2,818	(6,193)
Decrease (increase) in restricted cash (Note 19)	19,501	(380)
	\$29,233	(\$18,916)
Non-cash investing and financing activities:		
Shares received from disposition of mining interest	\$—	\$46,994
Disposition of La Guitarra	—	(49,238)
Transfer of share-based payments reserve upon settlement of RSU's, PSU's and DSU's	4,329	3,410
Transfer of share-based payments reserve upon exercise of options	57	1,055
Assets acquired by lease	(1,110)	(2,231)
	\$3,276	(\$10)

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

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As at December 31, 2024, cash and cash equivalents include \$1.5 million (December 31, 2023 - \$1.9 million) that are held in-trust as bonds for tax audits in Mexico.

28. CONTINGENCIES AND OTHER MATTERS

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

(a) Claims and Legal Proceedings Risks

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

(b) Primero Tax Rulings

When Primero, the previous owner of San Dimas acquired the San Dimas Mine in August 2010, it assumed the obligations under a Silver Purchase Agreement (“Old Stream Agreement”) that required its subsidiary, PEM, to sell exclusively to Wheaton Precious Metals (“WPMI”) up to 6 million ounces silver produced from the San Dimas Mine, and 50% of silver produced thereafter, at the lower of: (i) the spot market price and (ii) \$4.014 per ounce plus an annual increase of 1% (“PEM Realized Price”). In May 2018, the Old Stream Agreement was terminated between WPMI and Silver Trading (Barbados) Limited (“STB”) in connection with the Company entering into a new stream agreement with WPMI concurrent with the acquisition of Primero by the Company.

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

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

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

In 2019, the SAT issued reassessments for the 2010 to 2012 tax years in the total amount of \$310.8 million (6,299 million MXN) inclusive of interest, inflation, and penalties. In 2021, the SAT also issued a reassessment against PEM for the 2013 tax year in the total amount of \$164.3 million (3,330 million MXN) inclusive of accrued interest, inflation and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of \$418.8 million (8,488 MXN) inclusive of interest, inflation, and penalties (collectively, the “Reassessments”). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments for these years have yet to be issued. The Company believes that the Reassessments fail to recognize the applicability of a valid transfer pricing methodology. The major items in the Reassessments include determination of revenue based on spot market prices of silver, denial of the deductibility of interest expense and service fees, SAT technical error related to double counting of taxes, and interest and penalties.

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

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

Domestic Remedies

In September 2020, the Company was served with a decision of the Federal Tax Court seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. As two writs of certiorari were filed before the Mexican Supreme Court of Justice, on April 15, 2021, the Plenary of the Supreme Court i) admitted one of those writs, ii) requested the Mexican Circuit Court to send the appeal file to them, and iii) assigned such writ to the Second Chamber of the Supreme Court for issuing the corresponding decision. Both writs of certiorari were withdrawn in December 2022. The challenge filed by the Company was returned to the Mexican Circuit Court on February 14, 2023 and on December 5, 2023, the Mexican Circuit Court issued a decision, which was formally notified to the Company on January 4, 2024.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

In such decision, the Mexican Circuit Court partially granted constitutional protection to the Company with respect to certain matters, but not others.

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

International Remedies

i. NAFTA APA Claim

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

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

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

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

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

We expect that the Consolidation Tribunal will make its decision in respect of the Consolidation Request in Q2 2025. Until such a decision has been made, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been suspended. However, any decisions rendered to date by the Tribunal in the NAFTA APA Claim, including but not limited to the PM Decision, remain in force during such suspension.

If the SAT’s attempts to retroactively nullify the APA are successful, the SAT can be expected to enforce any Reassessments for 2010 through 2014 against PEM in respect of its sales of silver pursuant to the Old Stream Agreement. Such an outcome would likely have a material adverse effect on the Company’s results of operations, financial condition and cash flows. Should the Company ultimately be required to pay tax on its silver revenues based on spot market prices without any mitigating adjustments, the incremental income tax for the years 2010-2019 would be \$272.9 million (5,531 million MXN), before taking into consideration interest or penalties.

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

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

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

ii. NAFTA VAT Claim

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

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

(c) La Encantada Tax Re-assessments

In December 2019, as part of the ongoing annual audits of the tax returns of Minera La Encantada S.A. de C.V. (“MLE”) and Corporacion First Majestic S.A. de C.V. (“CFM”), the SAT issued tax assessments for fiscal 2012 and 2013 for corporate income tax in the amount of \$36.0 million (730 million MXN) and \$26.2 million (531 million MXN) including interest, inflation and penalties, respectively. In December 2022, the SAT issued tax assessments to MLE for fiscal years 2014 and 2015 for corporate income tax in the amount of \$16.4 million (333 million MXN) and \$206.8 million (4,190 million MXN). In 2023, the SAT issued a tax assessment to MLE for the fiscal year 2016 for corporate income tax in the amount of \$2.9 million (59 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of \$6.3 million (127.8 million MXN). The major items relate to forward silver purchase agreement and denial of the deductibility of mine development costs and service fees. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MLE's tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(d) San Martin Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of Minera El Pilon S.A. de C.V. (“MEP”), the SAT issued tax assessments for fiscal 2014, 2015 and 2016 for corporate income tax in the total amount of \$24.6 million (498 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of \$2.9 million (59 million MXN) including interest, inflation, and penalties. The major items relate to forward silver purchase agreement and denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MEP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(e) La Parrilla Tax Re-assessments

In 2023 and 2024, as part of the ongoing annual audits of the tax returns of First Majestic Plata S.A. de C.V. (“FMP”), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of \$59.1 million (1,199 million MXN) including interest, inflation and penalties. The major items relate to forward silver purchase agreement and denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(f) Del Toro Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of First Majestic Del Toro S.A. de C.V. (“FMDT”), the SAT issued tax assessment for fiscal 2015 and 2016 for corporate income tax in the total amount of \$24.6 million (498 million MXN) including interest, inflation and penalties. The major items relate to and denial of the deductibility of mine development costs, refining costs, and other expenses. The Company continues to defend the validity of the expenses and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMDT’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

(g) CFM Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of CFM, the SAT issued tax assessment for fiscal 2016 for corporate income tax in the total amount of \$71.5 million (1,449 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the acquisition of SilverCrest Mines Inc. on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest Mines Inc. by First Majestic Silver Corp. although the transaction in question involved the disposition of the shares of one Canadian company by another Canadian company and was reported for tax purposes in Canada. The Company continues to defend the validity of the transaction in question and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes CFM’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS
(TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF US DOLLARS)

(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.

29. SUBSIDIARIES

The consolidated financial statements of the Company include the following significant subsidiaries as at December 31, 2024 and 2023 as follows:

Name of subsidiary	Operations and Projects	Location	2024 % Ownership	2023 % Ownership
First Majestic Silver Corp.	Parent company and bullion sales	Canada	100%	100%
Corporación First Majestic, S.A. de C.V.	Holding company	Mexico	100%	100%
Primero Empresa Minera, S.A de C.V.	San Dimas Silver/Gold Mine	Mexico	100%	100%
Nusantara de Mexico, S.A. de C.V.	Santa Elena Silver/Gold Mine	Mexico	100%	100%
Minera La Encantada, S.A. de C.V.	La Encantada Silver Mine	Mexico	100%	100%
First Majestic Plata, S.A. de C.V. ⁽¹⁾	La Parrilla Silver Mine	Mexico	100%	100%
Minera El Pilón, S.A. de C.V.	San Martin Silver Mine	Mexico	100%	100%
First Majestic Del Toro, S.A. de C.V.	Del Toro Silver Mine	Mexico	100%	100%
Majestic Services, S.A. de C.V.	Service company	Mexico	100%	100%
Jerritt Canyon Canada Ltd.	Holding company	Canada	100%	100%
Jerritt Canyon Gold LLC	Jerritt Canyon Gold Mine	United States	100%	100%
First Mint LLC	Minting company	United States	100%	100%
FM Metal Trading (Barbados) Inc.	Metals trading company	Barbados	100%	100%
FMS Trading AG	Metals trading company	Switzerland	100%	100%

(1) La Parrilla was classified as assets held-for-sale up to the date of disposition on August 14, 2023. As of December 31, 2024, the assets and liabilities of La Parrilla have been derecognized (the net carrying value of the disposal group at December 31, 2022 was \$56.4 million) (Note 14). The liabilities of La Parrilla still remain at 100% ownership of the Company as the sale was an asset purchase agreement.

30. KEY MANAGEMENT COMPENSATION

	Year Ended December 31,	
	2024	2023
Salaries, bonuses, fees and benefits		
Independent members of the Board of Directors	\$567	\$818
Other members of key management ⁽¹⁾	6,128	7,148
Share-based payments		
Independent members of the Board of Directors	656	552
Other members of key management	4,547	4,306
	\$11,898	\$12,824

(1) Key management compensation for 2023 is inclusive of one-time severance costs incurred during the year.

31. SUBSEQUENT EVENTS

Completion of the Acquisition of Gatos Silver Inc.

On January 16, 2025, the Company completed its acquisition of Gatos, and as a result, Gatos became a wholly-owned subsidiary of the Company. The Company issued an aggregate of 177,433,006 common shares of the Company to acquire all of the issued and outstanding shares of common stock of Gatos (in addition to a nominal amount of cash in lieu of fractional First Majestic common shares), resulting in former Gatos shareholders holding approximately 38% of the issued and outstanding common shares of the Company post-closing on a fully diluted basis. In addition, the Merger Agreement provided for the issuance by First Majestic of options to purchase an aggregate of 8,242,244 First Majestic common shares in exchange for all existing Gatos options at exercise prices adjusted by the Exchange Ratio. All existing RSUs and DSUs of Gatos were settled on January 28, 2025 for an aggregate of 2,207,762 First Majestic common shares.

The Company has determined that this transaction represents a business combination with the Company identified as the acquirer. Based on the January 16, 2025 opening share price of the First Majestic’s common shares, the total consideration of the acquisition is \$1.07 billion. Since the transaction closed in January 2025 and Gatos’ year-end financial information has not been finalized as of the date of this financial statement, the Company had insufficient time to complete the business combination accounting. As a result, the Company has not completed the initial allocation of the purchase price and has not disclosed the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed. The Company began consolidating the operating results, cash flows and net assets of Gatos from January 16, 2025 and will disclose the preliminary purchase price allocation in its unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2025.

Declaration of Quarterly Dividend

On February 19, 2025, the Company’s Board of Directors approved the declaration of its quarterly common share dividend of \$0.0057 per share, payable on or after March 14, 2025, to common shareholders of record as at the close of business on February 28, 2025. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended December 31, 2024.

FIRST MAJESTIC SILVER CORP.

Management’s Discussion
and Analysis

FOR THE YEAR AND QUARTER ENDED DECEMBER 31, 2024

This Management’s Discussion and Analysis of Results of Operations and Financial Condition (“MD&A”) should be read in conjunction with the audited consolidated financial statements of First Majestic Silver Corp. (“First Majestic” or the “Company”) for the year ended December 31, 2024 which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS”). All dollar amounts are expressed in United States (“US”) dollars and tabular amounts are expressed in thousands of US dollars, unless otherwise indicated. Certain amounts shown in this MD&A may not add exactly to total amounts due to rounding differences.

This MD&A contains “forward-looking statements” that are subject to risk factors set out in a cautionary note contained at the end of this MD&A. All information contained in this MD&A is current and has been approved by the Board of Directors of the Company as of February 19, 2025 unless otherwise stated.

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

COMPANY OVERVIEW

First Majestic is a multinational mining company headquartered in Vancouver, Canada, focused on primary silver and gold production in North America, pursuing the exploration and development of its existing mineral properties and acquiring new assets. The Company presently owns and operates four producing underground mines in Mexico: the Cerro Los Gatos Silver Mine (the Company holds a 70% interest in the Los Gatos Joint Venture that owns the mine following an acquisition completed in January 2025), the Santa Elena Silver/Gold Mine, the San Dimas Silver/Gold Mine, and the La Encantada Silver Mine. The Company also owns the Jerritt Canyon Gold Mine in Nevada, USA which the Company placed on temporary suspension in March 20, 2023 to focus on exploration, definition, and expansion of the mineral resources and optimization of mine planning and plant operations. The Company owns two additional mines currently in care and maintenance in Mexico: the San Martin Silver Mine and the Del Toro Silver Mine, as well as several exploration projects. In addition, the Company is the 100% owner and operator of its own minting facility, First Mint, LLC (“First Mint”).

The Company completed the acquisition of Gatos Silver, Inc. on January 16, 2025, for a total consideration of the acquisition of \$1.07 billion, pursuant to a definitive agreement (the “Merger Agreement”) first announced on September 5, 2024. The Company will begin consolidating results from the Los Gatos Joint Venture from January 16, 2025 and this will be reflected in First Majestic’s 2025 financial disclosures.

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



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

2024 ANNUAL HIGHLIGHTS

Key Performance Metrics	2024	2023	2022	Change '24 vs '23
Operational				
Ore Processed / Tonnes Milled	2,686,742	2,901,972	3,468,987	(7%)
Silver Ounces Produced	8,400,796	10,250,755	10,522,051	(18%)
Gold Ounces Produced	156,542	198,921	248,394	(21%)
Silver Equivalent (“AgEq”) Ounces Produced	21,655,427	26,874,417	31,252,920	(19%)
Cash Costs per Silver Equivalent Ounce ⁽¹⁾	\$14.80	\$14.49	\$14.39	2%
All-in Sustaining Cost per Silver Equivalent Ounce ⁽¹⁾	\$21.11	\$20.16	\$19.74	5%
Total Production Cost per Tonne ⁽¹⁾	\$111.03	\$127.16	\$124.64	(13%)
Average Realized Silver Price per Ounce ⁽¹⁾	\$28.26	\$23.29	\$22.49	21%
Financial (in \$millions)¹				
Revenues	\$560.6	\$573.8	\$624.2	(2%)
Mine Operating Earnings	\$91.9	\$25.6	\$16.8	NM
Loss before Income Taxes	(\$26.5)	(\$195.9)	(\$61.4)	(86%)
Net Loss	(\$101.9)	(\$135.1)	(\$114.3)	(25%)
Operating Cash Flows before Working Capital and Taxes	\$138.6	\$99.2	\$109.4	40%
Cash and Cash Equivalents	\$202.2	\$125.6	\$151.4	61%
Total Assets	\$1,979.8	\$1,976.4	\$2,110.0	0%
Total Non-Current Financial Liabilities	\$484.4	\$498.1	\$531.3	(3%)
Working Capital ⁽¹⁾	\$224.5	\$188.9	\$202.9	19%
Earnings (loss) before Interest, Tax, Depreciation and Amortization (“EBITDA”) ⁽¹⁾	\$127.1	(\$41.8)	\$33.4	NM
Adjusted EBITDA ⁽¹⁾	\$143.8	\$144.3	\$37.0	0%
Free Cash Flow ⁽¹⁾	\$107.1	(\$9.0)	(\$64.9)	NM
Shareholders				
Loss per Share (“EPS”) - Basic	(\$0.34)	(\$0.48)	(\$0.43)	(29%)
Adjusted EPS ⁽¹⁾	(\$0.14)	(\$0.08)	(\$0.21)	75%

NM - Not meaningful

(1) These measures do not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

Operational Highlights

Annual Production Summary	San Dimas	Santa Elena	La Encantada	Jerritt Canyon ⁽²⁾	Consolidated
Ore Processed / Tonnes Milled	776,812	1,012,523	897,406	—	2,686,742
Silver Ounces Produced	4,543,931	1,514,364	2,342,502	—	8,400,796
Gold Ounces Produced	50,432	103,540	164	2,405	156,542
Silver Equivalent Ounces Produced	8,825,259	10,266,313	2,356,393	207,463	21,655,427
Cash Costs per Silver Equivalent Ounce ⁽¹⁾	\$16.01	\$11.81	\$23.17	\$16.57	\$14.80
All-in Sustaining Cost per Silver Equivalent Ounce ⁽¹⁾	\$21.06	\$14.40	\$28.31	\$16.57	\$21.11
Cash Cost per Gold Ounce	N/A	N/A	N/A	\$1,388	N/A
All-in Sustaining Costs per Gold Ounce	N/A	N/A	N/A	\$1,388	N/A
Total Production Cost per Tonne ⁽¹⁾	\$176.33	\$105.99	\$60.18	\$—	\$111.03

(1) See “Non-GAAP Measures” for further details of these measures.
(2) On March 20, 2023, management made the decision to temporarily suspend all mining activities at Jerritt Canyon effective immediately. As of April 24, 2023, all activities at the Jerritt Canyon processing plant were suspended. In-circuit recovery efforts performed during the year resulted in production of 2,405 gold ounces.

- **Acquisition of Gatos Silver, Inc. (“Gatos”):** On January 16, 2025, the Company completed the acquisition of 100% of the issued and outstanding shares of Gatos, in exchange for 177,433,006 common shares of First Majestic for a total consideration of the acquisition of \$1.07 billion, pursuant to a Merger Agreement previously announced on September 5, 2024. Gatos holds a 70% joint venture interest in the Cerro Los Gatos Silver Mine, an underground silver mine in Chihuahua, Mexico together with Japan’s Dowa Metals & Mining Co., Ltd., which holds the remaining 30% interest.
- **Record Production at Santa Elena:** Santa Elena produced a new annual record of 10.3 million AgEq ounces in 2024, representing a 7% increase compared to 2023 (9.6 million AgEq ounces). Continued optimization of the dual circuit and tailing filter press led to increased recovery rates and higher plant throughput of approximately 3,200 tonnes per day by the end of 2024.
- **High-Grade Gold and Silver Discovery:** The Company announced the discovery of a new, high-grade gold and silver vein hosted system - the Navidad system - at the Santa Elena property (see news release on the Company’s website dated July 30, 2024). The discovery was made adjacent to the Company’s 100%-owned, and currently producing, Ermitaño mine. First Majestic is focusing its Santa Elena exploration efforts on Navidad to continue to delineate this new vein system.
- **Inventory:** The Company held 539,153 silver ounces and 2,595 gold ounces in finished goods inventory as at December 31, 2024, inclusive of coins and bullion. The fair market value of this inventory at December 31, 2024 was \$15.6 million for silver and \$6.8 million for gold, which was not included in revenue during the fourth quarter.
- **Conversion to Liquefied Natural Gas (“LNG”) at San Dimas:** As part of its ongoing cost and carbon reduction initiatives, First Majestic is replacing the diesel generators used for on-site back-up power at San Dimas with LNG units. The LNG generators are expected to reduce carbon emissions by up to 25% while realizing cost savings, when back-up power is required.
- **First Mint Commissioning and Launch:** First Mint, LLC, the Company’s 100%-owned and operated minting facility in Nevada, USA, celebrated its grand opening in September 2024. Commissioning and silver bullion sales commenced in March 2024 at the state-of-the-art facility. The mint commissioned additional equipment including coin presses and lasers for coin manufacturing in Q4 2024 and expects to receive ISO 9001 certification in 2025. With the addition of First Mint to First Majestic’s business, First Majestic is now able to sell a substantially greater proportion of its silver production directly to consumers and can offer manufacturing capacity for third-party demand. More information is available at www.firstmint.com.
- **Safety Performance:** The consolidated 2024 year-end Total Reportable Incident Frequency Rate (“TRIFR”) was 0.53, well below the Company’s 2024 target KPI of <0.90, representing a 48% improvement on 2023 results. The Lost Time Incident Frequency Rate (“LTIFR”) was 0.10, also below the Company’s target KPI of <0.30 for 2024, representing a 70% improvement on 2023 results. The strong 2024 TRIFR and LTIFR results represent an all-time record and peer-leading safety performance for the Company.
- **Cash cost:** Cash cost per AgEq ounce for the year was \$14.80, representing a 2% increase compared to \$14.49 per ounce in the prior year. The slight increase in cash cost per AgEq ounce was primarily due to the lower AgEq production at La Encantada and San Dimas during the year as well higher royalty costs as a result of higher sales at Santa Elena. The Company has also implemented numerous cost reduction initiatives to help combat inflationary impacts primarily in energy, reagents, other major consumables and a strong Mexican peso, relative to the US dollar. The increase in cash cost was partially offset by increased AgEq production at Santa Elena. Production at Santa Elena set a new annual record and increased by 7%, compared to the prior year, as a direct result of processing higher grade silver and gold ore from the Ermitaño underground mine combined with record metallurgical recoveries and higher throughput facilitated by optimization of the dual-circuit plant and tailing filter press.
- **All-in sustaining cost (“AISC”):** AISC per AgEq ounce in the year was \$21.11, representing a 5% increase compared to \$20.16 in the prior year. The increase in AISC per AgEq ounce was mainly due to the higher cash costs.

(1) This measure does not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

Financial Highlights

- **Strengthened Cash position and liquidity:** The Company ended the year with cash and cash equivalents of \$202.2 million, representing a 61% increase compared to \$125.6 million at the end of the prior year. Working capital increased to \$224.5 million, representing a 19% increase compared to \$188.9 million at the end of the prior year. Cash and cash equivalents exclude an additional \$106.1 million that is held in restricted cash. The higher cash balance at the end of 2024 was primarily driven by higher mine operating earnings.
- **Revenue:** The Company generated revenues of \$560.6 million in 2024, representing a 2% decrease compared to \$573.8 million in 2023. The decrease in revenues was primarily attributed to a 20% decrease in the total number of payable AgEq ounces sold compared to 2023, primarily due to lower production levels at San Dimas and La Encantada as well as the temporary suspension of mining activities at Jerritt Canyon in 2023 which had contributed \$40.5 million in revenues during 2023. This was partially offset by a 7% increase in payable AgEq ounces produced at Santa Elena, a \$7.1 million increase in revenues from coins and bullion following the opening of First Mint in 2024, and a 21% increase in the average realized silver price per ounce which averaged \$28.26 per ounce in 2024 compared to \$23.29 per ounce in 2023.
- **Improved Mine operating earnings:** During the year, the Company recognized mine operating earnings of \$91.9 million, representing a 258% increase compared to \$25.6 million in 2023. The increase in mine operating earnings was primarily driven by a \$48.8 million increase in operating earnings at Santa Elena, representing a 73% improvement compared to the prior year, primarily attributable to stronger metal recoveries and higher throughput from Ermitaño that enabled the mine to achieve a new annual production record.
- **Increased Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes in the year was \$138.6 million, representing a 40% increase compared to \$99.2 million in 2023. The increase in cash flow from operations was primarily attributable to improved mine operating earnings as compared to 2023.
- **Increased EBITDA¹:** EBITDA for the year ended December 31, 2024 was \$127.1 million, representing a 404% increase compared to a \$41.8 million loss in 2023. The increase in EBITDA was primarily attributable to improved mine operating earning in 2024 as compared to 2023. 2023 EBITDA included a \$125.2 million impairment cost and the \$13.4 million standby costs incurred at Jerritt Canyon following the temporary suspension of activities.
- **Adjusted EBITDA¹:** Adjusted EBITDA normalized for non-cash or non-recurring items such as share-based payments and unrealized losses on marketable securities for the year ended December 31, 2024 was \$143.8 million, consistent with 2023.
- **Decreased Net loss:** The Company recognized a net loss of \$101.9 million (EPS of (\$0.34)) in 2024, representing a 25% improvement compared to a net loss of \$135.1 million (EPS of (\$0.48)) in 2023. The improvement in net loss was primarily driven by the \$66.3 million increase in mine operating earnings, representing a 258% increase compared to 2023, largely due to higher earnings at Santa Elena. This was partially offset by non-cash deferred income tax expense of \$43.4 million in 2024 as compared to a deferred income tax recoveries of \$74.8 million in 2023.
- **Adjusted net loss¹:** Adjusted net loss normalized for non-cash or non-recurring items such as share-based payments, unrealized losses on marketable securities, and deferred income tax for the year ended December 31, 2024 was \$41.8 million (Adjusted EPS of (\$0.14)), compared to an adjusted net loss of \$23.8 million (Adjusted EPS of (\$0.08)) in 2023.
- **Capital Expenditures:** The Company’s total capital expenditures in the year were \$127.3 million, representing a 10% decrease compared to \$141.0 million in 2023. Total capital expenditures consisted of \$54.2 million for underground development (2023 - \$71.7 million), \$46.0 million in exploration (2023 - \$32.2 million), and \$27.2 million in property, plant and equipment (2023 - \$37.1 million).

(1) This measure does not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

Corporate Development and Other:

On September 5, 2024, the Company announced that it had entered into a Merger Agreement with Gatos to acquire all of the issued and outstanding shares of Gatos common stock pursuant to a reverse triangular merger (the “Merger”) under Delaware law. Gatos is a silver dominant producer with a 70% interest in the Los Gatos Joint Venture, which owns the producing Cerro Los Gatos Silver Mine, an underground silver mine in Chihuahua, Mexico. Under the terms of the Merger Agreement, Gatos shareholders would receive 2.550 common shares of First Majestic for each share of Gatos common stock held which would result in former Gatos shareholders holding approximately 38% of the issued and outstanding common shares of the Company post-closing on a fully diluted basis.

The Company’s acquisition of Gatos was successfully completed on January 16, 2025. For further information, please see “Subsequent Events” below.

2024 FOURTH QUARTER HIGHLIGHTS					
Key Performance Metrics	2024-Q4	2024-Q3	Change Q4 vs Q3	2023-Q4	Change Q4 vs Q4
Operational					
Ore Processed / Tonnes Milled	745,124	678,397	10%	652,731	14%
Silver Ounces Produced	2,353,865	1,967,574	20%	2,612,416	(10%)
Gold Ounces Produced	39,506	41,761	(5%)	46,585	(15%)
Silver Equivalent (“AgEq”) Ounces Produced	5,713,289	5,490,416	4%	6,640,550	(14%)
Cash Costs per Silver Equivalent Ounce ⁽¹⁾	\$13.82	\$15.17	(9%)	\$13.01	6%
All-in Sustaining Cost per Silver Equivalent Ounce ⁽¹⁾	\$20.34	\$21.03	(3%)	\$18.50	10%
Total Production Cost per Tonne ⁽¹⁾	\$96.63	\$109.81	(12%)	\$122.76	(21%)
Average Realized Silver Price per Silver Equivalent Ounce ⁽¹⁾	\$30.80	\$29.84	3%	\$24.16	27%
Financial (in \$millions)					
Revenues	\$172.3	\$146.1	18%	\$136.9	26%
Mine Operating Earnings	\$48.2	\$28.5	69%	\$17.9	169%
Net (Loss) Earnings	(\$13.5)	(\$26.6)	49%	\$10.2	NM
Operating Cash Flows before Non-Cash Working Capital and Taxes	\$62.4	\$39.8	57%	\$36.3	72%
Capital Expenditures	\$36.1	\$34.7	4%	\$31.6	14%
Cash and Cash Equivalents	\$202.2	\$154.7	31%	\$125.6	61%
Total Assets	\$1,979.8	\$1,977.5	0%	\$1,976.4	0%
Total Non-Current Financial Liabilities	\$484.4	\$482.8	0%	\$498.1	(3%)
Working Capital ⁽¹⁾	\$224.5	\$238.2	(6%)	\$188.9	19%
Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) ⁽¹⁾	\$62.0	\$36.9	68%	\$33.4	85%
Adjusted EBITDA ⁽¹⁾	\$64.8	\$39.8	63%	\$37.0	75%
Free Cash Flow ⁽¹⁾	\$68.4	\$31.3	119%	\$3.8	NM
Shareholders					
(Loss) Earnings per Share (“EPS”) – Basic	(\$0.04)	(\$0.09)	56%	\$0.04	(200%)
Adjusted EPS ⁽¹⁾	\$0.03	(\$0.03)	200%	(\$0.03)	200%
Dividend per Share	\$0.0057	\$0.0048	18%	\$0.0048	18%

NM - Not meaningful

(1) This measure does not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

Fourth Quarter Production Summary	Santa Elena	San Dimas	La Encantada	Jerritt Canyon ⁽²⁾	Consolidated
Ore Processed / Tonnes Milled	271,783	219,388	253,953	—	745,124
Silver Ounces Produced	406,009	1,191,893	755,963	—	2,353,865
Gold Ounces Produced	27,216	12,264	26	—	39,506
Silver Equivalent Ounces Produced	2,719,702	2,235,407	758,181	—	5,713,289
Cash Costs per Silver Equivalent Ounce	\$10.99	\$15.14	\$20.01	\$—	\$13.82
All-in Sustaining Cost per Silver Equivalent Ounce	\$13.54	\$20.63	\$25.34	\$—	\$20.34
Total Production Cost per Tonne	\$91.11	\$149.49	\$56.88	\$—	\$96.63

(1) Jerritt Canyon did not have production in the fourth quarter. Refer to Jerritt Canyon operational highlights for further details.

Fourth Quarter Operational Highlights

- **Total AgEq Production Increased 4%:** The Company produced 5.7 million AgEq ounces in Q4 2024 representing a 4% increase when compared to 5.5 million AgEq ounces produced in the previous quarter driven by a 20% increase in consolidated silver production with improvements across all three operating mines.
- **Total Silver Production up 20%, Quarter over Quarter:** The Company produced 2.4 million silver ounces in Q4 2024 representing a 20% increase when compared to 2.0 million silver ounces produced in the previous quarter. Silver production increased by 39% at La Encantada, 14% at San Dimas and 8% at Santa Elena due to focused operating improvements at each mine.
- **Highest Quarterly Production Since Q2 2023 at La Encantada:** The La Encantada silver mine produced 755,963 silver ounces in Q4 2024, its highest quarterly production since Q2 2023, following the recovery of water inventory levels.
- **Continued Active Exploration Program:** The Company completed a total of 49,183 metres (“m”) of drilling across its mines in Mexico and its Jerritt Canyon Gold Mine in Nevada, U.S.A. during the fourth quarter. During the quarter, up to 28 drill rigs were active consisting of 12 rigs at San Dimas, 10 rigs at Santa Elena, three rigs at Jerritt Canyon and three rigs at La Encantada.
- **Cash Cost:** Cash cost per AgEq ounce for the quarter was \$13.82 per ounce, representing a 9% decrease compared to \$15.17 per ounce in the prior quarter. The decrease in cash costs was primarily attributable to the 4% increase in consolidated AgEq production at all three mines, along with a 7% and 3% decrease in mining and general and administrative “G&A” costs, respectively, resulting from operational efficiencies and restructuring efforts implemented in the prior year. The decrease was also driven by the softening of the Mexican Peso which averaged 3% weaker than the previous quarter, relative to the US dollar. This was partially offset by increases in royalty payments from higher production levels at Santa Elena.
- **AISC:** AISC per AgEq ounce in the fourth quarter was \$20.34 per ounce, representing a 3% decrease compared to \$21.03 per ounce in the prior quarter. This was primarily attributable to lower cash costs, partially offset by increases in sustaining PP&E costs incurred to expedite projects in 2025 and complete outstanding projects from 2024.

Fourth Quarter Financial Highlights

- **Strengthened Cash Position and Liquidity:** The Company ended the quarter with a strong cash and cash equivalents position of \$202.2 million, representing a 61% increase compared to \$125.6 million in the fourth quarter of 2023, while working capital increased to \$224.5 million compared to \$188.9 million in the fourth quarter of 2023. Cash and cash equivalents exclude an additional \$106.1 million that is held in restricted cash.
- **Increased Revenue:** In the fourth quarter, the Company generated revenues of \$172.3 million, representing a 26% increase compared to \$136.9 million in the fourth quarter of 2023. This was primarily attributed to a 27% increase in the average realized silver price, which was \$30.80 per ounce during the quarter compared to \$24.16 per ounce during the fourth quarter of 2023. This was partially offset by a decrease in payable AgEq ounces sold primarily due to lower total production levels compared to the fourth quarter of 2023.
- **Improved Mine Operating Earnings:** The Company achieved mine operating earnings of \$48.2 million, representing a 169% increase compared to \$17.9 million in the fourth quarter of 2023. The increase was primarily driven by the strong performance at Santa Elena, which increased \$14.1 million, representing a 51% improvement compared to the fourth quarter of 2023. Additionally, improved water levels at La Encantada contributed to an increase of \$9.7 million in mine operating earnings, achieving a 185% increase compared to the fourth quarter of 2023.
- **Increased Cash Flow from Operations:** Operating cash flow before changes in working capital and taxes in the quarter was \$62.4 million, representing a 72% increase compared to \$36.3 million in the fourth quarter of 2023. This was primarily driven by a \$30.3 million increase in mine operating earnings compared to the fourth quarter of 2023, resulting from a strong performance at Santa Elena and improvements at La Encantada.
- **Increased EBITDA¹:** EBITDA for the quarter was \$62.0 million, representing an 85% increase compared to \$33.4 million in the fourth quarter of 2023. The increase in EBITDA was primarily attributable to an increase in mine operating earnings compared to the fourth quarter of 2023.
- **Increased Adjusted EBITDA¹:** Adjusted EBITDA normalized for non-cash or non-recurring items such as share-based payments and unrealized losses on marketable securities for the quarter ended December 31, 2024 was \$64.8 million, representing a 75% increase compared to \$37.0 million in the fourth quarter of 2023.

(1) This measure does not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate this measure may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

- **Net loss:** Net loss for the quarter was \$13.5 million (EPS of (\$0.04)) compared to net earnings of \$10.2 million (EPS of \$0.04) in the fourth quarter of 2023. The decrease in net earnings was primarily attributed to a non-cash deferred income tax expense of \$18.3 million (EPS of (\$0.06)), compared to a non-cash deferred income tax recovery of \$22.2 million (EPS \$0.08) in the fourth quarter of 2023. This was partially offset by a \$30.3 million increase in mine operating earnings compared to the fourth quarter of 2023.
- **Increased Adjusted Net Earnings¹:** Adjusted net earnings normalized for non-cash or non-recurring items such as share-based payments, unrealized losses on marketable securities, and deferred income tax for the quarter ended December 31, 2024 was \$7.6 million (Adjusted EPS of \$0.03), representing a 192% increase compared to the \$8.3 million adjusted net loss (Adjusted EPS of (\$0.03)) in the fourth quarter of 2023.
- **Capital Expenditures:** The Company’s total capital expenditures in the fourth quarter were \$36.1 million, representing a 14% increase compared to \$31.6 million in fourth quarter of 2023. Total capital expenditures consisted of \$13.6 million for underground development (2023 - \$12.4 million), \$11.9 million in exploration (2023 - \$5.3 million), and \$10.7 million in property, plant and equipment (2023 - \$13.8 million).

2025 PRODUCTION OUTLOOK AND COST GUIDANCE UPDATE

This section provides management’s updated production outlook and cost guidance for 2024. These are forward-looking estimates and are subject to the cautionary note regarding the risks associated with relying on forward-looking statements at the end of this MD&A. Actual results may vary based on production throughputs, grades, recoveries and changes in economic circumstances.

In 2025, the Company expects to achieve total attributable production from its four operating mines in Mexico of between 27.8 to 31.2 million silver equivalent (“AgEq”) ounces, including 13.6 to 15.3 million ounces of silver ounces. The increase in forecasted silver production compared to 2024 is due to the addition of attributable production from the Cerro Los Gatos Silver Mine as a result of the Company’s acquisition of Gatos Silver Inc. on January 16, 2025, as well as an increase in silver production from Santa Elena, and from La Encantada, following a return to normal operations at La Encantada in the fourth quarter of 2024.

A mine-by-mine breakdown of the 2025 production guidance is included in the table below. The Company reports cost guidance to reflect cash costs and all-in sustaining costs (“AISC”) on a per AgEq attributable payable ounce. The metal price and foreign currency assumptions that were used to calculate the numbers below were: silver: \$29.00/oz, gold: \$2,500/oz, lead: \$0.95/lb., zinc: \$1.25/lb. and MXN:USD 19.5:1.

2025 PRODUCTION GUIDANCE

Operation	Silver Oz (M)	Gold Oz (k)	Lead Lbs (M)	Zinc Lbs (M)	Silver Eqv Oz (M)	Cash Cost (\$ per AgEq Oz)	AISC (\$ per AgEq Oz)
Los Gatos, Mexico (70%)	5.0 – 5.6	3 – 4	29 – 32	47 – 53	8.4 – 9.4	11.98 – 12.56	15.03 – 15.92
Santa Elena, Mexico	1.6 – 1.8	71 – 79	—	—	7.7 – 8.6	14.91 – 15.71	18.60 – 19.79
San Dimas, Mexico	4.3 – 4.8	55 – 61	—	—	9.0 – 10.1	13.28 – 14.04	17.86 – 19.09
La Encantada, Mexico	2.7 – 3.1	—	—	—	2.7 – 3.1	20.16 – 21.32	25.30 – 26.98
Operations Total	13.6 – 15.3	129 – 144	29 – 32	47 – 53	27.8 – 31.2	\$14.10 – \$14.86	\$18.17 – \$19.35
Corporate			—	—			
Corp. G&A and Services	—	—	—	—	—	—	1.72 – 1.92
Total Consolidated	13.6 – 15.3	129 – 144	29 – 32	47 – 53	27.8 – 31.2	\$14.10 – \$14.86	\$19.89 – \$21.27

- (1) Certain amounts shown may not add exactly to the total amount due to rounding differences.
- (2) Cash Costs and AISC are non-GAAP measures and are not standardized financial measures under the Company’s financial reporting framework. The Company calculates cash costs and consolidated AISC in the manner set out in the table below. These measures have been calculated on a basis consistent with historical periods. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

The Company is projecting its consolidated 2025 AISC to be within a range of \$19.89 to \$21.27 on a per attributable payable AgEq ounce basis. Excluding non-cash items, the Company anticipates its 2025 AISC to be within a range of \$19.35 to \$20.67 per attributable payable AgEq ounce. An itemized AISC cost table is provided below.

All-In Sustaining Cost Calculation	FY 2025 (\$ per AgEq oz)
Total Cash Costs per Payable Equivalent Silver Ounce	14.10 – 14.86
General and Administrative Costs	1.32 – 1.47
Sustaining Development Costs	0.94 – 1.00
Sustaining Property, Plant and Equipment Costs	1.75 – 1.96
Profit Sharing	0.70 – 0.78
Lease Payments	0.54 – 0.60
Share-based Payments (non-cash)	0.40 – 0.45
Accretion and Reclamation Costs (non-cash)	0.14 – 0.15
All-In Sustaining Costs (Ag Eq Oz)	19.89 – 21.27
All-In Sustaining Costs: (Ag Eq Oz excluding non-cash items)	19.35 – 20.67

- (1) AISC is a non-GAAP measure and is calculated based on the Company’s consolidated operating performance. Other mining companies may calculate AISC differently as a result of differences in underlying accounting principles, the definition of “sustaining costs” and the distinction between sustaining and expansionary capital costs. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.
- (2) Consolidated AISC includes general and administrative cost estimates and non-cash costs of \$1.86 to \$2.07 per AgEq ounce.

CAPITAL INVESTMENTS IN 2025

In 2025, the Company plans to invest approximately \$182 million in capital expenditures consisting of \$80 million for sustaining activities and \$102 million for expansionary projects. This represents a 34% increase compared to the revised 2024 capital expenditures guidance driven largely by the addition of the attributable capital expenditures of the Cerro Los Gatos Silver Mine and is aligned with the Company’s future growth strategy underpinned by exploration and development activities at Santa Elena and San Dimas.

Capital Guidance for 2025

Area	Sustaining (\$M)	Expansionary (\$M)	Total (\$M)
Underground Development	\$28	\$46	\$74
Exploration	—	\$49	\$49
Property, Plant and Equipment	\$51	\$5	\$56
Corporate Projects	\$1	\$2	\$3
Total	\$80	\$102	\$182

The 2025 annual guidance includes total capital investments of \$74 million for underground development; \$49 million in exploration; \$56 million towards property, plant and equipment; and \$3 million towards corporate innovation projects. Management may revise the guidance during the year to reflect actual and anticipated changes in metal prices or to the business. There can be no assurance that cost estimates related to the Company’s 2025 guidance will prove to be accurate. For further details regarding risks related to the allocation of capital by the Company, see the section in the Company’s most recently filed Annual Information Form (“AIF”) entitled “Risk Factors - Financial Risks - Allocation of Capital - Sustaining and Expansionary Capital”.

The Company is planning approximately 270,000 metres (“m”) of exploration drilling in 2025, including 75,000 m at Cerro Los Gatos on a 100% basis, representing a significant increase compared to the 182,932 m completed in 2024. The 2025 drilling program is expected to consist of:

- At San Dimas, approximately 112,000 m of drilling is planned with infill, step-out and exploratory holes focused on near mine and brownfield targets including major ore controlling structures in the West, Central and Sinaloa blocks. Exploration efforts represent a balanced approach to adding Inferred Resources along known veins, converting Inferred to Indicated Resources and identifying new veins in locations where post mineral cover has deferred work to date. Additionally, the exploration team anticipates returning to the Tayoltita and Santa Rita areas where little to no exploration has taken place in recent years.
- At Santa Elena, approximately 57,000 m of drilling is planned. Greenfield and brownfield drilling at Santa Elena will focus on several targets within a 5-kilometre radius around the processing plant where new geologic understanding of district stratigraphy has brought to light large areas with exploration upside. First Majestic will continue to drill the Navidad project where both extension and infill drilling are planned.
- At Cerro Los Gatos, approximately 76,000 m of drilling is planned on a 100% basis. Exploration will be focused on testing potential areas for mineralization expansion at the Central Deep and South East targets as well as taking a first step at exploring the wider land package in search of new ore bodies.
- At Jerritt Canyon, approximately 18,000 m of drilling is planned. Exploration work will be focused on testing the extension of known ore controlling structures below outcropping Upper Plate (cover rock) where the presence of large, mineralized volumes is possible and has been poorly tested to date.

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

The Company plans to complete approximately 35,500 m of underground development in 2025, compared to 32,047 m completed in 2024. The 2025 development program consists of approximately 14,000 m at San Dimas, 8,100 m at Santa Elena, 5,600 m at La Encantada, and 7,800 m on a 100% basis at Cerro Los Gatos. At San Dimas, the Company is planning to concentrate development metres in the Perez, Regina and Elia Veins. At the Santa Elena district, underground development is expected to focus on Ermitaño and the advancement of the Luna ramp. At the Cerro Los Gatos district, development is to take place in all segments (NW, Central and SE) of the mine. At La Encantada, the Company plans to develop the Ojuelas and Milagros ore bodies for 2025 production.

OVERVIEW OF OPERATING RESULTS

Selected Production Results for the Past Eight Quarters

2024					2023			
PRODUCTION HIGHLIGHTS	Q4 ⁽³⁾	Q3 ⁽³⁾	Q2 ⁽³⁾	Q1 ⁽³⁾	Q4 ⁽²⁾	Q3 ⁽²⁾	Q2 ⁽²⁾	Q1 ⁽²⁾
Ore processed/tonnes milled								
Santa Elena	271,783	259,919	256,427	224,394	233,601	226,292	213,878	208,821
San Dimas	219,388	195,279	183,188	178,957	215,232	213,681	227,065	219,367
La Encantada	253,953	223,200	234,955	185,298	203,898	230,230	260,986	271,278
Jerritt Canyon	—	—	—	—	—	—	31,240	146,403
Consolidated	745,124	678,397	674,570	588,651	652,731	670,203	733,170	845,868
Silver equivalent ounces produced								
Santa Elena	2,719,702	2,685,375	2,580,497	2,280,739	3,008,449	2,669,411	1,788,596	2,105,336
San Dimas	2,235,407	2,110,905	2,114,072	2,364,875	3,110,677	3,010,458	3,372,418	3,296,367
La Encantada	758,181	550,042	589,060	459,110	521,424	573,458	806,789	843,951
Jerritt Canyon	—	144,093	5,811	57,559	—	32,463	353,168	1,381,452
Consolidated	5,713,289	5,490,416	5,289,439	5,162,283	6,640,550	6,285,790	6,320,971	7,627,105
Silver ounces produced								
Santa Elena	406,009	376,203	376,947	355,205	582,484	347,941	142,037	104,129
San Dimas	1,191,893	1,046,340	1,141,906	1,163,792	1,513,791	1,548,203	1,690,831	1,602,483
La Encantada	755,963	545,031	585,329	456,179	516,141	565,724	800,543	836,448
Consolidated	2,353,865	1,967,574	2,104,181	1,975,176	2,612,416	2,461,868	2,633,411	2,543,059
Gold ounces produced								
Santa Elena	27,216	27,435	27,176	21,713	28,056	28,367	20,073	24,039
San Dimas	12,264	12,582	12,043	13,543	18,468	17,863	20,509	20,124
Jerritt Canyon	—	1,684	74	647	—	396	4,364	16,341
Consolidated	39,506	41,701	39,293	35,903	46,524	46,626	44,946	60,504
Cash cost per Ounce ⁽¹⁾								
Santa Elena (per AgEq Ounce)	\$ 10.99	\$ 11.96	\$ 12.25	\$ 12.13	\$ 10.42	\$ 11.72	\$ 14.45	\$ 11.93
San Dimas (per AgEq Ounce)	\$ 15.14	\$ 16.50	\$ 16.66	\$ 15.81	\$ 13.21	\$ 14.07	\$ 12.07	\$ 10.86
La Encantada (per AgEq Ounce)	\$ 20.01	\$ 25.24	\$ 23.69	\$ 25.22	\$ 26.19	\$ 25.63	\$ 16.90	\$ 15.48
Jerritt Canyon (per Au Ounce)	\$ —	\$ 1,491	\$ 1,186	\$ 1,260	\$ —	\$ 1,478	\$ 4,181	\$ 2,540
Consolidated (per AgEq Ounce)	\$ 13.82	\$ 15.17	\$ 15.29	\$ 15.00	\$ 13.01	\$ 14.13	\$ 15.58	\$ 15.16

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

All-in sustaining cost per Ounce ⁽¹⁾								
Santa Elena (per AgEq Ounce)	\$ 13.54	\$ 14.38	\$ 15.07	\$ 14.70	\$ 12.82	\$ 14.68	\$ 18.00	\$ 15.18
San Dimas (per AgEq Ounce)	\$ 20.63	\$ 21.44	\$ 21.78	\$ 20.49	\$ 17.80	\$ 17.76	\$ 15.89	\$ 14.67
La Encantada (per AgEq Ounce)	\$ 25.34	\$ 30.10	\$ 27.87	\$ 31.64	\$ 34.14	\$ 29.86	\$ 19.83	\$ 18.64
Jerritt Canyon (per Au Ounce)	\$ —	\$ 1,491	\$ 1,186	\$ 1,260	\$ —	\$ 1,730	\$ 4,205	\$ 3,055
Consolidated (per AgEq Ounce)	\$ 20.34	\$ 21.03	\$ 21.64	\$ 21.53	\$ 18.50	\$ 19.74	\$ 21.52	\$ 20.90
Production cost per tonne								
Santa Elena	\$ 91.11	\$ 107.80	\$ 107.47	\$ 120.22	\$ 117.36	\$ 125.05	\$ 109.88	\$ 108.74
San Dimas	\$ 149.49	\$ 168.45	\$ 193.02	\$ 200.72	\$ 183.61	\$ 193.41	\$ 173.62	\$ 157.39
La Encantada	\$ 56.88	\$ 60.86	\$ 57.11	\$ 67.80	\$ 64.70	\$ 61.35	\$ 49.91	\$ 46.27
Jerritt Canyon	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 577.83	\$ 278.57
Consolidated	\$ 96.63	\$ 109.81	\$ 113.16	\$ 128.23	\$ 122.76	\$ 125.81	\$ 128.21	\$ 130.71

- (1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.
- (2) At Jerritt Canyon, the Company incurred costs related to mining activities for only 79 days during the first quarter of 2023. Jerritt Canyon production during the second quarter comprised of processing most of its remaining ore stockpiles and work-in-process (“WIP”) inventory throughout April and May 2023. Jerritt Canyon production during the third quarter of 2023 comprised of pouring ounces from its in-process inventory. Refer to Jerritt Canyon operational highlights for further details.
- (3) Jerritt Canyon was placed on temporary suspension in March 2023. In-circuit recovery efforts performed in 2024 resulted in production of 1,684 gold ounces in Q3 2024, 74 gold ounces in Q2 2024 and 647 gold ounces in Q1 2024.

Operating Results – Consolidated Operations

CONSOLIDATED	2024-Q4	2024-Q3	2024-Q2	2024-Q1	2024-YTD	2023-YTD	Change Q4 vs Q3	Change '24 vs '23
Ore processed/tonnes milled	745,124	678,397	674,570	588,651	2,686,742	2,901,972	10%	(7%)
Production								
Silver ounces produced	2,353,865	1,967,574	2,104,181	1,975,176	8,400,796	10,250,755	20%	(18%)
Gold ounces produced	39,506	41,761	39,339	35,936	156,542	198,921	(5%)	(21%)
Silver equivalent ounces produced	5,713,289	5,490,416	5,289,439	5,162,283	21,655,427	26,874,417	4%	(19%)
Cost								
Cash cost per AgEq Ounce ⁽¹⁾	\$13.82	\$15.17	\$15.29	\$15.00	\$14.80	\$14.49	(9%)	2%
All-in sustaining costs per AgEq Ounce ⁽¹⁾	\$20.34	\$21.03	\$21.64	\$21.53	\$21.11	\$20.16	(3%)	5%
Total production cost per tonne ⁽¹⁾	\$96.63	\$109.81	\$113.16	\$128.23	\$111.03	\$127.16	(12%)	(13%)
Underground development (m)	8,716	8,497	8,135	6,701	32,047	34,046	3%	(6%)
Exploration drilling (m)	49,183	50,028	47,447	36,274	182,932	143,465	(2%)	28%

- (1) These measures do not have a standardized meaning under the Company's financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

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

Production

During the year, the Company produced 21.7 million AgEq ounces, consisting of 8.4 million ounces of silver and 156,542 ounces of gold, representing an 18% and 21% decrease, respectively, compared to 10.3 million ounces of silver and 198,921 ounces of gold in the prior year. The decrease in silver and gold production was primarily due to lower production levels at San Dimas and La Encantada as well as the temporary suspension of mining activities at Jerritt Canyon in 2023 which had contributed 1.4 million AgEq ounces during the first quarter of 2023. This was partly offset by record production at Santa Elena, driven by ongoing optimization of the dual-circuit plant, which sustained high quarterly throughput and robust metal recoveries across consecutive quarters.

Total production in the fourth quarter of 2024 was 5.7 million AgEq ounces, consisting of 2.4 million ounces of silver, and 39,506 ounces of gold, representing a 20% increase and a 5% decrease, respectively, compared to 2.0 million ounces of silver and 41,761 ounces of gold in the prior quarter. The higher silver production is related to improved production at all three mines, with La Encantada, San Dimas and Santa Elena reporting increases in silver production of 39%, 14%, and 8% respectively.

Total ore processed amounted to 2.7 million tonnes during the year, representing a 7% decrease compared to 2.9 million tonnes in the prior year. The lower tonnage processed was primarily due to the lower tonnage at San Dimas and La Encantada, partially offset by a 15% increase in tonnes processed at Santa Elena compared to the prior year.

Total ore processed during the fourth quarter was 745,124, representing a 10% increase compared to 678,397 in the prior quarter. The increase in ore processed was primarily due to higher tonnage from all three mines, most notably at La Encantada and San Dimas where tonnage increased by 14% and 12%, respectively, compared to the prior quarter. At La Encantada, the successful identification of a new water source earlier in the year has led to water inventory reaching targeted levels which has enabled mill throughput and production to increase compared to the previous quarter. At San Dimas, labour and operating efficiencies continue to improve as a result of the progress being made in the negotiations with the National Union, along with the implementation of operational improvements.

Cash Cost and All-In Sustaining Cost per AgEq Ounce

Cash cost per AgEq ounce for the year was \$14.80, representing a 2% increase compared to \$14.49 per ounce in the prior year. The slight increase in cash cost per AgEq ounce was primarily due to the lower AgEq production at La Encantada and San Dimas during the year as well higher royalty costs as a result of higher sales at Santa Elena. The Company has also implemented numerous cost reduction initiatives to help combat inflationary impacts primarily in energy, reagents, other major consumables and a strong Mexican peso, relative to the US dollar. The increase in cash cost was partially offset by increased AgEq production at Santa Elena. Production at Santa Elena set a new annual record and increased by 7%, compared to the prior year, as a direct result of processing higher grade silver and gold ore from the Ermitaño underground mine combined with record metallurgical recoveries and higher throughput facilitated by optimization of the dual-circuit plant and tailing filter press.

Cash cost per AgEq ounce for the quarter was \$13.82 per ounce, representing a 9% decrease compared to \$15.17 per ounce in the prior quarter. The decrease in cash costs was primarily attributable to the 4% increase in consolidated AgEq production at all three mines, along with a 7% and 3% decrease in mining and G&A costs, respectively, resulting from operational efficiencies and restructuring efforts implemented in the prior year. The decrease was also driven by the softening of the Mexican Peso which averaged 3% weaker than the previous quarter, relative to the US dollar. This was partially offset by increases in royalty payments from higher production levels at Santa Elena.

AISC per AgEq ounce in the year was \$21.11, representing a 5% increase compared to \$20.16 in the prior year. The increase in AISC per AgEq ounce was mainly due to the higher cash costs.

AISC per AgEq ounce in the fourth quarter was \$20.34 per ounce, representing a 3% decrease compared to \$21.03 per ounce in the prior quarter. This was primarily attributable to lower cash costs, partially offset by increases in sustaining PP&E costs incurred to expedite projects in 2025 and complete outstanding projects from 2024.

Management continues to undertake a series of cost reduction initiatives across the organization aimed at improving efficiencies, lowering production costs, capital spending, care and maintenance holding costs and corporate G&A costs while also increasing production. Current initiatives include:

- Negotiating workforce improvement processes with the National Union at San Dimas;
- Reducing remnant pillar extraction at San Dimas within the mine plan and confirming remaining pillars using ore control (termita) drilling processes;
- Managing over-break and under-break to reduce ore dilution impacts and optimize ore extraction at San Dimas and Santa Elena;
- Increasing mine development rates at San Dimas and La Encantada to access additional ore;
- Renegotiating consumable contracts and reducing the use of external consultants;
- Optimizing use of reagent and grinding media consumption;
- At San Dimas, changes in shift line-up and other productivity-enhancing adjustments are being implemented, alongside the use of quality assurance and quality control on operating drilling methods to verify stope positioning, grade, and tonnage. These efforts are also expected to increase development rates and open additional ore stopes;
- Optimizing mining sequencing with the goal of improving ore extraction at San Dimas, Santa Elena and La Encantada;
- Adding an additional haulage contractor at La Encantada to increase and optimize mining rates and ore extraction;
- Improve La Encantada metallurgical recoveries through Increased ore blending options and the addition of lead nitrate to processing; and
- Lowering holding costs at the Company’s suspended operations including the Jerritt Canyon Gold Mine.

Development and Exploration

During the year, the Company completed 32,047 metres of underground development and 182,932 metres of exploration drilling, representing a 6% decrease and 28% increase, respectively, compared to 34,046 metres and 143,465 metres, respectively, in the previous year.

The Company has completed a total of 49,183 metres of drilling across its mines in Mexico and its Jerritt Canyon Gold Mine in Nevada, U.S.A. during the fourth quarter of 2024. During the quarter, up to 28 drill rigs were active consisting of 12 rigs at San Dimas, 10 rigs at Santa Elena, three rigs at Jerritt Canyon and three rigs at La Encantada.

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

Santa Elena Silver/Gold Mine, Sonora, Mexico

The Santa Elena Silver/Gold Mine is located approximately 150 kilometres northeast of the city of Hermosillo, Sonora, Mexico. The operating plan for Santa Elena involves the processing of ore in a 3,000 tons per day (“tpd”) cyanidation circuit from underground reserves. Santa Elena consists of a central processing plant that can receive ore from two separate underground mining operations, Santa Elena and Ermitaño. The Company owns 100% of the Santa Elena mine including mining concessions totaling 102,244 hectares.

Santa Elena	2024-Q4	2024-Q3	2024-Q2	2024-Q1	2024-YTD	2023-YTD	Change Q4 vs Q3	Change ‘24 vs ‘23
Total ore processed/tonnes milled	271,783	259,919	256,427	224,394	1,012,523	882,592	5%	15%
Average silver grade (g/t)	67	68	69	72	69	64	(1%)	8%
Average gold grade (g/t)	3.26	3.50	3.52	3.16	3.36	3.77	(7%)	(11%)
Silver recovery (%)	69%	67%	66%	69%	68%	64%	3%	6%
Gold recovery (%)	96%	94%	94%	95%	95%	94%	2%	1%
Production								
Silver ounces produced	406,009	376,203	376,947	355,205	1,514,364	1,176,591	8%	29%
Gold ounces produced	27,216	27,435	27,176	21,713	103,540	100,535	(1%)	3%
Silver equivalent ounces produced	2,719,702	2,685,375	2,580,497	2,280,739	10,266,313	9,571,792	1%	7%
Cost								
Cash cost per AgEq Ounce ⁽¹⁾	\$10.99	\$11.96	\$12.25	\$12.13	\$11.81	\$11.87	(8%)	(1%)
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$13.54	\$14.38	\$15.07	\$14.70	\$14.40	\$14.83	(6%)	(3%)
Total production cost per tonne ⁽¹⁾	\$91.11	\$107.80	\$107.47	\$120.22	\$105.99	\$115.48	(15%)	(8%)
Underground development (m)	2,364	2,263	2,329	2,250	9,206	10,497	4%	(12%)
Exploration drilling (m)	18,014	14,796	15,591	9,911	58,312	48,058	22%	21%

(1) These measures do not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

2024 vs. 2023

In 2024, Santa Elena produced 1.5 million ounces of silver and 103,540 ounces of gold for a total production of 10.3 million AgEq ounces. This is a new annual record and a 7% increase over 2023’s record. Silver production increased by 29% compared to the prior year, while gold production increased 3% compared to 2023. The mill processed 1,012,523 tonnes of ore, 15% higher than the prior year.

Silver and gold head grades averaged 69 g/t and 3.36 g/t respectively, representing a 7% increase and 11% decrease, respectively, compared to 64 g/t and 3.77 g/t in the previous year. Silver and gold recoveries during the year averaged 68% and 95%, respectively, compared to 64% and 94% in the previous year. Continued optimization of the dual circuit and tailing filter press led to increased recovery rates and higher plant throughput of approximately 3,200 tonnes per day by the end of 2024.

For 2024, cash cost per AgEq ounce was \$11.81, representing a 1% decrease compared to \$11.87 per AgEq ounce in 2023, which was primarily attributed to a 7% increase in AgEq ounces produced. This was partially offset by higher royalty payments during the year primarily due to an increase in production.

AISC per AgEq ounce was \$14.40, representing a 3% decrease compared to \$14.83 per AgEq ounce in 2023. This was primarily attributable to the decrease in cash costs and decreases in sustaining development costs compared to the prior year.

The Santa Elena mine is subject to a gold streaming agreement with Sandstorm Gold Ltd. (“Sandstorm”), which requires the Company to sell to Sandstorm 20% of its gold production over the life of mine from its leach pad and a designated area of its underground operations. The selling price to Sandstorm is the lesser of the prevailing market price or \$450 per ounce, subject to a 1% annual inflation adjustment. During the year ended December 31, 2024, the Company delivered 47 ounces (2023 - 1,094 ounces) of gold to Sandstorm at an average price \$482 per ounce (2023 - \$473 per ounce).

The Santa Elena mine has a net smelter return (“NSR”) royalty agreement with Orogen Royalties Inc. that provides Orogen with a 2% NSR royalty from the production of the Ermitaño property. In addition, there is an underlying NSR royalty where Osisko Gold Royalties Ltd. retains a 2% NSR royalty from the sale of mineral products extracted from the Ermitaño property. For the year ended December 31, 2024, the Company has incurred \$11.3 million (2023 - \$8.7 million) in NSR royalty payments in connection with production from Ermitaño.

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

During the year, a total of 9,206 metres of underground development and 58,312 metres of exploration drilling were completed, representing 12% decrease and 21% increase, respectively, compared to 10,497 metres of underground development and 48,058 metres of exploration drilling in the prior year. Total exploration costs for the year were \$11.1 million compared to \$8.7 million in the prior year driven by increased drilling metres.

During the year, the Company announced the discovery of the Navidad vein system, a new significant, vein-hosted gold and silver mineralized system adjacent to the Company’s currently producing Ermitaño mine. Please refer to the news release dated July 30, 2024, on the Company’s website for further details.

2024 Q4 vs. 2024 Q3

Santa Elena produced 2.7 million AgEq ounces, 1% above the prior quarter, consisting of 406,009 ounces of silver and 27,216 ounces of gold. Silver production increased by 8% compared to the prior quarter, while gold production was largely unchanged. The increase in production was primarily due to improved recoveries and higher ore processed.

The mill processed a total of 271,783 tonnes of ore, slightly higher than the prior quarter with average silver and gold ore grades remaining relatively consistent at 67 g/t and 3.26 g/t, respectively.

Silver and gold recoveries during the quarter averaged 69% and 96%, respectively, compared to 67% and 94% in the prior quarter.

Cash cost per AgEq ounce in the fourth quarter was \$10.99, representing an 8% decrease compared to \$11.96 per AgEq ounce in the prior quarter, which was primarily attributed to cost savings at the mine from dilution control as well as an increase in AgEq ounces produced. This was partially offset by higher royalty payments during the fourth quarter.

AISC per AgEq ounce for the quarter was \$13.54, representing a 6% decrease compared to \$14.38 per AgEq ounce in the prior quarter. This was primarily attributable to a decrease in cash costs and lower lease payments compared to the prior quarter. This was partially offset by higher sustaining PP&E costs compared to the prior quarter.

During the quarter, a total of 2,364 metres of underground development was completed at the Ermitaño mine, representing a 4% increase compared to 2,263 metres in the prior quarter. During the quarter, 10 drill rigs consisting of eight surface rigs and two underground rigs, completed 18,014 metres of drilling on the property. Total exploration costs in the fourth quarter were \$3.1 million, representing a 6% increase compared to \$2.9 million in the prior quarter.

San Dimas Silver/Gold Mine, Durango, Mexico

The San Dimas Silver/Gold Mine is located approximately 130 kilometres northwest of the city of Durango, Durango State, Mexico and consists of 71,868 hectares of mining claims located in the states of Durango and Sinaloa, Mexico. San Dimas is the largest producing underground mine in the state of Durango with over 250 years of operating history. The San Dimas operating plan involves processing ore from several underground mining areas with a 2,500 tpd capacity milling operation that produces silver/gold doré bars. The mine is accessible via a 40-minute flight from the Durango International Airport to a private airstrip in the town of Tayoltita, or by improved roadway. The Company owns 100% of the San Dimas mine.

San Dimas	2024-Q4	2024-Q3	2024-Q2	2024-Q1	2024-YTD	2023-YTD	Change Q4 vs Q3	Change '24 vs '23
Total ore processed/tonnes milled	219,388	195,279	183,188	178,957	776,812	875,345	12%	(11%)
Average silver grade (g/t)	195	188	210	220	202	240	4%	(16%)
Average gold grade (g/t)	1.88	2.12	2.15	2.45	2.13	2.85	(11%)	(25%)
Silver recovery (%)	87%	89%	92%	92%	90%	94%	(2%)	(4%)
Gold recovery (%)	93%	95%	95%	96%	95%	96%	(2%)	(1%)
Production								
Silver ounces produced	1,191,893	1,046,340	1,141,906	1,163,792	4,543,931	6,355,308	14%	(29%)
Gold ounces produced	12,264	12,582	12,043	13,543	50,432	76,964	(3%)	(34%)
Silver equivalent ounces produced	2,235,407	2,110,905	2,114,072	2,364,875	8,825,259	12,789,920	6%	(31%)
Cost								
Cash cost per AgEq Ounce ⁽¹⁾	\$15.14	\$16.50	\$16.66	\$15.81	\$16.01	\$12.51	(8%)	28%
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$20.63	\$21.44	\$21.78	\$20.49	\$21.06	\$16.48	(4%)	28%
Total production cost per tonne ⁽¹⁾	\$149.49	\$168.45	\$193.02	\$200.72	\$176.33	\$176.84	(11%)	0%
Underground development (m)	5,473	5,452	4,859	3,709	19,493	17,641	0%	10%
Exploration drilling (m)	26,954	29,172	31,249	26,363	113,738	78,039	(8%)	46%

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

2024 vs. 2023

In 2024, San Dimas produced 8.8 million AgEq ounces consisting of 4.5 million ounces of silver and 50,432 ounces of gold. Silver production decreased by 29%, while gold production decreased by 34%, when compared to the prior year. The mill processed a total of 776,812 tonnes of ore, a decrease of 11% compared to the prior year. The decrease in silver and gold production was primarily driven by a reduction in ore grades, vein widths, and union workforce underperformance. This resulted in lower than planned fresh ore tonnes mined containing lower silver and gold grades as well as a decrease in ore tonnes processed for the year. Negotiations with the unionized workers continued throughout the year and an agreement was reached in August 2024 on certain matters, the most significant being the payment for the annual bonus. Labour and operating efficiencies have improved as a result, and management anticipates further improved production at San Dimas in 2025.

During the year, silver and gold grades averaged 202 g/t and 2.13 g/t, respectively, representing a 16% and 25% decrease, respectively, compared to 240 g/t and 2.85 g/t in the prior year. Silver and gold recoveries during the year averaged 90% and 95%, respectively, compared to 94% and 96% in the prior year.

During the year, cash cost per AgEq ounce was \$16.01, representing a 28% increase compared to \$12.51 per AgEq ounce in the prior year. This was primarily due a decrease in AgEq ounces produced compared to the prior year.

AISC per AgEq ounce in 2024 was \$21.06, representing a 28% increase compared to \$16.48 per AgEq ounce in 2023. This was primarily attributable to an increase in cash costs.

As a result of a period of continued rain during the year following extended drought conditions, the Company’s Las Truchas hydroelectric dam water levels recovered to full capacity. Las Truchas provides efficient and renewable energy at lower costs, and with a lower carbon footprint to the San Dimas mine. Additionally, as part of its ongoing cost reduction and carbon reduction initiatives, First Majestic is replacing the diesel generators used for on-site back-up power at San Dimas with LNG units. The company expects that this will generate cost-savings and will result in a reduction in carbon emissions of up to 25%, when back-up power is required.

The San Dimas mine is subject to a gold and silver streaming agreement with Wheaton Precious Metals Corp. (“Wheaton” or “WPMI”), which entitles Wheaton to receive 25% of the gold equivalent production (based on a fixed exchange ratio of 70 silver ounces to 1 gold ounce) at San Dimas in exchange for ongoing payments equal to the lesser of \$600 (subject to a 1% annual inflation adjustment commencing in May 2019) and the prevailing market price for each gold equivalent ounce delivered. Should the average gold to silver ratio over a six-month period exceed 90:1 or fall below 50:1, the fixed exchange ratio would be increased to 90:1 or decreased to 50:1, respectively. The fixed gold to silver exchange ratio as of December 31, 2024, was 70:1. During the year ended December 31, 2024, the Company delivered 28,746 ounces (2023 - 42,172 ounces) of gold to WPMI at \$635 per ounce (2023 - \$628 per ounce).

During the year, a total of 19,493 metres of underground development and 113,738 metres of exploration drilling were completed, representing a 10% and 46% increase, respectively, compared to 17,641 metres and 78,039 metres in the prior year. Total exploration costs were \$12.6 million, representing a 32% increase compared to \$9.5 million in the prior year driven by increased drilling metres.

2024 Q4 vs. 2024 Q3

San Dimas produced 2.2 million AgEq ounces during the quarter representing a 6% increase compared to the prior quarter, consisting of 1.2 million ounces of silver and 12,264 ounces of gold. Silver production increased by 14%, while gold production decreased by 3%, when compared to the prior quarter. The increase in silver production was driven by an increase in ore tonnes processed and higher silver grades. The decrease in gold production was driven by a lower gold grade, and lower gold recovery.

The mill processed a total of 219,388 tonnes of ore, an increase of 12% compared to the prior quarter, with average silver and gold grades of 195 g/t and 1.88 g/t, respectively, compared with 188 g/t and 2.12 g/t in the previous quarter.

Silver and gold recoveries during the quarter averaged 87% and 93%, respectively, compared to 89% and 95% in the previous quarter. Lower silver recoveries were a result of complex ores from the Perez vein combined with lower-grade backfill ore processing.

In the fourth quarter, cash cost per AgEq ounce was \$15.14, representing an 8% decrease compared to \$16.50 per AgEq ounce in the prior quarter. The decrease in cash cost was primarily due to an increase in AgEq ounces produced and the weakening of the Mexican peso, relative to the US dollar, by 6% compared to the prior quarter.

AISC per AgEq ounce for the quarter was \$20.63, representing a 4% decrease compared to \$21.44 per AgEq ounce in the prior quarter. This was primarily due to lower cash costs, partially offset by higher sustaining PP&E costs compared to the prior quarter.

A total of 5,473 metres of underground development was completed in the fourth quarter, representing a marginal decrease compared to 5,452 metres in the prior quarter. During the quarter, a total of 12 drill rigs consisting of three surface rigs and nine underground rigs, completed 26,954 metres of exploration drilling, representing an 8% decrease compared to 29,172 metres in the prior quarter. Total exploration costs were \$3.1 million, representing a 6% decrease compared to \$3.3 million in the prior quarter.

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

La Encantada Silver Mine, Coahuila, Mexico

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

La Encantada	2024-Q4	2024-Q3	2024-Q2	2024-Q1	2024-YTD	2023-YTD	Change Q4 vs Q3	Change '24 vs '23
Ore processed/tonnes milled	253,953	223,200	234,955	185,298	897,406	966,392	14%	(7%)
Average silver grade (g/t)	126	110	129	123	122	121	15%	1%
Silver recovery (%)	73%	69%	60%	62%	67%	73%	5%	(8%)
Production								
Silver ounces produced	755,963	545,031	585,329	456,179	2,342,502	2,718,856	39%	(14%)
Gold ounces produced	26	59	46	33	164	321	(56%)	(49%)
Silver equivalent ounces produced	758,181	550,042	589,060	459,110	2,356,393	2,745,622	38%	(14%)
Cost								
Cash cost per AgEq Ounce ⁽¹⁾	\$20.01	\$25.24	\$23.69	\$25.22	\$23.17	\$20.05	(21%)	16%
All-In sustaining costs per AgEq Ounce ⁽¹⁾	\$25.34	\$30.10	\$27.87	\$31.64	\$28.31	\$24.28	(16%)	17%
Total production cost per tonne ⁽¹⁾	\$56.88	\$60.86	\$57.11	\$67.80	\$60.18	\$54.74	(7%)	10%
Underground development (m)	877	781	947	742	3,347	3,067	12%	9%
Exploration drilling (m)	3,044	1,862	607	0	5,513	3,812	63%	45%

NM - Not meaningful

(1) These measures do not have a standardized meaning under the Company’s financial reporting framework and the methods used by the Company to calculate these measures may differ from methods used by other companies with similar descriptions. See “Non-GAAP Measures” on pages 49 to 59 for further details on these measures and a reconciliation of non-GAAP to GAAP measures.

2024 vs. 2023

During the year, La Encantada produced 2.3 million ounces of silver and 164 ounces of gold for a total of 2.4 million AgEq ounces, representing a 14% decrease compared to 2.7 million AgEq ounces in 2023. The mill processed a total of 897,406 tonnes of ore, a decrease of 7% compared to the prior year. La Encantada was impacted by limited water supply to the mill, driven by the collapse of one of three water wells that supply the plant with the necessary water for processing. A replacement water source was discovered through drilling in April 2024 and was connected to the mill in June. Water inventory levels at the plant reached full capacity in the second half of the year, allowing ore throughput rates to return to normal levels. As a result, AgEq ounces produced was 25% higher in the second half of the year compared to the first half and 39% higher in fourth quarter compared to the third quarter.

Silver recoveries for the year were 67%, representing an 8% decrease compared to 73% in 2023. Lower silver recoveries were a result of processing higher manganese content ores. Silver grades during the year averaged 122 g/t, representing a 1% increase compared to 121 g/t in 2023.

During the year cash cost per AgEq ounce in 2024 was \$23.17, representing a 16% increase compared to \$20.05 per AgEq ounce in 2023. This was primarily due to a 14% decrease in AgEq ounces produced, along with slightly higher energy costs due to a temporary failure in one of the LNG power generators during the year, which has since been repaired.

AISC per AgEq ounce for the year was \$28.31, representing a 17% increase compared to \$24.28 per AgEq ounce in the prior year. The increase in AISC per AgEq ounce was primarily due to higher cash costs.

In 2022, the Company sold a portfolio of its existing royalty interests to Metalla Royalty and Streaming Limited (“Metalla”). Under the agreement, the Company has granted Metalla a 100% gross value royalty for the first 1,000 ounces of gold produced annually from the La Encantada property. For the year ended December 31, 2024, the Company incurred \$0.4 million (December 31, 2023 - \$0.5 million) in NSR royalty payments from production at La Encantada.

A total of 3,347 metres of underground development and 5,513 metres of exploration drilling were completed in the year, representing a 9% and 45% increase, respectively, compared to 3,067 metres of underground development and 3,812 metres of exploration drilling in the prior year. The 2024 exploration program commenced mid-year after securing a new water source. Total exploration costs in 2024 were \$1.9 million, representing a 26% increase compared to \$1.5 million in the prior year driven by an increase in drilling metres.

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

2024 Q4 vs. 2024 Q3

During the quarter, La Encantada produced 755,963 ounces of silver, representing a significant 39% increase compared to the prior quarter as tonnes of ore processed, silver grades and silver recovery improved with the return to normal operations following the recovery of water inventory levels.

The mill processed a total of 253,953 tonnes of ore, an increase of 14% compared to the previous quarter, with an average silver grade of 126 g/t, compared to 110 g/t in the prior quarter.

Silver recovery for the quarter was 73%, compared to the 69% in the previous quarter. Metallurgical testing indicated that the addition of lead nitrate to the leaching circuit will provide positive recovery results for La Encantada ores. Installation of the lead nitrate system was completed at the end of the third quarter, improving recovery rates in the fourth quarter.

Cash cost per AgEq ounce for the quarter was \$20.01, representing a 21% decrease compared to \$25.24 per AgEq ounce in the prior quarter, primarily due to a 38% increase in AgEq ounces produced compared to the prior quarter.

AISC per AgEq ounce for the quarter was \$25.34, representing a 16% decrease compared to \$30.10 per AgEq ounce in the previous quarter. This was primarily due to lower cash costs, partially offset by higher sustaining PP&E costs compared to the prior quarter.

A total of 877 metres of underground development was completed in the fourth quarter at La Encantada, representing a 12% increase compared to 781 metres in the prior quarter. During the quarter, a total of three drill rigs consisting of two surface drill rigs and one underground rig completed 3,044 metres of drilling on the property, representing a 63% compared to 1,862 metres in the third quarter. Total exploration costs in the fourth quarter were \$0.8 million, representing a 46% increase compared to \$0.5 million in the prior quarter.

First Mint LLC, Nevada, United States

First Mint, LLC (“First Mint”) is the Company’s operating minting facility located in Nevada, United States. First Mint expands upon the Company’s existing bullion sales through vertically integrating the production of investment-grade fine silver bullion, and the Company expects that First Mint will allow the Company to sell a greater portion of its silver production directly to its shareholders and bullion customers. First Mint operates some of the most innovative processing equipment in the precious metals industry, including an environmentally friendly flameless tunnel, which uses significantly less electricity and produces near zero emissions when compared to traditional minting processes. First Mint enables the Company to turn its own silver into an array of finished bullion products, and provides manufacturing capacity for third-party demand. The Company owns 100% of First Mint.

First Mint ⁽¹⁾	2024-Q4	2024-Q3	2024-Q2	Q1 2024	2024-YTD	2023-YTD	Change Q4 vs Q3	Change '24 vs '23
Ounces sold	294,278	83,852	106,890	36,959	521,979	340,432	175%	53%
Financial Results								
Revenue (\$ thousands)	\$9,052	\$2,665	\$3,298	\$987	\$16,002	\$8,891	174%	80%
Average realized price per ounce - Bullion ⁽²⁾	\$30.76	\$31.78	\$30.86	\$26.71	\$30.66	\$26.11	0%	17%

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

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

2024 vs. 2023

Commissioning for First Mint commenced in March 2024 and was focused on commissioning production and research and development. The facility will be able to provide a steady supply of cast bars and one-ounce silver rounds, with additional capacity to service third party orders. First Mint officially celebrated its inauguration on September 26, 2024. While silver bullion sales by First Mint commenced in March, the inauguration celebrated the mint’s progress to-date on implementing innovative production and fulfillment processes at the facility. During this time, the Mint also commissioned several pieces of new equipment including coin presses, lasers, etching equipment for bar and coin manufacturing and is expected to receive ISO 9001 certification in 2025. This quality certification will allow silver products sold by First Mint to be Individual Retirement Account (“IRA”) eligible, permitting investors to hold these silver products within approved retirement accounts. First Mint enables First Majestic to turn its mined silver into an array of finished bullion products for direct sale to the public and offers manufacturing capacity for third-party demand.

During the year, First Mint and the Company’s bullion store collectively sold 521,979 ounces of silver, representing a 53% increase compared to 340,432 ounces sold in the prior year through the bullion store. The ounces sold through First Mint accounted for 6% of the Company’s total silver production during the year.

Total revenues for the year were \$16.0 million at an average realized price of \$30.66 per ounce, representing an 80% and 17% increase, respectively, compared to revenues of \$8.9 million at an average realized price of \$26.11 per ounce in the prior year.

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

2024 Q4 vs. 2024 Q3

During the fourth quarter, First Mint set a new record for quarterly sales, with 294,278 ounces of silver sold, representing a 251% increase compared to 83,852 ounces in the prior quarter. The ounces sold through First Mint accounted for 13% of the Company’s total silver production during the fourth quarter of 2024.

Total revenues for the fourth quarter were \$9.1 million at an average realized price of \$30.76 per ounce, representing a 240% increase and a 3% decrease, respectively, compared to revenues of \$2.7 million at an average realized price of \$31.78 per ounce in the prior quarter.

Jerritt Canyon Gold Mine, Nevada, United States

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

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

Jerritt Canyon	2024-Q4	2024-Q3	2024-Q2	2024-Q1	2024-YTD	2023-YTD	Change Q4 vs Q3	Change ’24 vs ’23
Ore processed/tonnes milled	—	—	—	—	—	177,643	0%	(100%)
Average gold grade (g/t)	—	—	—	—	—	4.26	0%	(100%)
Gold recovery (%)	—	—	—	—	—	87%	0%	(100%)
Production								
Gold ounces produced	—	1,684	74	647	2,405	21,101	(100%)	(89%)
Silver equivalent ounces produced	—	144,093	5,811	57,559	207,463	1,767,083	(100%)	(88%)
Underground development (m)	—	—	—	—	—	2,841	0%	(100%)
Exploration drilling (m)	1,171	4,199	—	—	5,370	13,556	(72%)	(60%)

2024 vs. 2023

Operations at the Jerritt Canyon mine were placed on temporary suspension in March 2023. As of April 24, 2023, all production activities at the Jerritt Canyon processing plant were fully suspended. In-circuit recovery efforts performed during 2024 resulted in the recovery of 2,405 ounces of gold.

During the year, the Company incurred \$17.3 million in holding costs at Jerritt Canyon, primarily for care and maintenance activities such as water management and treatment, maintaining environmental permits and controls, keeping the plant well-maintained for future processing and maintaining land access. The Company continues to focus on optimizing holding costs and completing technical studies that will support an eventual restart of the mine in the future.

Jerritt Canyon’s 2024 exploration program commenced at the beginning of the third quarter. The exploration program is focused on unexplored targets on the recently permitted U.S. Forest Lands on First Majestic’s large Nevada land package. During the year, the Company completed 5,370 metres of surface drilling on the property, which is less than the Company had planned due to a delayed startup and negative weather conditions. Total exploration costs were \$6.7 million in the year, representing a 29% increase compared to \$5.2 million in the prior year.

2024 Q4 vs. 2023 Q3

During the quarter, the Company incurred \$4.2 million in holding costs at Jerritt Canyon, representing a 22% decrease compared to \$5.4 million in the prior quarter. A total of three drill rigs completed 1,171 metres of surface drilling on the property, representing a 72% decrease from 4,199 metres in the prior quarter, due to early winter conditions. Total exploration costs amounted to \$1.8 million in the fourth quarter of 2024, representing a 53% decrease compared to \$3.8 million in the prior quarter.

La Parrilla Silver Mine, Durango, Mexico

The La Parrilla Silver Mine, located approximately 65 kilometres southeast of the city of Durango in Durango State, Mexico, is a complex of underground operations consisting of the Rosarios, La Blanca and San Marcos mines which are inter-connected through underground workings, and the Vacas and Quebradillas mines which are connected via above-ground gravel roads. La Parrilla includes a 2,000 tpd sequential processing plant consisting of a 1,000 tpd cyanidation circuit and a 1,000 tpd flotation circuit, metallurgical pilot plant, buildings, offices and associated infrastructure.

Operations at the La Parrilla mine were placed on care and maintenance in September 2019.

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

On December 7, 2022, the Company announced that it had entered into an asset purchase agreement with Golden Tag Resources Ltd. (which subsequently changed its name to Silver Storm Mining Ltd.) (“Silver Storm”) to sell the La Parrilla Silver Mine for total consideration of up to \$33.5 million, consisting of 143,673,684 common shares of Silver Storm at a deemed price of \$0.16 per share, having an aggregate value as of the date of the agreement of \$20 million, and up to \$13.5 million in contingent consideration, in the form of three milestone payments, payable in either cash or Silver Storm shares, out of which \$2.7 million is payable no later than 18 months following the closing date.

On August 14, 2023, the Company completed the sale of La Parrilla to Silver Storm and received total consideration of \$13.3 million net of transaction costs. Based on the price of Silver Storm’s common shares at the time of closing the transaction, the Company recorded a loss on disposition of \$1.6 million. In addition, First Majestic participated in Silver Storm’s offering of subscription receipts (the “Subscription Receipts”) and purchased 18,009,000 Subscription Receipts at a price of CAD\$0.20 per Subscription Receipt which, in accordance with their terms, have now converted into 18,009,000 Silver Storm common shares and 9,004,500 common share purchase warrants (the “Warrants”). Each Warrant is exercisable for one additional Silver Storm common share until August 14, 2026, at a price of CAD\$0.34.The Company began accounting for the shares received from Silver Storm as an equity security at fair value through other comprehensive income (“FVTOCI”).

La Guitarra Silver Mine, Mexico State, Mexico

The La Guitarra Silver Mine is located in the Temascaltepec Mining District in the State of Mexico, Mexico, approximately 130 kilometres southwest from Mexico City.

The La Guitarra milling and mining operations were placed under care and maintenance in August 2018.

On May 24, 2022, the Company announced that it had entered into a share purchase agreement with Sierra Madre Gold and Silver Ltd. (“Sierra Madre”), to sell the Company’s subsidiary La Guitarra Compañía Minera S.A. de C.V. (“La Guitarra”), which owned the La Guitarra Silver Mine, to Sierra Madre for total consideration of approximately \$35 million, consisting of 69,063,076 Sierra Madre common shares at a deemed price of \$0.51 per share.

On March 29, 2023, the Company completed the sale of La Guitarra to Sierra Madre and received total consideration of \$33.2 million net of transaction costs (paid in common shares of Sierra Madre), before working capital adjustments. Based on the carrying value of the asset at the time of disposal of \$34.3 million, and the working capital adjustment of \$0.2 million, the Company recorded a loss on disposition of \$1.4 million. The Company began accounting for the common shares received from Sierra Madre as an equity security at FVTOCI.

On May 8, 2024, the Company advanced a \$5.0 million loan to Sierra Madre for the purposes of advancing the La Guitarra mine. The loan bears interest at a rate of 15% per annum (payable monthly) and full payment of the principal amount is due on May 8, 2026.

Del Toro Silver Mine, Zacatecas, Mexico

The Del Toro Silver Mine is located 60 kilometres to the southeast of the La Parrilla mine and consists of 3,815 hectares of mining concessions and 219 hectares of surface rights. The Del Toro operation represents the consolidation of three historical silver mines, the Perseverancia, San Juan and Dolores mines, which are approximately one and three kilometres apart, respectively. Del Toro includes a 2,000 tpd flotation circuit and a 2,000 tpd cyanidation circuit. First Majestic owns 100% of the Del Toro Silver Mine.

Operations at the Del Toro mine have been on care and maintenance since January 2020.

San Martin Silver Mine, Jalisco, Mexico

The San Martin Silver Mine is an underground mine located near the town of San Martin de Bolaños in the Bolaños river valley, in the northern portion of the State of Jalisco, Mexico. San Martin has 33 contiguous mining concessions in the San Martin de Bolaños mining district covering mineral rights for 12,795 hectares, plus an application of a new mining concession covering 24,723 hectares to be granted. In addition, the mine includes 160 hectares of surface land where the processing plant, camp, office facilities, maintenance shops, and tailings dams are located, and an additional 640 hectares of surface rights. The 1,300 tpd mill and processing plant consists of crushing, grinding and conventional cyanidation by agitation in tanks and a Merrill-Crowe doré production system. The mine can be accessed via small plane, 150 kilometres from Durango, or 250 kilometres by paved road north of Guadalajara, Jalisco. The San Martin Silver Mine is 100% owned by the Company.

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

Springpole Silver Stream, Ontario, Canada

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

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

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

- The first payment of \$10.0 million, consisting of \$2.5 million in cash and \$7.5 million in First Majestic common shares (805,698 common shares), was paid to First Mining on July 2, 2020;
- The second payment of \$7.5 million, consisting of \$3.75 million in cash and \$3.75 million in First Majestic common shares (287,300 common shares), was paid on January 21, 2021 upon the completion and public announcement by First Mining of the results of a Pre-Feasibility Study for Springpole; and
- The third payment, consisting of \$2.5 million in cash and \$2.5 million in First Majestic common shares (based on a 20-day volume weighted average price), will be paid upon receipt by First Mining of a Federal or Provincial Environmental Assessment approval for Springpole, which has not yet been received.

In connection with the streaming agreement, First Mining also granted First Majestic 30.0 million common share purchase warrants of First Mining (the “First Mining Warrants”), each of which will entitle the Company to purchase one common share of First Mining at CAD\$0.40 expiring July 2, 2025. As a result of the distribution by First Mining of shares and warrants of Treasury Metals Inc. that was completed by First Mining on July 15, 2021, pursuant to the adjustment provisions of the First Mining Warrants, the exercise price of these warrants was reduced from CAD\$0.40 to CAD\$0.37, and the number of these warrants was increased from 30.0 million to 32.1 million. The fair value of the warrants was measured at \$5.7 million using the Black-Scholes option pricing model.

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

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

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

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

OVERVIEW OF FINANCIAL PERFORMANCE

For the years ended December 31, 2024, 2023 and 2022 (in thousands of dollars, except for per share amounts):

	Annual 2024	Annual 2023	Annual 2022	Variance % 24 vs '23	
Revenues	\$560,604	\$573,801	\$624,221	(2%)	(1)
Mine operating costs					
Cost of sales	344,703	410,057	471,687	(16%)	(2)
Cost of sales - standby costs	—	13,438	—	(100%)	(2)
Depletion, depreciation and amortization	124,001	124,664	135,782	(1%)	(3)
	468,704	548,159	607,469	(14%)	
Mine operating earnings	91,900	25,642	16,752	NM	
General and administrative	39,597	38,709	36,372	2%	(4)
Share-based payments	13,490	13,177	13,958	2%	
Mine holding costs	23,666	22,088	11,930	7%	(5)
Write down on asset held-for-sale	—	7,229	—	(100%)	(6)
Restructuring costs	—	6,883	—	(100%)	(7)
Impairment of non-current asset	—	125,200	(2,651)	(100%)	(8)
Loss on sale of mining interest	—	3,024	(4,301)	(100%)	(9)
Foreign exchange loss (gain)	18,902	(11,884)	637	NM	

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

Operating loss	(3,755)	(178,784)	(39,193)	(98%)	
Investment and other income	5,361	9,149	(1,888)	(41%)	(10)
Finance costs	(28,060)	(26,280)	(20,323)	7%	(11)
Loss before income taxes	(26,454)	(195,915)	(61,404)	(86%)	
Current income tax expense	31,997	14,005	56,250	128%	
Deferred income tax expense (recovery)	43,434	(74,808)	(3,378)	(158%)	
Income tax expense (recovery)	75,431	(60,803)	52,872	NM	(12)
Net loss for the year	(\$101,885)	(\$135,112)	(\$114,276)	25%	(13)
Loss per common share					
Basic and diluted	(\$0.34)	(\$0.48)	(\$0.43)	29%	(13)

NM - Not meaningful

1. **Revenues** in the year ended December 31, 2024 were \$560.6 million, or a 2% decrease compared to \$573.8 million in the same period of the previous year, primarily attributed to:

- a 20% decrease in total payable AgEq ounces sold compared to the prior year which resulted in a decrease in revenues of \$99.9 million. This was primarily due to higher inventory levels held, lower production levels at San Dimas and La Encantada as well as the temporary suspension of mining activities at Jerritt Canyon in Q1 2023 which contributed \$40.5 million in revenues during 2023.

Partially offset by:

- a 21% increase in the realized silver price per ounce sold, which averaged \$28.26 year-to-date compared to \$23.29 in the prior year. This resulted in an \$87.1 million increase in revenue compared to the prior year.
- a 7% increase in payable AgEq ounces produced at Santa Elena; and
- an 80% increase in revenues from coins and bullion following the opening of First Mint in 2024.

2. **Cost of sales** in the year were \$344.7 million, representing a 16% decrease compared to \$410.1 in the same period of the previous year, primarily attributed to:

- a \$73.9 million decrease in labour, consumables and energy costs during the year along with a decrease in other costs including insurance, services, selling and maintenance costs. This was primarily due to the temporary suspension of operations at the Jerritt Canyon Mine during Q1 of 2023, a reduced workforce in Jerritt Canyon and across the organization, along with lower production at San Dimas and La Encantada during the year;
- a \$13.4 million decrease in one-time standby costs primarily related to one-time severance and demobilization costs following the temporary suspension of mining activities at Jerritt Canyon in 2023; and
- a weaker Mexican peso relative to the US dollar, which averaged 3% weaker compared to 2023.

Partially offset by:

- a \$1.9 million increase in environmental duties and royalties due to increased production at Ermitaño which resulted in increased royalties paid;
- a \$1.8 million increase in abnormal costs at San Dimas during the second quarter as the Company had to use higher cost diesel from back up energy sources due to low water levels at the Company’s Las Truchas hydroelectric dam and damage to the power lines from a wildfire adjacent to the hydroelectric plant; and
- a \$1.7 million increase in worker participation costs in Mexico.

3. **Depletion, depreciation and amortization** in the year was \$124.0 million, representing a 1% decrease compared to \$124.7 million in the same period of the previous year, primarily attributed to:

- a \$12.1 million decrease related to lower depletion at Jerritt Canyon due to the temporary suspension of mining activities.

Partially offset by:

- an \$11.5 million increase in depletion and depreciation from the Mexican operations primarily due to an increase in production at Santa Elena as well as higher fixed asset depreciation at Santa Elena and La Encantada.

4. **General and administrative expense** in the year was \$39.6 million, representing a 2% increase compared to \$38.7 million in the same period of the previous year, primarily attributed to higher due diligence costs incurred as a result of the Gatos acquisition which completed on January 16, 2025 and higher legal and professional fees related to the Company’s ongoing NAFTA proceedings. This was offset by higher severance costs incurred in 2023 related to restructuring efforts to optimize the Company’s workforce.

5. **Mine holding costs** in the year were \$23.7 million, representing a 7% increase compared to \$22.1 million in the same period of the previous year, primarily attributed to the temporary suspension of Jerritt Canyon in Q1 2023 and care and maintenance activities for the Santa Elena underground mine. This was partially offset by lower holding costs due to the sale of La Guitarra and La Parrilla in the first and third quarters of 2023, respectively.

6. **Write down on asset held-for-sale** decrease by \$7.2 million compared to the same period of the previous year. In 2023, the Company recorded a write-down related to La Parrilla based on the change in value of shares of Silver Storm Mining (formerly Golden Tag Resources) at the end of the reporting period.

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

7. **Restructuring costs** decreased by \$6.9 million compared to the same period in the previous year. In 2023, restructuring costs were related to the Company optimizing its workforce primarily at San Dimas, as well as at the Durango regional office and Santa Elena.
8. **Impairment** decreased by \$125.2 million compared to the same period of the previous year. In March 2023, the Company recorded a \$125.2 million impairment in respect of its Jerritt Canyon mine following the temporary suspension of mining operations.
9. **Loss on sale of mining interest** decrease by \$3.0 million compared to the same period of the previous year. This was due to the sale of La Guitarra to Sierra Madre Gold and Silver Ltd. on March 29, 2023. Based on the carrying value of the asset at the time of disposal of \$34.3 million, and the working capital adjustment of \$0.2 million, the Company had recorded a loss on disposition of \$1.4 million in the first quarter of the prior year.
10. **Investment and other income** for the year totaled \$5.4 million, representing a 41% decrease compared to \$9.2 million in the same period of the previous year. The decrease in the investment and other income was primarily due to an unrealized gain on silver futures of \$0.1 million, compared to a \$4.3 million gain in the prior year. This was partially offset by a marginal unrealized gain on marketable securities, compared to a \$1.6 million loss in the prior year.
11. **Finance costs** for the year was \$28.1 million, representing a 7% increase compared to \$26.3 million in the same period of the previous year. The increase was primarily due to an increase in the accretion expense for decommissioning liabilities of \$1.3 million resulting from changes in the asset retirement obligations as well as an increase in accretion expense on the Company’s convertible bond as it gets closer to maturity.
12. During the year ended December 31, 2024, the Company recorded an **income tax expense** of \$75.4 million, representing a 224% increase compared to an income tax recovery of \$60.8 million during the previous year primarily due to an increase in deferred income tax expense. The deferred income tax expense during the year was primarily related to the foreign exchange impact on available Mexican tax pools to account for the strengthening of the US dollar relative to the Mexican peso. The income tax recovery in 2023 was primarily driven by an impairment on non-current assets during the first quarter of 2023 along with foreign exchange and inflationary adjustments.
13. As a result of the foregoing, **net loss** for the year ended December 31, 2024 was \$101.9 million (EPS of (\$0.34)), representing a 25% improvement compared to a net loss of \$135.1 million (EPS of (\$0.48)) during the previous year.

For the quarters ended December 31, 2024 and 2023 (in thousands of dollars, except for per share amounts):

	Fourth Quarter 2024	Fourth Quarter 2023	Variance %	
Revenues	\$172,337	\$136,946	26%	(1)
Mine operating costs				
Cost of sales	89,424	89,395	0%	(2)
Depletion, depreciation and amortization	34,676	29,650	17%	(3)
	124,100	119,045	4%	
Mine operating earnings	48,237	17,901	169%	
General and administrative expenses	11,411	8,149	40%	(4)
Share-based payments	2,595	2,466	5%	
Mine holding costs	5,493	7,338	(25%)	(5)
Restructuring costs	—	455	(100%)	(6)
Foreign exchange loss (gain)	3,078	(2,931)	NM	
Operating earnings	25,660	2,424	NM	
Investment and other income	1,275	1,005	27%	(7)
Finance costs	(6,783)	(6,592)	3%	
Earnings (loss) before income taxes	20,152	(3,163)	NM	
Current income tax expense	15,290	8,770	74%	
Deferred income tax expense (recovery)	18,340	(22,164)	(183%)	
Income tax expense (recovery)	33,630	(13,394)	NM	(8)
Net (loss) earnings for the period	(\$13,478)	\$10,231	NM	(9)
(Loss) earnings per share (basic and diluted)	(\$0.04)	\$0.04	NM	(9)

NM - Not meaningful

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

1. **Revenues** in the quarter were \$172.3 million, representing a 26% increase compared to \$136.9 million the same quarter of the prior year primarily attributed to:
 - a 27% increase in the average realized silver price, which was \$30.80 per ounce during the quarter, compared to \$24.16 per ounce in the fourth quarter of 2023. This resulted in a \$34.2 million increase in revenue compared to the same quarter of the prior year.Partially offset by:
 - a 3% decrease in the total number of payable AgEq ounces sold compared to the fourth quarter of 2023 which resulted in a decrease in revenues of \$1.4 million compared to the fourth quarter of 2023. This was primarily driven by lower AgEq ounces produced at San Dimas and Santa Elena compared to the fourth quarter of 2023.
2. **Cost of sales** in the quarter were \$89.4 million, consistent to the same quarter of the prior year primarily attributed to:
 - a \$7.2 million increase in change in inventory expense compared to the same quarter of 2023;
 - a \$0.7 million increase in other costs primarily due to an increase in environmental duties and royalties; and
 - a \$0.2 million increase in worker participation costs in Mexico.Partially offset by:
 - a weaker Mexican peso relative to the US dollar, which averaged 14% lower compared to the same quarter of 2023;
 - a \$7.1 million decrease in labour costs primarily due to the reduction in workforce across the organization following restructuring efforts to optimize the workforce during the same quarter of the prior year; and
 - a \$1.3 million decrease in consumables and materials, energy and insurance costs.
3. **Depletion, depreciation and amortization** in the quarter was \$34.7 million, representing a 17% increase compared to \$29.7 million in the same quarter of the previous year, primarily as a result of:
 - a \$5.7 million increase in depletion and depreciation from the Mexican operations primarily due to higher produced tonnes at Santa Elena as well as higher fixed asset depreciation at San Dimas and Santa Elena.

Partially offset:

- a decrease of \$0.4 million in depreciation and amortization from Jerritt Canyon compared to the same quarter of the prior year.
4. **General and administrative expense** in the quarter was \$11.4 million, representing a 40% increase compared to \$8.1 million in same quarter of the prior year. This was primarily attributable to higher salaries and benefits as well as higher due diligence costs incurred in 2024 as a result of the Gatos acquisition completed on January 16, 2025 and higher legal and professional fees related to the Company’s ongoing NAFTA proceedings.
5. **Mine holding costs** in the quarter were \$5.5 million, representing a 25% decrease compared to \$7.3 million in the same quarter of 2023, primarily driven by a decrease in holding costs for the Jerritt Canyon, Santa Elena underground mine, and Del Toro properties.
6. **Restructuring Costs** decreased by \$0.5 million compared to the same quarter of 2023. In 2023, restructuring costs were related to the Company optimizing its workforce primarily at San Dimas, as well as at the Durango regional office and Santa Elena.
7. **Investment and other income** in the quarter were \$1.3 million, representing a 27% increase compared to \$1.0 million the same quarter of the prior year. This was primarily attributable to a gain from investment in silver future derivatives of \$1.1 million, compared to a \$0.5 million loss in the same quarter of the prior year, along with interest income of \$0.3 million compared to interest income of \$1.6 million in the same quarter of the prior year.
8. During the quarter, the Company recorded an **income tax expense** of \$33.6 million compared to a \$13.4 million income tax recovery in the fourth quarter of 2023. The increase in income tax expense was primarily related to the non-cash foreign exchange impact on available Mexican tax pools to account for the strengthening of the US dollar against the Mexican peso resulting in an increased deferred tax expense as well as an increased current tax expense driven by higher earnings at Santa Elena.
9. As a result of the foregoing, **net loss** for the quarter was \$13.5 million (EPS of (\$0.04)) compared to a net gain of \$10.2 million (EPS of \$0.04) in the same quarter of the prior year.

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

SUMMARY OF QUARTERLY RESULTS

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

Selected Financial Information	2024				2023			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$172,337	\$146,087	\$136,166	\$106,014	\$136,946	\$133,211	\$146,692	\$156,952
Cost of sales	\$89,424	\$85,694	\$89,096	\$80,489	\$89,395	\$92,187	\$104,607	\$123,868
Depletion, depreciation and amortization	\$34,676	\$31,871	\$31,608	\$25,846	\$29,650	\$27,998	\$32,587	\$34,429
Mine operating earnings (loss)	\$48,237	\$28,522	\$15,462	(\$321)	\$17,901	\$13,026	\$1,138	(\$6,423)
Net (loss) earnings after tax	(\$13,478)	(\$26,593)	(\$48,251)	(\$13,563)	\$10,231	(\$27,149)	(\$17,534)	(\$100,660)
(Loss) earnings per share – basic	(\$0.04)	(\$0.09)	(\$0.17)	(\$0.05)	\$0.04	(\$0.09)	(\$0.06)	(\$0.37)
(Loss) earnings per share – diluted	(\$0.04)	(\$0.09)	(\$0.17)	(\$0.05)	\$0.04	(\$0.09)	(\$0.06)	(\$0.37)

During the fourth quarter of 2024, mine operating earnings were \$48.2 million, representing a 69% increase compared to mine operating earnings of \$28.5 million in the previous quarter. The increase was primarily due an increase in payable AgEq ounces sold as well as an increase in the average realized silver price.

The net loss for the quarter was \$13.5 million, representing a 49% improvement compared to a net loss of \$26.6 million in the prior quarter. This improvement was primarily attributed a \$19.7 million increase in mine operating earnings compared to the prior quarter and a non-cash foreign exchange loss of \$3.1 million compared to a \$5.8 million loss in the prior quarter. This was partially offset by \$9.2 million increase in income tax expense compared to the prior quarter.

LIQUIDITY, CAPITAL RESOURCES AND CONTRACTUAL OBLIGATIONS

Liquidity

As at December 31, 2024, the Company had cash and cash equivalents of \$202.2 million, comprised primarily of cash held with reputable financial institutions and invested in cash accounts and highly liquid short-term investments with maturities of three months or less. With the exception of \$1.5 million held in-trust for tax audits in Mexico, the Company’s cash and cash equivalents are not exposed to liquidity risk and there are no restrictions on the ability of the Company to use these funds to meet its obligations. Cash and cash equivalents excludes \$106.1 million of restricted cash as at December 31, 2024.

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

On February 22, 2024, the Company entered into an equity distribution agreement with BMO Capital Markets Corp. and TD Securities (USA) LLC (collectively, the “Agents”) and filed a prospectus supplement to its short form base shelf prospectus dated August 3, 2023, pursuant to which the Company may, at its discretion and from time-to-time, sell through the Agents common shares of the Company for aggregate gross proceeds of up to \$150.0 million through the ATM program (the “2024 ATM Program”). During the year ended December 31, 2024, 14,300,000 common shares were sold under the 2024 ATM Program at an average price of \$6.73 per share, for gross proceeds of \$96.2 million or net proceeds of \$93.9 million. As at December 31, 2024, the Company incurred \$2.3 million in transaction costs in relation to the 2024 ATM Program.

Working capital as at December 31, 2024 was \$224.5 million compared to \$188.9 million as at December 31, 2023. Total available liquidity as at December 31, 2024 was \$364.2 million, including \$224.5 of working capital and \$139.6 million of undrawn revolving credit facility, and excluding \$106.1 million held in restricted cash.

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

	Year Ended December 31,	
	2024	2023
Cash flow		
Cash generated in operating activities	\$151,970	\$55,614
Cash (used in) investing activities	(114,160)	(153,999)
Cash provided by financing activities	42,410	64,649
Increase (decrease) in cash and cash equivalents	\$80,220	(\$33,736)
Effect of exchange rate on cash and cash equivalents held in foreign currencies	(3,621)	2,660
Change in cash and cash equivalents classified as held for sale	—	5,219
Cash and cash equivalents, beginning of the year	125,581	151,438
Cash and cash equivalents, end of year	\$202,180	\$125,581

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

The Company’s cash flows from operating, investing and financing activities during the year ended December 31, 2024 are summarized as follows:

- Cash generated by operating activities** of \$152.0 million, primarily due to:
 - \$138.6 million in cash flows from operating activities before movements in working capital and taxes; and
 - \$29.2 million net change in non-cash working capital items during the period, including a \$19.5 million decrease in restricted cash, an \$8.1 million decrease in value added tax (“VAT”) receivables, a \$2.3 million decrease in inventories, a \$2.8 million increase in trade payables, partially offset by a \$2.5 million decrease in income taxes payable and a \$1.5 million increase in trade and other receivables.

net of:

- \$15.8 million in income tax installments paid during the period.

- Cash used in investing activities** of \$114.2 million, primarily related to:

- \$95.1 million spent on mine development and exploration activities;
- \$20.0 million spent on the purchase of property, plant and equipment;
- \$12.0 million spent on the purchase of marketable securities; and
- \$5.0 million loaned to Sierra Madre Gold.

net of:

- \$18.5 million in proceeds from the disposal of marketable securities; and
- \$0.1 million in proceeds from the deposits on non-current assets.

- Cash provided in financing activities** of \$42.4 million, primarily related to the following:

- \$93.9 million of proceeds net of share issuance costs from common shares of the Company sold under the 2024 ATM Program.

net of:

- \$20.0 million repayment of the Revolving Credit Facility;
- \$17.3 million repayment of lease obligations;
- \$8.8 million payment of financing costs; and
- \$5.3 million for the payment of dividends during the period.

During the year ended December 31, 2024, the Company received \$63.1 million (1,278.9 million MXN) related to VAT filings. In connection with the tax ruling relating to Primero Empresa Minera, S.A. de C.V. (“PEM”), the Servicio de Administracion Tributaria (the “SAT”), the Mexican tax authority, has frozen a PEM bank account which contains approximately \$86.7 million as security for certain tax re-assessments that are currently being disputed by PEM, and this amount is reflected in the Company’s restricted cash accounts. The Company does not agree with the SAT’s position regarding its tax re-assessments, which were issued as a result of the SAT unilaterally declaring that the Company’s APA was not valid, and is challenging Mexico’s actions with respect to the APA through various legal actions, both domestically in Mexico and internationally through NAFTA arbitration proceedings.

Reconciliation on Use of Proceeds from ATM Program

During the year ended December 31, 2024, the Company sold 14,300,000 common shares under the ATM program at an average price of \$6.73 per common share for gross proceeds of \$96.2 million, or net proceeds of \$93.9 million after costs. The use of proceeds from the amount raised in the current year is reconciled as follows:

Gross Proceeds:	\$96,206
Use of Proceeds:	
Exploration	45,994
Expansionary development	41,405
Sustaining development	6,500
Offering expenses	2,307
	\$96,206

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

Capital Resources

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

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

The Company is not subject to any externally imposed capital requirements with the exception of complying with banking covenants defined in its debt facilities. As at December 31, 2024, the Company was in compliance with all of its debt covenants.

Contractual Obligations and Commitments

As at December 31, 2024, the Company’s contractual obligations and commitments are summarized as follows:

	Contractual Cash Flows	Less than 1 year	2 to 3 years	4 to 5 years	After 5 years
Trade and other payables	\$103,895	\$103,895	\$—	\$—	\$—
Debt facilities	234,097	2,444	231,653	—	—
Lease liabilities	30,572	16,497	10,631	3,247	197
Other liabilities	5,587	—	329	5,258	—
Purchase obligations and commitments	3,654	3,654	—	—	—
	\$377,805	\$126,490	\$242,613	\$8,505	\$197

As at December 31, 2024, the Company had working capital of \$224.5 million (December 2023 - \$188.9 million) and total available liquidity of \$364.2 million (December 2023 - \$313.6 million), including \$139.6 million (December 2023 - \$124.6 million) of undrawn revolving credit facility.

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

MANAGEMENT OF RISKS AND UNCERTAINTIES

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

Credit Risk

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

As at December 31, 2024, net VAT receivable was \$44.6 million (December 31, 2023 - \$52.7 million), of which \$14.2 million (December 31, 2023 - \$27.5 million) relates to La Encantada, \$5.1 million relates to Santa Elena (December 31, 2023 - \$23.0 million), and \$7.0 million (December 31, 2023 - \$29.0 million) relates to San Dimas.

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

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

Liquidity Risk

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

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

Indebtedness

As at December 31, 2024, the Company’s total consolidated indebtedness was \$209.5 million, \$0.4 million of which was secured indebtedness.

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

Currency Risk

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

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

	December 31, 2024						
	Cash and cash equivalents	Restricted cash	Value added taxes receivable	Other financial assets	Trade and other payables	Net assets (liabilities) exposure	Effect of +/- 10% change in currency
Canadian Dollar	\$1,097	\$—	\$—	\$1,282	(\$5,422)	(\$1,878)	(\$188)
Mexican Peso	25,748	86,726	44,614	—	(63,988)	93,100	9,310
	\$26,845	\$86,726	\$44,614	\$1,282	(\$69,410)	\$91,222	\$9,122

Commodity Price Risk

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

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

	December 31, 2024		
	Effect of +/- 10% change in metal prices		
	Silver	Gold	Total
Metals in inventory	\$1,557	\$676	\$2,233
	\$1,557	\$676	\$2,233

Interest Rate Risk

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

As at December 31, 2024, the Company’s exposure to interest rate risk on interest bearing liabilities is limited to its debt facilities and lease liabilities. Based on the Company’s interest rate exposure at December 31, 2024, a 25 basis points increase or decrease in the market interest rate does not have a significant impact on net earnings or loss.

Political and Country Risk

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

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

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

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

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

Governmental Regulations, Laws, Licenses and Permits

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

These amendments are expected to have an impact on our current and future exploration activities and operations in Mexico and the extent of such impact is yet to be determined but could be material for the Company. On June 7, 2023, the Senators of the opposition parties (PRI, PAN and PRD) filed a constitutional action against the Decree, which is pending to be decided by Plenary of the Supreme Court of Justice. Additionally, during the second quarter of 2023, the Company filed various *amparo* lawsuits challenging the constitutionality of the Decree. As of the date of this MD&A, these *amparos* filed by First Majestic, along with numerous *amparos* in relation to the Decree that have been filed by other companies, are still pending before the District or Collegiate Courts. On July 15, 2024, the Supreme Court of Justice in Mexico suspended all on-going *amparo* lawsuits against the Decree whilst the aforementioned constitutional action is being considered by the Supreme Court. Once the Supreme Court has provided its ruling on the constitutional action, such ruling will set a precedent that will enable the on-going *amparo* lawsuits to be resolved, thereby avoiding the potential for contradictory judgements in the various *amparo* lawsuits that have been filed against the Decree.

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

The Company’s income and its mining, exploration and development projects, could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in applicable government policies affecting investment, mining and repatriation of financial assets, by changes in the independence and reliability of Mexican courts, by shifts in political attitudes and by exchange controls. The effect, if any, of these factors cannot be accurately predicted. Further, there can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at the Company’s projects.

For further details regarding risks relating to government regulations, licenses and permits, see the section in the Company’s most recently filed AIF entitled “*Risk Factors – Operational Risks – Governmental Regulations, Licenses and Permits*”.

Public Health Crises

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

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

Environmental and Health and Safety Risks

The Company’s activities are subject to extensive laws and regulations governing environmental protection and employee health and safety. Environmental laws and regulations are complex and have tended to become more stringent over time. The Company is required to obtain governmental permits and in some instances air, water quality, waste disposal, hazardous substances and mine reclamation rules and permits. Although the Company makes provisions for environmental compliance and reclamation costs, it cannot be assured that these provisions will be adequate to discharge its future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of

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

permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the costs of compliance with such standards are increasing while the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require submission of, and approval of, environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. Climate change regulations may become more onerous over time as governments implement policies to further reduce carbon emissions, including the implementation of taxation regimes based on aggregate carbon emissions. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of the Company’s operations.

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

The Company filed a Notice of Appeal on September 3, 2021, challenging the NOAV before the Nevada State Environmental Commission (“NSEC”). The Company raised various defenses to the NOAV, including that the Company is not liable for the violations because it was never the owner/operator of Jerritt Canyon during the period the alleged violations began (on April 30, 2021, the Company acquired Jerritt Canyon Canada Ltd, which, through subsidiaries, owns and operates Jerritt Canyon). There is currently no hearing scheduled or any scheduling order in the matter, and the parties have yet to engage in discovery.

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

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

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

Natural Protected Areas Risk

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

Climate Related Risks

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

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

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

Substantial Decommissioning and Reclamation Costs

During the year ended December 31, 2024, the Company reassessed its reclamation obligation at each material mine based on updated life of mine (“LOM”) estimates, rehabilitation, and closure plans. The total discounted amount of estimated cash flows required to settle the Company’s estimated obligations is \$159.1 million, which has been discounted using a risk-free rate of 10.6% for the mines in Mexico and 4.6% for the Jerritt Canyon Gold Mine. The estimated decommissioning and reclamation obligations breakdown primarily consists of a \$111.8 million for the reclamation obligation of the Jerritt Canyon Gold Mine, including \$17.6 million related to the Environmental Trust that was funded on October 31, 2022; \$13.2 million for the San Dimas Silver/Gold Mine; \$12.2 million for the Santa Elena Silver/Gold Mine; \$11.4 million for the La Encantada Silver Mine; \$6.6 million for the San Martin Silver Mine; and \$3.4 million for the Del Toro Silver Mine. The present value of the reclamation liabilities may be subject to change based on management’s current and future estimates, changes in the remediation technology or changes to applicable laws and regulations. Such changes will be recorded in our accounts as they occur.

The costs of performing the decommissioning and reclamation must be funded by the Company’s operations. These costs can be significant and are subject to change. The Company cannot predict what level of decommissioning and

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reclamation may be required in the future by regulators. If the Company is required to comply with significant additional regulations or if the actual cost of future decommissioning and reclamation is significantly higher than current estimates, this could have an adverse impact on the Company’s future cash flows, earnings, results of operations and financial condition.

Claims and Legal Proceedings Risks

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

Title of Properties

The validity of mining or exploration titles or claims or rights, which constitute most of the Company’s property holdings, can be uncertain and may be contested. The Company has used reasonable commercial efforts to investigate the Company’s title or claim to its various properties, however, no assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims and that such exploration and mining titles or claims will not be challenged or impugned by third parties. Mining laws are continually developing and changes in such laws could materially impact the Company’s rights to its various properties or interests therein. The Company has obtained title insurance for its Jerritt Canyon Mine but there is a risk that such insurance could be insufficient, or the Company could not be successful in any claim against its insurer. Accordingly, the Company may have little or no recourse as a result of any successful challenge to title to any of its properties. The Company’s properties may be subject to prior unregistered liens, agreements or transfers, land claims or undetected title defects which may have a material adverse effect on the Company’s ability to develop or exploit the properties.

In Mexico, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions must obtain agreement from surface landowners to obtain suitable access to mining concessions and for the amount of compensation in respect of mining activities conducted on such land. If the Company is unable to agree to terms of access with the holder of surface rights with respect to a particular claim, the Company may be able to gain access through a regulatory process in Mexico, however there is no guarantee that such process will be successful or timely or that the terms of such access will be favorable to the Company. In any such event, access to the Company’s properties may be curtailed, which may result in reductions in production and corresponding reductions in revenue. Any such reductions could have a material adverse effect on the Company, its business and its results of operations.

Primero Tax Rulings

When Primero, the previous owner of San Dimas acquired the San Dimas Mine in August 2010, it assumed the obligations under a Silver Purchase Agreement (“Old Stream Agreement”) that required its subsidiary, PEM, to sell exclusively to Wheaton Precious Metals (“WPMI”) up to 6 million ounces silver produced from the San Dimas Mine, and 50% of silver produced thereafter, at the lower of: (i) the spot market price and (ii) \$4.014 per ounce plus an annual increase of 1% (“PEM Realized Price”). In May 2018, the Old Stream Agreement was terminated between WPMI and Silver Trading (Barbados) Limited (“STB”) in connection with the Company entering into a new stream agreement with WPMI concurrent with the acquisition of Primero by the Company.

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

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

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

In 2019, the SAT issued reassessments for the 2010 to 2012 tax years in the total amount of \$310.8 million (6,299 million MXN) inclusive of interest, inflation, and penalties. In 2021, the SAT also issued a reassessment against PEM for the 2013 tax year in the total amount of \$164.3 million (3,330 million MXN) inclusive of accrued interest, inflation and penalties, and in 2023, the SAT issued reassessments for the 2014, 2015, and 2016 tax years in the total amount of \$418.8 million (8,488 MXN) inclusive of interest, inflation, and penalties (collectively, the “Reassessments”). For the 2017 and 2018 tax years, the SAT has initiated audits that have not yet been concluded, and therefore, tax assessments for these years have yet to be issued. The Company believes that the Reassessments fail to recognize the applicability of a valid transfer pricing methodology. The major items in the Reassessments include determination of revenue based on spot market prices of silver, denial of the deductibility of interest expense and service fees, SAT technical error related to double counting of taxes, and interest and penalties.

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

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

Domestic Remedies

In September 2020, the Company was served with a decision of the Federal Tax Court seeking to nullify the APA granted to PEM. The Company filed an appeal of the decision to the Mexican Circuit Courts on November 30, 2020. As two writs of certiorari were filed before the Mexican Supreme Court of Justice, on April 15, 2021, the Plenary of the Supreme Court i) admitted one of those writs, ii) requested the Mexican Circuit Court to send the appeal file to them, and iii) assigned such writ to the Second Chamber of the Supreme Court for issuing the corresponding decision. Both writs of certiorari were withdrawn in December 2022. The challenge filed by the Company was returned to the Mexican Circuit Court on February 14, 2023 and on December 5, 2023, the Mexican Circuit Court issued a decision, which was formally notified to the Company on January 4, 2024.

In such decision, the Mexican Circuit Court partially granted constitutional protection to the Company with respect to certain matters, but not others.

Accordingly, on January 18, 2024, PEM filed an extraordinary appeal to the Mexican Supreme Court of Justice with respect to PEM’s constitutional

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

International Remedies

i. NAFTA APA Claim

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

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

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

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

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

Tribunal heard the Company’s arguments against the Consolidation Request, and Mexico’s arguments in support of the Consolidation Request.

We expect that the Consolidation Tribunal will make its decision in respect of the Consolidation Request in Q2 2025. Until such a decision has been made, proceedings in both the NAFTA APA Claim and the NAFTA VAT Claim have been suspended. However, any decisions rendered to date by the Tribunal in the NAFTA APA Claim, including but not limited to the PM Decision, remain in force during such suspension.

If the SAT’s attempts to retroactively nullify the APA are successful, the SAT can be expected to enforce any Reassessments for 2010 through 2014 against PEM in respect of its sales of silver pursuant to the Old Stream Agreement. Such an outcome would likely have a material adverse effect on the Company’s results of operations, financial condition and cash flows. Should the Company ultimately be required to pay tax on its silver revenues based on spot market prices without any mitigating adjustments, the incremental income tax for the years 2010-2019 would be \$272.9 million (5,531 million MXN), before taking into consideration interest or penalties.

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

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

ii. NAFTA VAT Claim

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

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

La Encantada Tax Re-assessments

In December 2019, as part of the ongoing annual audits of the tax returns of Minera La Encantada S.A. de C.V. (“MLE”) and Corporacion First Majestic S.A. de C.V. (“CFM”), the SAT issued tax assessments for fiscal 2012 and 2013 for corporate income tax in the amount of \$36.0 million (730 million MXN) and \$26.2 million (531 million MXN) including interest, inflation and penalties, respectively. In December 2022, the SAT issued tax assessments to MLE for fiscal years 2014 and 2015 for corporate income tax in the amount of \$16.4 million (333 million MXN) and \$206.8 million (4,190 million MXN). In 2023, the SAT issued a tax assessment to MLE for the fiscal year 2016 for corporate income tax in the amount of \$2.9 million (\$9 million MXN). The SAT also issued an assessment for fiscal 2017 in the amount of \$6.3 million (127.8 million MXN). The major items relate to forward silver purchase agreement and denial

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of the deductibility of mine development costs and service fees. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MLE’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

San Martin Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of Minera El Pilon S.A. de C.V. (“MEP”), the SAT issued tax assessments for fiscal 2014, 2015 and 2016 for corporate income tax in the total amount of \$24.6 million (498 million MXN) including interest, inflation and penalties. In 2024, the SAT issued a tax assessment for fiscal 2017 for corporate income tax in the amount of \$2.9 million (59 million MXN) including interest, inflation, and penalties. The major items relate to forward silver purchase agreement and denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes MEP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

La Parrilla Tax Re-assessments

In 2023 and 2024, as part of the ongoing annual audits of the tax returns of First Majestic Plata S.A. de C.V. (“FMP”), the SAT issued tax assessment for fiscal 2014, 2015, and 2016 for corporate income tax in the total amount of \$59.1 million (1,199 million MXN) including interest, inflation and penalties. The major items relate to forward silver purchase agreement and denial of the deductibility of mine development costs. The Company continues to defend the validity of the forward silver purchase agreement and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMP’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

Del Toro Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of First Majestic Del Toro S.A. de C.V. (“FMDT”), the SAT issued tax assessment for fiscal 2015 and 2016 for corporate income tax in the total amount of \$24.6 million (498 million MXN) including interest, inflation and penalties. The major items relate to and denial of the deductibility of mine development costs, refining costs, and other expenses. The Company continues to defend the validity of the expenses and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes FMDT’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

CFM Tax Re-assessments

In 2023, as part of the ongoing annual audits of the tax returns of CFM, the SAT issued tax assessment for fiscal 2016 for corporate income tax in the total amount of \$71.5 million (1,449 million MXN) including interest, inflation and penalties. The major item relates to planning that took place post-acquisition of Santa Elena (via the acquisition of SilverCrest Mines Inc. on October 1, 2015) at the Canadian level. Mexico contends a right to tax a disposition of the shares of SilverCrest Mines Inc. by First Majestic Silver Corp. although the transaction in question involved the disposition of the shares of one Canadian company by another Canadian company and was reported for tax purposes in Canada. The Company continues to defend the validity of the transaction in question and will vigorously dispute the assessments that have been issued. The Company, based on advice from legal and financial advisors, believes CFM’s tax filings were appropriate and its tax filing position is correct, therefore no liability has been recognized in the financial statements.

First Silver Litigation

In April 2013, the Company received a positive judgment on the First Silver

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

OTHER FINANCIAL INFORMATION

Off-Balance Sheet Arrangements

As at December 31, 2024, the Company had no material off-balance sheet arrangements such as contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that generate financing, liquidity, market or credit risk to the Company, other than contingent liabilities and vendor liability and interest, as disclosed in this MD&A and the consolidated financial statements and the related notes.

Share Repurchase Program

On September 12, 2024, the Company established a share repurchase program (the “Share Repurchase Program”) which permits it to repurchase up to 10,000,000 common shares (3.32% of the Company’s issued and outstanding common shares as at September 4, 2024) up to September 12, 2025. The Share Repurchase Program is a “normal course issuer bid” and will be carried out through the facilities of the Toronto Stock Exchange and alternative Canadian marketplaces. All common shares, if any, purchased pursuant to the Share Repurchase Program will be cancelled. The Company believes that from time to time, the market price of its common shares may not fully reflect the underlying value of the Company’s business and its future business prospects. The Company believes that at such times, the purchase of common shares under the Share Repurchase Program would be in the best interest of the Company. During the year ended December 31, 2024, the Company repurchased an aggregate of 50,000 common shares at an average price of CAD\$7.81 per share as part of the Share Repurchase Program (December 2023 - \$nil) for total payments of \$0.3 million, net of transaction costs.

Related Party Disclosures

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

With the exception of the agreement with First Mining, there were no significant transactions with related parties during the year ended December 31, 2024.

Outstanding Share Data

As at February 19, 2025, the Company has 484,090,334 common shares issued and outstanding. In addition, the following awards that were granted under the Company’s long-term incentive plan were outstanding as at February 19, 2025:

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Stock options	8,696,299
Restricted share units (share-settled)	1,984,388
Deferred share units (share-settled)	30,161
Performance share units (share-settled)	1,223,165
Total	11,934,013

On December 2, 2021, the Company issued an aggregate of \$230 million principal amount of 0.375% unsecured convertible senior notes due January 15, 2027 (the “Notes”). The Notes may be converted by the holders, in whole or in part, at any time. The initial conversion rate for the Notes is 60.3865 common shares per \$1,000 principal amount of Notes, equivalent to an initial conversion price of approximately \$16.56 per common share (subject to certain adjustment provisions, one of which requires an adjustment in connection with the payment of any dividends by the Company).

SUBSEQUENT EVENTS

The following significant events have occurred subsequent to December 31, 2024:

Completion of the Acquisition of Gatos Silver Inc.

On January 16, 2025, the Company completed its acquisition of Gatos, and as a result, Gatos became a wholly-owned subsidiary of the Company. The Company issued an aggregate of 177,433,006 common shares of the Company to acquire all of the issued and outstanding shares of common stock of Gatos (in addition to a nominal amount of cash in lieu of fractional First Majestic common shares), resulting in former Gatos shareholders holding approximately 38% of the issued and outstanding common shares of the Company post-closing on a fully diluted basis. In addition, the Merger Agreement provided for the issuance by First Majestic of options to purchase an aggregate of 8,242,244 First Majestic common shares in exchange for all existing Gatos options at exercise prices adjusted by the Exchange Ratio. All existing RSUs and DSUs of Gatos were settled on January 28, 2025 for an aggregate of 2,207,762 First Majestic common shares.

As a result of the Merger Gatos became a wholly owned subsidiary of the Company. Gatos is a silver dominant producer with a 70% interest in the Los Gatos Joint Venture, which owns the producing Cerro Los Gatos underground silver mine in Chihuahua, Mexico together with approximately 103,000 hectares of mineral rights. The Merger consolidates three world-class producing silver mining districts in Mexico under one corporation. Near-term precious metal production from the Cerro Los Gatos Mine is expected to meaningfully improve overall production by the Company, and the consolidated mines are expected to have a combined annual production of 27.8 – 31.2 million ounces of silver-equivalent in 2025, including 13.6 – 15.3 million ounces of silver and is expected to change First Majestic’s average all-in sustaining costs to \$19.89 to \$21.27 per silver-equivalent ounce. The addition of Gatos’ interest in Cerro Los Gatos Mine is also expected to result in an immediate contribution of annual free cash flow of approximately \$70 million to the Company in 2025 which management of First Majestic anticipates will result in greater access to capital to fund further development and production.

Additional information regarding Gatos’ business is included in First Majestic’s management information circular dated December 6, 2024 and in Gatos’ Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as amended by Amendment No. 1 to Gatos’ Annual Report on Form 10-K for the fiscal year ended December 31, 2023, all of which are available under the Company’s and Gatos’ respective profiles at sedarplus.ca.

The Company has determined that this transaction represents a business combination with the Company identified as the acquirer. Based on the January 16, 2025 opening share price of the First Majestic’s common shares, the total consideration of the acquisition is \$1.07 billion. Since the transaction closed in January 2025 and Gatos’ year-end financial information has not been finalized as of the date of this MD&A, the Company had insufficient time to complete the business combination accounting. As a result, the Company has not completed the initial allocation of the purchase price and has not disclosed the amounts recognized as of the acquisition date for each major class of assets acquired and liabilities assumed. The Company began consolidating the operating results, cash flows and net assets of Gatos from January 16, 2025 and will disclose the preliminary purchase price allocation in its unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2025.

Declaration of Quarterly Dividend

On February 19, 2025, the Company’s Board of Directors approved the declaration of its quarterly common share dividend of \$0.0057 per share, payable on or after March 14, 2025, to common shareholders of record as at the close of business on February 28, 2025. This dividend was declared subsequent to the quarter-end and has not been recognized as a distribution to owners during the period ended December 31, 2024.

ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

Critical Accounting Judgments and Estimates

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

New and amended IFRS standards that are effective for the current year

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the IASB that were effective for annual periods that begin on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

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

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

In addition, the amendment requires entities to disclose information to enable users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company’s consolidated financial statements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to sale and leaseback transactions entered into after the date of initial application. The amendments were applied effective January 1, 2024 and did not have a material impact on the Company’s consolidated financial statements.

Supplier Financing Arrangements (Amendments to IAS 7 and IFRS 7)

The amendments require disclosures regarding the effects of supplier finance arrangements on their liabilities, cash flows and exposure to liquidity risk. Entities are required to disclose the following:

- The terms and conditions;
- The amount of the liabilities that are part of the arrangements, breaking out the amounts for which the suppliers have already received payment from the finance providers, and stating where the liabilities are reflected in the balance sheet;
- Ranges of payment due dates; and
- Liquidity risk information.

The amendments were applied effective January 1, 2024 and did not have a material impact on the Company’s consolidated financial statements.

Future Changes in Accounting Policies Not Yet Effective as at December 31, 2024:

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

Lack of Exchangeability (Amendments to IAS 21)

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

The amendments are effective for annual reporting periods beginning on or after January 1, 2025, although earlier application is permitted. This amendment is not expected to have a material impact on the Company’s consolidated financial statements.

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

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

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

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

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

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

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

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

NON-GAAP MEASURES

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

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

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

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

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

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

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

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

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

Expansionary capital expenditures are defined by the Company as “costs incurred to extend existing assets beyond their current productive capacity and beyond their planned levels of productive output, resulting in an increase in the life of the assets, increasing their future earnings potential, or improving their recoveries or grades which would serve to increase the value of the assets over their useful lives”. Development and exploration work which moves inferred resources to measured or indicated resources and adds to the Net Present Value of the assets is considered expansionary in nature. Expansionary capital also includes costs required to improve/enhance assets beyond their minimum standard for reliability, environmental or safety requirements.

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

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

The following tables provide detailed reconciliations of these measures to cost of sales, as reported in notes to our consolidated financial statements.

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Three Months Ended December 31, 2024				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$10,005	\$13,513	\$4,779	\$—	\$28,297
Milling cost	9,622	7,457	6,042	—	23,121
Indirect cost	5,137	11,825	3,623	—	20,585
Total production cost (A)	\$24,764	\$32,795	\$14,444	\$—	\$72,003
Add: transportation and other selling cost	292	265	145	—	867
Add: smelting and refining cost	126	274	171	—	1,003
Add: environmental duty and royalties cost	3,816	301	297	—	4,424
Add: change in inventory	845	116	55	—	545
Total cash cost (B)	\$29,843	\$33,751	\$15,112	\$—	\$78,842
Workers’ participation	906	3,989	335	—	5,230
General and administrative expenses	—	—	—	—	11,039
Share-based payments	—	—	—	—	2,595
Accretion of decommissioning liabilities	307	344	284	—	935
Sustaining capital expenditures	3,779	7,116	2,331	—	13,248
Operating lease payments	1,945	792	1,073	—	4,137
All-In Sustaining Costs (C)	\$36,780	\$45,992	\$19,135	\$—	\$116,026
Payable silver equivalent ounces produced (D)	2,715,622	2,229,818	755,090	—	5,700,530
Payable gold ounces produced (E)	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	271,783	219,388	253,953	—	745,124
Cash cost per AgEq ounce (B/D)	\$10.99	\$15.14	\$20.01	\$—	\$13.82
AISC per AgEq ounce (C/D)	\$13.54	\$20.63	\$25.34	\$—	\$20.34
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	\$—	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	\$—	N/A
Production cost per tonne (A/F)	\$91.11	\$149.49	\$56.88	N/A	\$96.63

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

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Three Months Ended December 31, 2023				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$11,762	\$16,413	\$3,941	\$—	\$32,117
Milling cost	10,089	9,338	5,570	—	24,997
Indirect cost	5,565	13,767	3,682	—	23,011
Total production cost (A)	\$27,413	\$39,519	\$13,192	\$—	\$80,124
Add: transportation and other selling cost	242	276	92	—	826
Add: smelting and refining cost	173	443	112	—	729
Add: environmental duty and royalties cost	3,068	422	201	—	3,691
Total cash cost (B)	\$30,896	\$40,660	\$13,597	\$—	\$85,370
Workers’ participation	905	4,017	73	—	4,995
General and administrative expenses	—	—	—	—	7,787
Share-based payments	—	—	—	—	2,466
Accretion of decommissioning liabilities	258	367	269	—	894
Sustaining capital expenditures	4,002	9,301	2,818	—	16,121
Operating lease payments	1,958	427	963	—	3,738
All-In Sustaining Costs (C)	\$38,019	\$54,772	\$17,720	\$—	\$121,372
Payable silver equivalent ounces produced (D)	2,965,389	3,077,782	519,109	—	6,562,280
Payable gold ounces produced (E)	N/A	N/A	N/A	—	N/A
Tonnes milled (F)	233,60	215,232	203,898	—	652,731
Cash cost per AgEq ounce (B/D)	\$10.42	\$13.21	\$26.19	\$—	\$13.01
AISC per AgEq ounce (C/D)	\$12.82	\$17.80	\$34.14	\$—	\$18.50
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	\$—	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	\$—	N/A
Production cost per tonne (A/F)	\$117.36	\$183.61	\$64.70	N/A	\$122.76

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

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Year Ended December 31, 2024				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$47,094	\$56,272	\$17,583	\$—	\$120,949
Milling cost	38,978	30,610	21,777	20	91,385
Indirect cost	21,244	50,136	14,649	—	86,029
Total production cost (A)	\$107,316	\$137,018	\$54,009	\$20	\$298,363
Add: transportation and other selling cost	1,092	1,089	308	90	2,788
Add: smelting and refining cost	466	1,257	495	809	3,027
Add: environmental duty and royalties cost	12,766	1,212	752	22	14,752
Add: change in inventory	(549)	374	(1,201)	2,403	1,027
Total cash cost (B)	\$121,091	\$140,950	\$54,363	\$3,344	\$319,957
Workers’ participation	3,913	15,396	1,327	—	20,636
General and administrative expenses	—	—	—	—	38,106
Share-based payments	—	—	—	—	13,490
Accretion of decommissioning liabilities	1,228	1,374	1,137	—	3,739
Sustaining capital expenditures	13,342	25,932	5,397	—	44,854
Operating lease payments	8,075	1,809	4,215	—	15,533
All-In Sustaining Costs (C)	\$147,649	\$185,461	\$66,439	\$3,344	\$456,315
Payable silver equivalent ounces produced (D)	10,250,914	8,803,195	2,346,606	201,410	21,602,125
Payable gold ounces produced (E)	N/A	N/A	N/A	2,321	N/A
Tonnes milled (F)	1,012,523	776,812	897,406	—	2,686,742
Cash cost per AgEq ounce (B/D)	\$11.81	\$16.01	\$23.17	\$16.60	\$14.80
AISC per AgEq ounce (C/D)	\$14.40	\$21.07	\$28.31	\$16.60	\$21.11
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	\$1,441	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	\$1,441	N/A
Production cost per tonne (A/F)	\$105.99	\$176.33	\$60.18	–	\$111.03

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

(expressed in thousands of U.S. Dollars, except ounce and per ounce amounts)	Year Ended December 31, 2023				
	Santa Elena	San Dimas	La Encantada	Jerritt Canyon	Consolidated
Mining cost	\$42,040	\$65,076	\$16,044	\$27,297	\$150,457
Milling cost	37,924	34,457	22,316	26,853	121,550
Indirect cost	21,958	55,262	14,536	5,252	97,008
Total production cost (A)	\$101,919	\$154,795	\$52,896	\$59,402	\$369,012
Add: transportation and other selling cost	957	1,409	547	34	3,163
Add: smelting and refining cost	385	1,584	556	58	2,584
Add: environmental duty and royalties cost	9,769	1,452	825	834	12,880
Total cash cost (B)	\$113,030	\$159,240	\$54,824	\$60,328	\$387,639
Workers’ participation	2,767	15,116	1,014	—	18,897
General and administrative expenses	—	—	—	—	37,203
Share-based payments	—	—	—	—	13,177
Accretion of decommissioning liabilities	1,032	1,467	1,076	514	4,089
Sustaining capital expenditures	16,794	33,042	5,858	7,994	64,630
Operating lease payments	7,584	932	3,597	—	13,609
All-In Sustaining Costs (C)	\$141,207	\$209,797	\$66,369	\$68,836	\$539,244
Payable silver equivalent ounces produced (D)	9,518,887	12,732,827	2,733,851	1,765,316	26,750,881
Payable gold ounces produced (E)	N/A	N/A	N/A	21,080	N/A
Tonnes milled (F)	882,592	875,345	966,392	177,643	2,901,972
Cash cost per AgEq ounce (B/D)	\$11.87	\$12.51	\$20.05	\$34.17	\$14.49
AISC per AgEq ounce (C/D)	\$14.83	\$16.48	\$24.28	\$38.99	\$20.16
Cash cost per Au ounce (B/E)	N/A	N/A	N/A	\$2,862	N/A
AISC per Au ounce (C/E)	N/A	N/A	N/A	\$3,262	N/A
Production cost per tonne (A/F)	\$115.48	\$176.84	\$54.74	\$334.39	\$127.16

Average Realized Silver Price per Silver Equivalent Ounce

Revenues are presented as the net sum of invoiced revenues related to delivered shipments of silver or gold doré bars, including associated metal by-products of lead and zinc after having deducted refining and smelting charges, and after elimination of intercompany shipments of silver, silver being minted into coins, ingots and bullion products.

The average realized silver price is a non-GAAP performance measure that allows management and investors to assess the Company’s ability to sell ounces produced, in conjunction with related GAAP amounts. Management calculates this measure by taking total revenue reported under GAAP and adding back smelting and refining charges to arrive at the gross reportable revenue for the period. Gross revenues are divided into payable silver equivalent ounces sold to calculate the average realized price per ounce of silver equivalents sold. The streaming and royalty agreements in place between the Company and Sandstorm as well as Wheaton, impacts the total revenues reported on the financial statements given the reduced prices provided to these vendors in line with the terms of the agreements. Therefore, management adjusts revenue to exclude smelting and refining charges as well as revenues earned through agreements with these vendors. This provides management with a better picture regarding its ability to convert ounces produced to ounces sold and provides the investor with a clear picture of the price that the Company can currently sell the inventory for, excluding pre-arranged agreements.

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

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Revenues as reported	\$172,337	\$136,946	\$560,604	\$573,801
Add back: smelting and refining charges	1,003	730	3,027	2,584
Gross revenues	173,340	137,676	563,631	576,385
Less: Sandstorm gold revenues	(12)	(11)	(23)	(518)
Less: Wheaton gold revenues	(4,452)	(6,604)	(18,247)	(26,499)
Gross revenues, excluding Sandstorm, Wheaton (A)	\$168,876	\$131,061	\$545,361	\$549,368
Payable silver equivalent ounces sold	6,079,727	6,295,250	21,745,706	27,205,471
Less: Payable silver equivalent ounces sold to Sandstorm	(2,331)	(1,571)	(4,168)	(90,114)
Less: Payable silver equivalent ounces sold to Wheaton	(593,817)	(869,860)	(2,440,570)	(3,525,412)
Payable silver equivalent ounces sold, excluding Sandstorm and Wheaton (B)	5,483,579	5,423,819	19,300,968	23,589,945
Average realized silver price per silver equivalent ounce (A/B)	\$30.80	\$24.16	\$28.26	\$23.29
Average market price per ounce of silver per COMEX	\$28.29	\$23.25	\$27.49	\$23.39

Average Realized Gold Price per Ounce

Revenues are presented as the net sum of invoiced revenues related to delivered shipments of silver or gold doré bars, including associated metal by-products of lead and zinc after having deducted refining and smelting charges, and after elimination of intercompany shipments of silver, silver being minted into coins, ingots and bullion products.

The average realized gold price is a non-GAAP performance measure that allows management and investors to assess the Company’s ability to sell ounces produced, in conjunction with related GAAP amounts. Management calculates this measure by taking total revenue reported under GAAP and adding back smelting and refining charges to arrive at the gross reportable revenue for the period. Silver revenues are deducted from the reportable revenue for the period in order to arrive at the gold revenue for the period. Gross gold revenues are divided into gold ounces sold to calculate the average realized price per ounce of gold sold. The streaming and royalty agreements in place between the Company and Sandstorm as well as Wheaton, impacts the total revenues reported on the financial statements given the reduced prices provided to these vendors in line with the terms of the agreements. Therefore, management adjusts revenue to exclude smelting and refining charges as well as revenues earned through agreements with these vendors. This provides management with a better picture regarding its ability to convert ounces produced to ounces sold and provides the investor with a clear picture of the price that the Company can currently sell the inventory for, excluding pre-arranged agreements.

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Gross revenue, excluding Sandstorm, Wheaton	\$168,875	\$131,061	\$545,361	\$549,368
Less: Silver revenues	(82,178)	(56,684)	(240,738)	(243,682)
Gross gold revenues, excluding Sandstorm, Wheaton (A)	\$86,697	\$74,377	\$304,624	\$305,686
Gold ounces sold	39,542	47,550	155,770	202,063
Less: Gold ounces sold to Wheaton	(6,990)	(10,472)	(28,746)	(42,172)
Less: Gold ounces sold to Sandstorm	(26)	(22)	(47)	(1,094)
Gold ounces sold, excluding Sandstorm and Wheaton (B)	32,526	37,056	126,977	158,797
Average realized gold price per ounce (A/B)	\$2,665	\$2,007	\$2,399	\$1,925
Average market price per ounce of gold	\$2,390	\$1,927	\$2,319	\$1,943

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

Free Cash Flow

Free cash flow is a non-GAAP liquidity measure which is determined based on operating cash flows less sustaining capital expenditures. Management uses free cash flow as a critical measure in the evaluation of liquidity in conjunction with related GAAP amounts. It also uses the measure when considering available cash, including for decision-making purposes related to dividends and discretionary investments. Further, it helps management, the Board of Directors and investors evaluate a Company’s ability to generate liquidity from operating activities.

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Operating cash flows	\$81,654	\$19,925	\$151,970	\$55,614
Less: Sustaining capital expenditures	13,248	16,121	44,854	64,630
Free cash flow	\$68,406	\$3,804	\$107,116	(\$9,016)

Adjusted Earnings per Share (“Adjusted EPS”)

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

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

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

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

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

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

The following table provides a detailed reconciliation of net earnings (losses) as reported in the Company’s consolidated financial statements to adjusted net earnings and Adjusted EPS:

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net (loss) earnings as reported	(\$13,478)	\$10,231	(\$101,885)	(\$135,112)
Adjustments for non-cash or unusual items:				
Impairment of non-current assets	—	—	—	125,200
Deferred income tax expense (recovery)	18,340	(22,164)	43,434	(74,808)
Loss (gain) from investment in marketable securities	184	21	(21)	1,640
Loss on divestiture of mining interest	—	—	—	3,024
Share-based payments	2,595	2,466	13,490	13,177
Standby costs	—	—	—	13,438
Abnormal costs ⁽¹⁾	—	—	1,759	—
Restructuring costs	—	455	—	6,883
Write-down on assets held-for-sale	—	—	—	7,229
Write-down of mineral inventory	—	659	1,465	15,500
Adjusted net earnings (loss)	\$7,641	(\$8,332)	(\$41,758)	(\$23,829)
Weighted average number of shares on issue - basic	301,810,960	286,997,928	295,544,681	282,331,106
Adjusted EPS	\$0.03	(\$0.03)	(\$0.14)	(\$0.08)

(1) Abnormal costs include \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Company’s Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

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

The Company started using the financial measures “EBITDA” and “Adjusted EBITDA” in the third quarter of 2024, which are both non-GAAP measures, to supplement net earnings (GAAP) information in its consolidated financial statements. The Company believes that, in addition to conventional measures prepared in accordance with IFRS, the Company and certain investors and analysts use this information to evaluate the Company’s performance.

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

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

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

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

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

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

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net (Loss) earnings as reported	(\$13,478)	\$10,231	(\$101,885)	(\$135,112)
Add back:				
Finance costs	6,783	6,592	28,060	26,280
Depletion, depreciation and amortization	35,048	30,012	125,492	127,819
Income taxes	33,630	(13,394)	75,431	(60,803)
EBITDA	61,983	33,441	127,098	(41,816)
Adjustments for non-cash or unusual items:				
Impairment of non-current assets	—	—	—	125,200
Loss (gain) from investment in marketable securities	184	21	(21)	1,640
Loss on divestiture of mining interest	—	—	—	3,024
Share-based payments	2,595	2,466	13,490	13,177
Standby costs	—	—	—	13,438
Abnormal costs ⁽¹⁾	—	—	1,759	—
Restructuring costs	—	455	—	6,883
Write-down on assets held-for-sale	—	—	—	7,229
Write-down of mineral inventory	—	659	1,465	15,500
Adjusted EBITDA	\$64,762	\$37,042	\$143,791	\$144,275

(1) Abnormal costs include \$1.8 million incurred at San Dimas as a result of increased diesel consumption due to the use of back up energy sources following low water levels at the Company’s Las Truchas hydroelectric dam and damage to the power lines at the hydroelectric plant.

Working Capital and Available Liquidity

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

	December 31, 2024	December 31, 2023
Current Assets	\$368,821	\$309,057
Less: Current Liabilities	(144,307)	(120,138)
Working Capital	\$224,514	\$188,919
Available Undrawn Revolving Credit Facility	139,640	124,640
Available Liquidity	\$364,154	\$313,559

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

The Company’s management, with the participation of its President & Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), has evaluated the effectiveness of the Company’s disclosure controls and procedures. Based upon the results of that evaluation, the Company’s CEO and CFO have concluded that, as of December 31, 2024, the Company’s disclosure controls and procedures were effective to provide reasonable assurance that the information required to be disclosed by the Company in reports it files is recorded, processed, summarized and reported, within the appropriate time periods and is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

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

Internal Control over Financial Reporting

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

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

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

The Company’s management evaluated the effectiveness of our internal controls over financial reporting based upon the criteria set forth in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on management’s evaluation, our CEO and CFO concluded that our internal controls over financial reporting was effective as of December 31, 2024. There have been no significant changes in our internal controls during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, internal control over financial reporting. Refer to the “Report of Independent Registered Public Accounting Firm” section of the financial statements for the independent registered public accounting firm’s attestation regarding the Company’s internal control over financial reporting.

Limitations of Controls and Procedures

The Company’s management, including the President and CEO and CFO, believes that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, may not prevent or detect all misstatements because of inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any control system also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

CAUTIONARY STATEMENTS

Cautionary Note regarding Forward-Looking Statements

Certain information contained herein this MD&A constitutes forward-looking statements under applicable securities laws (collectively, “forward-looking statements”). These statements relate to future events or the Company’s future performance, business prospects or opportunities. Forward-looking statements include, but are not limited to: commercial mining operations; anticipated mineral recoveries; projected quantities of future mineral production; statements with respect to the Company’s business strategy; future planning processes; interpretation of drill results and other technical data; anticipated development, expansion, exploration activities and production rates and costs and mine plans and mine life; the results of the exploration efforts on the Navidad system at the Santa Elena property; the expected reduction of carbon emissions at San Dimas resulting from LNG generators; the security situation at the San Martin mine; the estimated cost and timing of plant improvements at the Company’s operating mines and development of the Company’s development projects; construction and operations of the replacement well at La Encantada; statements with respect to water source development and water inventory levels at La Encantada; the timing of completion of exploration programs and drilling programs; the restarting of operations or potential plans at the Company’s temporarily suspended and/or non-operating mines; the temporary suspension of processing activities at Jerritt Canyon; future exploration activities at the Jerritt Canyon Gold Mine and the costs thereof; anticipated reclamation and decommissioning activities and associated costs; conversion of mineral resources to proven and probable mineral reserves; analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable; statements with respect to the Company’s future financial position including operating efficiencies, cash flow, capital budgets, costs and expenditures, cost savings, allocation of capital, and statements with respect to the recovery of value added tax receivables and the tax regime in Mexico; the implementation and effect of cost reduction initiatives; the preparation of technical reports and completion of preliminary economic assessments; the repurchase of the Company’s shares; viability of the Company’s projects; potential metal recovery rates; sales of bullion direct to customers; payment of dividends; the impact of amendments to accounting policies; effectiveness of internal controls and procedures; the validity of the APA; statements with respect to the recovery of value added tax receivables and the tax regime in Mexico; the conduct or outcome of outstanding litigation, regulatory proceedings, negotiations or proceedings under NAFTA or other claims and the compliance by counterparties with judgments or decisions; any potential litigation resulting from the Demand Letters in connection with the Merger; the continued development and future operations of the Company’s minting facility; the Share Repurchase Program (as defined herein); future regulatory trends, future market conditions, future staffing levels and needs and assessment of future opportunities of the Company; the Company’s plans with respect to enforcement of certain judgments in favour of the Company and the likelihood of collection under those judgments; the Company’s ability to comply with future legislation or regulations including amendments to Mexican mining legislation and the Company’s intent to comply with future regulatory and compliance matters; expectations regarding the effects of public health crises on the Company’s operations, the global economy and the market for the Company’s products; and other statements identified as such in the documents incorporated by reference herein. All statements other than statements of historical fact may be forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “forecast”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions) are not statements of historical fact and may be “forward-looking statements”.

Forward-looking statements are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management made in light of management’s experience and perception of historical trends, current conditions and expected future developments at the dates the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include, without limitation: global economic conditions including public health threats,

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

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.

[illegible]

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2025 ANNUAL GENERAL MEETING	FIRST MINT, LLC	TRANSFER AGENT
Offices of Bennett Jones LLP Suite 2500 – 666 Burrard Street Vancouver, British Columbia V6C 2X8 Date: Tuesday, May 20, 2025 Time: 10:00 am (Pacific Time)	Cory Anderson Vice President & General Manager of First Mint info@firstmint.com www.firstmint.com ✉ @firstmintllc	Computershare Trust Company of Canada 3rd Floor - 510 Burrard Street Vancouver, BC, V6C 3B9 Canada Tel. 604 661 9400 Fax. 604 661 9401
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