

# MINERA FRISCO

RESULTS REPORT  
FOURTH QUARTER 2023  
FEBRARY 27<sup>th</sup>, 2024



LLEVANDO LO MÁS VALIOSO  
DE LA TIERRA A TU VIDA

# MINERA FRISCO

*MINERA FRISCO is a company with long experience dedicated to the exploration and exploitation of mining lots to produce and commercialization gold, silver, copper, lead and zinc.*

*The Company has five operative mining units in Mexico: Tayahua, San Francisco del Oro, Concheño, Asientos y El Coronel and three more in exploration stage San Felipe, Maria and Ocampo.*

*Minera Frisco works on exploration for the purpose of developing new projects.*

*Through its own resources, the company uses cutting-edge technology for the localization and processing of minerals. The company develops sustainable initiatives focused on minimizing the generation of waste and optimizing water and energy consumption, while compensating for adverse environmental impacts.*

*As well as social activities to improve the community environment, capacitation, health, and education.*



## Highlights

Mexico City, February 27<sup>th</sup>, 2024, Minera Frisco, S.A.B. de C.V. ("Frisco", BMV: FRISCO OTC: MSNFY) announces today its results for the fourth quarter 2023.

At the end of 4Q23, the company has produced 16,663 ounces of gold, 1,367,761 ounces of silver and 5,026 tons of copper. Net sales recorded \$2,146 MM Ps and an EBITDA of \$623 MM Ps.

Key information		4Q23	4Q22	Variation 4Q23/4Q22
Production of gold	Oz	16,663	18,789	-11%
silver	Oz	1,367,761	1,155,630	18%
copper	tonnes	5,026	7,780	-35%
Net sales	MXN million	2,146	2,693	-20%
	US\$ million	122	137	-11%
EBITDA	MXN million	623	761	-18%
	US\$ million	35	39	-8%
<b>EBITDA margin</b>		<b>29.0%</b>	<b>28.2%</b>	
Total Debt	MXN million	18,973	20,262	-6%
	US\$ million	1,123	1,046	7%

## Production

### Processed Tonnage

In terms of production, the processed tonnage was 1,579,309 at 4Q23.

Due to the company's strategy to 2023 was the units Coronel and San Felipe, and Ocampo, since 4Q23, this units did not contribute processed tonnage because the works will be focused mainly on the exploration and development of areas that facilitate the exploitation of ore reserves in the future, to ensure the profitability of the units. In the other hand, San Francisco del Oro maintain development and exploration work, with the target of gradually increasing the processed tonnage through selective ore exploration. During 4Q23, the tonnage processed in Tayahua was lower due to preventive maintenance works and updating of the micro earthquake monitoring system, Concheño was decrease processed tonnage in consequence that only was operative the subterranean mine.

Asientos unit was reached an increase in processed tonnage by 28% versus 4Q22, this was due the development works into the mine done in 2023.

Contrast 4Q23 vs 3Q23, was a grown by 30% in the processed tonnage, the units that helped to reach this was, San Francisco del Oro (+66%), Tayahua (+48%) and Concheño (+10%).

Milling/Heap leaching (tonnes)	4Q23	4Q22	Variation 4Q23/4Q22	3Q23	Variation 4Q23/3Q22
Total	1,579,309	2,183,533	-28%	1,214,866	30%

## Gold Production

Gold production reached 16,663 ounces in 4Q23. El Coronel unit increased production by 96%, it was derivate to leaching pads strategy.

The units Tayahua and Concheño was a higher grade, but the processed tonnage was lower affected its production. Asientos unit increased production, until the lower grade impacted to production in negative terns.

San Francisco del Oro unit decreased production due lower processed tonnage and grade. San Felipe and Ocampo did not production due to the reasons explained in this press release.

When comparing the gold production in 4Q23vs3Q23 this growth 20%, the units had a positive performance was Tayahua (+61%), Concheño (+10%), Asientos (+2%) and El Coronel (+98%).

## Silver Production

S silver production reached 1,367,761 ounces in 4Q23, this is a 18% plus versus 4Q22. The units had a positive performance was Asientos (+175%) derivate to increase to processed tonnage and grade, and Concheño (+32%) by a higher grade.

Tayahua and San Francisco del Oro units registered a higher grade, but the drop in the processed tonnage caused a decrease in production. San Felipe and Ocampo did not production due to the reasons explained in this press release.

The silver production in 4Q23vs3Q23 increased by 41%, The following units had a positive performance: San Francisco del Oro (+67%), Concheño (+55%), Tayahua (+35%) and Asientos (+16%).

To the end 2023, Asientos was an increase to the silver production by +34% comparing to 2022.

## Copper Production

Copper production reached 5,026 tons in 4Q23. San Francisco del Oro unit had an increase into grade; however, the unit was not able to avoid a low production due a decrease on processed tonnage. Additionally, Tayahua units recorded a decrease processed tonnage and low grade, this affected its production. In the other hand, Asientos unit reached higher processed tonnage, but the lower grade affected its production.

When comparing the copper production 4Q23vs3Q23 this increased by 46%, Tayahua and San Francisco del Oro unit had a growth in production by 47% and 72% respectively in consequence of a higher processed tonnage and grade.

Finally, María unit continues with metallurgical research, changes in the irrigation methodology and maintenance of the leaching bed continue to be carried out, as well as exploration work that allow the unit to restart operations in the future.

## Lead Production

Lead production during 4Q23 reached 3,912 tons, this was an increase by 17% versus 4Q22. The grown in production during the quarter was mainly due to a general crease in grade into Asientos and San Francisco del Oro by 138% and 7% respectively. Trough, Tayahua unit despite reporting a higher grade, a decrease in the processed tonnage affected negative its production.

When comparing production 4Q23vs3Q23 a production increase of 31% was obtained. The units that contributed to this increase was Tayahua (+12%) and San Francisco del Oro (+147%).

The accumulated copper production 2023vs2022, Asientos unit registered an increase by 34%.

## Zinc Production

Zinc production in the fourth quarter of 2023 reached 10,678 tons versus 10,659 from 4Q22. Asientos unit recorded an increase of 40% due to higher processed tonnage and grade. Despite a decrease in processed tonnage, Tayahua unit reached a grown by 3% in consequence to higher grade.

San Francisco del Oro unit reached a higher grade, but the production fallen during the quarter was consequence to lower processed tonnage.

When comparing zinc production 4Q23 with 3Q23 logged an increase by 22%, where San Francico del Oro and Tayahua units obtained a growth by 112% and 11% respectively.

As explained in the previous press releases, Minera Frisco through the Tayahua unit, and Goldcorp (Minera Peñasquito) are carrying out exploration works in the state of Zacatecas in Mexico. Once the exploration results have been obtained, both mining companies will evaluate their possible exploitation.

## Net Sales and EBITDA

Net sales recorded to the 4Q23 was to \$2,146 MM Ps (US\$122 MM), this is a 20% decrease when comparing to the same period of the previous year. Mainly due to the drop in gold and copper production and zinc price (-19%) and an appreciation in the exchange rate (USD/MX) by 11%.

At the end of 4Q23, the company presented an EBITDA of \$623 MM Ps, and the EBITDA margin was 29%, this is higher to the reported in 4Q22 and twenty three percent point higher to 3Q23.

## Indebtedness

As of December 31<sup>st</sup>, 2023, the Company's debt was composed of unsecured loans amounting to \$1,270 MM Ps, subordinated loans of \$4,703 MM Ps, and short-long terms bonds of \$13,000 MM Ps.

The equivalent debt in Mexican pesos decreased 6% when comparing 4Q23vs4Q22.

Indebtedness (MXN million)	4Q23	4Q22	Variation 4Q23/4Q22
Short term bonds	13,000	5,000	160%
Subordinated loan (related party)	4,703	9,978	-53%
Unsecured loans (related party)	1,270	5,283	-76%
<b>DEBT TOTAL</b>	<b>18,973</b>	<b>20,262</b>	<b>-6%</b>

# Derivative Financial Instruments.

The Company continues with the strategy of economic metal hedging. It is important to mention that in 2023 and 2024 one part of the estimated production of metals is hedged.

# Financial Summary

Income statement In MXN million	4Q23	4Q22
<b>Net sales</b>	<b>2,146.1</b>	<b>2,693.2</b>
Cost of sales	(1,635.5)	(2,167.5)
<b>Gross profit</b>	<b>510.6</b>	<b>525.7</b>
Operating expenses	(233.8)	(307.9)
Other expenses, net	(194.8)	4.0
<b>Operating income</b>	<b>82.0</b>	<b>221.8</b>
Interest income	21.2	10.8
Exchange gain (loss), net	244.1	672.8
Gain (loss) on financial instruments	8.8	17.2
Interest expense	(472.7)	(226.9)
<b>Income before taxes</b>	<b>(294.7)</b>	<b>693.9</b>
Income taxes	(187.1)	(237.1)
<b>Net income</b>	<b>(481.9)</b>	<b>456.7</b>
Controlling interest	(480.2)	431.6
Noncontrolling interest	(1.7)	25.1
Outstanding shares ('000)	6,045,769	6,045,769
Closing price	2.32	2.55

Balance sheet In MXN million	31.12.2023	31.12.2022
<b>Assets</b>	<b>30,465.0</b>	<b>36,177.4</b>
<b>Current assets</b>	<b>5,569.4</b>	<b>6,279.5</b>
Cash and cash equivalents	1,507.2	1,779.5
Accounts receivable	1,028.1	948.4
Inventories	2,196.9	2,607.6
Other current assets	837.2	943.9
<b>Non-current assets</b>	<b>24,895.6</b>	<b>29,897.9</b>
Property, plant and equipment	13,870.7	18,175.1
Intangible asstes	1,077.8	1,276.0
Other non-current assets	9,947.1	10,446.9
<b>Liabilities and shareholder's equity</b>	<b>24,654.6</b>	<b>26,085.6</b>
<b>Current liabilities</b>	<b>16,215.2</b>	<b>2,568.0</b>
Short-term debt	14,270.4	387.2
Accounts payable	554.2	582.8
Income taxes	324.3	444.3
Derivative financial instruments	13.9	141.6
Other current liabilities	1,052.4	1,012.1
<b>Non-current liabilities</b>	<b>8,439.4</b>	<b>23,517.5</b>
Marketable notes and long-term debt	4,703.0	19,874.4
Derivative financial instruments	-	9.9
Other non-current liabilities	3,736.4	3,633.2
<b>Shareholder's equity</b>	<b>5,810.4</b>	<b>10,091.9</b>
Capital stock	176.6	176.6
Additional paid-in capital	25,295.0	25,295.0
Retained earnings	(20,522.9)	(19,739.8)
Other accumulated income (net of tax)	12.8	3,438.5
Controlling interest	4,961.5	9,170.4
Noncontrolling interest	848.9	921.5

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