

MINERA FRISCO

RESULTS REPORT
THIRD QUARTER 2024
OCTOBER 28, 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, October 28, 2024. Minera Frisco, S.A.B. de C.V. (BMV: "MFRISCOA-1") (FRISCO OTC: "MSNFY") announces today its results for the third quarter 2024.

In the third quarter of 2024, the company reports production of 14,714 ounces of gold, 1,019,845 ounces of silver and 5,114 tons of copper. Revenues of 2,569 MM Ps with an EBITDA of 1,056 MM Ps.

Key information		3Q24	3Q23	Variation 3Q24/3Q23	2Q24	Variation 3Q24/2Q24
Production of gold	Oz	14,714	13,875	6%	16,959	-13%
silver	Oz	1,019,845	969,800	5%	1,053,431	-3%
copper	tonnes	5,114	3,448	48%	4,788	7%
Net sales	MXN million	2,569	1,627	58%	2,551	1%
	US\$ million	136	95	42%	148	-8%
EBITDA	MXN million	1,056	94	1028%	1,073	-2%
	US\$ million	56	5	917%	62	-10%
Operating margin		22%	-27%	49%	21%	1%
EBITDA margin		41%	6%	35%	42%	-1%
Total Debt	MXN million	19,087	19,187	-1%	19,588	-3%
	US\$ million	972	1,089	-11%	1,066	-9%

Production

Processed Tonnage

In terms of production, 1,471,671 tons were processed in 3Q24.

Due to the company's strategy to 2024 the units El Coronel, San Felipe and Ocampo will 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 3Q24, San Francisco del Oro increased processed tonnage due to development and exploration works carried out in different areas of the mine. Tayahua, due to its preventive maintenance work plan, in addition to the update of the micro seismic monitoring system, has obtained favorable results in processed tonnage.

Concheño and Asientos maintain development and exploration work with the aim of gradually increasing processed tonnage through selective exploitation of mineral reserves.

It is worth noting that when comparing 3Q23 vs 3Q24, the processed tonnage increased by 21% and 3% when compared to the previous quarter 2Q24.

An efficient operational strategy combined with a metallurgical optimization plan has contributed favorably to the results of the mining units in this reported period.

Milling/Heap leaching (tonnes)	3Q24	3Q23	Variation 3Q24/3Q23	2Q24	Variation 3Q24/2Q24
Total	1,471,671	1,214,866	21%	1,434,270	3%

Gold Production

In 3Q24, 14,714 ounces of gold were produced, an increase of 6% over 3Q23.

In 3Q24, Tayahua, San Francisco del Oro and Concheño increased production by 58%, 126% and 5%, respectively, compared to 3Q23, due to higher tonnage processed and better grade, with Tayahua standing out for its contribution in ounces of gold. In contrast, Asientos decreased its production due to lower tonnage processed and lower grade.

Asientos showed an increase of 224% when compared to 2Q24, while San Francisco del Oro achieved a growth of 36% in the same comparable period, both increases were due to higher grade.

At a cumulative level, Concheño and Tayahua increased their production by 15% and San Francisco del Oro by 25% when comparing 9M24 vs 9M23. These increases resulted from a higher grade.

Silver Production

1,019,845 ounces of silver were produced in 3Q24, reflecting a 5% increase over 3Q23. The units that contributed to this increase were mainly Concheño (+28%) due to an increase in grade, while San Francisco del Oro (+26%) and Tayahua (+18%) due to higher tonnage processed. Production at Asientos was affected due to lower tonnage processed and lower grade.

The comparison of 3Q24 vs 2Q24 shows an increase in production at the Tayahua (+8%) and Asientos units (+3%), due to an increase in tonnage processed, and San Francisco del Oro (+5%), due to higher grade.

Comparing 9M24 vs 9M23, there is an increase in silver production of 13%. Concheño is the representative unit of this growth, increasing 48%, due to an increase in grade. Despite having an increase in grade, Asientos and Tayahua's production was affected due to a lower processed tonnage.

Copper Production

In 3Q24, 5,114 tons of copper were produced, representing a 48% increase compared to 3Q23.

Tayahua (+51%) and San Francisco del Oro (+23%) contributed to this increase due to a higher tonnage processed and a higher grade. Despite having a higher grade, Asientos' production was affected by a decrease in processed tonnage.

Copper production in 3Q24 vs 2Q24 grew by 7%, Asientos (+117%), San Francisco del Oro (+9%) and Tayahua (+6%), due to an increase in grade at the three units.

In María, metallurgical research work, changes in the irrigation methodology and maintenance of the leaching bed, as well as continuous exploration work continue to be carried out that will allow the unit to resume operations in the future.

Lead Production

Lead production during 3Q24 reached 3,111 tons, representing a 4% increase compared to 3Q23. San Francisco del Oro and Tayahua showed an improvement in production of 35% and 25%, derived from an increase in processed tonnage. A lower processed tonnage coupled with a lower grade were the reasons why production was affected in Asientos.

When comparing 3Q24 vs 2Q24, a 9% growth was obtained. Asientos (+27%) derived from an increase in processed tonnage and Tayahua (+27%) due to a higher grade and higher processed tonnage.

Comparing 9M24 vs 9M23, the increase in production was 7%. San Francisco del Oro (+27%) and Tayahua (+5%) were the units that benefited from this result derived from a higher grade. Despite having a better grade, a decrease in processed tonnage affected its production in Asientos.

Zinc Production

In the third quarter of 2024, 10,203 tons of zinc were produced, an increase of 16% compared to 3Q23. Due to an increase in grade, San Francisco del Oro saw a 69% increase in production and Tayahua increased its tonnage by 19%. Production in Asientos was affected by lower tonnage processed and lower grade.

Zinc production increased by 4% compared to 2Q24. Tayahua, thanks to higher tonnage processed and higher grade, increased by 14%.

Comparing 9M24 vs 9M23, consolidated zinc production increased by 9%, Tayahua (+6%) and San Francisco del Oro (+44%), mainly due to a higher grade.

Mentioned in previous Minera Frisco results reports. Tayahua and Goldcorp (Minera Peñasquito) continue to carry out joint exploration work in the state of Zacatecas, Mexico. Once the exploration results are obtained, both mining companies will evaluate their possible exploitation.

Net Sales and EBITDA

Net sales in 3Q24 were \$2,569 MM Ps (US\$136 MM), increasing by 58% compared to the same period of the previous year. This was the result of an increase in gold production (+6%), silver (+5%), lead (+4%), zinc (+16%) and copper (+48%), as well as a higher average price of metals.

It is important to note that when comparing 9M24 VS 9M23, sales grew by 11%.

Minera Frisco presents an EBITDA of \$1,056 MM Ps at the end of 3Q24, increasing by 1028% compared to the same period of the previous year. Comparing 9M24 vs 9M23, the increase was 136%.

The EBITDA margin for 3Q24 was 41%, resulting in thirty-five percentage points higher than that reported in 3Q23.

On a cumulative basis, the EBITDA Margin grew twenty-one percentage points when comparing 9M24 (40%) vs 9M23 (19%).

Indebtedness

As of September 30, 2024, the Company's debt was composed of unsecured loans amounting to \$1,476 MM Ps, subordinated loans of \$5,611 MM Ps, and short-long terms bonds of \$12,000 MM Ps.

The equivalent debt in dollars decreased 11% when comparing 3Q24 vs 3Q23. Likewise, when compared with the previous quarter of the current year, the debt had a decrease of 9%.

In August 2024, the stock certificates MFRISCO 24 (2,000 MM Ps), MFRISCO 24-2 (4,000 MM Ps) and MFRISCO 24-3 (6,000 MM Ps) were placed, with maturities in August 2025, 2026 and 2027, respectively, under a new dual program for short- and long-term issues for an authorized amount of up to 15,000 MM Ps or its equivalent in UDIS, in the Communicating Vessels modality, previously prepaying \$1,000 MM Ps with operating flows. The above as a debt restructuring strategy of the company. Resulting in a Net Debt/EBITA ratio in the LTM at the end of 3Q24 of 4.7x compared to 8.8x in 3Q23 and 6.6x in 2Q24.

Indebtedness (USD millions)	3Q24	3Q23	Variation 3Q24/3Q23	2Q24	Variation 3Q24/2Q24
Short / long term bonds	611	738	-17%	707	-14%
Subordinated loan (related party)	286	276	4%	283	1%
Unsecured loans (related party)	75	75	0%	75	0%
Debt	972	1,089	-11%	1,066	-9%

Derivative Financial Instruments

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

Financial Summary

Income statement	3Q24	3Q23	Variation 3Q24/3Q23	2Q24
Net sales	2,569	1,627	58%	2,551
Cost of sales	(1,631)	(1,625)	0%	(1,603)
Gross profit	938	2	38219%	948
Operating expenses	(257)	(243)	6%	(254)
Other expenses, net	(123)	(207)	-40%	(160)
Operating income	557	(447)	225%	534
Interest income	32	25	27%	25
Exchange gain (loss), net	(406)	(187)	117%	(462)
Gain (loss) on financial instruments	(5)	9	-161%	(0)
Interest expense	(462)	(412)	12%	(469)
Income before taxes	(284)	(1,012)	-72%	(372)
Income taxes	11	235	-95%	13
Net income	(274)	(777)	-65%	(359)
Controlling interest	(290)	(770)	-62%	(372)
Noncontrolling interest	17	(7)	-342%	14
Outstanding shares ('000)	6,045,769	6,045,769	0%	6,045,769
Closing price	3.54	2.39	48.1%	3.40

Balance sheet (MXN millions)	30.09.2024	31.12.2023
Assets	32,653.5	30,465.0
Current assets	6,261.0	5,569.4
Cash and cash equivalents	2,091.7	1,507.2
Accounts receivable	986.7	1,028.1
Inventories	2,511.4	2,196.9
Other current assets	671.2	837.2
Non-current assets	26,392.4	24,895.6
Property, plant and equipment	14,776.2	13,870.7
Intangible asstes	1,004.2	1,077.8
Other non-current assets	10,612.0	9,947.1
Liabilities and shareholder's equity	25,125.5	24,654.6
Current liabilities	11,238.0	16,215.2
Short-term debt	9,087.0	14,270.4
Accounts payable	566.9	554.2
Income taxes	469.5	324.3
Derivative financial instruments	32.5	13.9
Other current liabilities	1,082.1	1,052.4
Non-current liabilities	13,887.5	8,439.4
Marketable notes and long-term debt	10,000.0	4,703.0
Derivative financial instruments	-	-
Other non-current liabilities	3,887.5	3,736.4
Shareholder's equity	7,528.0	5,810.4
Capital stock	176.6	176.6
Additional paid-in capital	25,295.0	25,295.0
Retained earnings	(21,375.8)	(20,522.9)
Other accumulated income (net of tax)	2,392.3	12.8
Controlling interest	6,488.1	4,961.5
Noncontrolling interest	1,039.9	848.9

Investors Relation Contacts:

Rubén de Jesus Aguilera Hernandez

• rj.aguilera@minerafrisco.com.mx

Jesus Armando Dominguez Estrada

• j.domingueze@minerafrisco.com.mx

Certain statements in this earnings release may be related to expectations about future events of Minera Frisco. The phrases "will allow," "will," "estimate," "expect," "intend," "might," "should" and similar expressions generally indicate comments based on financial information, operating levels, and conditions of the market to date. These statements are subject to factors such as volatility in metals prices, energy inputs and other inputs, the possibility of cyclical or seasonal business or consumer slowdown risks that are detailed in the Company's annual report and may cause actual results to differ materially from current expectations. Minera Frisco undertakes no obligation to publish a review on these forward-looking statements to reflect events or circumstances occurring after the date of publication of this release.