

# MINERA FRISCO

RESULTS REPORT  
FIRST QUARTER 2024  
APRIL 26<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, April 26<sup>th</sup>, 2024, Minera Frisco, S.A.B. de C.V. ("Frisco", BMV: FRISCO OTC: MSNFY) announces today its results for the first quarter 2024.

At the end of 1Q24, the company has produced 17,848 ounces of gold, 1,277,928 ounces of silver and 5,796 tons of copper. Net sales recorded \$2,246 MM Ps and an EBITDA of \$809 MM Ps.

Key information		1Q24	1Q23	Variation 1Q24/1Q23	4Q23	Variation 1Q24/4Q23
Production of gold	Oz	17,848	15,825	13%	16,663	7%
silver	Oz	1,277,928	1,024,760	25%	1,367,761	-7%
copper	tonnes	5,796	7,855	-26%	5,026	15%
Net sales	MXN million	2,246	2,792	-20%	2,146	5%
	US\$ million	132	149	-11%	122	8%
EBITDA	MXN million	809	721	12%	623	30%
	US\$ million	48	39	22%	35	34%
<b>EBITDA margin</b>		<b>36.0%</b>	<b>25.8%</b>		<b>29.0%</b>	
Total Debt	MXN million	18,938	19,467	-3%	18,973	0%
	US\$ million	1,135	1,075	6%	1,123	1%

## Production

### Processed Tonnage

In terms of production, the processed tonnage was 1,573,458 at 1Q24.

Due to the company's strategy to 2024 the units 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 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 2023, the tonnage processed in Tayahua was lower due to preventive maintenance works. Asientos unit was decreasing processed tonnage in consequence that Federicos and Misterios mine are in a mine preparation and development stage.

Concheño unit was reached an increase in processed tonnage by 9% versus 1Q23, this was due the grown in the grade on the exploitation areas.

Contrast 1Q24 vs 4Q23, was a grown by 10% in the processed tonnage in Tayahua unit.

Milling/Heap leaching (tonnes)	1Q24	1Q23	Variation 1Q24/1Q23	4Q23	Variation 1Q24/4Q23
Total	1,573,458	1,964,885	-20%	1,579,309	0%

## Gold Production

Gold production reached 17,848 ounces in 1Q24. This was an increasing by 13% versus 1Q23. Concheño unit increased production by 50%, it was derivate to grow in processed tonnage and higher grade. In the other hand, Tayahua unit despite a decrease in processed tonnage, an increase in grade contributed to a 5% increase in production.

The units Asientos and San Francisco del Oro was affected by a lower processed tonnage and grade.

When comparing the gold production in 1Q24vs4Q23 this growth 7%, the units had a positive performance was Concheño (+13%) and Tayahua (+36%).

## Silver Production

The silver production reached 1,277,928 ounces in 1Q24, this is a 25% plus versus 1Q23. The units had a positive performance was Concheño (+117%) derivate to increase to processed tonnage and grade, and Asientos (+88%) by a higher grade.

San Francisco del Oro unit registered a higher grade, but the drop in the processed tonnage caused a decrease in production. In addition, Tayahua unit decreased production due to a lower processed tonnage and grade.

The silver production in 1Q24vs4Q23 increased by 4% in Concheño unit.

## Copper Production

Copper production reached 5,796 tons in 1Q24. 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 and Asientos recorded a decrease processed tonnage and low grade, this affected its production.

When comparing the copper production 1Q24vs4Q23 this increased by 15%, Tayahua unit helped with a growth in production by 19% in consequence of a higher 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 1Q24 reached 3,243 tons. The Asientos unit reported an increasing by 52% due a higher grade.

Although San Francisco del Oro reached a higher grade, the decreased in processed tonnage affected its production, while Tayahua unit registered a drop in production due to lower processed tonnage, as well as grade.

## Zinc Production

Zinc production in the first quarter of 2024 reached 10,649. Tayahua unit recorded an increase of 6% due to higher processed tonnage and grade. Asientos and San Francisco del Oro reached a higher grade, but the production fallen during the quarter was consequence to lower processed tonnage.

When comparing zinc production 1Q24 with 4Q23 logged, Tayahua obtained an increase by 13%.

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 1Q24 was to \$2,246 MM Ps (US\$132 MM), this is a 20% decrease when comparing to the same period of the previous year. Mainly due to the drop in copper, lead and zinc production and zinc price (-22%), copper price (-6%), and lead price (-3%) and an appreciation in the exchange rate (USD/MX) by 9%.

Comparing 1Q24vs4Q23 the net sales was increased by 5%.

At the end of 1Q24, the company presented an EBITDA of \$809 MM Ps, this is a growth by 12% compared to the same period of the previous year and a growth of 30% when compared to 4Q23. EBITDA margin stood at 36%, which was ten percentage points higher than reported in 1Q23 and seven percentage points higher than in 4Q23.

## Indebtedness

As of March 31<sup>st</sup>, 2024, the Company's debt was composed of unsecured loans amounting to \$1,254 MM Ps, subordinated loans of \$4,684 MM Ps, and short-long terms bonds of \$13,000 MM Ps.

The equivalent debt in Mexican pesos decreased 3% when comparing 1Q24vs1Q23.

Indebtedness (MXN million)	1Q24	1Q23	Variation 1Q23/1Q22	4Q23	Variation 1Q23/4Q22
Short term bonds	13,000	8,000	63%	13,000	0%
Subordinated loan (related party)	4,684	9,410	-50%	4,703	0%
Unsecured loans (related party)	1,254	2,058	-39%	1,270	-1%
<b>Debt</b>	<b>18,938</b>	<b>19,467</b>	<b>-3%</b>	<b>18,973</b>	<b>0%</b>

# 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 MXN million	1Q24	1Q23	Variation 1Q23/1Q22	4Q23	Variation 1Q23/4Q22
<b>Net sales</b>	<b>2,245.7</b>	<b>2,791.9</b>	<b>-20%</b>	<b>2,146.1</b>	<b>5%</b>
Cost of sales	(1,608.6)	(1,964.7)	-18%	(1,635.5)	-2%
<b>Gross profit</b>	<b>637.2</b>	<b>827.2</b>	<b>-23%</b>	<b>510.6</b>	<b>25%</b>
Operating expenses	(249.4)	(262.0)	-5%	(233.8)	7%
Other expenses, net	(120.8)	(322.6)	-63%	(194.8)	-38%
<b>Operating income</b>	<b>267.0</b>	<b>242.6</b>	<b>10%</b>	<b>82.0</b>	<b>225%</b>
Interest income	20.1	20.2	-1%	21.2	-5%
Exchange gain (loss), net	75.6	849.4	-91%	244.1	-69%
Gain (loss) on financial instruments	-	(18.1)	-100%	8.8	-100%
Interest expense	(468.1)	(315.3)	48%	(472.7)	-1%
Participation in the results of the unconsolidated JV	-	-	-	(178.1)	-100%
<b>Income before taxes</b>	<b>(105.4)</b>	<b>778.8</b>	<b>-114%</b>	<b>(294.7)</b>	<b>-64%</b>
Income taxes	(69.8)	(372.4)	-81%	(187.1)	-63%
<b>Net income</b>	<b>(175.2)</b>	<b>406.4</b>	<b>-143%</b>	<b>(481.9)</b>	<b>-64%</b>
Controlling interest	(190.4)	383.7	-150%	(480.2)	-60%
Noncontrolling interest	15.2	22.6	-33%	(1.7)	991%
Outstanding shares ('000)	6,045,769	6,045,769	0%	6,045,769	0%
Closing price	3.55	2.75	29%	2.32	53%



Balance sheet MXN million	31.03.2024	31.12.2023
<b>Assets</b>	<b>29,802.6</b>	<b>30,465.0</b>
<b>Current assets</b>	<b>5,557.4</b>	<b>5,569.4</b>
Cash and cash equivalents	1,321.3	1,507.2
Accounts receivable	1,139.0	1,028.1
Inventories	2,173.9	2,196.9
Other current assets	923.2	837.2
<b>Non-current assets</b>	<b>24,245.2</b>	<b>24,895.6</b>
Property, plant and equipment	13,374.4	13,870.7
Intangible asstes	1,034.1	1,077.8
Other non-current assets	9,836.7	9,947.1
<b>Liabilities and shareholder's equity</b>	<b>24,517.6</b>	<b>24,654.6</b>
<b>Current liabilities</b>	<b>16,014.4</b>	<b>16,215.2</b>
Short-term debt	14,254.2	14,270.4
Accounts payable	578.0	554.2
Income taxes	130.1	324.3
Derivative financial instruments	17.4	13.9
Other current liabilities	1,034.8	1,052.4
<b>Non-current liabilities</b>	<b>8,503.2</b>	<b>8,439.4</b>
Marketable notes and long-term debt	4,683.6	4,703.0
Derivative financial instruments	-	-
Other non-current liabilities	3,819.6	3,736.4
<b>Shareholder's equity</b>	<b>5,284.9</b>	<b>5,810.4</b>
Capital stock	176.6	176.6
Additional paid-in capital	25,295.0	25,295.0
Retained earnings	(20,713.3)	(20,522.9)
Other accumulated income (net of tax)	(322.5)	12.8
Controlling interest	4,435.9	4,961.5
Noncontrolling interest	849.1	848.9

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