

MINERA FRISCO

RESULTS REPORT
SECOND QUARTER 2024
JULY 24, 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, July 24, 2024. Minera Frisco, S.A.B. de C.V. (BMV: "MFRISCOA-1") (FRISCO OTC: "MSNFY") announces today its results for the second quarter 2024.

At the second quarter of the 2024, the company has produced 16,959 ounces of gold, 1,053,431 ounces of silver and 4,788 tons of copper. Net sales recorded \$2,551 MM Ps and EBITDA of \$1,073 MM Ps.

Key information		2Q24	2Q23	Variation 2Q24/2Q23	1Q24	Variation 2Q24/1Q24
roduction of gold	Oz	16,959	19,372	-12%	17,848	-5%
silver	Oz	1,053,431	982,208	7%	1,277,928	-18%
copper	tonnes	4,788	6,443	-26%	5,796	-17%
Net sales	MXN million	2,551	2,193	16%	2,246	14%
	US\$ million	148	124	20%	132	12%
EBITDA	MXN million	1,073	428	151%	809	33%
	US\$ million	62	24	158%	48	31%
BITDA margin		42%	20%		36%	
Total Debt	MXN million	19,588	18,894	4%	18,938	3%
	US\$ million	1,066	1,107	-4%	1,135	-6%

Production

Processed Tonnage

In terms of production, 1,434,270 tons were processed in the 1Q24.

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 2Q24, San Francisco del Oro increased processed tonnage due to development and exploration works carried out in different areas of the mine. On the other hand, Tayahua, due to its remediation plan, has caused a decrease in processed tonnage, while Asientos decreased tonnage since the Federicos and Misterios mines continue in the mine preparation and development stage.

It should be noted that when comparing 2Q24 vs 1Q24, a 16% increase in tons processed in San Francisco del Oro was recorded.

Milling/Heap leaching (Tn)	2Q24	2Q23	Variation 2Q24/2Q23	1Q24	Variation 2Q24/1Q24
Total	1,434,270	1,709,869	-16%	1,573,458	-9%

Gold Production

In 2Q24, 16,959 ounces of gold were produced. Tayahua, despite a decrease in processed tonnage, an increase in grade contributed to increasing production by 2%. On the other hand, San Francisco del Oro produced 87 additional ounces compared to 2Q23.

A decrease in processed tonnage, as well as a lower grade, were the main reasons why Asientos was affected in production.

El Coronel stood out compared to 1Q24 by increasing production by 72%. In the same way, San Francisco del Oro obtained a growth of 103 ounces compared to the same period.

At a cumulative level, Concheño and Tayahua increased their production by 20% and 4%, respectively, when comparing 6M24 vs 6M23.

Silver Production

1,053,431 ounces of silver were produced in 2Q24, reflecting an increase of 7% compared to 2Q23. The units that contributed to this increase are mainly Concheño with a growth of 22% derived from an increase in grade, while San Francisco del Oro contributed with an increase of 69% due to greater tonnage processed.

The contrast of 2Q24 vs 1Q24 shows an increase in silver production at the El Coronel and San Francisco del Oro units by 51% and 2%, respectively.

Comparing 6M24 vs 6M23, there is an increase in silver production of 16%. Concheño and Asientos units, despite a lower processed tonnage, registered a significant increase in grade, increasing their production by 59% and 46%, respectively. Tayahua, despite having increased its grade, production was affected by a decrease in tons processed.

Copper Production

In 2Q24, 4,788 tons of copper were produced. San Francisco del Oro increased production by 31% compared to 2Q23 because of the increase in processed tonnage. Tayahua and Asientos recorded a decrease in processed tonnage and grade, affecting their production.

Copper production in 2Q24 vs 1Q24, San Francisco del Oro and Asientos increased production by 118% and 42%, respectively, derived from an increase in grade.

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 2Q24 reached 2,848 tons, an increase of 37% compared to 2Q23. San Francisco del Oro and Tayahua show an improvement in production of 99% and 27%, derived from greater tonnage processed and a better grade, respectively.

Comparing 6M24 vs 6M23, the increase in lead production was 8%. San Francisco del Oro (+24%) and Asientos (+21%) were the units that favored this result.

Zinc Production

In the second quarter of 2024, 9,786 tons of zinc were produced, an increase of 22% compared to 2Q23. Due to an increase in grade, Asientos obtained a production increase of 37% and coupled with a greater tonnage processed by San Francisco del Oro by 188%.

Comparing 6M24 vs 6M23, consolidated zinc production increased 6%. Mainly due to better grade in Asientos, Tayahua and San Francisco del Oro.

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 2Q24 were \$2,551 MM Ps (US\$148 MM), increasing 16% compared to the same period of the previous year, mainly due to the increase in silver production (+7%), lead (+37%) and zinc (+22%), as well as a higher average price of metals.

It is important to indicate that when comparing 2Q24 vs 1Q24, sales grew by 14%.

Minera Frisco presents an EBITDA of \$1,073 MM Ps at the end of 2Q24, increasing 151% compared to the same period of the previous year and a growth of 33% when compared to 1Q24. Analyzing 6M24 vs 6M23 the increase was 64%.

The EBITDA margin for 2Q24 was 42%, resulting in twenty-two percentage points higher than that reported in 2Q23 and six percentage points higher than 1Q24.

Cumulatively, the EBITDA Margin grew sixteen percentage points when compared to 6M23.

Indebtedness

As of June 30, 2024, the Company's debt was composed of unsecured loans amounting to \$1,382 MM Ps, subordinated loans of \$5,207 MM Ps, and short-long terms bonds of \$13,000 MM Ps.

The equivalent debt in Mexican pesos increased by 4% when comparing 2Q24 vs 2Q23. It should be noted that the debt in dollars decreased 4% in the same compared periods.

Indebtedness (MXN million)	2Q24	2Q23	Variation 2Q24/2Q23	1Q24	Variation 2Q24/1Q24
Short - Long term bonds	13,000	8,000	63%	13,000	0%
Subordinated loan (related party)	5,207	8,954	-42%	4,684	11%
Unsecured loans (related party)	1,382	1,940	-29%	1,254	10%
Debt	19,588	18,894	4%	18,938	3%

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 In MXN million	2Q24	2Q23	Variation 2Q24/2Q23	1Q24	Variation 2Q24/1Q24
Net sales	2,551.1	2,193.1	16%	2,245.7	14%
Cost of sales	(1,603.1)	(1,743.2)	-8%	(1,608.6)	0%
Gross profit	948.0	449.9	111%	637.2	49%
Operating expenses	(253.5)	(249.6)	2%	(249.4)	2%
Other expenses, net	(160.0)	(291.4)	-45%	(120.8)	32%
Operating income	534.5	(91.2)	686%	267.0	100%
Interest income	25.0	24.9	1%	20.1	25%
Exchange gain (loss), net	(461.7)	625.1	-174%	75.6	-711%
Gain (loss) on financial instruments	(0.0)	(10.6)	-100%	-	0%
Interest expense	(469.3)	(348.2)	35%	(468.1)	0%
Income before taxes	(371.6)	200.0	-286%	(105.4)	253%
Income taxes	13.1	(104.9)	112%	(69.8)	119%
Net income	(358.5)	95.1	-477%	(175.2)	105%
Controlling interest	(372.4)	83.5	-546%	(190.4)	96%
Noncontrolling interest	13.8	11.6	20%	15.2	-9%
Outstanding shares ('000)	6,045,769	6,045,769	0%	6,045,769	0%
Closing price	3.40	2.80	21%	3.55	-4%

Balance sheet	31.06.2024	31.12.2023
MXN million		
Assets	31,954.5	30,465.0
Current assets	6,404.2	5,569.4
Cash and cash equivalents	2,429.0	1,507.2
Accounts receivable	930.9	1,028.1
Inventories	2,364.1	2,196.9
Other current assets	680.2	837.2
Non-current assets	25,550.4	24,895.6
Property, plant and equipment	14,302.7	13,870.7
Intangible asstes	1,003.2	1,077.8
Other non-current assets	10,244.4	9,947.1
Liabilities and shareholder's equity	25,301.2	24,654.6
Current liabilities	21,386.1	16,215.2
Short-term debt	19,588.5	14,270.4
Accounts payable	521.7	554.2
Income taxes	229.8	324.3
Derivative financial instruments	40.6	13.9
Other current liabilities	1,005.5	1,052.4
Non-current liabilities	3,915.1	8,439.4
Marketable notes and long-term debt	-	4,703.0
Derivative financial instruments	-	-
Other non-current liabilities	3,915.1	3,736.4
Shareholder's equity	6,653.3	5,810.4
Capital stock	176.6	176.6
Additional paid-in capital	25,295.0	25,295.0
Retained earnings	(21,085.7)	(20,522.9)
Other accumulated income (net of tax)	1,307.7	12.8
Controlling interest	5,693.7	4,961.5
Noncontrolling interest	959.6	848.9

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