SHAPING OUR BUSINESS FOR THE CHALLENGES AND OPPORTUNITIES AHEAD

WE ARE THE WORLD'S LARGEST SILVER PRODUCER AND MEXICO'S LARGEST GOLD PRODUCER.

Our purpose is to contribute to the wellbeing of people through the sustainable mining of silver and gold.

It springs directly from how we operate as a business. It guides everything we do and how we do it, and ensures that we deliver for all our stakeholders, including our teams, shareholders, local communities, suppliers, the authorities and the environment.

STRATEGIC REPORT

CORPORATE GOVERNANCE

FINANCIAL STATEMENTS

ADDITIONAL INFORMATION

FRESNILLO

Find out more about us. Download our Annual Report at www.fresnilloplc.com

PERFORMANCE HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

2024 saw solid production, highlighting our efforts to drive consistency and resilience across our portfolio. Improved cost performance and increased metals prices contributed to strong profitability in the year.

Attributable gold production

631.6 koz +3.4%

See pages 18-19

Attributable gold resources

38.5 moz +1.4%

See pages 16-17

Attributable gold reserves

7.2 moz +2.5 %

See pages 18-19

Attributable silver production (Silverstream)

56.3 moz +0.0%

See pages 18-19

Attributable silver resources

2,250.5 moz +1.4%

See page 16-17

Attributable silver reserves

331.3 moz -7.1%

See pages 18-19

Electricity supply from renewable sources

80.6% 2023: 53.3%

See pages 18-19

FINANCIAL HIGHLIGHTS

Revenue

US$3,496.4m +29.3%

2024 3,496.4
2023 2,705.1

Adjusted revenue[1]

US$3,639.9m +26.9%

2024 3,639.9
2023 2,869.1

Adjusted production costs[2]

US$1,582.2m -2.6%

2024 1,582.2
2023 1,624.1

Cost of sales

US$2,250.1m -2.2%

2024 2,250.1
2023 2,201.8

Gross profit

US$1,246.3m +147.7%

2024 1,246.3
2023 503.2

EBITDA[3]

US$1,547.3m +136.0%

2024 1,547.3
2023 655.6

Profit from continuing operations

US$945.8m +563.7%

2024 945.8
2023 142.5

Basic and diluted earnings per share, excluding post-tax Silverstream effects

US$36.4cents 17.4%

2024 0.364
2023 0.310

For more information see pages 51-57

1 Adjusted revenue is the revenue shown in the income statement adjusted to add back treatment and refining costs and gold, lead and zinc hedging. The Company considers this a useful additional measure to help understand underlying factors driving revenue in terms of volumes sold and realised prices. The reconciliation of Adjusted revenue to revenue as shown in the income statement is provided on page 52.

2 Adjusted production costs are calculated as cost of sales less depreciation, profit sharing, hedging, change in inventories and unproductive costs. The Company considers this a useful additional measure to help understand underlying factors driving production costs in terms of the different stages involved in the mining and plant processes, including efficiencies and inefficiencies as the case may be, and other factors outside the Company's control such as cost inflation or changes in accounting criteria.

3 Earnings before interest, taxes, depreciation and amortisation (EBITDA) is calculated as gross profit plus depreciation less administrative, selling and exploration expenses. The reconciliation of EBITDA to amounts determined in accordance with IFRS can be found on page 55.

WHERE WE OPERATE

Based in Mexico, Fresnillo draws on the country's significant geological resources and strong potential for continued growth. We benefit from Mexico's skilled workforce and solid infrastructure and we are proud to continue playing an important part in a rich mining tradition that stretches back more than 500 years.

Approximate mining concessions
1.6m HA

Total workforce
18,095

Annual contribution to Mexico's economy
US$2,152.5[1]m

KEY ASSETS

Operating mines

Asset	Ownership	Type	Main metal	EBITDA	Reserves (Silver)[4]	Reserves (Gold)[4]	Year[2]	Mine life
1 **Fresnillo**	100% Fresnillo plc	Underground	Silver primary	US$229.5m	104.5 moz	263 koz	1554	5.9 years
2 **Saucito**	100% Fresnillo plc	Underground	Silver primary	US$362.9m	111.6 moz	515 koz	2011	6.2 Years
3 **Juanicipio**	56% Fresnillo plc 44% MAG Silver	Underground	Silver primary	US$441.1m	73.9 moz	527 koz	2022	7.8 years
4 **San Julián**	100% Fresnillo plc	Underground	Silver primary	US$217.4m	27.6 moz	128 koz	2016	2.8 years
5 **Ciénega**	100% Fresnillo plc	Underground	Gold/Silver	US$79.0m	13.8 moz	122 koz	1992	2.8 years
6 **Herradura**	100% Fresnillo plc	Open pit	Gold	US$322.0m		5,680 koz	1997	9.4 years
7 **Soledad-Dipolos**[3]	100% Fresnillo plc	Open pit	Gold			Excluded in 2024	2010	–
8 **Noche Buena**	100% Fresnillo plc	Open pit	Gold	US$4.2m		–	2012	–

1 Total economic impact. This is considered to be a social performance measure. For more details see page 102.
2 Represents start of commercial production.
3 Operations at Soledad-Dipolos are currently suspended.
4 As of 30 June 2024.

Advanced exploration projects

Asset	Main metal	Resources (Silver)[5]	Resources (Gold)[5]
9 **Orisyvo**	Gold	12.7 moz	9,575 koz
10 **Guanajuato**	Silver/Gold	370.9 moz	3,249 koz
11 **Rodeo**	Gold	15.3 moz	1,414 koz
12 **Tajitos**	Gold		1,041 koz

5 As of 31 December 2024.

In addition, we have many further early stage projects and prospects located in Mexico, Peru and Chile.

For more on our exploration projects and prospects see **pages 46-50**

OUR LOCATIONS

- Mining operations
- Advanced exploration

Herradura
360.6 koz
Gold produced in 2024

Noche Buena
20.9 koz
Gold produced in 2024

San Julián
15.9 moz
Silver equivalent[1] produced in 2024

Fresnillo
14.4 moz
Silver equivalent[1] produced in 2024

Ciénega
8.0 moz
Silver equivalent[1] produced in 2024

Juanicipio
12.1 moz
Silver equivalent[1] produced in 2024

Saucito
21.1 moz
Silver equivalent[1] produced in 2024

1 Au: Ag ratio of 1:80.

CHAIRMAN'S STATEMENT
ALEJANDRO BAILLÈRES

SHAPING OUR BUSINESS FOR THE OPPORTUNITIES AND CHALLENGES AHEAD

This year we delivered a welcome increase in profitability as our positive production performance was complemented by high silver and gold prices. While we expect to continue facing challenges in the years ahead, the encouraging attitude towards mining shown by the new administration in Mexico, coupled with our own operational efficiencies and exciting project pipeline, are sources for cautious optimism.

> *"Throughout our history, Fresnillo plc has proudly built a track record of managing the setbacks associated with mining and weathering storms not of our own making."*

Throughout our history, Fresnillo plc has proudly built a track record of managing the setbacks associated with mining and weathering storms not of our own making. Never was that resilience more relevant than in 2024, when our teams rose to the production challenges posed by rising costs and a range of operational issues, including decreasing ore grades. In addition, the possibility of greater regulation and a political climate not well disposed towards mining cast a shadow over our industry.

To have achieved the results outlined in this report is little short of outstanding, and I would like to pay tribute to the management and operating teams who worked hard to ensure that we delivered an excellent performance that repays the trust and support that all our stakeholders have placed in our company.

Steady production despite difficulties

Silver production was in line with our guidance for the year, while production of gold was marginally above the top end of guidance. Key factors affecting silver production included good performances at San Julián Veins, Saucito and Juanicipio, which helped to offset lower output at San Julián DOB and Fresnillo. Gold production rose on the back of a strong increase in production at Fresnillo, Saucito and San Julián Veins, as well as an effective turnaround at La Herradura following heavy rains and changes to the mine sequence.

The cost reductions and operational efficiencies we have introduced in our mines are yielding results in line with – or in some cases ahead of – our expectations. Perhaps the greatest example of turnaround has been at Ciénega, where both performance and prospects have been transformed. At the start of the year we believed that the mine had only a limited future, but the situation today could not be more different due to the successful execution of a high-quality plan. We have seen excellent results and positive cash flow, with exploration activities opening up new areas that have the potential to contribute to production in both the short and long term.

We achieved US$3,639.9 million in Adjusted revenue during the year. This represented an increase of 26.9%, primarily due to the increase in silver and gold prices, supported by our positive production performance, which represented 19.2% of the increase. Gross profit more than doubled, with an increase of 147.7% year-on-year to US$1,246.3 million, mainly driven by higher Adjusted revenue and decreased costs, primarily due to cost reduction initiatives and efficiencies and, to a lesser degree, by the effect of a weaker Mexican peso vs US dollar exchange rate. These factors partially offset inflationary headwinds during the year. Cash and other liquid funds increased from US$534.6 million to US$1,297.8 million primarily driven by cash generated from our mining operations, which more than offset the use of funds in capital expenditure and dividend payments. Please see pages 51-57 for further details on our financial performance.

Our well-established and respected dividend policy, which is the basis for continued shareholder returns, remains unchanged. We aim to pay out 33-50% of profit after tax each year, while making certain adjustments to exclude non-cash effects in the income statement. Dividends are paid in the approximate ratio of one-third as an interim dividend and two-thirds as a final dividend. Before declaring a dividend, the Board carries out a detailed analysis of the profitability of the business, underlying earnings, capital requirements and cash flow. Our goal is to maintain enough flexibility to be able to react to movements in precious metals prices and seize attractive business opportunities.

For 2024, we declared an interim ordinary dividend of 6.4 US cents per share, with a final ordinary dividend of 26.1 US cents per share, bringing the total for the year to 32.5 US cents per share.

Following a comprehensive review of the Group's financial position, its strong balance sheet, and in light of the positive free cash flow that we are expecting to generate in the coming years, we have decided to declare a one-off special dividend of 41.8 US cents per share, payable at the same time as the 2024 final ordinary dividend.

A changing political climate

We anticipate a more positive approach to mining from the team working under President Claudia Sheinbaum, given their increased focus on dialogue which bodes well for the future. Our belief and expectations are that we can now look forward to a more supportive business environment – one that will provide greater certainty over future mining concessions, while also helping us to achieve our ambitious targets around the use of renewable energy.

Preparing for the future

In addition to ongoing operational efficiencies, we anticipate that we will begin to reap the rewards of our exploration pipeline in the near future. Although Orisyvo may take longer than initially expected to become an operational mine, we have made good progress at Rodeo and Tajitos, as well as at Guanajuato, where the discovery of significant silver-rich veins is giving rise to optimistic forecasts.

We continue to invest in exploration activities across Mexico, notably on brownfield sites, as well as in South America. In Chile, we have progressed a joint venture with a local company, while in Peru we have begun drilling at several of our projects. At the same time, we are constantly identifying and evaluating good projects and M&A opportunities in Mexico and in other mining jurisdictions, such as Canada, where we see potential for acquiring late-stage exploration projects to complement our existing portfolio.

In a rapidly evolving world, sustainability remains central to how we create long-term value for our stakeholders. We believe that caring for society and the environment enhances, rather than detracts from profitability; and that by focusing on the challenges and opportunities most material to our business and the regions where we operate, we will be able to align our strategic goals to create meaningful, lasting and beneficial impact for society and the environment, as well as for our business.

The wellbeing of our workforce is the cornerstone of any sustainable future, and I am pleased to note that our underlying safety metrics again showed improvement. Performance at several of our mines is at or close to being within the ranges of the International Council on Mining and Metal (ICMM) safety indexes. However, the fact that we experienced the fatalities of two contractors during the year shows that we must do better.

We have continued to make advances in sustainability matters that are critical to our business and underline our commitment to be a responsible corporate citizen. For example, we have made significant progress in increasing our renewable electricity consumption and replacing freshwater with municipal treated wastewater in our industrial processes. Furthermore, we strengthened partnerships with the government through our contribution to the 2024-2030 National Water Plan, supporting the human right to water with a voluntary annual return of 300,000 m^3 and a US$7 million investment in water treatment and potabilisation projects in the Fresnillo district.

One of the key challenges we face is around the operating environment in Mexico. As I have mentioned above, the early indicators of the new government's approach are broadly positive and I look forward to collaborating with them to ensure that the work we carry out at Fresnillo plc benefits all our stakeholders, including the people and economy of Mexico.

CHAIRMAN'S STATEMENT CONTINUED

Board activities

During our regular meetings, the Board discussed a wide range of matters including operational efficiencies as well as how possible political developments could impact the business, as the election drew closer.

Three key themes guided our deliberations during the year. The theme of 'Re-balancing Focus' demonstrated our recognition that Board members should have a full and detailed understanding of how Fresnillo plc works as well as the challenges and opportunities we face. To this end, the key Board event of the year was a three-day visit to Mexico in July when members gained valuable knowledge of the mines at Saucito and Juanicipio and held two days of strategy discussions with the Executive Team.

'Managing Succession' was our second important theme. As I report below, the Board underwent a number of changes at the 2024 AGM and this process will continue, although to a lesser extent, at the 2025 AGM.

Finally, we focused on 'Reconnecting' in order to identify the most appropriate balance between online and in-person meetings. When we come together in person, for example at the meeting in July, we are able to forge and enhance vital personal relationships that will benefit the Board when it holds meetings online.

Changes to the Board

The AGM in May saw a number of changes to the Board. Bárbara Garza Lagüera stepped down having served as an independent NED for ten years. Charlie Jacobs also ceased to be an independent NED, and Senior Independent Director, but remains on the Board as a Non-Independent NED, while Juan Bordes did not stand for re-election and therefore ceased to be a Director. I would like to thank all three for their past service and I look forward to continuing to work with Charlie in the years ahead.

We were pleased to appoint Judith Macgregor as Senior Independent Director, and also Ms Luz Adriana Ramírez and Ms Rosa Vázquez as Independent Non-Executive Directors. In addition, Georgina Kessel and Guadalupe de la Vega were appointed as members of the Nominations Committee in place of Bárbara Garza Lagüera and Charlie Jacobs.

The Board and I believe that these appointments will underpin the excellent progress we have made towards benefiting from a talented, diverse Board of Directors.

Outlook

We expect global geopolitics to continue dominating the months ahead, with the ongoing wars in Ukraine and the Middle East adding to the possibility of increased tensions between the US and China, as well as greater protectionism following the recent election in the US. We will continue to monitor developments and, where practicable, shape our business to meet any challenges and opportunities that emerge.

Closer to home, we anticipate that a more business-friendly climate will begin to have an impact during the latter months of 2025 and in the following years.

The operational efficiencies initiated by our teams led to a good production performance in 2024 and I expect this to also be the case in 2025, with steady profitability underpinned by continued high prices for silver and gold.

The longer-term outlook is encouraging. We anticipate that at least one of the prospects in our exploration pipeline will join our development portfolio in the coming two to three years, and expect our investments in exploration in Mexico, Chile and Peru to also make good progress.

As always, our efforts will be guided by our Purpose 'to contribute to the wellbeing of people through the sustainable mining of silver and gold' and will be delivered by skilled, dedicated teams with the experience and expertise that is the envy of many of our peers. On behalf of the Board, I thank every employee at Fresnillo plc as well as our other stakeholders – suppliers, local communities, the government and shareholders – for their support during what has been a successful year. I look forward to working with you all in 2025 as we continue to navigate the challenges and opportunities ahead.

Alejandro Baillères
Chairman

SHAPING OUR BUSINESS BY FOCUSING ON OPERATIONS TO IMPROVE EFFICIENCIES

The San Carlos shaft is now operational, reducing haulage distances and cutting costs.

CHIEF EXECUTIVE'S STATEMENT
OCTAVIO ALVÍDREZ

A POSITIVE PERFORMANCE, AN OPTIMISTIC OUTLOOK

2024 was a year in which events in Mexico – and globally – threatened to negatively impact our performance. However, due to the actions we undertook, together with a number of positive economic trends, we ultimately achieved a highly satisfactory outcome. Production was in line with expectations, while sustained high prices and a weaker exchange rate combined to ensure that we delivered a positive financial performance.

"In addition to the good progress we made with our existing operations, we also advanced several exciting exploration projects along our pipeline."

As the year began, several factors beyond our control threatened to make 2024 one of the most challenging years in Fresnillo plc's history. Although some of our assets, such as Juanicipio, were producing high volumes of good quality ore, decreasing grades elsewhere, together with a range of operational difficulties and external factors, threatened to come together and lead to a relatively poor financial outcome.

The response from our teams was to work diligently to systematically identify and implement a series of initiatives that targeted those levers under our control, such as costs and efficiencies, while mitigating where possible the geological factors that could cause difficulties. Our people worked tirelessly and with a high degree of skill. Once again highlighting the value of the extensive pool of proven talent that has established Fresnillo plc as a global leader. The results of their efforts are reflected in our financial results, which also benefitted from sustained high prices for silver and gold throughout the year as well from a weaker Mexican peso vs US dollar exchange rate.

In addition to the good progress we made with our existing operations, we also advanced several exciting exploration projects along our pipeline. These provide significant optimism for the medium- and long-term future of Fresnillo plc, and we look forward to reporting more developments in due course.

Production highlights and price review

Overall, production was stable and consistent across the year, in line with the guidelines we set out in January.

Attributable silver production remained at 56.3 moz, driven by good results at San Julián Veins, Saucito and Juanicipio, as well as a strong turnaround at Ciénega. Although weather-related issues affected gold production at La Herradura earlier in the year, a recovery programme saw performance at this mine improve rapidly in the last half which, together with higher production at Fresnillo, Saucito and San Julián Veins, led to an increase in gold production of 3.4% to 631.6 koz.

Attributable by-product lead and zinc production increased 14.8% and 8.3% to 66,400 tonnes and 116,646 tonnes respectively, primarily due to the increased contribution of Juanicipio and Saucito and higher ore grades at Fresnillo.

Please find more details on production at each of our mines on **pages 31-45**

During 2024, the increase in silver and gold prices was even more pronounced than in the previous year. The average realised silver price was US$28.78 and that for gold US$2,453.58, up 21.7% and 25.3% respectively. The average price for zinc increased by 8.7%, while that for lead decreased by 2.7%.

Demand for silver outweighed supply for the sixth consecutive year, driven by its role as an essential component in photovoltaic applications, 5G networks, and electric vehicles and their infrastructure. Despite some countries rowing back on their net zero ambitions, we believe that the world in general will continue to pursue these new technologies, underpinning demand for silver. Silver is also essential to many applications of nanotechnology in the food, medical and electronics sectors, all of which are forecast to grow in the years ahead.

Demand for gold remained healthy, in line with the increased global demand for consumer electronics as well as emerging applications in the automotive, aerospace and high-speed computing sectors. Gold is also valued as an investment and safe haven, and is vital to the jewellery sector.

For both metals, demand from investors was exacerbated by geopolitical tensions. These included the expectation of interest rate changes at the end of 2023 and again early in 2024, and uncertainties around the US election – followed by speculation about the measures that may or may not be implemented by the incoming President.

Please see **pages 20-21** for more details on prices and how they have been influenced by market dynamics

Executing our strategy

Our four strategic pillars guide every aspect of our actions, and shape the way in which we aim to seize the opportunities and rise to the challenges ahead.

Maximising the potential of existing operations

Our assets are one of our greatest strengths. They are the foundation upon which our past performance was built as well as the platform for future success – and we work hard to ensure that they operate as efficiently as possible.

During 2024, we made good progress at many of our mines. At Juanicipio, for example, the beneficiation plant is now operating at full capacity and the flotation plant has been optimised, leading to an increase in both the recovery rate and the volume of ore processed.

While volumes reduced at Fresnillo due to several factors, the preparation of new stopes is being expedited by the purchase and implementation of new equipment for the narrower veins we have been encountering. Furthermore, the commissioning of the new San Carlos shaft followed by the successful connection of the two sections of shaft towards the end of the year is already paying dividends in terms of reduced haulage and therefore lower costs.

At Saucito, increased productivity and greater availability of equipment have driven a strong comeback from the mine's low point in 2023. The Saucito team is now confident that they can not only maintain but also build upon the recent improvements in production.

Given the challenges faced, the most impressive performance was at Ciénega. Our previous view was that this mine had a limited lifespan in the Fresnillo plc portfolio, with sale or closure a possibility in the short term. However, now both performance and prospects have been transformed by a team of retrained miners rigorously implementing a set of efficiency, cost reduction and mitigation measures. These miners are now expected to become future leaders at other mines across the business.

A similarly important step change took place at San Julián, where the Disseminated Ore Body (DOB) approached the end of its life. Production at San Julián Veins increased during the year on the back of higher ore grades and improved dilution control, partially compensating for the fall in production at the DOB. Exploration activities have identified high grades of silver and also some gold, giving us renewed confidence in the future of the mine.

Performance at our open pit La Herradura mine remained a challenge, with the loss of skilled people in the previous year being further aggravated by floods and changes in the mine sequence in the first half of the year to impact preparation and development. However, a plan was put in place and production recovered in the fourth quarter and is now stable. We are continuing to define how best we can develop underground activities at La Herradura and expect operations to commence towards the end of 2025 or early in 2026, adding important production that is not currently included in our projections.

Towards the end of 2024, we received notification from our parent company Industrias Peñoles that operational difficulties at the Sabinas mine could impact the Silverstream Agreement between our companies. After assessing the possible implications of this situation, and based on the information available we reassessed the valuation of the Silverstream Agreement. This resulted in the recognition of a loss of US$182.3 million, net of its amortisation and before taxes, at the end of the year. Please see page 55 and Note 14 to the financial statements for further details.

In the year ahead, we will continue working on increasing productivity and implementing cost reduction activities across all our mines with the objective of prioritising profitability, while optimising production levels.

Delivering growth through development projects

As we reported last year, we have a number of very exciting exploration projects that are making good progress through our pipeline.

Many metallurgical and economic studies are currently underway across all the projects discussed in the strategic pillar below, as we work towards identifying those with the greatest operational and financial feasibility.

Extending the growth pipeline

We continue to benefit from a range of mining concessions and exploration projects in Mexico, Peru and Chile. These include four advanced exploration projects that all have the potential to become development projects.

CHIEF EXECUTIVE'S STATEMENT
CONTINUED

Among these, Guanajuato is expected to be a stellar performer and to make an important contribution to the Group's silver production. Guanajuato is a historic, world-class silver and gold epithermal vein field stretching more than 40 kilometres along this central Mexican state.

During the year, we carried out 101,521 metres of core drilling, with a focus on the emerging southern area where significant silver-rich veins have been discovered. A preliminary conceptual study has highlighted good economic potential for the development of this area, and we are therefore ramping up our step-out drilling, metallurgical, environmental permitting, and community engagement activities. Further exploration and studies will be carried out over the next five years with the aim of developing this project in 2030.

Over the last 12 months we concluded that the gold project at Orisyvo could take longer to come to fruition than previously expected. This is due to challenges associated with resources and the recovery rates required to increase production volumes, combined with the potentially large capital expenditure required. A disseminated gold deposit in the Sierra Madre mountains of Chihuahua state, Orisyvo was the subject of pre-feasibility studies in the first half of the year, which showed positive opportunities for an underground operation and associated infrastructure, including mineral processing and tailings storage facilities. We have also continued to engage with local communities and authorities around education, health, environmental care and entrepreneurship – and we expect to commence consultations with indigenous communities in 2025.

Tajitos will be a key focus for our efforts next year, in parallel with Rodeo. An open pit, disseminated gold project in the Herradura Corridor of northwestern Sonora state, Tajitos was subject to a full evaluation of the main resource area in 2024, with encouraging results. This was followed by an update of the mineral resources and a preliminary economic assessment. We drilled 41,640 metres during the year and also started environmental studies, as well as continuing our community relations programme.

At the Rodeo open pit gold project, in central Durango state, we commenced exploration activities following positive engagement with the local Ejidos. The drilling programme focused on increasing the resources in the main pit area and obtaining samples for detailed metallurgical testing. We expect to finalise exploration during the middle part of 2025 and will then be in a position to evaluate our options.

Brownfield exploration continued across the portfolio, specifically in the Fresnillo and San Julián districts, while greenfield activities at the Lucerito and Candameña projects showed positive results for both gold and silver.

Outside Mexico, we began drilling at some of our prospects in Peru, and we made progress in Chile with our joint gold-silver venture with Sociedad Química y Minera de Chile (SQM), the world's biggest lithium producer. We continue to monitor opportunities to acquire projects in the later stages of exploration, with recent efforts focusing on Canada.

At the end of the year, silver in consolidated overall mineral resources increased 1.4% vs 2023 at 2.25bn oz as the positive exploration results at the Guanajuato and Lucerito exploration projects and Fresnillo were offset by depletion. Gold in consolidated overall mineral resources also increased 1.4% vs 2023 to 38.5 moz primarily driven by the positive exploration results at Guanajuato, Lucerito and Candameña, partly offset by depletion at our operating mines.

"In the year ahead, we will continue working on increasing productivity and implementing cost reduction activities across all our mines with the objective of prioritising profitability."

Silver in consolidated overall ore reserves decreased 7.1% to 331.3 moz mainly from mining depletion and a more conservative approach to resource estimation at San Julián and Ciénega. Gold in consolidated overall ore reserves increased 2.5% to 7.2 moz mostly as a result of the higher price and lower costs and cut-off grades at La Herradura.

For 2025, the exploration budget will increase to US$190 million.

Advancing and enhancing the sustainability of our operations

Although our injury frequency rates continue to move in a positive direction, with a steady overall improvement since 2017 – a 37.2% reduction in TRIFR (7.59) and a 35.8% reduction in LTIFR (4.75) – we sadly experienced two fatalities during the year. No loss is acceptable, and we remain deeply committed to ensuring that everyone who works at our facilities returns home safely at the end of each day. Our hearts go out to their families, friends and colleagues during this difficult time, and we will honour their memory by continuing to strengthen our safety culture.

Both fatalities occurred in non-routine tasks involving contractor personnel, underlining the urgent need for greater rigour in planning, risk analysis, and control of activities both within and outside our productive value chain. We are strengthening engagement with business partners to bring them up to the same standards we uphold. Through the 'I Care, We Care' strategy, we will continue to consolidate our health and safety management system by minimising risks, improving safety and enhancing productivity.

Sustainability related issues around water, community relations, the environment and the use of renewables remain critical to Fresnillo plc, but also to the Mexican incumbent administration. Continued dialogue with policymakers following the election supports the sustainable future of mining in Mexico.

In terms of our environmental performance, we have already met and, in fact, exceeded, our ambitious target for 75% of renewable electricity consumption by 2030 – recording a new high of 80.6% during 2024 – and are continuing our efforts to maintain future levels above 75%.

Additionally, the dual-fuel infrastructure at La Herradura is expected to be commissioned in 2025, further reducing our overall carbon intensity, which has already seen a 28% decrease versus 2023.

We earn and maintain the trust of communities through accountability, meaningful engagement, and support for their key concerns. In 2024, we launched three inaugural programmes to strengthen community relations: fostering collaboration between operational teams and communities, improving communication about Fresnillo plc's performance and responsible mining practices, and mitigating local social risks with a strong emphasis on ethics and human rights.

In 2025, we will have the opportunity to test our community relations model further when we accelerate engagement with several isolated communities. At Orisyvo, where alternatives to mining for sustainable employment are limited, our focus will be on listening carefully to local needs and clearly communicating the economic and social benefits of mining.

While mining has historically been a male-dominated industry, we have made significant strides in diversity and inclusion. Women now represent 12.46% of our total workforce and 9.43% of managerial positions, surpassing our 2025 goals. We eagerly anticipate welcoming a woman as a general manager of an operating mine in the near future, reflecting our commitment to inclusivity and leadership diversity. We are also proud to maintain our position as one of the Mexican public companies with the highest share of women on our Board of Directors.

Looking ahead

The global economy is in a state of flux, and as has been the case for several years, 2025 is expected to be a period of challenge and uncertainty. Geopolitical tensions are likely to increase, with the ongoing wars in Ukraine and the Middle East continuing to contribute to instability. Tensions between the US and China as well as in Korea may intensify, further fuelling negative sentiment.

Within Fresnillo plc, our challenges will centre around the structural changes in some of our mines, specifically at San Julián where there is greater onus on its veins now that the DOB has been depleted. La Herradura could also see production fall compared to the levels achieved in 2024.

However, with challenges come opportunities – and we are committed to managing our operations efficiently without compromising on the safety of our people or on our continued investment into our longer-term growth pipeline.

Our financial situation is sound, with healthy cash flow able to fund the significant investments that are necessary in order to drive Fresnillo plc forward. For example, we will continue to invest in new operational and cost reduction measures, while also doing everything we can to make sure that our leading exploration prospects can take that important next step and become real development projects. Furthermore, we will remain alert to acquisition opportunities and work with the grain of government to ensure that the voice of mining continues to be part of the conversations around how best to support the Mexican economy.

Although metals prices are beyond our control, demand for silver and gold is increasing, largely in line with the shift towards green technologies, and we do not expect to see this trend reversed. In our view, prices will, in all probability, remain at high levels through the months ahead.

This was a year when our teams stepped up and showed themselves to be among the most talented and dedicated in our industry, and it has been a privilege to work alongside them. I would like to thank all stakeholders – from suppliers, government officials and local communities to the investors who continue to place their trust in us – for their support and encouragement. Together, we can face the future with confidence.

Octavio Alvídrez
Chief Executive

BUSINESS MODEL

Our ability to create value is underpinned by the quality of our assets, the capability of our people, operational performance, mitigation of risks and disciplined capital allocation.

STRATEGIC RESOURCES AND RELATIONSHIPS

People

We rely on the skills, experience and commitment of our people to create sustainable value. Attracting, developing and retaining the best people is crucial in enabling us to meet our business goals. We have a skilled workforce of 7,179 Unionised workers and employees and 10,916 contractors who provided services along our full value chain during 2024, supported by an experienced and purpose-led leadership team.

Natural resources

Our operations rely on a range of natural resources, including surface land, water and energy.

- 1.6 million hectares in mining concessions in Mexico.
- 61,314 megalitres of reused water (efficiency of 84.19%).
- 80.6% of our electricity consumption comes from renewable sources.

Relationships with key stakeholders

Our stakeholders include governments, communities, suppliers, customers, shareholders and our workforce. We maintain purposeful engagements with these stakeholders to understand the issues that matter to them, address them collaboratively and gain their trust. We balance the issues that matter to them, ensuring the social acceptance of our operations and maintaining our licence to operate in order to create shared value and achieve long-term success.

1 Net cash (Cash and other liquid funds at 31 December 2024 – Debt at 31 December 2024).

HOW WE OPERATE – OUR COMPETITIVE ADVANTAGE

Fresnillo is a leading precious metals mining company with a world-class portfolio of mining operations and undeveloped resources.

1 EXPLORE

With a sustained and realistic exploration strategy that invests across price cycles, we have a proven track record of discovering world-class gold and silver mines through our respected team of 86 geologists in Mexico, Peru and Chile, supported by 90 specialists across claims management, land negotiation, safety, community relations and environmental control. Our team, which also comprises 343 assistants drawn from local communities, has access to realistic budgets and is hugely respected across our industry.

For more information see **pages 46-50**

2 DEVELOP

We assess each potential operation against a set of strict criteria including risk, potential returns, and the long-term sustainability and value to our stakeholders. We only approve projects with the potential to create value across precious metals price cycles. Approved projects have the ability to optimise long-term productivity at minimal risk, drawing synergistic benefits from our district consolidation strategy whilst also creating opportunities for costs to be shared through our association with the Peñoles Group and members' common requirements across a number of service areas.

3 OPERATE

Through our commitment to sustainable business practices, we have built a portfolio of high-quality assets and ample mineral resources, sustained through continued investment in infrastructure and technological improvements. At all times, we target safe, environmentally-responsible working practices and a high-performing culture that delivers production at competitive costs. We aim to improve productivity by evolving our mining practices, optimising capacity and beneficiation processes.

For more information see **pages 31-45**

4 SUSTAIN

Embedded within our business philosophy is the conviction that mining operations must integrate responsible business practices at every level of the decision-making process and that stakeholder concerns are addressed comprehensively. We aim to surpass expectations in the areas of ethical conduct, health and safety, environmental stewardship and governance, complemented by a keen awareness of the needs and aspirations of local communities. Guided by an ethical culture and an extensive understanding of Mexico's economy, culture and communities, we take pride in our reputation as a trusted corporate leader, committed to sharing the benefits of mining with wider society.

SHARING THE BENEFITS

Economic value distributed is considered to be a social performance measure.

For more information see **page 102**

Wages and benefits to workers (US$)

149.7m

Payments to suppliers (contractors) (US$)

1,773.5m

Relationships with key stakeholders continued

We are active members of several mining organisations and associations, where we use our influence to promote greater recognition of the advantages that mining brings to society. We believe that mining must be compatible with high stakeholder expectations in terms of ethical, social and environmental performance. This underlines the importance of integrating responsible business practices deeply into our business model and considering factors that affect stakeholders at every critical decision-making level.

Financial strength

Our business is underpinned by a disciplined approach to capital allocation and strict cost controls. Our balance sheet is a key strength, providing a resilient platform to invest though the cycles to generate sustained returns to shareholders.

- Total equity of US$4,211.5 million.
- Net cash[1] of US$458.3 million.

Property and equipment

Our assets include properties, infrastructure, processing plants and mining equipment.

- Net book value of property, plant and equipment of US$2,860.9 million.

Technology

We adopt smart technology to address productivity, growth and sustainability challenges through leveraging the knowledge of our partners, identifying and implementing innovative and effective solutions across our value chains.

OUR SUSTAINABILITY FRAMEWORK

Doing business ethically and responsibly

Caring for our people

Partnering with our communities

Protecting the environment

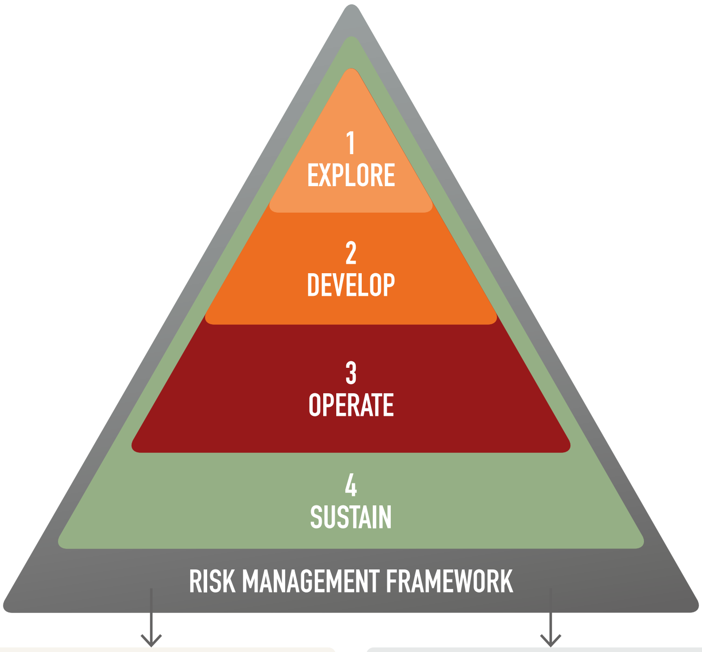
For more information see pages 62-63

Payments to federal government (US$)	Payments to local governments (US$)	Total economic impact (US$)
221.2m	8.0m	2,152.5m

OUR STRATEGY

Our Purpose is to contribute to the wellbeing of people, through the sustainable mining of silver and gold.

We engage our people in our long-term strategy to instil a Purpose-led culture where everybody understands how we do business. The values that are embedded in our culture support our strategy, inspiring winning behaviours on ethics, safety, innovation and operational excellence.



OUR CULTURE

Our culture is the cornerstone of our safe and successful operations, and is rooted in our core values of:

- Trust
- Responsibility and Respect
- Integrity, and
- Loyalty

Our culture shapes decisions and actions at every level of the organisation.

For more details see Our culture on page 64

RISK MANAGEMENT

We have a structured internal risk management process in place to identify risks, whilst simultaneously considering the views and interests of our stakeholders. The accurate and timely identification, assessment and management of risks gives us a clear understanding of the actions required throughout the organisation in order to achieve our objectives. We ensure that our networks, systems and data are secure, in accordance with best practice.

Risk can manifest as opportunities or threats that can affect our business performance. We balance mitigating and monitoring our risks with maximising the potential reward.

For more details see Managing Our Risks and Opportunities on pages 116-138

ROBUST CORPORATE GOVERNANCE

We recognise that good governance is an important enabler of a prudent and well-considered approach, ensuring that short- and long-term decisions consider the interests of the Group and those of our stakeholders. At the heart of our governance framework is the Board of directors consisting of non-independent and independent Non-Executive Directors who hold the Executive Management to account for the effective and sustainable operation of the Group's business. We adhere to the principles of the UK Corporate Governance Code and apply its Provisions in a way that, we believe, optimises the oversight exercised by the Board. We keep our governance structures under review and evolve them to meet the needs of the business. The Board and its Committees focus on strategy, evaluate financial and operational performance and monitor risks and controls on an ongoing basis to ensure that Fresnillo achieves its objectives in line with its Purpose and values.

For more details see Corporate Governance on pages 144-198

OUR LONG-TERM STRATEGIC PRIORITIES

We take a long-term view of our strategic priorities, which are supplemented with nearer-term targets and goals, as set out on pages 16-19.

1 EXPLORE

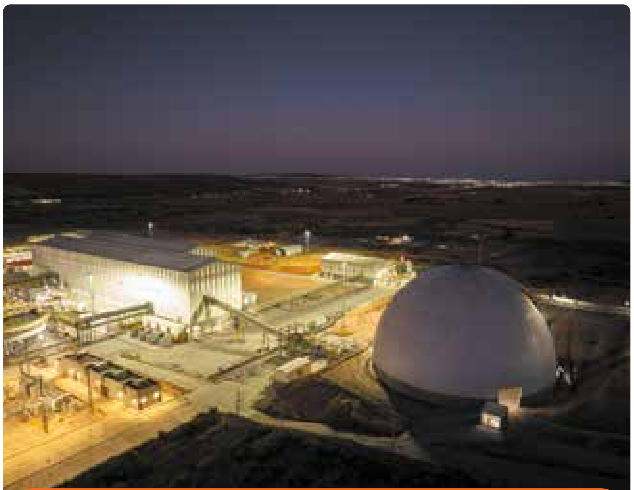
Extend and maintain a robust growth pipeline

- Continue to invest in our exploration pipeline.
- Increase the resource base to drive future growth.
- Increase gold production to replace decreases at Noche Buena and Herradura.
- Identify silver resources in the Fresnillo, San Julián and Guanajuato Districts.
- Concentrate on identifying M&A targets, not only in Mexico but also in the wider region.

3 OPERATE

Maximise the potential of our operations

- Focus on the profitability of our mines.



2 DEVELOP

Deliver profitable growth, optimise cash flow and returns

- Progress the Orisyvo and Guanajuato projects.
- Identify two further world-class assets with the potential to complement our portfolio.
- Continue advancing projects in the exploration pipeline towards development.

4 SUSTAIN

Advance and enhance the sustainability of our business

- Strengthen modern mining practices.
- Empower people.
- Address local and regional priorities.
- Generate shared value.

OUR STRATEGY CONTINUED

FINANCIAL

Earnings per share excluding post-tax Silverstream revaluation effects

This is calculated as attributable profit available to equity shareholders, excluding the revaluation effects of the Silverstream contract, divided by the weighted average number of shares in issue during the period. It measures net profit levels generated for equity shareholders.

EBITDA, EBITDA margin and cash flow from operating activities before changes in working capital

EBITDA is calculated as profit for the year from continuing operations before income tax, less finance income, plus finance costs, less foreign exchange gain/(loss), less revaluation effects of the Silverstream contract and other operating income, plus other operating expenses and depreciation.

EBITDA margin is EBITDA divided by total revenue.

Both EBITDA and cash flow from operating activities before changes in working capital measure the Group's ability to generate cash from its core business.

1 EXPLORE

2024 Goals

- Invest US$190 million with a continued focus on the Fresnillo and San Julián districts and advanced exploration projects.
- Further develop resource modelling and reserve engineering activities initiated in 2020, with the aim of reporting proven reserves for all operating assets.
- Convert resources into reserves at all our operating mines.
- Continue the exploration programme at Juanicipio to fully delineate the Valdecañas vein at depth.
- Advance pre-feasibility to feasibility level studies at Orisyvo.
- Complete the full delineation of the Tajitos ore bodies and advance metallurgical, geotechnical and conceptual studies.
- Accelerate drilling in the Guanajuato District and conduct detailed metallurgical investigations.
- Update the Preliminary Economic Assessment of priority areas.
- Continue discussions with the local communities at Rodeo and conduct an intensive infill, step-out, condemnation and geotechnical drilling programme upon completion of agreements.
- Continue drilling several targets at Capricornio in Chile, resume drilling at Supaypacha and work towards permitting the drill-testing of targets at Santo Domingo and Pilarica in Peru in 2025.

2024 Progress

- US$165.0 million was invested in risk capital in exploration.
- Proven reserves were reported at all mines.
- Mixed results were obtained as a more conservative approach to reserve estimates was partly offset by revised economic assumptions and costs and cut-off grade strategies (see pages 46-50).
- Valdecañas vein fully delineated, confirming the structure continues at depth, albeit with lower silver grades.
- Several pre-feasibility level studies were completed at Orisyvo and are currently under review.
- Conceptual studies continued at Tajitos and a preliminary economic assessment is in progress.
- Resources increased at Guanajuato and a preliminary economic assessment of priority areas is ongoing.
- Long-term land access with local communities was reached at Rodeo and drilling resumed, albeit in the last quarter.
- Drilling continued at Capricornio in Chile, and community engagement progressed at Supaypacha in Peru in 2024.

2025 Strategic priorities

- Invest US$190 million in our exploration pipeline, focused on the Fresnillo and San Julián mines and advanced exploration projects.
- Continue improving our grade control and reconciliation process to increase proven reserves.
- Convert resources into reserves at all our operating mines.
- Conclude preliminary economic assessment at Tajitos
- Continue drilling campaign and progress critical technical work to determine economic viability at Rodeo.
- Advance permitting and de-risking the Orisyvo and Guanajuato projects.
- Continue advancing conceptual studies to conduct a preliminary economic assessment at Tajitos.

2 DEVELOP

2024 Progress

- There are no projects currently under development and additional work is required before our projects in the advanced exploration phase can become development projects.

2025 Strategic priorities

- Monitor infrastructure projects to make sure they are developed in accordance with the mine plans.
- Advance the Rodeo and Tajitos projects.

2024 Group KPIs/performance

Earnings per share excluding post-tax Silverstream revaluation effects
(US$/share)

0.364

2024	0.364
2023	0.310
2022	0.351
2021	0.572
2020	0.440

Increased profits divided across an unchanged weighted average number of shares in issue.

EBITDA and EBITDA margin
(US$ and %)

1,547.3m **44.3%**

2024	1,547.3	44.3%
2023	655.7	24.2%
2022	751.1	30.9%
2021	1,206.3	44.6%
2020	1,169.1	48.1%

Increased vs 2023 due to a higher gross profit, a decrease in administrative and corporate expenses and lower exploration expenses.

Cash flow from operating activities before changes in working capital
(US$)

1,559.8m

2024	1,559.8
2023	649.3
2022	743.1
2021	1,208.3
2020	1,168.7

Increased vs 2023 due to the higher profits.

2024 Group KPIs/performance

Quantified, measured, indicated and inferred resources at all our assets; an indicator of the Group's growth potential and ability to discover and develop new ore bodies.

Attributable silver resources[1]
(millions of ounces)

2,250.5

2024	2,250.5
2023	2,219.7
2022	2,203.9
2021	2,319.7
2020	2,292.5

Increased due to the positive exploration results at Guanajuato as well as metals prices and operating costs updates at the Lucerito exploration project and Fresnillo, partly offset by depletion and a more conservative approach to resource estimation at other mines.

1 2024 resources from the mines are presented as of 30 June 2024. Resources from the exploration projects are presented as of 31 December 2024.

Attributable gold resources[1]
(millions of ounces)

38.5

2024	38.5
2023	37.9
2022	39.1
2021	39.0
2020	38.9

Increased primarily driven by the positive exploration results at Guanajuato and metal price and operating costs updates at the Lucerito and Candameña projects, partly offset by depletion at our underground mines.

1 2024 resources from the mines are presented as of 30 June 2024. Resources from the exploration projects are presented as of 31 December 2024.

OUR STRATEGY CONTINUED

3 OPERATE

2024 Goals

- Prevent fatal or serious accidents.
- Produce between 55-62 moz silver and 580-630 koz gold.
- Focus on cost reduction initiatives.
- Improve short- and mid-term planning processes at the Fresnillo district.
- Implement contractor cost improvement initiative.

2024 Progress

- Two fatal accidents during the year, one at Fresnillo and one at Ciénega.
- Produced 56.3 moz of silver (including Silverstream) and 631.6 koz of gold.
- Achieved US$40.0 million in cost reduction initiatives and efficiencies.
- Cross-functional teams worked to improve the short- and mid-term planning process.
- Rationalised the contractor base across the mines, with the number of contractors decreasing from 12,516 to 10,916.

2025 Strategic priorities

- Prevent fatal or serious accidents.
- Produce between 49-56 moz silver and 525-580 koz gold.
- Continue our focus on initiatives to capture efficiencies and reduce costs.
- Improve the short- and medium-term planning processes.
- Maintain ore throughput and improve ore grades, primarily in the Fresnillo district.
- Continue assessing optimisation projects and define implementation phases at Herradura.
- Implement the mine closure plans at Noche Buena and San Julián DOB.

4 SUSTAIN

2024 Goals

- Reduce TRIFR and Fatality rate.
- Use water efficiently and reduce freshwater consumption.
- Increase our consumption of renewable electricity.
- Implement Tailings Management Systems across all mines.

2024 Progress

- Reduced TRIFR to 7.59 and Fatality frequency rate to 0.044.
- Increased proportion of municipal wastewater consumption to 30.2%.
- Increased renewable electricity consumption to 80.6%, and reduced our GHG emission intensity index to 0.0182 tCO_2e per tonne of mineral processed.
- Made progress in risk evaluation and management of Tailings Storage Facilities (TSFs).

2025 Strategic priorities

- Reduce TRIFR and Fatality rate to the ICMM range by 2026.
- Reduce freshwater consumption.
- Consume (at least) 75% of renewable electricity by 2030.
- Continue to implement the Tailings Management System.

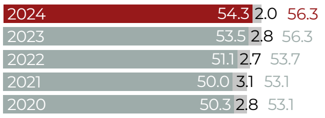
Further sustainability objectives are outlined in our Sustainability section on pages 62-63.

Production: Monitors total production levels at our mines and contributions from advanced development projects.

2024 Group KPIs/performance

Attributable silver production
(millions of ounces)

56.3

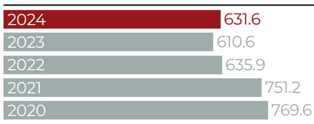


Remained stable vs 2023 as the higher ore grades and increased volumes of ore processed at San Julián Veins and Saucito and the higher contribution of Juanicipio following the first full year of operation at the beneficiation plant were offset by the decreased production at San Julián DOB as it approached the end of its life, a decrease in volume of ore processed and lower ore grade at Fresnillo, and lower contribution from the Silverstream agreement.

The graph illustrates silver production from our own mines, with shaded portion representing additional ounces accrued under the Silverstream contract.

Attributable gold production
(thousands of ounces)

631.6

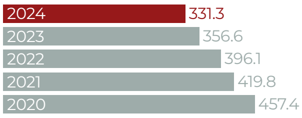


Increased mainly due to the higher ore grade at Fresnillo and increased ore processed and higher ore grades at Saucito and San Julián Veins. This was partly offset by a reduction in gold ounces recovered from the leaching pads at Noche Buena, following the cessation of mining activities in May 2023.

Proven and probable reserves: A measure of the quality of the Group's operating assets and our ability to extend the life of operating mines at profitable levels.

Attributable silver reserves[1]
(millions of ounces)

331.3



Decreased primarily due to mining depletion and a more conservative approach to resource estimation at San Julián and Ciénega.

1 2024 reserves are presented as of 30 June 2024.

Attributable gold reserves[1]
(millions of ounces)

7.2

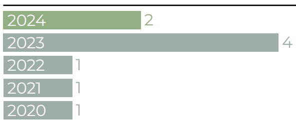
Increased mostly as a result of the higher price and lower costs and cut-off grades strategy at Herradura.

1 2024 reserves are presented as of 30 June 2024.

2024 Group KPIs/performance

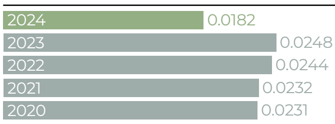
Fatalities
(Number of fatal injuries to employees or contractors)

2



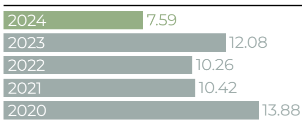
Greenhouse gas intensity
(Tonnes of CO_2e per tonne of mineral processed)

0.0182



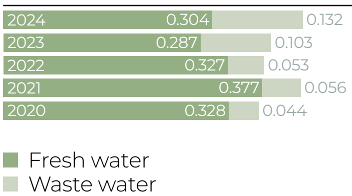
Total recordable injury frequency rate (TRIFR)
(For every 1,000,000 hours worked)

7.59



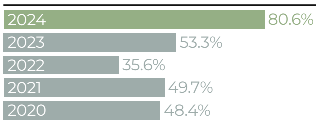
Water intensity
(m^3 per tonne of mineral processed)

0.436



Renewable electricity
(Percentage of renewable electricity consumption)

80.6%



SHAPING OUR BUSINESS FOR THE OPPORTUNITIES AHEAD

Politics and economies are increasingly volatile, shifting more quickly and more unexpectedly than ever. This is creating new and unpredictable market dynamics and shaping the key trends that influence our operating environment.

Price volatility

The financial performance of our business is highly sensitive to fluctuations in precious metals prices, which are influenced by a mix of global production shifts, market demand, and external economic factors. Gold and silver prices continued to experience notable volatility in 2024, driven by a combination of geopolitical tensions, inflationary pressures, and fluctuating global interest rates. Gold, often seen as a safe-haven asset, has seen increased demand, reaching significant highs, as investors seek stability amid economic uncertainty. Meanwhile silver prices have been influenced by both industrial demand, particularly in the renewable energy sector, and its role as a precious metal.

Energy transition

The global pivot toward renewable energy is driving a surge in demand for critical metals, which are key in the production of clean energy solutions, including electric vehicles, solar panels, and energy storage systems. The mining sector is under increasing pressure to ensure the supply of these materials meets the demand generated by the accelerating transition toward a carbon-neutral future.

Cost inflation

The combination of increasing consumer demand and disruptions in global supply chains has led to widespread inflationary pressures. These rising costs – including labour, energy, and raw materials – are putting additional strain on mining operations and having a financial impact across the entire industry, driving companies to focus on innovation and efficiencies.

Labour shortages

Securing a skilled workforce remains a challenge, especially as the industry aims to adopt automation and other technological advancements. The demand for talent with expertise in specific areas such as cutting-edge mining technology, including AI, robotics, and data analytics, is outpacing supply, making it crucial to invest in workforce development and attract and retain new generations of miners.

Government regulation

Governments are grappling with the need to foster economic growth while addressing environmental and social challenges. Policies are evolving rapidly, requiring businesses to navigate increasingly complex regulatory landscapes. Finding a way to thrive amid this evolving landscape, while meeting both financial and sustainability goals, has become increasingly challenging.

Advancements in technology

A priority for the mining industry is the development and integration of new technologies to enhance planning and operations, with a strong emphasis on automation. Innovation is crucial for long-term growth, not only in terms of productivity, but also for optimising maintenance and enhancing safety and sustainability.

GOLD

Gold as a safe haven

Opportunities

- Geopolitical tensions and market instability make gold a reliable store of value.
- Central banks increasing gold reserves amid economic uncertainty.
- Gold as a portfolio diversifier and risk mitigator during volatile times.
- Growing demand from emerging markets as wealth increases.

Threats

- Competition from income-generating assets like stocks and real estate.
- Alternative assets, such as cryptocurrencies, challenging gold's dominance.
- High costs of storage, insurance, and security deterring investors.

Industrial applications

Opportunities

- Rising demand for electronics boosting gold usage in components.
- Growth in sectors like electric vehicles, aerospace, and advanced computing.
- Increasing need for gold in wireless technology.

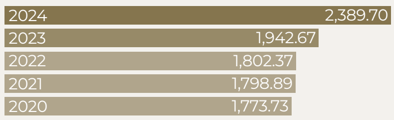
Threats

- Economic downturns could reduce electronics demand.
- Supply chain disruptions could impact gold usage in electronics.

Gold price chart

(US$ per ounce)

2,389.7



SILVER

Silver as a safe haven

Opportunities

- Similar trends apply to silver and gold, as described above, with silver a cost-effective alternative to gold for portfolio diversification and risk management.

Threats

- Competition from income-generating assets like bonds and stocks.
- Emerging investments challenge silver's appeal.
- High storage and insurance costs.

Advancing technology

Opportunities

- Rising demand for electronics and 5G networks drives silver usage.
- Growing potential for silver in nanotechnology across sectors.

Threats

- Economic downturns may reduce electronics demand.
- Higher silver prices could push manufacturers to find alternatives.

Climate change

Opportunities

- Growth in solar energy and electric vehicles increases silver demand.
- Expansion of EV charging infrastructure supports silver consumption.

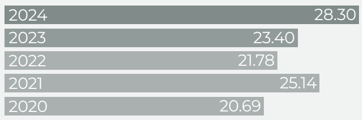
Threats

- Rising silver prices could lead to cost-cutting by manufacturers.
- Delays in infrastructure investment.

Silver price chart

(US$ per ounce)

28.30



OUR STAKEHOLDERS

BUILDING TRUST: RELATIONSHIPS WITH KEY STAKEHOLDERS

Our continued success relies on earning the trust of our diverse stakeholders. By establishing meaningful engagement and strong relationships, we create shared value and contribute to the wellbeing of people through the sustainable mining of silver and gold.

Why we engage

Understanding and addressing stakeholder concerns enables us to build long-term relationships and secure essential support for the Company's continued profitable operations, whilst also driving positive change.

How we engage

We use a variety of engagement opportunities to gather both direct and indirect feedback. These insights form the basis for the Board and Executive Committee's discussions and actions. Information regarding resulting principal decisions can be found on pages 154-155.

Who we engage

We have identified our relevant stakeholders by considering their influence on the success of our business model and strategy, including:

- How they are relevant to our business model and strategy;
- Their interests, needs and concerns;
- How engagement is conducted;
- How management and governance activities are implemented;
- The actions and outcomes from engagement;
- The metrics used to monitor our relationships; and
- What risks could affect our relationships with them.

EMPLOYEES AND UNIONS

Relevance

Skilled and engaged people drive our continued success.

Why we engage

To nurture a collaborative environment that motivates our workforce to shape our future.

The difference it makes

Long-term relationships enable us to build a robust pipeline of talent to progress our goals.

Read more on page 24

COMMUNITIES

Relevance

Strong, mutually beneficial relationships foster long-term trust and shared prosperity.

Why we engage

To understand and address their priorities, fostering long-term wellbeing and resilience.

The difference it makes

Positive engagement secures vital support to pursue our ambitions, maintaining our licence to operate.

Read more on page 25

GOVERNMENT

Relevance

A proactive, transparent and collaborative dialogue helps mitigate regulatory risks and secure long-term operational stability.

Why we engage

To align key strategic issues of importance to communities, local authorities and the mining industry.

The difference it makes

Collaboration helps advance responsible mining practices, and contribute to economic growth through job creation, tax contributions and infrastructure development.

Read more on page 26

CONTRACTORS AND SUPPLIERS

Relevance

Valued partners that provide essential expertise and support to our operations.

Why we engage

To ensure alignment with our safety standards and ethical business practices.

The difference it makes

A strong and responsible supply chain enhances safety, operational efficiency and sustainability.

Read more on page 27

MINORITY SHAREHOLDERS

Relevance

A strong and engaged investor base ensures financial stability and long-term value creation.

Why we engage

To foster transparency, provide insights into our performance, and align our strategy with investor expectations.

The difference it makes

Engagement strengthens confidence in our governance, enhances decision-making, and supports the long-term sustainability of our business.

Read more on page 28

For more information, see the Sustainability at the core of our purpose section on pages 58-115 and Managing our risks and opportunities section on pages 116-138.

EMPLOYEES AND UNIONS

Engaging our stakeholders for the long term to instil a long-lasting culture where everybody understands our Purpose and how we do business.

How we engage with employees and Unions

Management

- Surveys to better understand the issues that matter to our workforce (organisational climate, ethics, safety).
- Safety symposium and LEAL survey in collaboration with the Union.
- Interviews and focus groups to gain employee perceptions of our social performance in the communities where we operate.

Executive Committee and Board

- Our designated Non-Executive Director for workforce engagement brings workforce feedback to the Board through periodic town hall meetings.
- Executive Committee members engage with Union leaders on safety, productivity and collaboration.

What issues matter to our employees and Unions

- Ethics and integrity.
- Health, safety and occupational wellbeing.
- Security in the regions where we operate.
- Training and professional development.
- Remuneration and compensation (including statutory profit-sharing).
- Labour and Human Rights.
- Preventing and addressing labour harassment.
- Work-life balance.
- Gender equality.

Outcomes from our engagement

Actions

- Enhance operational discipline by intensifying efforts in safety awareness, training, and supervision.
- Increase communication with Union leaders and conduct review of contractual benefits.
- Safety training workshops for Union leadership.
- Promote initiatives that enhance workforce wellbeing and promote work-life balance.
- Promote wellness programmes, preventive care, and healthier lifestyles.
- Conduct campaigns to highlight benefits and compensation schemes through internal newsletters and workshops.
- Comprehensive programme to prevent and address harassment in the workplace.
- Continue promoting initiatives to improve gender diversity.

Decisions

- Intensify efforts in planning, risk analysis, and controls to ensure coverage of all possible risk scenarios.
- Development of region-specific prevention programmes based on findings from the latest security perception survey.

Outcomes

- Increase in near-miss reporting.
- Improved TRIFR and LTIFR.
- Skills development for Union's local committee members, new employees, and aspiring leaders.
- No strikes affecting our business continuity.
- Steady increase of women in the workforce and in managerial positions.

Metrics

- Fatal injuries, TRIFR and LTIFR.
- New cases of occupational diseases.
- Turnover rate.
- Gender diversity and payment gap.
- Ethical conduct and whistleblowing KPIs.

Associated principal risks

- 2 – Security
- 7 – Union relations
- 8 – Human resources
- 10 – Safety

For more information, please refer to the Managing our risks and opportunities section on pages 116-138

COMMUNITIES

Building trust in the communities where we operate, acting ethically, being accountable for our impacts and sharing the benefits of mining.

How we engage with communities

Management

- Interviews with formal and informal leaders, local and regional authorities.
- Conduct social studies every two years to identify and assess issues that matter to our communities.
- Operate grievance mechanisms to address the concerns and enquiries of local communities.

Executive Committee and Board

- Executive Committee members meet with key Government officials to establish agreements for long-term and high impact partnerships that could benefit communities.

What issues matter to our communities

- Security.
- Clean water access.
- Quality education.
- Public infrastructure and services.
- Employment and procurement.
- Transparency about our environmental footprint and risk management.
- Land negotiations.

Outcomes from our engagement

Actions

- Collaboration with public health and local authorities to facilitate free healthcare.
- Partner with civil society and focus on social investment priorities.
- Regional employment and procurement.
- Development of strategic programmes to strengthen collaboration with communities, create awareness, and mitigate social risks.
- Water efficiency and recirculation to avoid competing for natural resources.

Outcomes

- No conflicts with communities affecting our ability to operate our active mines.
- Social investment portfolio.
- Positive social perception.

Metrics

- Economic value distributed.
- Local employment and procurement.
- Social investment.
- Environmental performance KPIs.
- Community grievances.

Associated principal risks

- 2 – Security
- 6 – Access to land
- 11 – License to operate
- 14 – Tailings dams
- 15 – Environmental incidents

For more information, please refer to the Managing our risks and opportunities section on **pages 116-138**

GOVERNMENT

Collaborative and respectful relations for the common good with policymakers and representatives of local, state and federal government.

How we engage with governments and regulators

Management

- Meetings with federal authorities regarding changes on mining, energy and water regulation, through:
  - Trade associations such as the Mexican Mining Chamber (CAMIMEX) and state Mining Clusters.
  - Business associations such as the Mexican Confederation of Industrial Chambers (CONCAMIN), the Business Coordinating Council (CCE), and the Mexican Employers' Confederation (COPARMEX).
  - Sustainability associations such as the Mexican Chapter of the World Business Council for Sustainable Development (CESPEDES).
- Independent hearings with municipal, state and federal authorities for pending permits and authorisations.
- Provide data-based sectorial information for consideration in policy making, that conveys mining contributions to the economy and provides greater understanding of our operations.

Executive Committee and Board

- The Executive Committee members hold meetings with authorities to:
  - Collaborate on the feasibility of potential new projects.
  - Establish agreements for long-term and high impact partnerships.
  - Raise critical issues affecting our workforce and operations, ensuring government entities take appropriate action (security, regional stability, infrastructure).

What issues matter to governments and regulators

- Accountability and transparency.
- Sound health, safety and environmental performance.
- Tax, royalties and other sources of contributions to local economies, such as employment and regional development.
- Public policies, programmes and social benefits in communities where we operate.

Outcomes from our engagement

Actions

- Compliance with laws and regulations.
- Regional employment and procurement.

Decisions

- Contributed to the National Water Plan by committing an annual return of 300,000 m^3 of water.

Outcomes

- Permanent security services, local operating and command centres for each business unit.
- Partnerships or donations for projects that address communities' most pressing concerns (infrastructure, health and wellbeing, clean water, quality education, decent work and economic growth).
- Reconditioning of municipal potabilisation plant in Fresnillo, Zacatecas to supply mine water to city residents.

Metrics

- Economic value distributed.
- Social investment.
- Local employment.
- Health, Safety and Environment KPIs.

Associated principal risks

- 1 – Potential actions by governments
- 2 – Security
- 15 – Environmental incidents

For more information, please refer to the Managing our risks and opportunities section on pages 116-138

CONTRACTORS AND SUPPLIERS

Collaborative partnerships with contractors and suppliers to improve productivity and safety.

How we engage with contractors and suppliers

Management

- Constant monitoring to evaluate performance (safety and operational).
- Regular engagement and capacity building through the 'I Care, We Care' initiative.
- Involvement of contract owners in accident or incident investigations.
- Surveys to better understand the issues that matter to our workforce (organisational climate, safety).
- Focus groups with contractors to better understand our social performance in local communities.

Executive Committee and Board

- Executive Committee members meet with key contractors to review, supervising production and safety performance.

What issues matter to contractors and suppliers

- Productivity/development rates.
- Health and safety in the workplace.
- Security in the regions where we operate.
- Labour and human rights.
- Preventing and addressing harassment.
- Ethics and integrity.

Outcomes from our engagement

Actions

- Capacity building of contractors to implement measures to prevent and address harassment.
- Safety meetings between management and key business partners at each mining unit, addressing safety opportunities and cross-functional initiatives for implementation.
- Monitor the security situation and maintain clear communication with contractors.
- Enhanced controls to assure compliance with their tax and labour obligations.
- Due diligence procedures to verify the ethical profile of new contractors and suppliers.
- Require endorsement of our Code of Conduct for Third Parties.

Decisions

- Implement mechanism to categorise, monitor, and evaluate business partners.
- Intensify efforts in planning, risk analysis, and control to ensure coverage of all possible risk scenarios.

Outcomes

- Corrective actions implemented to reinforce engineering control, personnel competencies and strengthen the accountability processes.
- Training of contractor companies in the implementation of the mechanism to prevent labour harassment.

Metrics

- Fatal injuries.
- Total Injury Frequency Rate.
- Lost Time Injury Frequency Rate.
- Gender Diversity.

Associated principal risks

- 5 – Global macroeconomic developments.
- 8 – Human resources.
- 10 – Safety.

For more information, please refer to the Managing our risks and opportunities section on pages 116-138

MINORITY SHAREHOLDERS

Strong and transparent relationships to invest through the cycles and generate sustained returns.

How we engage with minority shareholders

Management

- Organise conference calls and roadshows.
- Attend investment forums and conferences.
- Hold private meetings.

Executive Committee and Board

- The Company's 2024 Annual General Meeting (AGM) was held in-person, providing the opportunity for some Directors to meet with independent shareholders.
- The Senior Independent Director engages directly with institutional investors.
- The Executive Committee members meet with analysts, hold conference calls after production reports and engage with shareholders during roadshows.

What issues matter to minority shareholders

- Financial and operational and performance.
- CAPEX project execution.
- Country risk uncertainty.
- Board diversity composition.
- Executive compensation.
- Climate transition planning.
- Mineral waste management.

Outcomes from our engagement

Actions

- Ensure their interests are considered in decision making.
- Ensure that transactions with related parties are transparent and fully documented.
- Report our Environmental, Social and Governance performance and strategy in a transparent and timely fashion.

Decisions

- Support for a 2025 Business Plan and Budget that responsibly balances the operating performance targets.

Outcomes

- Declaration of a final dividend as well as interim dividend in 2024.

Metrics

- Financial and operational performance.
- Environmental, Social and Governance KPIs.
- CEO Annual variable bonus.

Associated principal risks

- 8 – Human resources
- 10 – Safety
- 13 – Climate change
- 14 – Tailings dams
- 15 – Environmental incidents

For more information, please refer to the Managing Our Risks and Opportunities section on **pages 116-138**

SECTION 172 STATEMENT

In compliance with sections 172 ('Section 172') and 414CZA of the UK Companies Act, the Board of Directors of the Company (the 'Board') makes the following statement in relation to the year ended 31 December 2024:

Fresnillo's purpose of contributing to the wellbeing of people through the sustainable mining of silver and gold reflects the fact that precious metals are essential to advancing technology and science, which underpin societal progress and enhance quality of life. Fresnillo recognises the inherent environmental and social impacts of its mining activities and is committed to addressing these responsibly, promoting value creation and supporting the Company's long-term success, as detailed in the Sustainability section on pages 58-115 of this Annual Report.

The Company upholds high ethical standards, ensuring that both its workforce and third parties adhere to expected corporate values. These commitments reinforce the Company's reputation for accountability and shape decision-making, guiding all aspects of its operations. By prioritising operational excellence, the Company drives efficiency and reliability, creating a strong foundation for stakeholder trust.

The Company recognises the critical role stakeholders play in shaping its resilience and profitability. It purposefully engages with a diverse group – employees and Unions, communities, governments, contractors and suppliers, and minority shareholders – to understand their needs and concerns. This engagement fosters strong relationships and ensures inclusive, forward-thinking business management. Examples of stakeholder engagement and its impact on business success are outlined on pages 24-28, while stakeholder-related risks and mitigation strategies are detailed on pages 24-28.

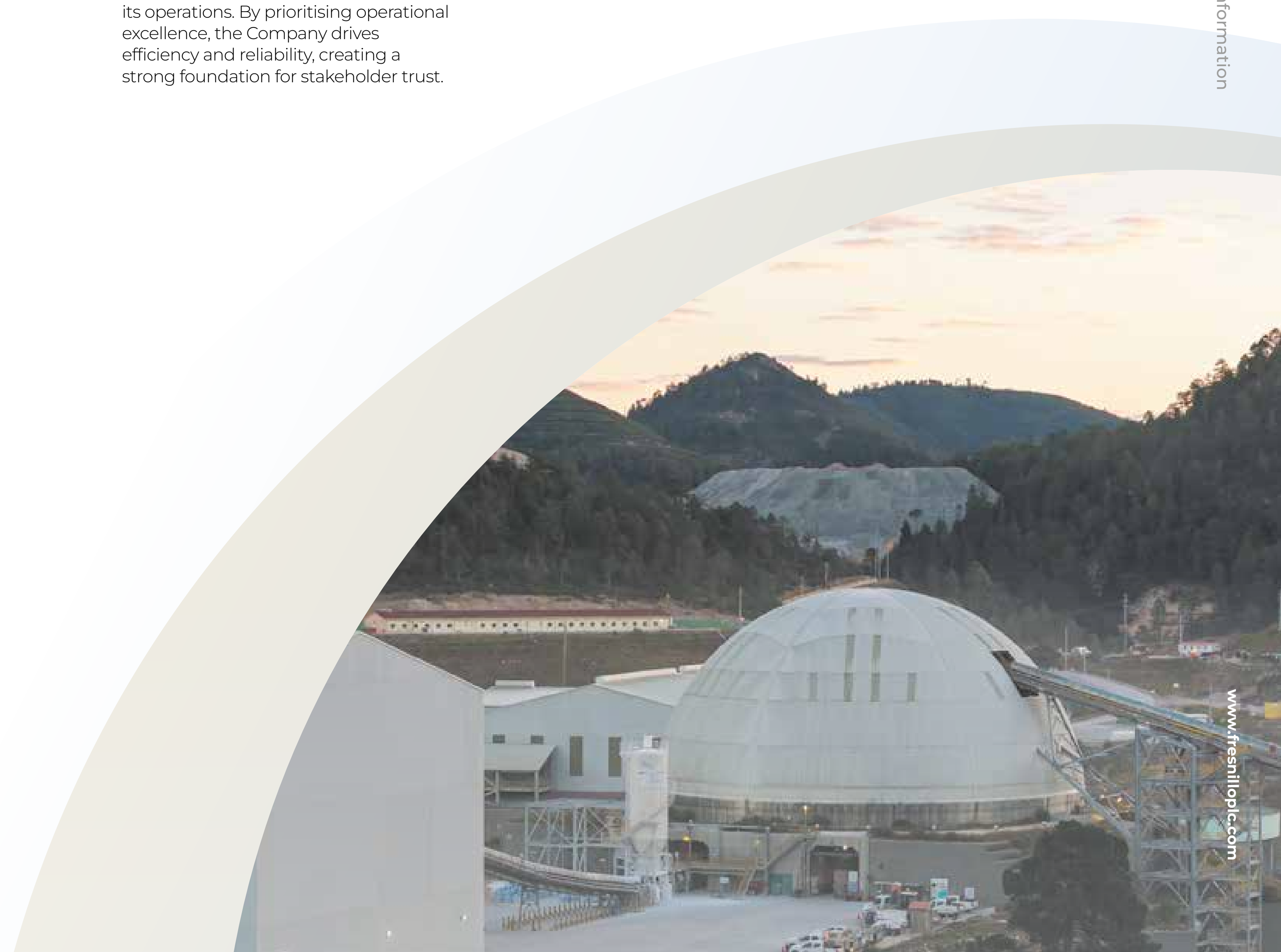
Recognising that the sustainability matters important to stakeholders are evolving rapidly, the Company conducts a periodic materiality assessment of their significance to stakeholders and to its operations, as described on page 61. This assessment supports the Board in prioritising the issues, with the HSECR Committee following up on the most salient, as detailed in its Chairman's report on pages 58-59.

Additionally, the Board engages directly with the workforce through its designated Non-Executive Director, facilitating an iterative process to identify areas for improvement and promote a working environment centred on employee wellbeing, which reinforces the Company's commitment to its people, as described on page 30.

The Board integrates stakeholder considerations into its evaluation of Principal Decisions, particularly those with long-term implications, strategic priorities, and major regulatory changes, as further detailed in the Board Activities on pages 154-155.

By upholding its purpose, delivering long-term value, and maintaining high standards of governance and responsibility, the Board ensures careful consideration of all stakeholders and the long-term consequences of its decisions.

Approved by the Board of Directors on 3 March, 2024.



WORKFORCE ENGAGEMENT

The Company's workforce is the cornerstone of its long-term success.

Their dedication, expertise, and innovation are critical to navigating a rapidly evolving landscape and shaping the business for the challenges and opportunities ahead. For this reason, the Board is committed to fostering a workplace culture that empowers employees and contractors, and inspires them to contribute their best.

Our aim is to understand the perspectives of employees and contractors regarding their experiences working for the Company, and to integrate these into our decision-making processes. We achieve this by maintaining structured channels for workforce engagement, as depicted in the diagram below. Our initiatives include Engagement Surveys (see Our People on pages 69-79) as well as direct input from Non-Executive Director Mr Arturo Fernández, who is the designated director for engagement with the workforce.

In 2024, Mr Fernández led two in-person sessions at the Herradura mine, bringing together a diverse group of unionised and non-unionised personnel from a variety of demographics and with different responsibilities. These open discussions fostered empathy and transparency, focusing on employees' concerns and recommendations to improve overall workplace satisfaction. Key feedback from these sessions included:

- Expanding training initiatives to enhance operational effectiveness.
- Providing greater clarity on the Company's performance.
- Offering clear career paths and upskilling opportunities to support professional growth.
- Addressing turnover in specific cohorts and exploring mitigation strategies.

Concerns also included ensuring anonymity and protection in the whistleblowing process, strengthening the Anti-harassment Prevention Programme, and improving security conditions surrounding the Company's facilities. Long-standing employees expressed strong appreciation for the Company's commitment to them, enthusiasm for family members joining the workforce, and pride in how Herradura's leadership has promoted greater female participation in the workforce.

Insights gathered from these sessions have continued to shape ongoing and subsequent discussions, influencing decision-making processes, and ensuring workforce views are integrated into both strategy and operational practices. Building on this and previous feedback, the Company has continued deploying comprehensive initiatives to address key concerns, including:

- **Addressing security:** Development of region-specific prevention programmes based on findings from the latest security perception survey.
- **Building trust in the Whistleblowing Mechanism:** Deploying a perception survey, launching awareness campaigns, and providing targeted training to improve intervention processes.
- **Continuous improvements in industrial safety:** Enhancing leadership practices, implementing regular performance evaluations and accountability meetings, making progress in critical risk management and controls, and delivering a comprehensive communication strategy.
- **Improving perception on fair compensation:** Conducting campaigns to highlight benefits and compensation schemes through internal newsletters and workshops.
- **Reassessing our approach to gender diversity:** Carrying out internal assessments and industry benchmarking to better understand the challenges and opportunities of integrating women into our workforce, informing our strategy.

This iterative process helps identify areas for improvement whilst fostering a positive and productive work environment. By addressing workforce concerns and aligning initiatives with shared goals, the Company continues to cultivate an engaged and motivated workforce that drives long-term success.

Workforce engagement: communication and feedback

REVIEW OF OPERATIONS – MINES IN OPERATION
Q&A WITH TOMÁS ITURRIAGA, CHIEF OPERATING OFFICER, CENTRAL REGION

Disciplined approach delivers efficiencies and cost control

Following a significant reorganisation that underlined our commitment to maximising the potential of existing assets while also extending the growth pipeline, Tomás Iturriaga was appointed Chief Operating Officer Central in December 2023. Having already gained extensive and valuable experience of our assets during three years as Chief Operating Officer for our entire portfolio, Tomás's responsibilities include our established mines at Fresnillo, Saucito and Juanicipio, together with the advanced exploration projects at Orisyvo and Guanajuato.

What was your main focus over the last year?

Throughout the entire Central Region, we have been very disciplined about efficiencies and cost control, and this has delivered excellent results. Three issues were absolutely central to our activities. Firstly, it was important to consolidate operations at Juanicipio following the mine's good first year – and you can see from the results that this was successful. Secondly, we confirmed the turnaround in performance at Saucito, continuing to build on the improvements achieved in 2023. Finally, we concentrated on improving Fresnillo's operational controls to ensure greater control of the mining sequence, dilution and other factors affecting ore grades. Here, the results were mixed with lower throughput and silver production during the year, but higher gold, lead and zinc production.

Where do the main challenges and opportunities lie?

Internally, the year started with a sharp focus on prices and the exchange rate. This led us to seek efficiencies in both production and costs, and to find the most profitable way to operate our mines within that context. At the same time, this approach helped us identify opportunities that offered maximum impact coupled with minimum effort and cost. The outcome was that our operations were able to significantly outperform expectations. With our Saucito and Juanicipio mines performing at, or above plan, and Fresnillo heavily focused on cost control initiatives – together with the increase in metals prices and the devaluation of the Mexican peso – we were able to capture increased value that was not foreseen at the beginning of the year.

What would you highlight at each of the operations?

At the Fresnillo mine, the MD5000 tunnel boring machine resumed operations in the second half of the year, enabling us to continue developing the main haulage level at the western end of the mine. Around 1,000 metres remain to be developed – and although we are advancing less rapidly than initially planned, the MD5000 is without doubt the optimum tool to develop this project. In addition, the San Carlos shaft is now operational, reducing haulage distances and cutting costs. The shaft is scheduled to operate for the whole of 2025, and we have also established processes and controls to ensure improved performance across the mine.

Increased productivity and greater availability of equipment have driven a transformation at Saucito since the mine's low point in 2023. This achievement bears testament to the hard work carried out by the team at Saucito. The learning curve has been steep but the results speak for themselves.

At Juanicipio, we have been successful in optimising maintenance programmes to increase plant availability at the beneficiation plant, which allowed us to schedule 11 additional days of milling during the year. We are continuing the process to normalise metallurgy to 100%, before looking for additional efficiencies that will allow us to increase throughput.

What is the focus for 2025?

The safety of our teams is always at the forefront of our mines, and while we have significantly improved the maturity of our safety programmes and KPIs, we will not be complacent. Zero fatalities remains our primary focus for 2025.

Our mines in the Central district are now performing well, but there is potential to be even more productive. For the year ahead, our key objectives include improving performance at Fresnillo and maintaining the good results at Saucito and Juanicipio. We will achieve this by continuing to focus on costs, synergies and output right across the district.

In particular, we aim to decrease dilution at Fresnillo by using new, smaller equipment, by adhering more strictly to the mining sequence and by better controlling blasting and excavation. We will also focus on the balance of ore from the different areas of the mine to maximise output. Furthermore, we will continue to gather and analyse data from the reconciliation process to improve the accuracy and reliability of the short- and medium-term mine plans. We will also maintain the ongoing programme to rationalise the contractor base, not only at Fresnillo but also at all the mines in our portfolio.

REVIEW OF OPERATIONS – MINES IN OPERATION CONTINUED
FRESNILLO DISTRICT

FRESNILLO

One of the world's longest continuously operated mines, Fresnillo produced 18.2% of the Group's total silver in 2024 and generated 16.2% of total Adjusted revenue.

2024 OBJECTIVES		COMMENT
Conclude the connection of the two sections and the commissioning of the San Carlos shaft during Q1.	**A**	See: Mine production and key developments below.
Sustain our development performance at circa 3,250 metres per month.	**A**	See: Mine production and key developments below.
Improve short- and mid-term planning processes.	**A**	See: Mine production and key developments below.
Focus on key cost reduction initiatives.	**PA**	See: Financial performance below.
Improve our safety performance and continue strengthening our safety-centred culture.	**NA**	See pages 73-77.
Resume tunnel boring machine's contribution to development rates	**PA**	See: Mine production and key developments below.

A: Achieved; **PA:** Partially achieved; **NA:** Not achieved.

2025 OBJECTIVES

- Decrease dilution.
- Improve short and mid-term planning processes.
- Continue to focus on key cost reduction initiatives.
- Maintain the ongoing programme to rationalise the contractor base.
- Improve our safety performance.
- Increase the resource base and convert resources into reserves.

2025 OUTLOOK

For 2025, the silver ore grade is expected to be in the range of 160-180 g/t, with the gold ore grade around 0.60-0.70 g/t.

Mine production[1]

	2024	2023	% change
Ore milled (kt)	**2,334**	2,619	(10.9)
Silver (koz)	**10,242**	12,772	(19.8)
Gold (oz)	**51,473**	36,909	39.5
Lead (t)	**27,088**	21,373	26.7
Zinc (t)	**50,702**	45,386	11.7
Silver ore grade (g/t)	**152**	170	(10.6)

Total reserves[2]

	2024	2023	% change
Silver (moz)	**104.5**	98.8	5.8
Increased due to changes to the model, a higher silver price and the cut-off grade strategy, partly offset by depletion.			
Gold (moz)	**263**	272	(3.3)
Decreased due to depletion.			

Total resources[3]

	2024	2023	% change
Silver (moz)	**690.7**	670.9	3.0
Increased due to the cut-off grade strategy, a higher price and good results from the exploration programme, adding mineral resources to existing structures, partly offset by depletion.			
Gold (moz)	**1.46**	1.50	(2.7)
Decreased due to depletion.			

1 Fresnillo mine production excludes ore processed and production from Juanicipio.
2 2024 reserves as of 30 June 2024.
3 2024 resources as of 30 June 2024.

Financial highlights	2024	2023	% change
Adjusted revenue (US$m)	**591.2**	479.6	23.3
Revenue (US$m)	**542.6**	423.1	28.2
Adjusted production costs (US$m)	**261.9**	264.8	-1.1
Depreciation (US$m)	**96.3**	95.5	0.8
Segment profit (US$m)	**277.3**	156.8	76.8
Capital expenditure (US$m)	**90.3**	97.8	-7.7
Exploration (US$m)	**18.8**	38.1	-50.7
Cost per tonne total (US$)	**112.23**	101.1	11.0
Cash cost (US$/oz silver)	**15.42**	15.74	-2.0
Margin (US$/oz)[2]	**13.36**	7.9	69.1
Margin (expressed as % of silver price)	**46.42**	33.42	–
All-in sustaining cost (US$)	**21.97**	22.91	-4.1

Key developments in the year

Silver production decreased, driven by two main factors. Firstly, processing volumes at the beneficiation plant decreased due to lower availability of ore, which had to be hauled via ramps while the two sections of the deepened San Carlos shaft were connected. Secondly, ore grade was lower due to a higher proportion being extracted from western areas of the mine, which have a lower silver ore grade with higher gold and base metal content, as well as increased dilution in narrower veins. In some areas, we also mined lower cut-off grade ore to take advantage of higher metals prices.

The average development rate in the year increased to 3,236 metres per month (2023: 3,105 metres per month), in line with the development plan.

Productivity, calculated as tonnes of ore milled per person, decreased vs 2023 driven by the lower volumes processed as explained above.

Cross-functional teams worked to improve the short- and mid-term planning process during the year. In addition, we made a number of small investments that will contribute to the timely preparation of new stopes and decrease dilution in 2025. Following final mechanical adjustments, the tunnel boring machine resumed operations in the second half of 2024 and is expected to contribute consistently to development rates going forward. Additional bolting and in-mine equipment, suitable for narrower veins, also arrived on site. These initiatives, together with improved control of blasting and excavation, and a stricter adherence to the mining sequence, are expected to further decrease dilution in 2025.

The commissioning of the San Carlos shaft was concluded in 2H24 and is expected to support a reduction in haulage costs in 2025 and beyond.

Financial performance

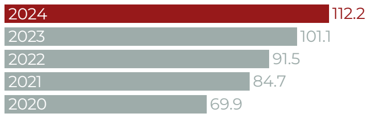
Cost per tonne increased 11.1% to US$112.2 in 2024, primarily driven by the increase in haulage and development, which increased contractor and maintenance costs, the lower volume of ore processed, and the underlying cost inflation. This was partly mitigated by the devaluation of the Mexican peso vs the US dollar.

Cash cost per silver equivalent ounce[1] decreased to US$15.4 (2023: US$15.7) mainly due to the higher gold, lead and zinc ore grades, partly offset by the increase in cost per tonne. Margin per ounce increased 69.6% to US$13.4 (2023: US$7.9). Expressed as a percentage of the silver price, it increased to 46.4% (2023: 33.4%).

Fresnillo cost per tonne

(US$/tonne milled)

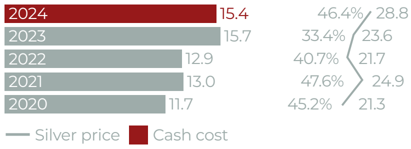
112.2



Fresnillo cash cost

(Silver US$/ounce)

15.4



% figures represent margin between cash cost and silver price.

Fresnillo ore milled per person

(Tonnes)

618

All-in sustaining cost decreased by 3.9% to US$22.0 per equivalent silver ounce explained by the lower cash cost and a decrease in sustaining capex.

Capital expenditure

Total capital expenditure in 2024 was US$90.3 million, which included sustaining capex, mine development, the deepening of the San Carlos shaft and the tailings management programme.

1 The methodology to calculate this indicator has been changed from a 'by product' to 'per equivalent ounce' basis as this is more representative. Cash cost per ounce is now being calculated as the total cash cost (cost of sales plus treatment and refining charges, less depreciation) divided by the silver or gold equivalent ounces sold. 2020-2023 figures have been restated to be comparable to those of 2024.

2 Margin defined as average realised price less cash cost per ounce.

REVIEW OF OPERATIONS – MINES IN OPERATION CONTINUED
SAUCITO DISTRICT
SAUCITO

Saucito contributed 25.7% to total silver production in 2024 and generated 20.9% of total Adjusted revenue.

2024 OBJECTIVES		COMMENT
Increase volume of ore processed to the optimal run rate of 7,000 tpd.	**A**	See: Mine production and key developments below.
Continue progressing the deepening of the Jarillas shaft.	**A**	See: Mine production and key developments below.
Focus on key cost reduction initiatives.	**A**	See: Financial performance below.
Improve our safety performance and continue strengthening our safety-centred culture.	**A**	See pages 73-77.

A: Achieved; **PA:** Partially achieved; **NA:** Not achieved.

2025 OBJECTIVES

- Continue progressing the deepening of the Jarillas shaft.
- Continue our focus on cost reduction initiatives and contractor rationalisation.
- Sustain improved safety performance.
- Improve equipment availability.
- Increase the resource base and convert resources into reserves.

2025 OUTLOOK

The silver ore grade for 2025 is expected to be in the range of 200-220 g/t, while the gold grade is estimated to be between 0.90-1.10 g/t.

Mine production

	2024	2023[1]	% change
Ore milled (kt)	**2,364**	2,164	9.2
Silver (koz)	**14,474**	12,102	19.6
Gold (oz)	**82,718**	72,763	13.7
Lead (t)	**22,729**	19,535	16.4
Zinc (t)	**34,097**	32,991	3.4
Silver ore grade (g/t)	**214**	195	9.7
Gold ore grade (g/t)	**1.40**	1.34	4.5

Total reserves[2]

	2024	2023	% change
Silver (moz)	**111.6**	110.9	0.6
Increased slightly due to the cut-off grade strategy and higher price, offset by depletion.			
Gold (koz)	**515**	411	25.3

Total resources[3]

	2024	2023	% change
Silver (moz)	**346.3**	383.9	(9.8)
Decreased as a result of a more conservative approach to resource estimation at the Jarillas and Mezquite Veins, depletion and exploration results, partly mitigated by the cut-off grade strategy and higher price.			
Gold (moz)	**1.7**	1.7	0.0

1 Saucito mine production excludes ore processed and production from Juanicipio.
2 2024 reserves as of 30 June 2024.
3 2024 resources as of 30 June 2024.

Financial highlights	2024	2023	% change
Adjusted revenue (US$m)	**760.0**	527.8	44.0
Revenue (US$m)	**720.6**	487.3	47.9
Adjusted production costs (US$m)	**314.5**	305.5	2.9
Depreciation (US$m)	**118.8**	104.4	13.8
Segment profit (US$m)	**405.1**	186	117.8
Capital expenditure (US$m)	**97.3**	125.1	-22.2
Exploration (US$m)	**12.9**	31.2	-58.7
Cost per tonne total (US$)	**133.03**	141.2	-5.8
Cash cost (US$/oz silver)	**13.64**	15.09	-9.6
Margin (US$/oz)[2]	**15.14**	8.55	77.1
Margin (expressed as % of silver price)	**52.61**	36.17	–
All-in sustaining cost (US$)	**18.56**	22.64	-18.0

Key developments in the year

Silver and gold production increased year on year due to a higher ore grade and an increase in volume of ore processed, driven by the improved safety performance, increased productivity and availability of equipment, enabling stricter adherence to the mine plan.

Mine development rates decreased year-on-year to an average of 2,683 metres per month in 2024 (2023: 2,920 metres per month), primarily due to lower availability of equipment and additional ventilation and pumping required in certain areas.

Productivity increased vs 2023, due to the experience gained by our personnel and the increased availability of equipment.

The Pyrites plant at Saucito produced 1.9 moz of silver and 3.2 koz of gold in 2024. This was higher year-on-year due to the first full year of contribution of the Pyrites plant at Fresnillo following connection to the national electricity grid in 2Q23.

The project to deepen the Jarillas shaft from 630 metres to 1,000 metres remains on track to be completed by 2027. Construction of the supporting infrastructure and activities to place equipment on site continued during the year.

Financial performance

In 2024, we continued to focus on cost reduction initiatives such as optimising the contractor base and decreasing maintenance and personnel costs.

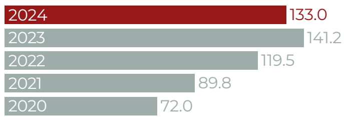
Cost per tonne decreased 6.0% to US$133.0, mainly driven by the reduction in the use of development and infrastructure contractors, the higher volumes of ore processed, and the favourable effect of the devaluation of the Mexican peso vs the US dollar. This was partly offset by the increase in the volume of by products with high gold and silver contents purchased from Met-Mex (smelting and refining company) and the underlying cost inflation.

Cash cost per silver equivalent ounce[1] decreased to US$13.6 per ounce (2023: US$15.1 per silver ounce) mainly as a result of a lower cost per tonne and higher silver ore grade. Margin per ounce increased to US$15.1 in 2024 (2023: US$8.6). Expressed as a percentage of the silver price, it increased from 36.2% to 52.6%.

All-in sustaining cost decreased 17.7% to US$18.6 per equivalent silver ounce due to the lower cash cost, decrease in sustaining capex and lower capitalised mine development.

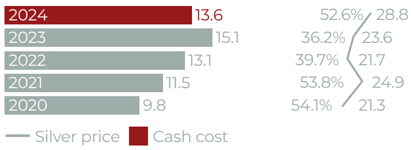
Saucito cost per tonne
(US$/tonne milled)

133.0



Saucito cash cost
(Silver US$/ounce)

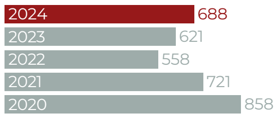
13.6



% figures represent margin between cash cost and silver price.

Saucito ore milled per person
(Tonnes)

688



Capital expenditure

Capital expenditure in 2024 totalled US$97.3 million, mainly allocated to sustaining capex, in-mine development, the tailings dam and the project to deepen the Jarillas shaft.

1 The methodology to calculate this indicator has been changed from a 'by product' to 'per equivalent ounce' basis as this is more representative. Cash cost per ounce is now being calculated as the total cash cost (cost of sales plus treatment and refining charges, less depreciation) divided by the silver or gold equivalent ounces sold. 2020-2023 figures have been restated to be comparable to those of 2024.
2 Margin defined as average realised price less cash cost per ounce.

REVIEW OF OPERATIONS – MINES IN OPERATION CONTINUED
JUANICIPIO DISTRICT

JUANICIPIO

Juanicipio contributed 18.5% to the Group's total attributable silver production in 2024 and generated 18.2% of total Adjusted revenue.

2024 OBJECTIVES		COMMENT
Increase development rates.	NA	Development rates remained at 1,222 metres per month.
Advance exploration programmes to generate resources and convert resources into reserves.	PA	The exploration activities focused on converting resources into reserves, however resources decreased year-on-year.

A: Achieved; **PA:** Partially achieved; **NA:** Not achieved.

2025 OBJECTIVES

- Cost reduction initiatives.
- Increase development rates to 1,300 metres per month.
- Increase the resource base and convert resources into reserves.
- Improve our safety performance.

2025 OUTLOOK

The average silver ore grade is expected to be between 380-430 g/t while the gold grade is estimated to be between 1.2-1.4 g/t.

Mine production

	2024	2023	% change
Ore milled (kt)	**744**	711	4.6
Silver (koz)	**10,400**	9,415	10.5
Gold (oz)	**21,856**	20,570	6.3
Lead (t)	**9,957**	7,202	38.3
Zinc (t)	**16,737**	11,368	47.2
Silver ore grade (g/t)	**468**	472	(0.8)
Gold ore grade (g/t)	**1.25**	1.27	(1.6)

Total reserves[1]

	2024	2023	% change
Silver (moz)	**73.9**	68.4	8.0
Increased due to the changes to the model, the addition of two new veins through the exploration programme, and a higher price and the cut-off grade strategy, partly offset by depletion.			
Gold (koz)	**527**	437	20.6

Total resources[2]

	2024	2023	% change
Silver (koz)	**142,498**	154,473	(7.8)
Gold (koz)	**834**	839	(0.6)

Decreased mainly due to depletion.

1 2024 reserves as of 30 June 2024.
2 2024 resources as of 30 June 2024.

Financial highlights	2024	2023	% change
Adjusted revenue (US$m)	**662.8**	492.5	34.6
Revenue (US$m)	**627.5**	454.7	38.0
Adjusted production costs (US$m)	**153.8**	156.7	-1.9
Depreciation (US$m)	**89.2**	68.9	29.5
Segment profit (US$m)	**475.1**	271.6	74.9
Capital expenditure (US$m)	**59.3**	82.2	-27.9
Exploration (US$m)	**8.2**	7.6	7.9
Cost per tonne total (US$)	**115.8**	123.1	-5.9
Cash cost (US$/oz silver)	**8.18**	10.65	-23.2
Margin (US$/oz)[2]	**20.6**	12.99	58.6
Margin (expressed as % of silver price)	**71.58**	54.95	–
All-in sustaining cost (US$)	**11.71**	15.72	-25.5

Key developments in the year

Attributable production of all metals increased significantly year on year as 2024 was the first full year of production at Juanicipio, following the commissioning and ramp up of the beneficiation plant in 2023.

Silver and gold ore grades remained high throughout the majority of the year but trended down in the last months of the year as we mined deeper, in line with the mine sequencing plan.

Mine development remained at 1,222 metres per month in 2024 (2023: 1,239 metres per month).

Financial performance

Cost per tonne decreased as efficiencies were achieved due to the economies of scale, the reduction in the use of development and infrastructure contractors and, to a lesser extent, the favourable effect of the devaluation of the Mexican peso vs the US dollar, partly offset by cost inflation.

Cash cost per silver equivalent ounce[1] decreased to US$8.2 per ounce (2023: US$10.7 per silver ounce) mainly as a result of the variation in change in work in progress, a lower cost per tonne, higher lead and zinc ore grades and lower treatment and refining charges. Margin per ounce increased to US$20.6 in 2024 (2023: US$13.0). Expressed as a percentage of the silver price, it increased from 54.9% to 71.6%.

All-in sustaining cost decreased 25.5% to US$11.7 per equivalent silver ounce due to the lower cash cost, decrease in sustaining capex and a lower capitalised mine development.

Cost per tonne and cash cost in 2023 are not considered to be representative as they correspond to the commissioning and ramp-up period of the flotation plant.

Capital expenditure

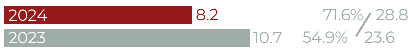
Capital expenditure in 2024 totalled US$59.3 million and was allocated primarily to mine development and purchase of equipment.

Juanicipio cost per tonne
(US$/tonne milled)

115.8

Juanicipio cash cost
(Silver US$/ounce)

8.2



% figures represent margin between cash cost and silver price.

Juanicipio ore milled per person
(Tonnes)

1,020

1 The methodology to calculate this indicator has been changed from a 'by product' to 'per equivalent ounce' basis as this is more representative. Cash cost per ounce is now being calculated as the total cash cost (cost of sales plus treatment and refining charges, less depreciation) divided by the silver or gold equivalent ounces sold. 2020-2023 figures have been restated to be comparable to those of 2024.

2 Margin defined as average realised price less cash cost per ounce.

REVIEW OF OPERATIONS – MINES IN OPERATION
Q&A WITH DANIEL DIEZ, CHIEF OPERATING OFFICER, NORTHERN REGION

Outstanding opportunities across all assets

In December 2023, Daniel Diez was appointed Chief Operating Officer North, tasked with strengthening oversight of our assets and focusing on advancing the pipeline. Daniel is responsible for the Herradura, Ciénega and San Julián mines, together with the projects at Tajitos, Rodeo and Capricornio. Here, he explains his key areas of focus during 2024 and his goals for 2025.

"We have made a good start, but this is only the beginning. The aim for the year ahead is to maintain and where possible increase our focus on consolidating the efficiency mindset."

What were your first impressions of Fresnillo?

Over the years, I have gained extensive experience in mining across the world, including a number of gold-silver projects, so I already knew that Fresnillo was a sound, stable company with a reputation for delivering value to shareholders.

My initial goal was to understand the challenges and opportunities facing each asset within the Northern District and begin a value delivery plan to capture opportunities during the first year. It rapidly became clear that while performance has been satisfactory, there was also potential for improvement. Our opportunity to improve is supported by the very positive drive from our CEO about the need to maintain a sharp focus on cost control and efficiency.

Everything I have learnt in my first year at Fresnillo has underlined the validity of my early impressions. While our assets are at different stages of maturity and face a range of challenges, the factor that unites them is that they all offer outstanding opportunities for future results.

Where do the main challenges and opportunities lie?

Year one has been primarily about identifying those opportunities, prioritising short-term improvement initiatives, whilst also implementing plans that will deliver more long-term, transformational results.

Our mature operations required a change in how we approach the future, in terms of urgently bringing forward new plans for greater efficiency to extend the life of operations. We are fortunate to benefit from skilled and experienced teams at all our assets. Over the last 12 months these teams have been able to identify and implement significant improvements. As always, seizing our opportunities for efficiency and productivity count for nothing unless all our colleagues go back home safely at the end of the working day. So everything we aim to do is in the context of deeply embedding a safety culture in our operations and driving continuous improvement of our safety indices.

Which operations have been leading the way?

Firstly, Ciénega is the year's big success story. Ciénega has a long history of providing value as well as being a source of great professionals. The original outlook for this mine was complex, with a limited mine life if additional cost cutting strategies were not identified and implemented promptly. However, by changing how the team approached the future – redoubling efforts to identify operational efficiencies and delivering on cost control measures – we have been able to achieve an excellent financial and operational performance. In addition, we will continue our exploration programme in these areas with the aim of extending the mine's life beyond 2028.

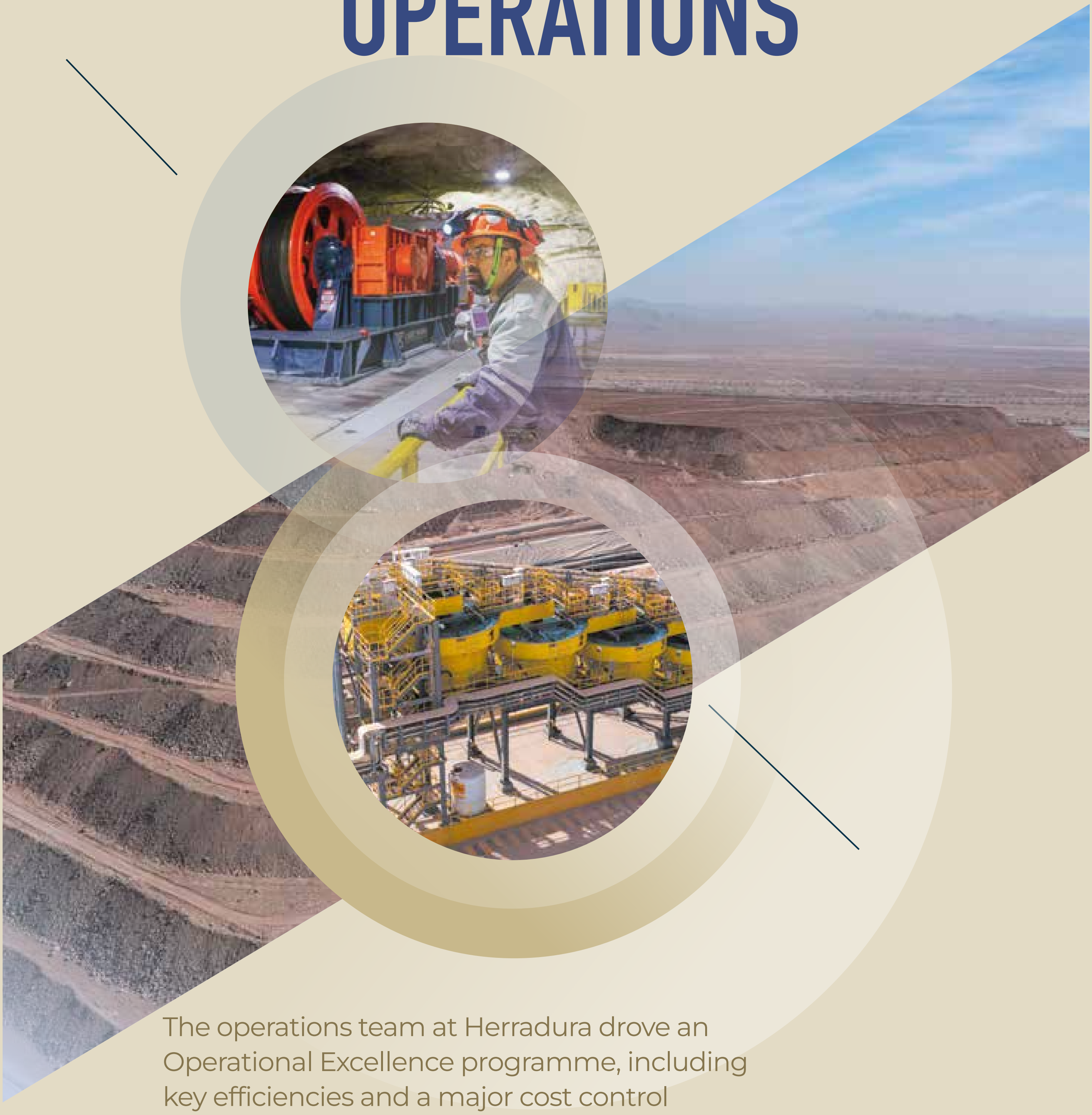
San Julián was another major positive in 2024. Although we had forecasted that the Disseminated Ore Body (DOB) would become depleted during the year, unexpected geotechnical complexities accelerated the closure and reduced the mineable reserves, making the picture very challenging at the beginning of the year. A highly professional team worked hard to identify opportunities to optimise plant operation. Whilst good exploration results together with quick responses from planning and operational teams enabled us to adapt the mine plan and exploit new high-grade areas. The end result saw us overdelivering on production, with cash cost and AISC below budget. Looking ahead, even though it will be relying only on the Veins operation, we believe there is additional potential in the area, which leveraged by the team's knowledge and expertise, might give us the opportunity to extend the mine life in the future.

Herradura is another example where our team's skills have enabled a significant turnaround. While the first part of the year was difficult due to staff shortages and unexpected weather conditions, the operations team drove an Operational Excellence programme, including key efficiencies and a major cost control programme supported by renewed focus on planning and execution. The outcome was clear to see in Q4, which was one of the most productive quarters in Herradura's life. Challenges remain for 2025, in particular around ore exposure and the processing of sulphide ore by heap leaching, but I am confident that the many ongoing initiatives will enable us to keep capturing opportunities here. The Valles underground project, the reprocessing of old heaps and a Carbon in Column process for the dynamic leaching plants are in the pipeline, and we expect to provide a positive update of the strategic plan during 2025.

What is the focus for 2025?

We have made a good start, but this is only the beginning. The aim for the year ahead is to maintain and where possible increase our focus on consolidating the efficiency mindset across all operations in the north, and to start delivering long-term, high impact structural changes that will underpin production in the years ahead. At the same time, we will work to bring the projects at Tajitos, Rodeo and Capricornio closer to becoming development projects – and then operational mines – in the Fresnillo portfolio.

SHAPING OUR BUSINESS TO OPTIMISE OUR MINES IN OPERATIONS



The operations team at Herradura drove an Operational Excellence programme, including key efficiencies and a major cost control programme supported by renewed focus on planning and execution. The outcome was clear to see in Q4, which was one of the most productive quarters in Herradura's life.

REVIEW OF OPERATIONS – MINES IN OPERATION CONTINUED

SAN JULIÁN DISTRICT

SAN JULIÁN

The San Julián silver-gold mine started operations in 2016. In 2024, it contributed 21.0% to total silver production and generated 12.9% of total Adjusted revenue.

2024 OBJECTIVES		COMMENT
Successfully conclude DOB mining.	**A**	See: Mine production below.
Continue exploration in the region with the aim of increasing the resource base.	**PA**	See: Reserves and resources below.
Convert inferred resources to reserves at San Julián Veins.	**PA**	See: Reserves and resources below.
Focus on key cost reduction initiatives at Vein operations.	**A**	See: Financial performance below.
Improve our safety performance and continue strengthening our safety-centred culture.	**A**	See pages 73-77.

A: Achieved; **PA:** Partially achieved; **NA:** Not achieved.

2025 OBJECTIVES

Focus on implementing the second stage of the optimisation plan at San Julián Veins to improve the cost base.

Continue consolidating exploration in the region with the aim of increasing the resource base and extending mine life beyond 2030.

Increase the resource base and convert resources into reserves.

Improve our safety performance.

2025 OUTLOOK

For the year ahead, the silver ore grade at the San Julián Veins is expected to be in the range of 200-220 g/t, with the gold ore grade expected to average 1.1-1.3 g/t.

Total production

	2024	2023	% change
Gold (oz)	**51,413**	44,487	15.6
Silver (koz)	**11,836**	13,349	(11.3)

Production San Julián Veins

	2024	2023	% change
Ore milled (kt)	**1,237**	1,142	8.3
Silver (koz)	**8,443**	5,559	51.9
Gold (oz)	**49,633**	41,009	21.0
Silver ore grade (g/t)	**232**	166	39.8
Gold ore grade (g/t)	**1.31**	1.17	12.0

1 2024 reserves as of 30 June 2024.
2 2024 resources as of 30 June 2024.

Production San Julián Disseminated Ore Body

	2024	2023	% change
Ore milled (kt)	**1,554**	2,074	(25.1)
Silver (koz)	**3,393**	7,791	(56.4)
Gold (oz)	**1,779**	3,478	(48.8)
Lead (t)	**3,704**	6,843	(45.9)
Zinc (t)	**11,942**	14,410	(17.1)
Silver ore grade (g/t)	**81**	136	(40.4)

Reserves San Julián Veins[1]

	2024	2023	% change
Silver (moz)	**27.6**	45.3	(39.1)
Decreased due to a more conservative approach to reserve estimation and depletion, partly mitigated by the cut-off grade strategy and a higher metals prices.			
Gold (koz)	**128**	210	(39.0)

Reserves San Julián Disseminated Ore Body[1]

	2024	2023	% change
Silver (moz)	**0.0**	11.2	(100.0)
Reserves have been depleted.			
Gold (koz)	**0.0**	8	(100.0)
Reserves have been depleted.			

Resources San Julián Veins[2]

	2024	2023	% change
Silver (moz)	**115.4**	141.1	(18.2)
Decreased due to a more conservative approach to resource estimation, exploration results and depletion, partly mitigated by the cut-off grade strategy and higher price.			
Gold (koz)	**883**	955	(7.5)

Resources San Julián Disseminated Ore Body[2]

	2024	2023	% change
Silver (moz)	**14.3**	39.5	(63.8)
Decreased mainly due to depletion.			
Gold (koz)	**10.3**	25.1	(59.0)
Decreased mainly due to depletion.			

Financial highlights	2024	2023	% change
Adjusted revenue (US$m)	**469.6**	385.5	21.8
Revenue (US$m)	**456.0**	406.4	12.2
Adjusted production costs (US$m)	**201.0**	228.1	-11.9
Depreciation (US$m)	**162.7**	101.9	59.7
Segment profit (US$m)	**253.8**	158.7	59.9
Capital expenditure (US$m)	**49.4**	74.8	-34.0
Exploration (US$m)	**16.5**	30	-45.0

Veins	2024	2023	% change
Cost per tonne total (US$)	**106.1**	109.0	-2.6
Cash cost (US$/oz silver)	**10.95**	14.44	-24.2
Margin (US$/oz)[2]	**17.83**	9.20	93.8
Margin (expressed as % of silver price)	**61.95**	38.92	–
All-in sustaining cost (US$)	**16.60**	25.26	-34.3

DOB	2024	2023	% change
Cost per tonne total (US$)	**44.9**	49.9	-10.0
Cash cost (US$/oz silver)	**20.26**	14.14	43.3
Margin (US$/oz)[2]	**8.52**	9.50	-10.3
Margin (expressed as % of silver price)	**29.60**	40.19	–
All-in sustaining cost (US$)	**22.28**	16.29	36.8

Key developments in the year

Silver and gold production at San Julián Veins increased year-on-year primarily due to the increased volume of ore processed as a result of the timely preparation of stopes and the implementation of an operational plant optimisation programme, which increased the processing capacity. Furthermore, the higher gold and silver ore grades at the San Antonio, La Dura, Eliza and Última Tierra areas, together with improved dilution control in wider veins, also contributed to the increase in quarterly and full year gold and silver production.

Production of all metals decreased at San Julián Disseminated Ore Body year-on-year, mainly due to the gradual decrease in production at this mine and the unforeseen geotechnical behaviour of the ore body as it approached the end of its mine life. Mining activities concluded in November 2024 and the closure plan is underway.

Productivity decreased, with the majority of personnel at San Julián DOB retained whilst mining activities concluded and the mine closure plan began implementation, partly offset by the optimisation programme at San Julián Veins.

Financial performance

San Julián Veins

Cost per tonne decreased 2.6% to US$106.1, primarily due to the decrease in maintenance costs, the decrease in electricity costs as a greater portion of our consumption came from renewable sources with a lower cost per unit, the average devaluation of the Mexican peso vs the US dollar, and the higher volumes of ore processed. This was partly offset by the adverse effect of the underlying cost inflation.

Cash cost per equivalent ounce of silver decreased 24.2% due to the higher silver ore grades. Margin per ounce increased 93.5% to US$17.8 (2023: US$9.2), while margin expressed as a percentage of the silver price increased from 38.9% in 2023 to 62.0% in 2024.

All-in sustaining cost decreased to US$16.6 per equivalent silver ounce driven by a lower cash cost and a decrease in sustaining capex.

San Julián (DOB)

Cost per tonne decreased 10.2% to US$44.9, mainly driven by the decrease in consumption of steel, explosives, reagents in addition to the lower maintenance and contractor costs, and the average devaluation of the Mexican peso vs the US dollar, partly offset by the lower volume of ore processed as this mine approached the end of its life and the adverse effect of the underlying cost inflation.

Cash cost increased to US$20.3 per equivalent silver ounce[1] driven by the lower silver ore grade, partially mitigated by a lower cost per tonne. Margin per ounce decreased 10.5% to US$8.5 (2023: US$9.5), while margin expressed as a percentage of the silver price decreased from 40.2% in 2023 to 29.6% in 2024.

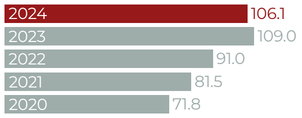
All-in sustaining cost increased to US$22.3 per ounce driven by the increase in cash cost.

San Julián Veins and DOB ore milled per person
(Tonnes)

1,498

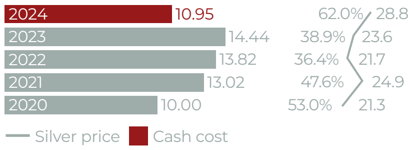
San Julián Veins cost per tonne
(US$/tonne milled)

106.1



San Julián Veins cash cost
(Silver US$/ounce)

10.95



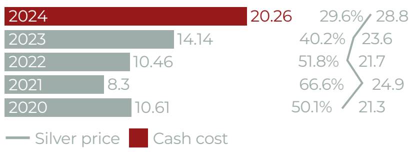
% figures represent margin between cash cost and silver price.

San Julián DOB cost per tonne
(US$/tonne milled)

44.9

San Julián DOB cash cost
(Silver US$/ounce)

20.26



% figures represent margin between cash cost and silver price.

Capital expenditure

Capital expenditure in 2024 was US$49.4 million, mainly allocated to mining works and sustaining capex.

1 The methodology to calculate this indicator has been changed from a 'by product' to 'per equivalent ounce' basis as this is more representative. Cash cost per ounce is now being calculated as the total cash cost (cost of sales plus treatment and refining charges, less depreciation) divided by the silver or gold equivalent ounces sold. 2020-2023 figures have been restated to be comparable to those of 2024.

2 Margin defined as average realised price less cash cost per ounce.

CIÉNEGA

Ciénega is our most polymetallic mine, contributing 6.2% to total attributable gold production and 8.6% to total attributable silver production. The mine generated 6.3% of total Adjusted revenue during 2024.

2024 OBJECTIVES		COMMENT
Focus on key cost reduction initiatives.	**A**	See: Financial performance below.
Continue the exploration programme in the region and re-evaluate mineral hauled from satellite veins.	**PA**	See: Reserves and resources below.
Improve our safety performance and continue strengthening our safety-centred culture.	**NA**	See pages 73-77.

A: Achieved; **PA:** Partially achieved; **NA:** Not achieved.

2025 OBJECTIVES

- Continue to focus on maximising productivity with own resources while enhancing contractor efficiency.
- Continue exploration programme in selected high grade target areas to extend the reserve base and mine life.
- Finalise evaluation of satellite deposits to complement production.
- Improve our safety performance.

2025 OUTLOOK

In 2025, the average gold ore grade is expected to be between 1.1-1.3 g/t, with the silver ore grade expected to average 120-140 g/t.

Mine production

	2024	2023	% change
Ore milled (kt)	**1,059**	1,065	(0.5)
Silver (koz)	**4,834**	4,335	11.5
Gold (oz)	**39,422**	35,934	9.7
Lead (t)	**2,922**	2,881	1.4
Zinc (t)	**3,168**	3,550	(10.8)
Silver ore grade (g/t)	**166**	147	12.9
Gold ore grade (g/t)	**1.27**	1.14	11.4

Total reserves[1]

	2024	2023	% change
Silver (moz)	**13.8**	21.9	(37.0)
Decreased as a result of changes to the model, in particular related to capping and depletion, partly mitigated by the cut off strategy and a higher price.			
Gold (koz)	**122**	213	(42.7)

Total resources[2]

	2024	2023	% change
Silver (koz)	**113,683**	126,441	(10.1)
Decreased as a result of exploration results, changes to the model, in particular related to capping and depletion, partly mitigated by the cut-off strategy and a higher price.			
Gold (koz)	**1,457.8**	1,476.3	(1.3)

1 2024 reserves as of 30 June 2024.
2 2024 resources as of 30 June 2024.

Financial highlights	2024	2023	% change
Adjusted revenue (US$m)	**228.4**	169.3	34.9
Revenue (US$m)	**222.5**	162	37.3
Adjusted production costs (US$m)	**128.7**	144.6	-11.0
Depreciation (US$m)	**63.2**	48.7	29.8
Segment profit (US$m)	**92.9**	18.9	391.5
Capital expenditure (US$m)	**17.1**	43.8	-61.0
Exploration (US$m)	**4.9**	7.8	-37.2
Cost per tonne total (US$)	**121.51**	135.8	-10.5
Cash cost (US$/oz gold)	**1,440.18**	1,743.72	-17.4
Margin (US$/oz)[2]	**1,013.40**	214.00	373.6
Margin (expressed as % of gold price)	**41.30**	10.93	–
All-in sustaining cost (US$)	**1,823.91**	2,455.93	-25.7

Key developments in the year

Gold and silver production increased year-on-year due to due to the higher ore grade at the Jessica Transversal and Taspana Sur areas.

Productivity increased as the programme to optimise the contractor base and increase the productivity of unionised personnel continued to deliver positive results.

Financial performance

The initiatives put in place in 2023 to rationalise the contractor base, further decrease consumption of certain operating materials and optimise the maintenance process, together with a more selective approach to ore extracted from satellite areas, contributed to decreased costs in 2024. The team will continue to focus on profitability by implementing initiatives to capture efficiencies and identifying additional opportunities to decrease costs including reviewing contractors' terms.

Cost per tonne decreased 10.5% to US$121.5 in 2024. This was driven by lower contractor costs as a result of the initiatives to reduce costs at this mine, and the devaluation of the Mexican peso vs the US dollar, partly offset by cost inflation.

Cash cost per equivalent gold ounce decreased by 17.4% primarily due to the lower cost per tonne and a higher gold ore grade. Margin per ounce increased significantly to US$1,013.4 in 2024 (2023: US$214.0). Expressed as a percentage of the gold price, the margin increased to 41.3% (2023: 10.9%).

All-in sustaining cost decreased 25.7% to US$1,823.9 per equivalent gold ounce, primarily driven by the lower cash cost and, to a lesser extent, decreased sustaining capex and lower capitalised mine development.

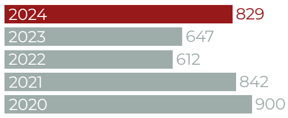
Capital expenditure

Capital expenditure in 2024 totalled US$17.1 million and was allocated primarily to mine development, sustaining capex and safety and environment, including the construction of the tailings dam.

Ciénega ore milled per person

(Tonnes)

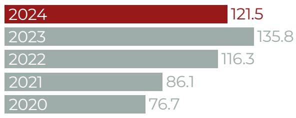
829



Ciénega cost per tonne

(US$/tonne milled)

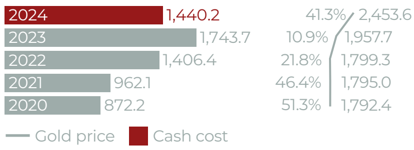
121.5



Ciénega cash cost

(Gold US$/ounce)

1,440.2



% figures represent margin between cash cost and gold price.

1 The methodology to calculate this indicator has been changed from a 'by product' to 'per equivalent ounce' basis as this is more representative. Cash cost per ounce is now being calculated as the total cash cost (cost of sales plus treatment and refining charges, less depreciation) divided by the silver or gold equivalent ounces sold. 2020-2023 figures have been restated to be comparable to those of 2024.

2 Margin defined as average realised price less cash cost per ounce.

REVIEW OF OPERATIONS – MINES IN OPERATION CONTINUED

HERRADURA DISTRICT

HERRADURA

One of Mexico's largest open pit gold mines, Herradura produced 57.1% of the Group's total gold in 2024 and generated 24.3% of total adjusted revenue.

2024 OBJECTIVES		COMMENT
Conclude the life of mine plan, review and implement relevant recommendations.	**A**	See: mine production below.
Focus on key cost reduction initiatives.	**A**	See: financial performance below.
Improve our safety performance and continue strengthening our safety-centred culture.	**A**	See pages 73-77.

A: Achieved; **PA:** Partially achieved; **NA:** Not achieved.

2025 OBJECTIVES

- Continue metallurgical analysis for sulphides to optimise recovery.
- Advance phase 2 of the Operational Excellence programme to capture further efficiencies and cost reduction initiatives.
- Complete engineering of the Carbon In Column project for dynamic leaching plants and start construction.
- Complete engineering and start early works for Valles underground mine.
- Improve our safety performance.
- Increase the resource base and convert resources into reserves.

2025 OUTLOOK

Gold ore grades in 2025 are expected to be in the range of 0.50–0.70 g/t.

Mine production

	2024	2023	% change
Ore deposited (kt)	**22,742**	20,224	12.5
Total volume hauled (kt)	**97,692**	99,542	(1.9)
Gold (oz)	**360,598**	355,485	1.4
Silver (koz)	**524**	611	(14.2)
Gold ore grade (g/t)	**0.71**	0.76	(6.6)

Total reserves[1]

	2024	2023	% change
Gold (moz)	**5.7**	5.5	3.6

Increased due to a higher price and cut-off strategy, partly offset by changes to the model and depletion.

Total resources[2]

	2024	2023	% change
Gold (moz)	**6.8**	6.7	1.5

Increased due to a higher price, partly offset by depletion, exploration results and a higher cost.

1 2024 reserves as of 30 June 2024.
2 2024 resources as of 30 June 2024.

Financial highlights	2024	2023	% change
Adjusted revenue (US$m)	**884.7**	708.7	24.8
Revenue (US$m)	**883.6**	708.2	24.8
Adjusted production costs (US$m)	**505.5**	490.9	3.0
Depreciation (US$m)	**91.7**	78.4	17.0
Segment profit (US$m)	**323.7**	157.2	105.9
Capital expenditure (US$m)	**55.0**	56.9	-3.3
Exploration (US$m)	**16.6**	18.3	-9.3
Cost per tonne total (US$)	**22.23**	24.20	-8.1
Cash cost (US$/oz gold)	**1,441.87**	1,384.64	4.1
Margin (US$/oz)[2]	**1,011.71**	573.08	76.5
Margin (expressed as % of gold price)	**41.2**	29.27	–
All-in sustaining cost (US$)	**1,730.28**	1,650.18	4.9

Key developments in the year

Annual gold production increased slightly as a result of a higher volume of ore processed, driven by the optimisation of equipment utilisation. This was partially offset by the lower ore grade as a result of the change to the mine plan in 1H24, heavy rainfall, which delayed access to higher grade oxidised ore areas, and the greater height of the leaching pads, which increased the residence time of the solution on the pads and slowed the overall speed of recovery.

After a complex first half of the year, productivity and efficiency plans drove recovery and led to a successful end to the year. Increased productivity rates and a targeted, strict cost control programme delivered the expected results, both operationally and financially. The main challenges remain around heap leach recovery for primary ore (sulphides), triggering an intensive metallurgical testwork programme to determine the best processing path to be implemented during 2025.

Productivity decreased vs 2023 as personnel hauled material over longer distances.

A complete reassessment of the strategic mine plan was developed, identifying several optimisation projects at the mine, plant and maintenance areas. The implementation of some of these projects, known as the Operational Excellence programme, began in 2024, with a second phase scheduled for 2025. The programme will include initiatives to capture further efficiencies and cost reductions, along with the engineering for a Carbon in Column process to increase recovery rates at the dynamic leaching plants, and for the Valles underground mine. The expectation is to advance these initiatives, to continue consolidating the lower cost base for the operation, while optimising production rates for the next five-year period.

Financial performance

While cost reduction initiatives contributed to significant reductions in the operating cost base, various factors impacted cost indicators as described below.

Cost per tonne of ore hauled decreased 8.3%, primarily due to the lower stripping and decreased consumption of electricity partly offset by cost inflation. However, cost per tonne of material hauled (ore and waste material) increased 2.0%.

Cash cost increased 4.1% to US$1,441.9 per equivalent ounce of gold[1], mainly due to the cost associated to the reduction of gold inventories to be processed in the dynamic leaching plants at Herradura, partly mitigated by the lower cost per tonne. However, margin per ounce increased 76.5% from US$573.1 to US$1,011.7, while margin expressed as a percentage of the gold price increased from 29.3% in 2023 to 41.2% in 2024.

All-in sustaining cost increased 4.9% to US$1,730.3 per equivalent gold ounce, mainly due to the higher cash cost and increase in sustaining capex.

Capital expenditure

Capital expenditure in 2024 totalled US$55.0 million, which was focused on mining works, the construction of the leaching pads and sustaining capex.

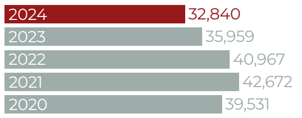
Noche Buena

Full-year gold production totalled 20,941 ounces. As previously announced, mining activities concluded in May 2023, and the mine closure plan has continued as expected. For further details on our mine closure process, see the Sustainability section on page 100.

Herradura ore milled per person

(Tonnes)

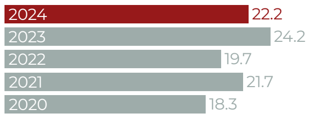
32,840



Herradura cost per tonne

(US$/tonne milled)

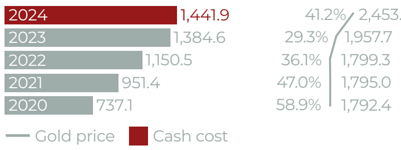
22.2



Herradura cash cost

(Gold US$/ounce)

1,441.9



% figures represent margin between cash cost and gold price.

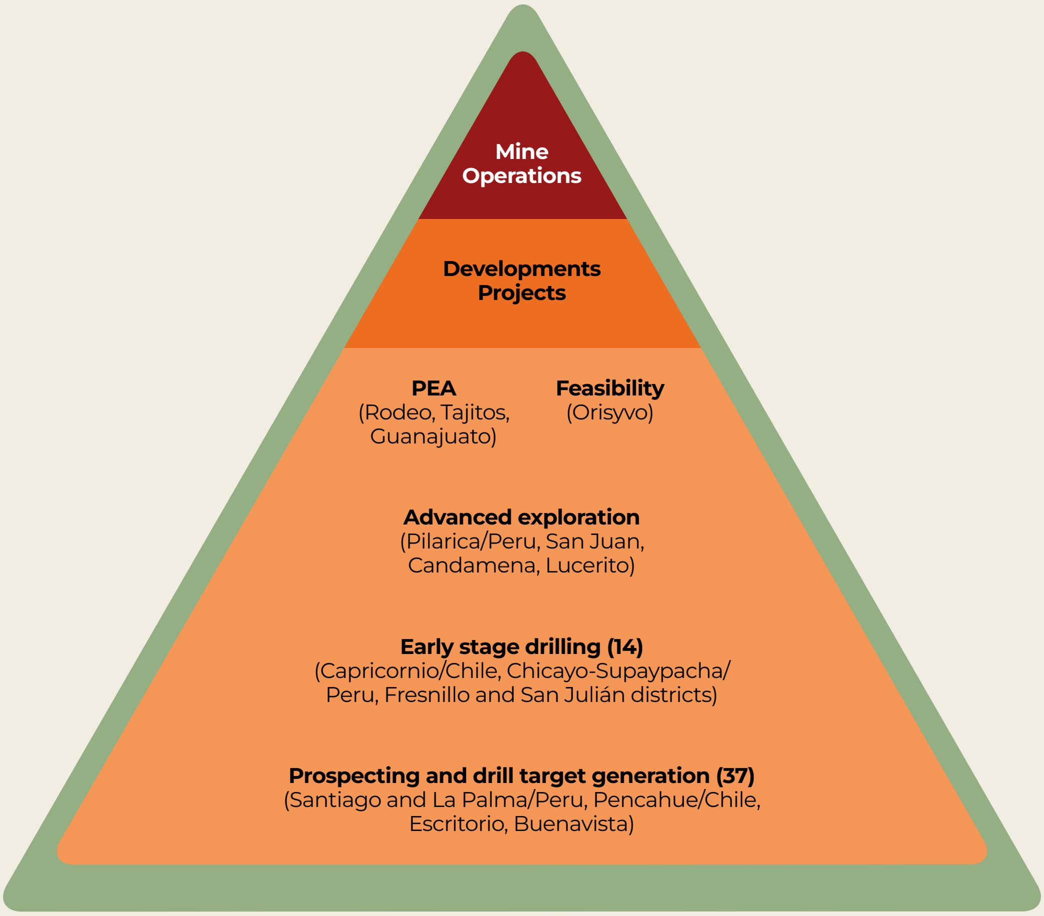
1 The methodology to calculate this indicator has been changed from a 'by product' to 'per equivalent ounce' basis as this is more representative. Cash cost per ounce is now being calculated as the total cash cost (cost of sales plus treatment and refining charges, less depreciation) divided by the silver or gold equivalent ounces sold. 2020-2023 figures have been restated to be comparable to those of 2024.

2 Margin defined as average realised price less cash cost per ounce.

REVIEW OF OPERATIONS CONTINUED
A STRONG GROWTH PIPELINE

Our pipeline of exploration projects is key to our ongoing strategy of organic growth. The diagram below shows our operations, projects and prospects across all stages.

PROJECTS AND PROSPECTS PORTFOLIO



Systematic project generation

*Operations at Soledad and Dipolos are currently suspended.

Highlights:

- We are reporting proven and probable reserves at all our underground mines.
- Exploration continues to be a key driver of growth.
- Our focus remains on Latin America, locating and consolidating new districts in Mexico, Peru and Chile.
- Our exploration teams have a highly respected reputation in the Mexican mining industry.

1

Mine in operations
Fresnillo, Saucito, Herradura, Soledad-Dipolos*, San Julián, Ciénega, Juanicipio

2

Development projects
No projects under development.

3

Prospecting and drill target generation (37)
Santiago and La Palma/Peru, Pencahue/Chile, Escritorio, Buenavista

Early stage drilling (14)
Capricornio/Chile, Chiclayo-Supaypacha/Peru, Fresnillo and San Julián districts

Advanced exploration
Pilarica/Peru, San Juan, Candameña, Lucerito

PEA – Feasibility
Orisyvo, Rodeo, Guanajuato, Tajitos

EXPECTED DELIVERY OF GROWTH

GREENFIELD PROJECTS

Expected avg. annual production[1]	Project	2025 – 2031	
130 – 150 koz Au	Rodeo	Infill drilling exploration, feasibility, development and construction	Production
140 – 165 koz Au	Orisyvo	Final metallurgical testing, feasibility, development and construction	Production
Resources			
1.0 moz Au	Tajitos	Exploration to increase resources. Update the preliminary economic assessment, start pre-feasibility assessment level studies	Production
3.2 moz Au 371 moz Ag	Guanajuato	Exploration to increase resources. Update the preliminary economic assessment, start pre-feasibility assessment level studies. Refine conceptual development scenarios	Production

BROWNFIELD PROJECTS

Expected avg. annual production[1]	Project		
80 – 120 koz Au	Valles undergound	Infill drilling exploration, development and construction	Production
120 – 160 koz Au	Herradura underground	Exploration to increase resources. Update the preliminary economic assessment, start pre-feasibility assessment level studies. Refine conceptual development scenarios	Production

Greenfield project development to be complemented with brownfield growth possibilities at Herradura.

1 Total average annual production.
Subject to pre-feasibility and feasibility assessment, final feasibility assessment and Board approval.

REVIEW OF OPERATIONS – EXPLORATION

Exploration continues to be the key driver of growth for the Group. We believe that continuous investment across price cycles is the most efficient and sustainable route to create a portfolio of prospects and projects that extends across multiple stages.

Our firm and unchanging commitment to exploration sets us apart from many of our peers and provides a solid platform for our future success.

Our exploration teams have a proud and highly respected reputation in the Mexican mining industry. They have been responsible for our most significant breakthroughs, such as those at San Julián and Saucito, and are ideally qualified to identify and develop new opportunities. One of the most important roles of our teams is to engage with local communities and seek their participation at an early stage of a project. Not only does this help safeguard our licence to operate, it also gives us the opportunity to meet and consult with local people, thereby ensuring that we are able to tailor any subsequent community support programmes to meet their specific needs (see sustainability section on pages 101-106).

Our focus remains on Latin America and, in particular, we look to locate and consolidate new districts in Mexico, Chile and Peru where we have identified favourable gold-silver potential.

In 2024, our drilling programmes decreased by 20.4% compared to 2023, with a total of 742,945 metres drilled. 88% of drilling activities were carried out at, or close to, our existing operations, in line with our continued focus on brownfield exploration which maximises the possibility of good returns. We drilled 90,632 metres in greenfield targets where we are consolidating districts.

Brownfield exploration

The Group's strategy of focusing on brownfield (on-lease or near-mine) exploration to extend mine life continued during the year. Our belief that brownfield exploration and discovery offer the best route to growth of low-cost, low-risk mineral resources and mineral reserves in well-understood environments remains central to our approach. Brownfield exploration is configured to deliver a balanced project pipeline that includes identifying early-stage targets with project lead times of typically four to five years, combined with progressing more advanced projects that can potentially deliver new mining opportunities within the next two to three years.

The objectives of the drilling campaigns at our mines are threefold: (i) replenish and augment our mineral reserves, converting inferred resources into the indicated category with infill drilling; (ii) increase the total and inferred resources by drilling at extensions of known mineralisation and also by testing new targets; and (iii) continue to ensure the quality of the reserves blocks scheduled to be mined in the short term, with selected additional drilling carried out wherever deemed necessary due to grade variations. We work hard to ensure the long-term sustainability of our business and to drive growth by replenishing depleted reserves and maintaining a robust growth pipeline.

Greenfield exploration

We carefully define and execute drilling campaigns aimed at discovering and increasing resources at our early-stage prospects in new mineral districts. Focusing on projects that have shown good potential for supporting our growth ambitions. For projects in the relatively early stages, we may conduct preliminary economic assessments (PEAs), which comprise an economic analysis of the potential viability of mineral resources.

For more advanced projects, we undertake extensive de-risking activities to refine models, explore the extent of mineralisation and provide comprehensive support to a project as it moves into and through the development stage – a key moment in the journey towards becoming an operational mine.

All our exploration projects are measured against a set of strict criteria to ensure they meet our operational, revenue and profitability objectives. For example, we will only proceed with a standalone project if it offers a minimum potential of 150 moz of silver or 2 moz of gold. We also consider a range of additional factors before commencing activities, such as ore grades, metallurgical recoveries, extraction costs, environmental impact, and sustainability and community investment, as well as the available infrastructure. Exploration budget is allocated to selected projects based on their score in the favourability and risk analyses performed yearly on our prospects and projects portfolio, to be followed by the implementation of an exploration programme based on a disciplined milestone-completion approach.

2024 performance

Mineral resources and ore reserves

Estimations of our mineral resources and ore reserves are developed by our corporate technical staff in line with best practice and are audited every year by independent consultants prior to public statement under the JORC Code reporting standards. The 2024 underground mineral resources and ore reserve estimates were based on price assumptions of US$1,750/oz gold and US$23.0/oz silver, with open pit ore reserves and mineral resources estimated at US$1,750 and US$1,950/oz gold respectively. These price assumptions were based on an average of the price outlooks from various financial institutions, whereas in prior years the outlook was set at the average price over the prior three years. The increased metals prices, along with the removal of project capex from the cut-off calculation, resulted in a decrease in cut-off grades in 2024.

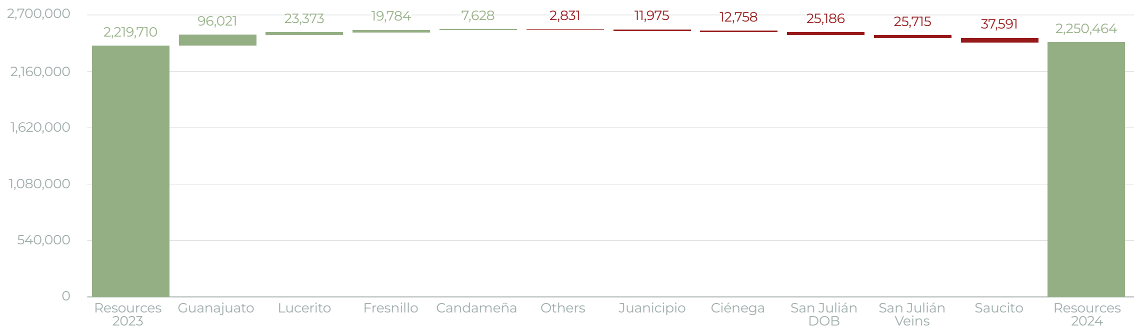
Since 2023, we have been implementing a major technical development initiative to upgrade our mineral resource and ore reserve engineering functions and reconciliation processes, and we again made significant progress in 2024. Following a considerable effort from our teams, we are reporting proven and probable reserves at all our underground mines.

The corporate technical services team will continue to improve all disciplines in 2025, with a special focus on improving our grade control and reconciliation process.

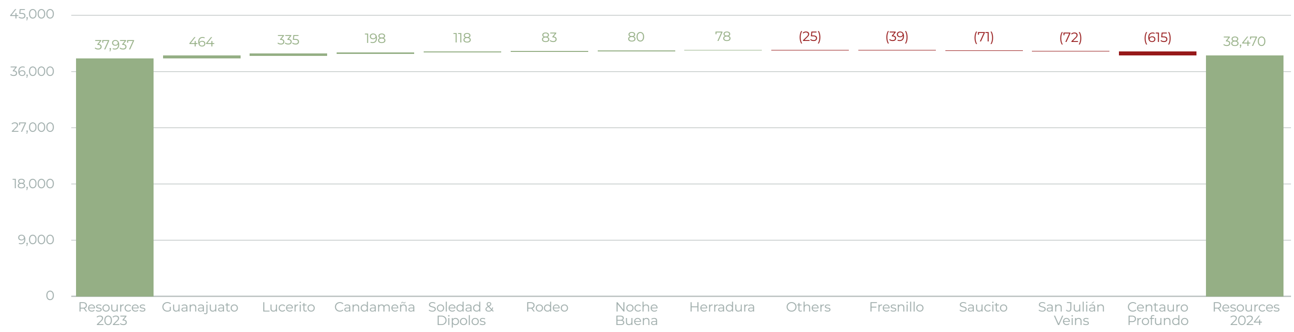
Exploration and variations in reserves and resources at our existing mines are set out as part of our Review of Operations (see pages 31-45).

The following section provides details about our advanced exploration projects, highlighting the progress made in 2024 as well as outlining our plans for the year ahead.

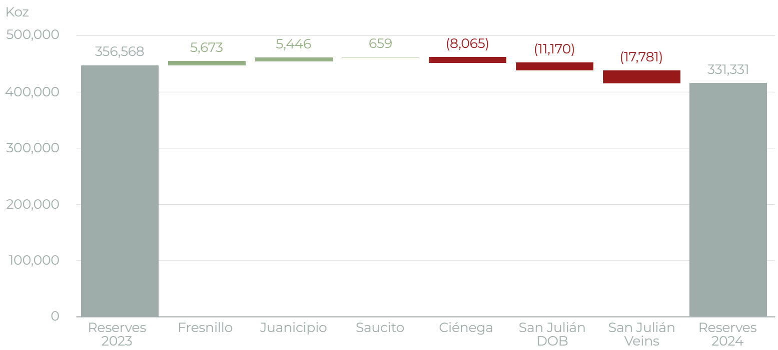
Silver in consolidated overall mineral resources (contained metal) increased 1.4% to 2,250. The 30.8 moz increase was the result of the variations shown below.



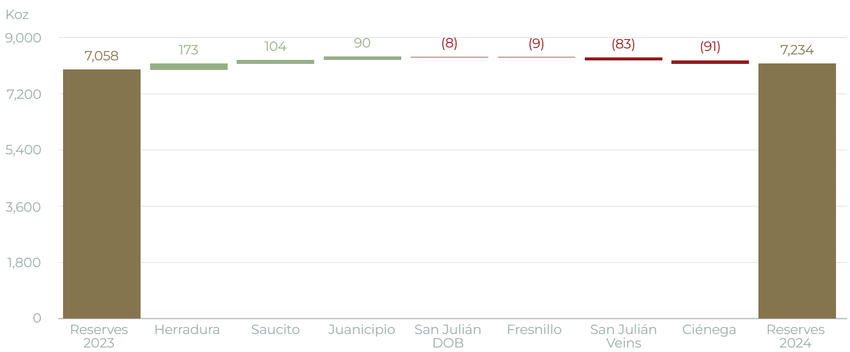
Gold in consolidated overall mineral resources (contained metal) increased to 38.5 moz, primarily driven by the contributions shown below.



Silver in consolidated overall ore reserves (contained metal) decreased 7.1% to 331.3 moz, with the decrease of 25.2 moz primarily driven by the contributions shown below.



Gold in consolidated overall ore reserves (contained metal) increased 2.5% to 7.2 moz, with the 177 koz increase primarily driven by the contributions shown below.



REVIEW OF OPERATIONS – EXPLORATION CONTINUED

Advanced exploration projects

Orisyvo

Orisyvo is a world-class, high-sulphidation epithermal, disseminated gold deposit located in the Sierra Madre mountains of Chihuahua state, hosting open-pit constrained total resources of 9.6 million ounces of gold. The project is in the pre-feasibility stage aiming at the development of a bulk-mining underground operation and associated infrastructure, which includes mineral processing and tailings storage facilities. During 2024, several pre-feasibility level studies were completed, delivering promising outcomes, and these are currently under review with the parties involved. Focus remains on the optimisation of the expected capital expenditure, operating costs, and metallurgical recoveries through the evaluation of state-of-the-art technologies, including alternatives for water and energy supply, and tailings disposal areas. The land acquisition strategy, alongside the region-wide engagement programme with the community as well as local and state governments, continues to operate as scheduled, in preparation for the required indigenous consultation processes.

Rodeo

Rodeo is an open pit, heap leaching gold project located in central Durango state. 1.4 million ounces of gold occur in a volcanic rock-hosted disseminated ore body showing thorough oxidation down to depths exceeding 200 metres. Good metallurgical recoveries have been obtained from ore coming from a projected low strip ratio open pit. During 2024, agreements with local communities for long-term land access were reached and formalised through contracts. A district-wide community engagement programme is ongoing, focusing on several health, infrastructure and educational initiatives proposed by the community members. Camp preparation, construction of access roads and recruitment of local personnel are in progress for a 1Q25 drilling start-up. The initial exploration programme is targeting resource expansion and securing enough samples for detailed metallurgical test work in columns, with the objective of gathering additional information to deliver a revised preliminary economic assessment before year end.

Tajitos

Tajitos is a low strip ratio open-pit, heap-leach, disseminated gold project located in the Herradura Corridor of northwestern Sonora state. In 2024, 41,640 metres of core and reverse circulation drilling were completed in the main resource area, including 2,948 metres of PQ diameter holes designed for the ongoing metallurgical investigations on columns. A preliminary economic assessment is in progress, including the evaluation of capital expenditures and optimisation of the gold recoveries; results are expected in 2H 2025. Exploration in the district is now focused on drill-testing numerous remaining targets with good potential for high-grade gold veins for underground mining and additional disseminated mineralisation; promising results have been obtained so far.

Environmental studies associated with the potential development of this project are in progress, along with a regional community relations programme which includes the Caborca municipality.

Guanajuato

Guanajuato is a historic, world-class gold and silver epithermal vein field stretching more than 40 kilometres along the central Mexican state of Guanajuato. 101,521 metres of core drilling were completed during 2024, 72% of which was devoted to the southern portion of the district where a significant silver-gold vein system was discovered; high-grade inferred resources here increased to circa 3 moz of gold and 371 moz of silver. A preliminary economic assessment is ongoing, along with additional metallurgical investigations, land acquisition, and a community engagement programme. Exploration also continued in the central portion of the district, where conceptual alternatives for mine development and mineral processing scenarios are currently being evaluated.

Prospects

In Mexico, our focus was on the Lucerito and Candameña projects which are advancing as planned. At Lucerito, located in central Durango, gold and silver resources increased to 3.2 moz and 228 moz respectively, whereas at Candameña resources increased to 1.6 moz of gold and 39.8 moz of silver. Additional drilling and metallurgical investigations will continue in 2025.

In Peru, we started drilling at the La Palma prospect in northern Peru and developed a comprehensive medium-term plan for the process of obtaining social and government permits, aiming at the generation of drilling programmes for several of our good potential prospects in the main Peruvian gold and silver belts.

In Chile, the exploration team focused on the Capricornio and Pencahue projects, where community engagement is also ongoing.

Early-stage exploration

We routinely carry out activities at our six exploration offices to accumulate regional geological, geophysical, structural and geochemical data and analyse it in a GIS environment. Areas identified with good potential are followed up by gathering remote sensing hydrothermal alteration data commissioned from international high-quality service providers. The information gained is integrated into the database to refine our understanding of the targeted ore deposit systems. Furthermore, our regional prospecting teams in Mexico, Peru and Chile carry out the field work required to validate the exploration targets and eventually incorporate them into our prospect pipeline.

FINANCIAL REVIEW

The consolidated financial statements of Fresnillo plc are prepared in accordance with UK-adopted international accounting standards. This financial review intends to explain the main factors affecting performance as well as provide a detailed analysis of the financial results in order to enhance the understanding of the Group's financial statements. All comparisons refer to 2024 figures compared to 2023, unless otherwise noted. The financial information and year-on-year variations are presented in US dollars, except where otherwise indicated. The full financial statements and their accompanying notes can be found on pages 212-260.

The following report presents how we have managed our financial resources.

Commentary on financial performance

The Group's financial performance in 2024 reflects the positive impact of higher precious metals prices coupled with a more stable operational performance, notwithstanding the challenges faced during the year.

Adjusted revenue[1] increased 26.9% vs 2023 to US$3,639.9 million. This was primarily due to higher gold, silver and zinc prices and the increase in volumes of all metals sold. Revenue increased 29.3% year-on-year to US$3,496.4 million, primarily due to the increase in Adjusted revenue.

Adjusted production costs[2] decreased 2.6% vs 2023. This was mainly due to the efficiencies and economies of scale achieved, principally at Saucito, Juanicipio, Ciénega and San Julián Veins, and the favourable effect of the devaluation of the Mexican peso vs. US dollar. These factors were partly offset by cost inflation of 2.3%, excluding the exchange rate devaluation, as well as the longer haulage distances associated with mining deeper in the earth, which increased maintenance, contractors' costs and diesel consumption, particularly at Herradura and Fresnillo.

As a result, gross profit and EBITDA[3] more than doubled to US$1,246.3 million and US$1,547.3 million in 2024.

We maintained our strong financial position, with US$1,297.8 million in cash and other liquid funds as of 31 December 2024, a net increase of US$763.2 million over the period, having paid dividends of US$78.2 million in accordance with our policy (adjusted for extraordinary, non-cash items, in particular the revaluation of the Silverstream contract and the effect of the exchange rate on deferred taxes), invested US$370.5 million in capex, and spent US$163.0 million on exploration expenses.

FINANCIAL REVIEW CONTINUED

Income statement highlights

	2024 US$ million	2023 US$ million	Amount change US$ million	Change %
Adjusted revenue[1]	**3,639.9**	2,869.1	770.8	26.9
Total revenue	**3,496.4**	2,705.1	791.3	29.3
Cost of sales	**(2,250.1)**	(2,201.8)	(48.3)	2.2
Gross profit	**1,246.3**	503.2	743.1	147.7
Exploration expenses	**163.0**	182.4	(19.4)	(10.6)
Operating profit	**945.8**	142.5	803.3	563.7
EBITDA[3]	**1,547.3**	655.7	891.6	136.0
Special mining rights	**127.0**	30.8	96.2	312.3
Income tax (Tax income)[4]	**390.2**	(205.0)	595.2	n/a
Profit for the period	**226.7**	288.3	(61.6)	(21.4)
Profit for the period, excluding post-tax Silverstream effects	**354.3**	282.9	71.4	25.2
Basic and diluted earnings per share (US$/share)[5]	**0.191**	0.317	(0.126)	(39.7)
Basic and diluted earnings per share, excluding post-tax Silverstream effects (US$/share)	**0.364**	0.310	0.054	17.4

1 Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude treatment and refining charges and metals prices hedging.
2 Adjusted production costs are calculated as cost of sales less depreciation, profit sharing, hedging, change in inventories and unproductive costs. The Company considers this a useful additional measure to help understand underlying factors driving production costs in terms of the different stages involved in the mining and plant processes, including efficiencies and inefficiencies, as the case may be, and other factors outside the Company's control such as cost inflation or changes in accounting criteria.
3 Earnings before interest, taxes, depreciation and amortisation (EBITDA) is calculated as profit for the year from continuing operations before income tax, less finance income, plus finance costs, less foreign exchange gain/(loss), less revaluation effects of the Silverstream contract and other operating income plus other operating expenses and depreciation.
4 Tax income resulted from the favourable impact of the revaluation of the Mexican peso vs the US dollar.
5 The weighted average number of Ordinary Shares was 736,893,589 for 2024 and 2023. See Note 18 to the consolidated financial statements.

The Group's financial results are largely determined by the performance of our operations. However, other factors beyond our control, including a number of macroeconomic variables, affect our financial results. These include:

Metals prices

The average realised silver price increased 21.7% from US$23.6 per ounce in 2023 to US$28.8 per ounce in 2024, while the average realised gold price rose 25.3% to US$2,453.6 per ounce. The average realised zinc by-product price increased 8.7% to US$1.28 per pound, with the lead by-product price decreasing 2.7% vs 2023 to US$0.92 per pound.

MX$/US$ exchange rate

Spot exchange rate at 31 December 2024	Spot exchange rate at 31 December 2023	Impact
$20.27 per US dollar	$16.89 per US dollar	The 20.0% spot devaluation had an adverse effect on deferred taxes and special mining rights

Average Mexican peso/US dollar exchange rate 2024	Average Mexican peso/US dollar exchange rate 2023	Impact
$18.30 per US dollar	$17.77	The 3.0 devaluation had a positive effect of US$29.8 million on the Group's costs denominated in Mexican pesos (approximately 45% of total costs) when converted to US dollars.

Cost inflation

The Mexican Consumer Price Index for 2024 was 4.3%. However, to evaluate the Group's cost inflation for the year, we calculate the unit price increase for each component of adjusted production costs and take into consideration their weighted average within the Group's basket. The resulting cost inflation estimate for 2024 was 0.2%, which included the favourable effect of the 3.0% average devaluation of the Mexican peso against the US dollar. Underlying cost inflation (cost inflation excluding the devaluation of the Mexican peso vs. US dollar) was 2.3%. We conduct the same exercise for each individual mine operation, whose basket components may carry different weightings.

The main components driving our cost inflation are listed below:

Labour

Unionised workers received on average a 7% increase in wages in Mexican pesos, while non-unionised employees received on average a 6% increase in wages in Mexican pesos; when converted to US dollars this resulted in a weighted average labour inflation of 0.5%.

Energy
Electricity
The weighted average cost of electricity in US dollars decreased 16.2% from US$9.70 cents per kW in 2023 to US$8.13 cents per kW in 2024.

Diesel
The weighted average cost of diesel increased 4.7% in US dollars to 111.9 US cents per litre in 2024, compared to 106.9 US cents per litre in 2023.

Contractors
Agreements are signed with each individual contractor company and include specific terms and conditions that cover not only labour, but also operating materials, equipment and maintenance, among others. Contractor costs are mainly denominated in Mexican pesos and are an important component of our total production costs. In 2024, increases per unit (i.e. per metre developed/ per tonne hauled) granted to contractors whose agreements were due for review during the period, resulted in a weighted average increase of approximately 0.1% in US dollars, after considering the devaluation of the Mexican peso vs the US dollar.

The effects of the above external factors, combined with the Group's internal variables, are further described below through the main line items of the income statement.

Revenue
Consolidated revenue

	2024 US$ million	2023 US$ million	Amount US$ million	Change %
Adjusted revenue[1]	**3,639.9**	2,869.1	770.8	26.9
Treatment and refining charges	**(143.6)**	(164.0)	20.4	(12.4)
Total revenue	**3,496.4**	2,705.1	791.3	29.3

1 Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude treatment and refining charges and metals prices hedging.

Adjusted revenue increased by US$770.8 million primarily driven by the higher gold and silver prices and the increased volumes of all metals sold. Changes in the contribution by metal were the result of the relative changes in metals prices and volumes produced. The effect by metal, both in terms of volume and price, is shown in the table below.

Adjusted revenue[1] by metal

	2024		2023					
	US$ million	% contribution	US$ million	% contribution	Volume variance US$ million	Price variance US$ million	Total net change US$ million	Change %
Gold	**1,514.7**	**41.6**	1,186.2	41.4	27.7	300.8	328.5	27.7
Silver	**1,673.9**	**46.0**	1,310.6	45.7	61.2	302.2	363.3	27.7
Lead	**139.8**	**3.8**	121.5	4.2	21.9	(3.6)	18.3	15.1
Zinc	**311.5**	**8.6**	250.8	8.7	37.3	23.4	60.7	24.2
Total Adjusted revenue	**3,639.9**	**100.0**	2,869.1	100.0	148.2	622.7	770.8	26.9

1 Adjusted revenue is revenue as disclosed in the income statement adjusted to exclude treatment and refining charges and metals prices hedging.

Adjusted revenue by mine
The contribution by mine to Adjusted revenues is outlined in the table below. This is expected to change further in the future, as new projects are incorporated into the Group's operations and as precious metals prices fluctuate.

	2024		2023		
	(US$ million)	% contribution	(US$ million)	% contribution	Change %
Herradura	**884.7**	**24.3**	708.7	24.7	24.8
Saucito	**760.0**	**20.9**	527.8	18.4	44.0
Juanicipio	**662.8**	**18.2**	492.5	17.2	34.6
Fresnillo	**591.2**	**16.2**	479.6	16.7	23.3
San Julián (Veins)	**354.5**	**9.7**	205.1	7.1	72.8
San Julián (DOB)	**115.1**	**3.2**	201.3	7.0	(42.8)
Ciénega	**228.4**	**6.3**	169.3	5.9	34.9
Noche Buena	**43.4**	**1.2**	84.8	3.0	(48.8)
Total	**3,639.9**	**100**	2,869.1	100	26.9

Treatment and refining charges
Treatment and refining charges[1] are reviewed annually using international benchmarks. Treatment charges per tonne of lead and zinc concentrate and silver refining charges decreased in dollar terms by 10.0%, 25.7% and 23.0%, respectively. These factors, combined with the higher volumes of lead and zinc concentrates shipped from our mines to Met-Mex, resulted in a 12.4% decrease in treatment and refining charges set out in the income statement in absolute terms when compared to 2023.

1 Treatment and refining charges include the cost of treatment and refining as well as the margin charged by the refiner.

FINANCIAL REVIEW CONTINUED

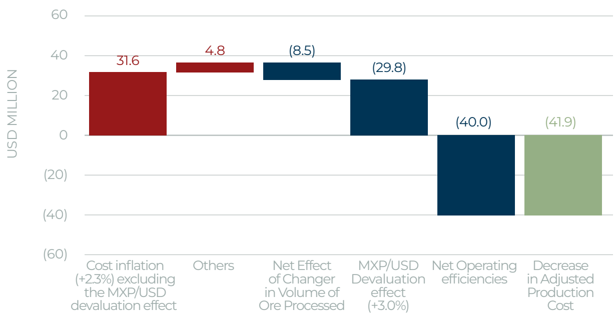
Cost of sales

Concept	2024 US$ million	2023 US$ million	Amount US$ million	Change %
Adjusted production costs[2]	**1,582.2**	1,624.1	(41.9)	(2.6)
Depreciation	**619.8**	497.3	122.5	24.6
Profit sharing	**12.3**	2.2	10.1	459.1
Hedging	**0.0**	(0.2)	0.2	(100.0)
Change in work in progress	**35.8**	52.6	(16.8)	(31.9)
Unproductive costs including inventory reversal and unabsorbed production costs[3]	**0.0**	25.9	(25.9)	(100.0)
Cost of sales	**2,250.1**	2,201.8	48.3	2.2

2 Adjusted production costs are calculated as cost of sales less depreciation, profit sharing, hedging, change in inventories and unproductive costs. The Company considers this a useful additional measure to help understand underlying factors driving production costs in terms of the different stages involved in the mining and plant processes, including efficiencies and inefficiencies, as the case may be, and other factors outside the Company's control such as cost inflation or changes in accounting criteria.
3 Unproductive costs primarily include unabsorbed production costs such as non-productive costs from the temporary suspension of activities at Herradura and non-productive fixed mine costs incurred at Noche Buena from the finalisation of mining activities.

Cost of sales increased 2.2% to 2,250.1 million in 2024. The main factors driving the US$48.3 million increase are listed below:

Adjusted production costs decreased by US$41.9 million as shown in the graph below:



The ongoing efforts to implement cost reduction initiatives generated positive results in 2024, driving US$40.0 million net worth of operating efficiencies. These included efficiencies and economies of scale (-US$69.8m) at Saucito and Juanicipio due to decreased contractor costs, and at Ciénega and San Julián as a result of the rationalisation of contractors together with initiatives to optimise the maintenance process. This achievement was offset by inefficiencies (+US$29.8m) at Herradura due to the longer haulage distances, and at Fresnillo as a result of increased haulage costs as ore was hauled via ramps while the two sections of the deepened San Carlos shaft were connected, and increased contractors' and maintenance costs.

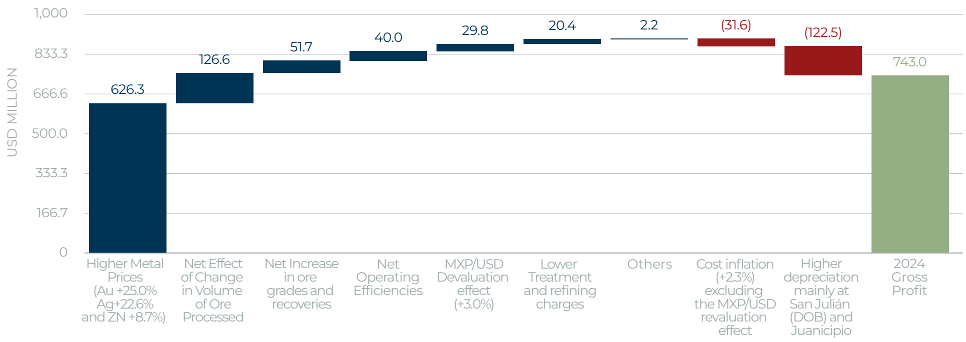
Depreciation (+US$122.5 million) due to increased depreciation of the asset base at San Julián DOB as it approached the end of its life and, to a lesser extent, the depreciation of the additional asset base at Juanicipio and the increased depletion factor at Ciénega and Saucito.

Gross profit

Gross profit is a key financial indicator of profitability at each business unit and the Fresnillo Group as a whole.

Total gross profit doubled from US$503.2 million in 2023 to US$1,246.3 million in 2024.

The main factors driving the US$743.0 million increase in gross profit are shown in the graphic below:



The contribution by mine to the Group's consolidated gross profit and the year-on-year variations are outlined in the table below:

Contribution by mine to consolidated gross profit

	2024		2023		Change	
	US$ million	**% contribution**	US$ million	% contribution	US$ million	%
Juanicipio	**384.8**	**31.0**	202.8	41.0	182.0	89.7
Saucito	**281.7**	**22.7**	80.4	16.2	201.3	250.4
Herradura	**274.2**	**22.0**	124.2	25.1	150.0	120.8
Fresnillo	**180.0**	**14.5**	61.2	12.4	118.8	194.1
San Julián	**89.3**	**7.2**	56.3	11.4	33.0	58.6
Ciénega	**29.6**	**2.4**	(29.8)	(6.0)	59.4	(199.3)
Noche Buena	**3.2**	**0.2**	(0.1)	0.0	3.3	>100
Total for operating mines	**1,242.8**	**100.0**	495.0	100.0	747.8	151.1
Metal hedging and other subsidiaries	**3.5**		8.2		(4.7)	(57.3)
Total Fresnillo plc	**1,246.3**		503.2		743.1	147.7

Administrative and corporate expenses

Administrative and corporate expenses decreased 14.7% from US$128.4 million in 2023 to US$109.5 million in 2024, mainly due to the lower fees incurred for advisory and consulting services, the favourable effect of the devaluation of the Mexican peso vs the US dollar on administrative expenses denominated in pesos, including personnel salaries, and the cost reduction initiatives resulting from services provided in accordance with the Shared Services Agreement with Peñoles.

Exploration expenses

Exploration expenses decreased 10.6% from US$182.4 million in 2023 to US$163.0 million in 2024. In line with our strategy, exploration continued to focus on the Fresnillo and San Julián districts, with special emphasis on intensifying activities aimed at increasing the resource base, converting resources into reserves and improving the confidence of the grade distribution in reserves. An additional US$2.0 million was capitalised, mainly relating to exploration expenses at the Guanajuato project. As a result, risk capital invested in exploration totalled US$165.0 million in 2024, compared to US$185.9 million in 2023 (of which US$3.5 million was capitalised). This represents a year-on-year decrease of 11.2%.

EBITDA

EBITDA is a gauge of the Group's financial performance and a key indicator to measure debt capacity. It is calculated as profit for the year from continuing operations before income tax, less finance income, plus finance costs, less foreign exchange gain/(loss), less the net Silverstream effects and other operating income plus other operating expenses and depreciation.

	2024 US$ million	2023 US$ million	Amount US$ million	Change %
Profit from continuing operations before income tax	**743.9**	114.0	629.9	552.5
– Finance income	**(46.9)**	(50.6)	3.7	(7.3)
+ Finance costs	**73.6**	88.8	(15.2)	(17.1)
– Revaluation effects of Silverstream contract	**182.3**	(7.7)	190.0	n/a
– Foreign exchange loss, net	**(7.0)**	(2.0)	(5.0)	250.0
– Other operating income	**(39.2)**	(35.3)	(3.9)	11.0
+ Other operating expense	**21.0**	51.2	(30.0)	(58.6)
+ Depreciation	**619.8**	497.3	122.5	24.6
EBITDA	**1,547.3**	655.7	891.6	136.0
EBITDA margin	**44.3**	24.2	–	–

In 2024, EBITDA more than doubled to US$1,547.3 million primarily driven by the higher gross profit and lower administrative and exploration expenses. As a result, EBITDA margin expressed as a percentage of revenue increased, from 24.2% in 2023 to 44.3% in 2024.

Other operating income and expense

In 2024, a net gain of US$18.3 million was recognised in the income statement primarily as a result of assigning the rights and obligations of the non-core Guazapares mining concessions to Coeur Mining. In contrast, a loss of US$15.8 million was registered in 2023 mainly as a result of the illegal extraction of ore from the leaching pads at Soledad-Dipolos by third parties, which has now ceased.

Silverstream effects

The Silverstream contract related to Industrias Peñoles' Sabinas mine silver production is accounted for as a derivative financial instrument carried at fair value.

Following a notification from Industrias Peñoles that its Sabinas mine was experiencing operational and financial difficulties, which increased the risk of Peñoles' being unable to fully comply with the terms and conditions of the Silverstream, the Company has decided to incorporate this uncertainty into the model used to estimate the fair value of the financial derivative instrument. This resulted in a US$231.6 million loss before taxes and the period's profit amortisation of US$49.3 million, with an overall net impact of US$182.3 million in the income statement.

FINANCIAL REVIEW CONTINUED

The Group expects that further unrealised gains or losses related to the valuation of the Silverstream contract will be taken to the income statement in accordance with silver price cyclicality or changes in the variables considered in valuing this contract. Further information related to the Silverstream contract is provided in the balance sheet section in notes 14 and 30 to the consolidated financial statements.

Net finance costs

Net finance costs of US$26.6 million compared favourably to the US$38.2 million recorded in 2023. The US$11.6 million decrease was primarily due to the lower interest paid as in 2024 net finance costs mainly reflected interest paid on the US$850 million principal amount of 4.250% Senior Notes due 2050. Conversely, in 2023 the Group paid interest on the outstanding US$317.9 million of 5.500% Senior Notes due 2023, in addition to the interests described above. Detailed information is provided in Note 10 to the consolidated financial statements. During the year ended 31 December 2024 there were no capitalised borrowing costs (2023: US$2.1 million).

Taxation

Income tax expense for the year was US$390.2 million, which compared negatively to the tax income of US$205.0 million in 2023. The effective tax rate, excluding the special mining rights, was 52.5% (2023: -179.8%), compared to the 30% statutory tax rate. The reason for the variation in the effective tax rate is the difference between the tax and the accounting treatment related mainly to the effect of the spot exchange rate on the tax value of assets and liabilities. This adverse effect was mitigated by the effect of the Mexican inflation on the restatement of tax value of fixed assets as described in the table below:

	2024	2023
Spot exchange rate devaluation (revaluation)	**20.0**	(12.8)
Exchange rate effect on tax value of assets and liabilities	**US$300.2 million**	(US$214.5 million)
Inflationary uplift of the tax base of assets and liabilities	**(US$55.2 million)**	(US$54.8 million)

Mining rights in 2024 were US$127.0 million compared to mining rights of US$30.8 million charged in 2023. The significant increase is due to higher deferred mining rights driven by the devaluation of the Mexican peso/US dollar spot exchange rate in 2024 and the fact that the special mining right will increase from 7.5% to 8.5% from 2025 onwards.

Profit for the period

Profit for the year decreased year-on-year by 21.0% as a result of the factors described above.

	2024 US$ million	2023 US$ million	Amount change US$ million	Change %
Profit for the period	**226.7**	288.3	(61.6)	(21.4)
Profit for the period, excluding post-tax Silverstream effects	**354.3**	282.9	71.4	25.2
Profit due to non-controlling interests[1]	**85.8**	54.4	31.4	57.7
Profit attributable to equity shareholders of the Group	**140.9**	233.9	(93.0)	(39.8)
Basic and diluted earnings per share (US$/share)[2]	**0.191**	0.317	(0.126)	(39.7)
Basic and diluted earnings per share, excluding post-tax Silverstream effects (US$/share)	**0.364**	0.310	0.054	17.4

1 The increase reflects the higher profit generated at Juanicipio, where MAG Silver owns 44% of the outstanding shares.
2 The weighted average number of Ordinary Shares was 736,893,589 for 2024 and 2023. See Note 18 to the consolidated financial statements.

Cash flow

A summary of the key items from the cash flow statement:

	2024 US$ million	2023 US$ million	Amount US$ million	Change %
Cash generated by operations before changes in working capital	**1,559.8**	649.3	910.5	140.2
Increase/decrease in working capital	**(162.9)**	20.6	(183.5)	n/a
Taxes and employee profit sharing paid	**(97.1)**	(244.0)	146.9	(60.2)
Net cash from operating activities	**1,299.8**	425.9	873.9	205.2
Silverstream contract	**30.0**	40.2	(10.2)	(25.4)
Proceeds from the sales of mining concessions (layback agreement in 2023) (see Note 2 to the consolidated financial statements)	**10.0**	22.8	(12.8)	(56.1)
Purchase of property, plant and equipment	**(370.5)**	(483.4)	112.9	(23.4)
Dividends paid to shareholders of the Company	**(78.2)**	(108.4)	30.2	(27.9)
Financial expenses and foreign exchange effects	**(9.8)**	(6.4)	(3.4)	53.1
Repayment of interest-bearing loans	**0.0**	(317.9)	317.9	(100.0)
Net (decrease)/increase in cash during the period after foreign exchange differences	**763.2**	(434.5)	1,197.7	n/a
Cash and other liquid funds at 31 December[1]	**1,297.8**	534.6	763.2	142.8

1 Cash and other liquid funds are disclosed in Note 17 to the consolidated financial statements.

Cash generated by operations before changes in working capital more than doubled to US$1,559.8 million, primarily due to higher precious metals prices and increased production volumes during the year. Working capital increased US$162.9 million, mainly due to: i) a US$196.2 million increase in trade receivables from related parties principally because of higher precious metals prices; and ii) a US$28.0 decrease in trade payables. This was partly offset by a decrease in ore inventories of US$50.6 million; and ii) a US$10.7 million decrease in prepayments mainly to contractors.

Taxes and employee profit sharing paid decreased 60.2% vs 2023 to US$97.1 million, mainly due to: i) a decrease in provisional tax payments paid in 2024; ii) the lower final income tax paid in 2024, net of provisional taxes paid, corresponding to the 2023 tax fiscal year; iii) a decrease in mining rights payments; and iv) lower profit sharing paid.

As a result of the above factors, net cash from operating activities increased 205.2% from US$425.9 million in 2023 to US$1,299.8 million in 2024.

Main uses of funds were:

i) The purchase of property, plant and equipment for a total of US$370.5 million. Capital expenditures for 2024 are described in the Review of Operations section (see pages 31-45).
ii) Dividends paid to shareholders of the Group in 2024 totalled US$78.2 million, a 27.9% decrease vs 2023, in line with our dividend policy which includes a consideration of profits generated in the year, adjusted for the extraordinary, non-cash items, in particular the revaluation of the Silverstream contract and the effect of the exchange rate on deferred taxes. The 2024 payment included the 2023 final ordinary dividend of 4.20 cents per share paid in May 2024, totalling US$31.0 million, and the 2024 interim ordinary dividend paid in September of US$47.2 million.
iii) Financial expenses and foreign exchange effects of US$9.8 million, an increase of 53.1% vs 2023. Financial expenses in 2024 included interest paid on the 4.250% Senior Notes due 2050. In addition, financial expenses in 2023 included interest paid on the outstanding US$317.9 million 5.500% Senior Notes due November 2023.

The sources and uses of funds described above resulted in an increase in net cash of US$763.2 million (net increase in cash and other liquid assets), which combined with the US$534.6 million balance at the beginning of the year resulted in cash and other liquid assets of US$1,297.8 million at the end of December 2024.

Balance sheet

Fresnillo plc continued to maintain a solid financial position during the period with cash and other liquid funds1 of US$1,297.8 million as of 31 December 2024. Taking this and the US$839.5 million outstanding Senior Notes, Fresnillo plc's net cash was US$458.3 million as of 31 December 2024. This compares to the net debt of US$304.4 million as of 31 December 2023. In 2023 the Group had a net debt/EBITDA ratio of 0.46x[1].

Inventories decreased 9.5% to US$482.2 million, mainly due to: i) the decrease of gold inventories at Noche Buena, ii) a reduction in the gold content at the leaching pads and to be processed at the dynamic leaching plants at Herradura, iii) the decreased inventories of zinc concentrate at all our underground mines, and iv) a decrease in inventories of operating materials and spare parts.

Dividends

Based on the Group's 2024 performance, the Directors have recommended a final ordinary dividend of 26.1 US cents per Ordinary Share, which will be paid on 30 May 2025 to shareholders on the register on 22 April 2025. The dividend will be paid in UK pounds sterling unless shareholders elect to be paid in US dollars. This is in addition to the interim ordinary dividend of 6.40 US cents per share. This final ordinary dividend remains in line with the Group's dividend policy to pay out 33-50% of the profit attributable to equity shareholders of the company after making certain customary adjustments to exclude extraordinary non-cash effects in the income statement.

In addition, the Board has declared a one-off special dividend of 41.8 US cents per share, equivalent to US$308.0 million which will also be payable on 30 May 2025 to shareholders on the register as at 22 April 2025. This decision was made following a comprehensive review of the Group's financial position, its strong balance sheet and taking into consideration the positive cash flow that the Group is expecting to generate in the coming years.

As disclosed in previous reports, the corporate income tax reform introduced in Mexico in 2014 created a withholding tax obligation of 10% relating to the payment of dividends, including to foreign nationals. The 2024 final ordinary dividend will be subject to this withholding obligation.

1 Net debt is calculated as debt at 31 December 2023 less Cash and other liquid funds at 31 December 2023 divided by the EBITDA generated in the last 12 months.

LETTER FROM THE CHAIRMAN OF THE HEALTH, SAFETY, ENVIRONMENT & COMMUNITY RELATIONS (HSECR) COMMITTEE

Dear Shareholder,

Mining plays a vital role in addressing global challenges, from modernising infrastructure and technology to advancing the energy transition. As the first link within the commercial and industrial value chain, it is also essential to other industries. However, as a resource-intensive industry, it demands a disciplined, forward-looking approach to reducing its negative impacts. We are committed to responsible mining practices that safeguard people, communities and the environment while contributing to long-term societal progress.

"Looking ahead, our 2026 vision remains clear: zero fatalities and a TRIFR aligned with International Council on Mining and Metals (ICMM) standards."

The HSECR Committee supports the Board in overseeing how the Company is doing Business Ethically and Responsibly, Caring for Our People, Protecting the Environment, and Partnering with Our Communities in pursuit of its strategic objectives. This includes reviewing strategies and performance to ensure they effectively address environmental, social, and governance (ESG) considerations and progress against commitments and objectives.

As Chairman of the Committee, I would like to express my heartfelt condolences at the loss of two contractor workers.

These incidents serve as a stark reminder that there is no margin of error when it comes to safety, and that we must remain vigilant of risk scenarios not only within our production processes but throughout our entire value chain

In response to these incidents, we have reinforced competencies in risk analysis, operational controls and implementation of further safety measures.

Our commitment has seen a continuous overall improvements in our safety performance, including a year on year 37.1% reduction in Total Recordable Injury Frequency Rate (TRIFR) – from 12.08 to 7.59 – and a 35.7% reduction in Lost Time Injury Frequency Rate (LTIFR) – from 7.40 to 4.75.

We continue to empower workers to make the right calls regarding safety in every single activity and environment, and to have the confidence to stop operations at any moment – without any reprisals – should they detect an unsafe condition. In addition, we have strengthened engagement with contractors, implementing new mechanisms to assess, monitor, and evaluate their compliance with safety standards. Furthermore, we remain resolute in continuing to enhance leadership practices and verifications, to ensure coverage of all possible risk scenarios.

Looking ahead, our 2026 vision remains clear: zero fatalities and a TRIFR aligned with International Council on Mining and Metals (ICMM) standards. To achieve this, we will enhance leadership oversight, improve personnel competencies, and mature our risk management processes. As part of our long-term strategy, we are advancing technology-driven safety initiatives, to further minimise common industry risks and reinforce preventive reporting. By continuously evolving our safety approach, we make safety an absolute priority in everything we do and reaffirm our unwavering commitment to ensuring that every worker returns home safely – without exception.

Our commitment to safe operations extends beyond our workforce. Strengthening governance, monitoring, and operational controls ensures environmental and structural integrity across all facilities. For example, in 2024, we continued strengthening our Tailings Management System. This included conducting impact assessments, identifying potential failure modes, and standardising operation, maintenance, and surveillance procedures to enhance safety and ensure proactive risk management. In that respect, we also invested US$52.9 million in five key projects, and an additional US$13.6 million was allocated to pre-feasibility and feasibility-stage projects. The Independent Tailings Review Panel (ITRP) also completed its annual review programme, covering Ciénega, San Julián and the Orysivo project.

Reliable access to energy and water is critical to both mining operations and the wellbeing of local communities. By investing in renewable energy and water treatment infrastructure, we are enhancing sustainability while contributing to broader resource security. This year, we significantly increased renewable energy consumption, with 80.6% of our electricity mix sourced from renewables – up from 53.3% in 2023. This progress was driven by the strategic substitution of thermal electricity for wind power in our energy sourcing agreements.

As a result, we achieved a 28.0% reduction in total direct and indirect Greenhouse Gas (GHG) emissions and GHG intensity, reaching 0.0182 tons of carbon dioxide equivalents (CO_2e) per ton of mineral processed – our lowest in recent years.

In 2024, we also advanced our water stewardship efforts, reducing freshwater consumption and strengthening collaboration with local and federal authorities. We achieved 84.2% water reuse efficiency, with municipal treated wastewater use rising to 81.2% in the Fresnillo District and 30.2% company-wide – up from 76.5% and 26.3% in 2023. Additionally, a US$ 7 million investment to expand municipal water treatment and potabilisation capacity will support our sustainability ambitions and address water shortages and sanitation challenges in Fresnillo city.

We are shaping our business to meet the challenges and opportunities ahead by embedding responsible mining practices that enhance operational resilience, empower our workforce, support local communities, and create lasting value for society. Our long-term strategy prioritises operational excellence and a zero-harm approach to people and the environment, all underpinned by strong governance and ethical conduct. The HSECR Committee remains committed to conducting a comprehensive assessment of matters under its remit while driving progress in the Company's strategy and overall ESG performance.

Yours faithfully,

Arturo Fernández
Chairman, Health, Safety, Environment and Community Relations Committee

Role of the Committee
The role and duties of the HSECR Committee are set out in its terms of reference, a copy of which can be found on the Company's website.

HSECR Committee Membership
Mr Arturo Fernández (Chairman),
Dame Judith Macgregor,
Mr Fernando Ruiz and
Ms Georgina Kessel.

Key contributors: Chief Executive Officer, Chief Operating Officer North, Chief Operating Officer Central, VP Infrastructure (Peñoles), General Counsel, Assistant VP of Safety and Environment, Health Corporate Manager, Community Relations Manager, and ESG Compliance Manager.

HSECR Committee Activity
During the year, the Committee met in accordance with its terms of reference.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE
OUR APPROACH TO SUSTAINABLE MINING

We believe that precious metals are part of the solution to pressing global challenges. They are vital for everything from equipment to diagnose and treat life-changing illnesses to contributing to the energy transition. We strive to mine these resources in a way that supports lives and livelihoods long into the future.

Our sustainability strategy challenges us to push boundaries in mining to operate responsibly and increase our contribution to broader society. By integrating sustainable development considerations into our business goals, we want to reduce our environmental footprint while supporting the wellbeing, resilience and quality of life of our workers and communities.

Mining has the potential to drive economic and social progress when conducted responsibly. To safeguard these benefits, we maintain strong governance and ethical standards, ensuring transparency and integrity across our operations. Through proactive engagement with employees, contractors, suppliers, Unions, NGOs, communities and government entities, we foster positive relationships while proactively mitigating risks such as bribery, corruption, money laundering, fraud, and human rights violations.

Collaboration underpins our sustainability strategy. Earning the trust of our diverse stakeholders is integral to our continued success. Strong partnerships with different entities provide us with insights and means to strengthen our strategy and explore new avenues. Long-term relationships with our workforce enable us to build a robust pipeline of talent to progress our goals. And positive connections with communities secure vital support in pursuit of our ambitions.

It is through collaboration that we recognise our stakeholders' interests and effectively address the matters that are important to them. By creating positive change that our stakeholders value, we will begin to dispel negative perceptions of mining, helping to cement our role firmly in the future economy. Forging reciprocal relationships also widens our sphere of influence, extending the positive impact of our work. See our Stakeholders section on pages 24-28.

To achieve our long-term vision, we are focusing our efforts on four key areas that bring together the benefits of precious metals and sustainable mining practices:

STRENGTHENING MODERN MINING PRACTICES

To limit our impact on the planet, we strive for zero-harm to people and the environment. Robust policies and responsible management of infrastructure and resources, backed by operational excellence, hold us to high standards and drive continuous improvement in managing risks and leveraging new technologies.

EMPOWERING PEOPLE

Modern mining offers rewarding careers and builds lifelong skills. We nurture a collaborative, supportive environment to encourage people to forge a long, rewarding career with us, where they feel involved and engaged in progressing our strategy and performance.

ADDRESSING LOCAL AND REGIONAL PRIORITIES

We want to use our influence to be a force for improvement in areas where we operate. By engaging with our neighbouring communities, we are working to address their priorities and enhance their resilience for long-term wellbeing and prosperity.

GENERATING SHARED VALUE

As a responsible corporate citizen, we work to distribute the benefits of our operations locally and nationally through robust policies and oversight.

Engagement

We also actively engage with governments, NGOs, business associations, and industry stakeholders to drive environmental and social progress. These partnerships generate valuable insights, drive innovation, allocate resources effectively, and promote best practices across the industry. However, our commitment goes beyond mining:

- We participate in the Silver Institute's initiative to further study silver's lifecycle and its role as a climate-smart metal.
- We engage in innovation-driven partnerships, such as the Colorado Cleantech Challenge, which connects mining companies with clean technology providers to collaboratively address and overcome the environmental challenges inherent in our industry, enhancing environmental performance and industry sustainability.
- We are members of the IFRS Sustainability Alliance and, through management membership, form part of the IFRS Sustainability Reference Group with the purpose of expanding our knowledge and contributing to technical discussions on sustainability standard setting.
- We also contribute to the World Environment Center (WEC), gaining insights from global industry leaders on climate strategy and sustainable development.
- In Mexico, we are part of CESPEDES, the national chapter of the World Business Council for Sustainable Development (WBCSD), collaborating on best practices and policy engagement.

- We support Naturalia, an NGO dedicated to the conservation of Mexican ecosystems and wildlife.
- Finally, we also actively engage in market research on sustainability and climate change, having contributed in the past to FRC Lab publications, and the Mexican Council for Sustainable Finance's 2024 report Final Report: Establishing a Baseline on the Integration of TCFD Recommendations in Financial Institutions within the Mexican Financial System.

Materiality assessment

We actively engage with stakeholders to identify, assess, and prioritise material issues that impact both our business and our stakeholders. This process, known as materiality assessment, informs our sustainability strategy and non-financial reporting, ensuring alignment with evolving societal expectations and industry trends. Given the dynamic nature of our industry, we conduct in-depth materiality assessments periodically, ensuring best practices and alignment with industry standards.

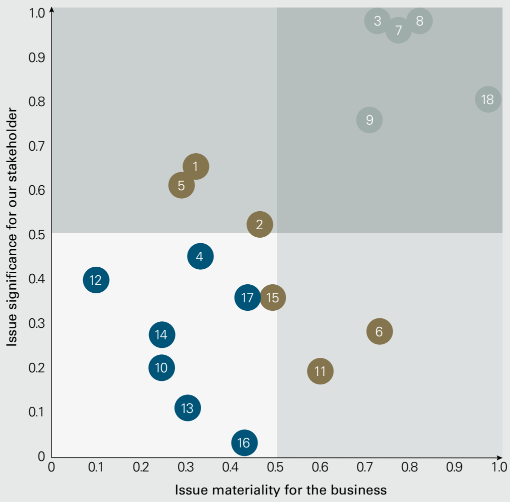
Our latest Materiality assessment focused on operational mining sites in Mexico. As in previous years, we assessed materiality for both the present and the next 10 years, aligning with the medium-term scenarios in our Enterprise Risk Management Framework and the Company's Strategic Plan.

The assessment outcomes were communicated internally and incorporated into our sustainability strategy and disclosures, ensuring transparency and alignment with business priorities. Issues identified as high priority for both the business and external stakeholders are being actively managed and strategically communicated.

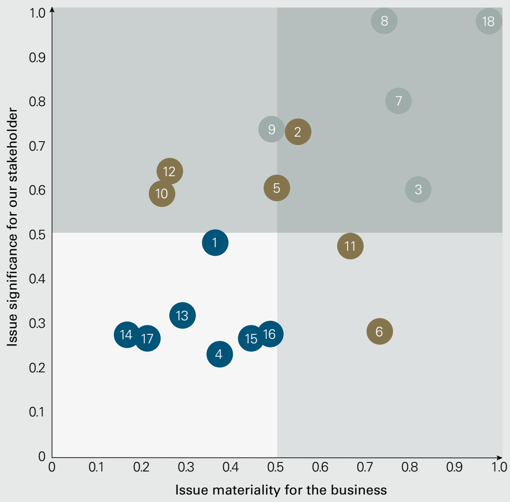
Our most recent assessment reinforced the ongoing relevance of key issues while also identifying shifts in stakeholder priorities against our previous assessment:

1. **Consistently high-priority topics:** Water management, ethics, corporate integrity, and safety.
2. **Evolving priorities:** Community relations (with focus on long-term sustainability), health and safety, and occupational health concerns.
3. **Declining prominence:** Certain aspects of waste management and mine closure.

Materiality 2023



Materiality 2033



Material issues

1. Biodiversity conservation
2. Climate change
3. Community relations
4. Data privacy and cybersecurity
5. Diversity, equity and inclusion
6. Environmental management
7. Ethics and corporate integrity
8. Governance, risk and crisis management
9. Health, safety and occupational wellbeing
10. Human rights
11. Innovation and technology
12. Mine closure
13. Relationship with government and authorities
14. Relationship with indigenous people
15. Responsible value chain
16. Talent development
17. Waste management
18. Water management

Relevance of material issues:

- High
- Medium
- Low

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
OUR APPROACH TO SUSTAINABLE MINING

Our sustainability framework

Our sustainability strategy is structured around four strategic pillars: Doing Business Ethically and Responsibly, Caring for Our People, Protecting the Environment, and Partnering with Our Communities.

Pillar & ambitions	Key matters	Material issues Page 61	Intersection with principal risks Pages 116-138
DOING BUSINESS ETHICALLY AND RESPONSIBLY WE AFFIRM OUR ETHICAL CULTURE THROUGH OUR BEHAVIOUR AND ACTIONS See **pages 65-68**	• Ethics culture • Responsible business	7 Ethics and corporate integrity 15 Responsible value chain 4 Data privacy and cybersecurity 13 Relationship with government and authorities	1 Potential actions by the government 8 Human resources 3 Cybersecurity
CARING FOR OUR PEOPLE WE PRIORITISE OUR WORKFORCE'S HEALTH, SAFETY AND WELLBEING See **pages 69-79**	• Our culture • Our people • Safety • Health	10 Human Rights 16 Talent development 9 Health, safety and occupational wellbeing 11 Innovation and technology 5 Diversity, equity and inclusion	8 Human resources 10 Safety 7 Union Relations
PROTECTING THE ENVIRONMENT WE OPTIMISE RESOURCE CONSUMPTION TO CURB OUR IMPACTS AND ARE ACCOUNTABLE FOR OUR ENVIRONMENTAL FOOTPRINT See **pages 80-100**	• Energy • Climate change • Waste management • Water stewardship • Biodiversity • Mine closure	11 Innovation and technology 2 Climate change 18 Water management 17 Waste management 6 Environmental management 1 Biodiversity conservation 12 Mine closure	13 Climate change 14 Tailings dams 15 Environmental incidents
PARTNERING WITH OUR COMMUNITIES WE ENGAGE MEANINGFULLY WITH OUR COMMUNITIES AND SUPPORT THE ISSUES THAT MATTER TO THEM See **pages 101-106**	• Community relations • Socio-economic development • Respecting human rights	3 Community relations 14 Relationship with Indigenous people 10 Human Rights	2 Security 6 Access to Land 11 Licence to Operate

These pillars guide our efforts in addressing material issues that impact our business and stakeholders. By setting clear commitments and tracking measurable progress, we ensure accountability, drive continuous improvement, and align our actions with long-term sustainability commitments. See our ESG KPIs Tables on pages 107-113.

SDG alignment	Our commitments	Our objectives	Our progress
	• Embed a culture of trust and accountability that strengthens operational integrity • Be accountable for our actions across the value chain	• Strengthen understanding of and confidence in the Whistleblowing Mechanism	• Deployed robust communications campaign in 2024
	• Empower people to make the right decisions for the safety of our operations	• Reduce TRIFR and Fatality rate to the ICMM range	• Reduced TRIFR to 7.59 from 12.08 in 2023
	• Continually work towards achieving zero fatalities	• Achieve zero fatalities	• Reduced fatality rate but unfortunately still experienced two fatalities in the period
	• Provide safe and healthy working environments	• Achieve safe and healthy work environments certification (ELSSA)	• Recertification of all our mines in 2024
	• Foster diversity, equity, and inclusion in our workforce and increase the overall participation of women	• Increase representation of women in our workforce to 12% and in managerial roles to 8% by 2025	• Achieved 12.46% of women in our workforce and 9.43% in managerial roles
	• Enhance resource efficiency and reduce consumption • Protect ecosystems surrounding our operations	• Achieve 75% renewables in electricity mix by 2030	• Increased renewable electricity consumption to 80.6% from 53.3% in 2023.
		• Use water efficiently and responsibly, reducing freshwater consumption	• Increased proportion of treated municipal wastewater consumption to 30.2% from 26.3% in 2023
	• Manage waste responsibly throughout the lifecycle of our operations	• Implement the Tailings Management System across all mines	• Conducted seven risk evaluation assessments in 2024
	• Uplift communities through social investment programmes to improve local services and infrastructure, and promote entrepreneurship	• Drive community growth though initiatives that support community aspirations	• Social investment totalled US$ 4.78, increasing 25.2% from 2023
	• Contribute to local economy through responsible tax policies, employment and procurement	• Promote local employment and procurement	• Economic value distributed totalled US$2,152.5, decreasing by 8.3% from 2023

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
OUR APPROACH TO SUSTAINABLE MINING

Our culture

We recognise organisational culture as the cornerstone of our safe and successful operations. Rooted in our core values of trust, responsibility and respect, integrity, and loyalty, this culture shapes decisions and actions at every level of the organisation. These values cultivate an environment of mutual respect, unwavering commitment, and operational excellence. Safeguarding the wellbeing of our people whilst driving the achievement of our strategic objectives to deliver the Company's purpose.

VALUES

1. **TRUST:** We believe in our collective capability as a team, leveraging the talents of individuals and working hard together to achieve extraordinary results.
2. **RESPONSIBILITY & RESPECT:** We fulfil our commitments and objectives, taking full accountability for our actions, decisions, and outcomes. We recognise the inherent value of every individual, ensuring fair and impartial treatment that preserves personal dignity and integrity while avoiding any behaviour that could be offensive. We value diverse opinions and beliefs, actively listening to differing perspectives and acknowledging their importance. We are committed to upholding the law, respecting its intent, and protecting the environment.
3. **INTEGRITY:** We act with honesty, truth, justice, and transparency, ensuring alignment between our thoughts, words, and actions. We take personal responsibility for carrying out our roles on time and on task, always striving for the quality and excellence that define us.
4. **LOYALTY:** We honour our commitments even in challenging circumstances, acting in the best interests of our shareholders, Company, clients, colleagues, suppliers, the authorities and society. We safeguard the Company assets, uphold confidentiality, and protect intellectual property and trade secrets entrusted to us.

DESIRED BEHAVIOURS

Our culture is anchored in key competencies that define the expected behaviours across all processes and levels of the organisation. These behaviours ensure the safety of our operations while fostering the wellbeing and development of our people:

1. **Teamwork:** We promote effective collaboration, recognising that collective efforts drive our success.
2. **Clear and Effective Communication:** We encourage open and transparent information flow, essential for informed decision-making and agile problem-solving.
3. **Agile Adaptability:** In our dynamic environment, we value the ability to adjust quickly to change and leverage emerging opportunities.
4. **Effective Execution:** We prioritise operational discipline and a results-driven approach to maintain excellence in our daily activities.
5. **Growth and Development:** We invest in our people, providing tools, training, and opportunities to help them achieve their goals.
5. **Emotional Intelligence:** We foster self-regulation and empathy; essential qualities for respectful and constructive work environments.

EMPLOYEE ENGAGEMENT

- Workforce engagement through designated NED.
- 'I Care, We Care' philosophy.
- Leadership practices in the field.
- Trust-driven Union relations and collaboration.
- Safety and hygiene committees.
- Living in Balance strategy.
- Ethics and compliance capacity building.
- Harassment Prevention programme.
- Onboarding and reinduction programme.
- Diversity, equity, and inclusion initiatives.

See Sustainability section on pages 58-115.

MONITORING OUR CULTURE

- **Organisational climate and engagement surveys:**
  - Employee and contractor satisfaction.
  - Organisational culture.
  - Psychosocial risks.
  - Leadership assessment.
- **Safety Culture surveys:**
  - Safety leadership.
  - Safety perception (LEAL).
- **Ethics Culture surveys:**
  - Ethics Culture (Ethisphere).
  - 'World's Most Ethical Companies' assessment (Ethisphere).
- **KPIs:**
  - Whistleblowing and ethical conduct cases.
  - Turnover rate.
  - Diversity indicators.

See Sustainability section on pages 58-115.

THE BOARD'S OVERSIGHT

- Ensuring the alignment of the Company's Purpose, strategy, values, and culture.
- Monitoring the Company's performance through specific Board Committees and working sessions.

Board leadership and Company purpose section on pages 154-157.

OUTCOMES FROM MONITORING OUR CULTURE

- Maintain robust strategies that support our business objectives and promote our workforce's wellbeing.
- Continue our efforts to eliminate all forms of workplace violence, prevent workplace and sexual harassment, and strengthen confidence in the Whistleblowing Mechanism, through specific training and awareness campaigns.
- Enhance the quality of Leadership Practices through direct mentoring from leaders and by improving workforce competencies.
- Leverage recent insights and findings from initiatives and frameworks to further evolve our DEI strategy and effectively communicate the positive impacts achieved.

DOING BUSINESS ETHICALLY AND RESPONSIBLY

WE AFFIRM OUR ETHICAL CULTURE THROUGH OUR BEHAVIOUR AND ACTIONS

Ethics culture

We expect our workforce and business partners to embody our values and adhere to our Code of Ethics and Conduct, creating a foundation of trust and accountability that strengthens our ethics culture and operational integrity across all aspects of our business. Furthermore, by promoting and applying these standards within their own value chains, our partners contribute to a virtuous cycle that amplifies ethical practices, generating a positive ripple effect throughout the broader business ecosystem.

Since 2016 we have actively participated in Ethisphere's 'World's Most Ethical Companies' survey, leveraging its Ethics Quotient to assess our ethical culture, identify international best practices, benchmark our Integrity and Compliance Programme, and track our progress over time. In 2024, we conducted our latest Ethics Culture survey based on this framework. These insights have guided the fine-tuning of our Integrity and Compliance Programme, with initiatives aimed at further strengthening our ethics culture, such as:

- Evaluating the main reasons why workers choose not to report concerns, and training middle management to address these issues.
- Reinforcing leadership messaging, emphasising confidentiality and protection from retaliation to ensure workers feel safe raising their concerns.

Following a comprehensive review of our Third-Party Code of Ethics and Conduct, we issued an updated version in 2024 outlining the guidelines to which our business partners must adhere.

Training and capacity building

Our Integrity and Compliance Programme is designed to cultivate a desired culture within the Company and among our business partners. To achieve this, we establish clear expectations for behaviours through mandatory training and different engagement strategies.

For our employees, we conduct an annual endorsement of our Code of Conduct, including a declaration of potential conflict of interests. In 2024, we also conducted workshops on key issues such as Conflicts of Interest, Anti-corruption and Anti-bribery (ABAC), Harassment Prevention, Regulatory Compliance and the Whistleblowing Mechanism. These included:

- Rolling out the 'we act with integrity' campaign to 93 team leaders of mine units through workshops that addressed key integrity and compliance issues, complemented by case studies for real-world context.
- Delivering compulsory courses on the Code of Conduct, key compliance policies, fundamental concepts of workplace and sexual harassment, and guidance on the Whistleblowing Mechanism.

We also implement ongoing campaigns to engage our entire workforce through different forms of media and channels as well as a dedicated internal portal. Our aim is to ensure that internal policies and key aspects of the Integrity and Compliance Programme are effectively communicated and understood. Dissemination efforts in 2024 included:

- Guidelines on gifts and hospitalities.
- Semi-annual whistleblowing statistics.
- Identification and acknowledgment of conflicts of interest.
- Cybersecurity awareness.

Additionally, we continuously engage our business partners through corporate communications and media to reinforce our compliance policies –publicly available on our corporate website– and the Code itself.

Harassment Prevention Programme

We believe a positive work environment enhances both wellbeing and productivity. The Harassment Prevention Programme, supported by comprehensive training and face-to-face workshops featuring hands-on experience and group dynamics, equips our workforce to identify, prevent, and report workplace and sexual harassment. These workshops encourage open dialogue, helping participants to gain new perspectives, challenge behaviours such as chauvinism or gender-based violence and, most importantly, adopt constructive strategies to address these issues, ensuring that every member of the Company is committed to a safe and respectful workplace.

In 2024, we updated the workplace and sexual harassment protocol, integrating improvements to enhance efficiency, objectivity, and confidentiality in the reporting and response process. We also conducted workshops for 676 employees and contractors across all our business units and in our advanced exploration project, Orysivo.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
DOING BUSINESS ETHICALLY AND RESPONSIBLY

Whistleblowing Mechanism

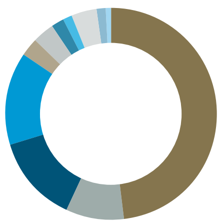
Our Whistleblowing Mechanism ('Línea Correcta') serves as a confidential and secure channel for raising concerns regarding the Company's operations and any unethical behaviour. It is operated by Ethics Global, an external third-party provider, which ensures the anonymity of whistleblowers when filing a report. The Whistleblowing Mechanism is widely available to our employees, contractors, and other stakeholders such as suppliers and members of surrounding communities. The reports received are reviewed quarterly by the Honour Commission and monitored by the Audit Committee. Twice a year, the Board of Directors also receives these reports at Board meetings. See Corporate Governance in page 146.

To ensure effective case management, all investigations are conducted by qualified professionals with specialised training in workplace behaviour, compliance and fraud prevention. Thorough investigative procedures are in place to either substantiate or dismiss allegations – including, but not limited to, reviewing tender options to ensure fairness and transparency, reviewing third-party quality surveys to assess performance, or conducting interviews to identify instances of bribery or unethical practices. In some cases, there may not be sufficient evidence to reach a definitive conclusion, but efforts are made to monitor the situation and take preventive measures when necessary.

In 2024, we reinforced our commitment to a strong speak-up culture, encouraging employees to raise concerns while also emphasising the responsible use of reporting mechanisms to ensure legitimate issues are effectively addressed. To support this, we designed and deployed a robust communications campaign which aimed to reduce the risks associated with information leakage and retaliation by engaging with potential whistleblowers and promoting the full range of reporting channels available for violations to our Codes of Ethics and Conduct. The campaign included infographics and videos to explain reportable behaviours, expectations for leaders and personnel, the importance of confidentiality in grievance investigations, as well as demystifying misconceptions that may discourage reporting.

During the year, we observed a slight decrease in complaints related to workplace and sexual harassment compared to the previous year, which we attribute to ongoing efforts to foster an inclusive and respectful organisational culture. These efforts include campaigns to strengthen confidence in the Whistleblowing Mechanism and the deployment of the Harassment Prevention Programme. As part of our continued communication initiatives, we aim to further build trust in reporting mechanisms, which may result in an increase in reported cases next year. See our ESG KPIs Tables on pages 107-113.

Cases by classification



Type	2024	2023
Labour harassment	**72**	66
Sexual harassment	**13**	23
Inappropriate arrangements with suppliers	**20**	21
Abuse of authority	**21**	19
Other	**12**	11
Non-compliance with internal policy	**4**	8
Conflict of interest	**5**	5
Professional negligence	**3**	5
Unsafe conditions	**2**	4
Fraud	**6**	1
Misuse of assets	**2**	–
Breach of trust	**1**	–
Inappropriate behaviour at work	**0**	–
Total	**161**	163

WHAT'S NEXT

Looking ahead, we remain committed to fostering a culture rooted in integrity and respect. Our priorities include delivering ongoing training, addressing workplace misconceptions, reinforcing organisational values, addressing grievances effectively, and promoting the active use of our reporting channels by:

- Continuing our efforts to eliminate all forms of workplace violence, prevent workplace and sexual harassment, and strengthen confidence in the Whistleblowing Mechanism, through specific training and awareness campaigns.
- Continuing to strengthen our internal processes to remain compliant with regulations.
- Conducting workshops for middle management, emphasising their responsibilities as ethical role models to promote integrity and ethical behaviour in the workplace.
- Fostering a humane leadership aligned with Company values through targeted seminars for middle management in the Fresnillo District, as part of a pilot initiative to address region-specific needs.

Responsible business

Modern slavery and commitment to human rights

We are committed to upholding human rights and do not tolerate any form of modern slavery, including forced labour and human trafficking in any aspect of our business or value chain.

As part of the Company's risk assessment process, in 2024 we implemented a major initiative involving working sessions, process mapping, workshops and interviews with risk owners and representatives of our most relevant suppliers. We concluded that the level of risk is acceptable, within industry parameters, and have classified it as medium. In addition, we have identified additional mitigation actions that will be reviewed and, where appropriate, implemented. For more information, please refer to our website for the latest available Modern Slavery Statement. See https://www.fresnilloplc.com/footer/modern-slavery/

Compliance programme

Our policy mandates:

- Enforcing a zero-tolerance policy for corruption and bribery.
- Encouraging the reporting of suspected misconduct through Línea Correcta, our Whistleblowing Mechanism.
- Ensuring all reported incidents of bribery and corruption are thoroughly investigated.
- Avoiding engagement with third parties flagged for bribery or corruption concerns following due diligence.
- Ensuring all transactions are recorded accurately and transparently.

During 2024, we documented and updated critical processes in coordination with technical areas and process owners to guarantee regulatory compliance and business continuity. Key updates included telecommunications infrastructure, energy use, water management, and indigenous consultation. Awareness of the importance of regulatory compliance is continuously reinforced through corporate communications and the year-round Compliance Matters campaign.

Anti-Bribery and Anti-Corruption (ABAC)

Compliance with the UK Bribery Act 2010, the Mexican General Law of Administrative Accountability, and relevant federal and state regulations, is a core commitment upheld across the organisation. Whilst our Internal and third-party Codes of Ethics and Conduct establish expected behaviours, we continuously supervise operations to mitigate risks and ensure compliance with legal and ethical standards. Disciplinary actions for involvement in violations – whether directly or indirectly – may include legal measures, employment termination for our workforce, or the cessation of business relationships for third parties.

Our ABAC programme is aligned with international best practices, such as the United Nations Global Compact (UNGC), International Labour Organization (ILO) convention, and Organization for Economic Cooperation and Development (OECD) corporate responsibility guidelines. In 2024, we advanced our ABAC programme by implementing improvements identified during a 2022 third-party assessment. These enhancements focused on strengthening controls in departments more prone to ABAC risks, such as community relations, procurement, contracting, financial operations, and third-party management.

Money Laundering Prevention (AML)

We also rigorously monitor transactions and report vulnerable activities in compliance with local Anti-Money Laundering (AML) regulations. In 2024, mandatory reports required under the Mexican AML regulatory framework were submitted to the Mexican Tax Administration Service in a timely manner.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
DOING BUSINESS ETHICALLY AND RESPONSIBLY

Third Party Due Diligence

Since 2013, we have conducted due diligence before establishing business relationships with third parties such as contractors, customers, and suppliers. The due diligence is carried out through a risk-based approach, determining risk levels, with validity from one to three years, and termination of business relationships if risks cannot be mitigated.

Our due diligence process is fully aligned with our Anti-Bribery, Anti-Corruption (ABAC) and Anti-Money Laundering (AML) policies compliance framework and our broader risk management approach. This integration enables us to proactively mitigate risks by reinforcing monitoring and controls to prevent unethical practices – including fraud and human rights violations – whilst ensuring heightened oversight of high-exposure areas, processes, and individuals.

Additionally, third parties must pledge compliance with our standards for ethical behaviour, integrity, human and labour rights, occupational health and safety, and environmental and community considerations.

Implemented in 2023, the automation and standardisation of our due diligence process has provided a clear oversight of third-party criticality. The new platform efficiently detects alerts and ensures an accurate methodology for making informed decisions about initiating or continuing business relationships. Automation ensures more effective tracking of transactions, reduces response times, and simplifies processes for all parties. To support its implementation, we conducted training and support sessions throughout 2024.

Government payment transparency

As required by the UK Reports on Payments to Governments Regulation 2014, its amendment in December 2015 and the Disclosure and Transparency Rules of the Financial Conduct Authority (FCA), since 2016 we have reported an overview of payments to governments made by our Company and its subsidiaries during the previous reporting year.

The payments disclosed are those arising from activities involving the exploration, prospecting, discovery, development, and extraction of minerals (extractive activities), based on materiality established by such regulations (where a payment or a series or related payments have exceeded £86,000).

The type of payments that were disclosed for the 2023 fiscal year are:

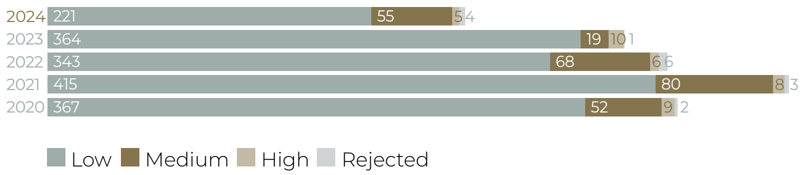
- Taxes: there are taxes paid by Fresnillo on its income, including special mining rights. In accordance with the UK Regulations, payments made in relation to consumption, sales or employee taxes were excluded.
- Royalties.
- Licence fees, rental fees, entry fees and other considerations for licences or concessions: these are fees paid as consideration for acquiring a licence for gaining access to an area where extractive activities are performed.

For more information, please refer to our website for the latest available report on payments to governments. See https://www.fresnilloplc.com/investors/regulatory-announcements/

WHAT'S NEXT

- Continue our efforts to assess and mitigate Modern Slavery risks.
- Continue training for all personnel, emphasising fraud prevention, specifically tailoring modules for areas and personnel with a higher likelihood of encountering bribery risk.
- Implement a targeted training plan covering anti-corruption and anti-bribery for areas more susceptible to these risks.
- Carry out continuous monitoring of group-related operations with vulnerable activities, along with the necessary adaptation to emerging regulatory changes.

Third-party due diligences performed, by risk level



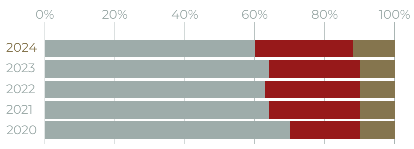
CARING FOR OUR PEOPLE
WE PRIORITISE OUR WORKFORCE'S HEALTH, SAFETY AND WELLBEING

Our people

Our corporate culture is rooted in ethics and a genuine commitment to the wellbeing of our people. This foundation enables us to foster long-term relationships with our workforce, built on respect for labour rights, constructive dialogue with Union representatives, and initiatives to address the issues that matter most to our employees and contractors. Guided by these principles, we strive to attract, develop, and retain top talent to secure a robust pipeline that drives our organisation's success.

Our current workforce comprises 18,095 individuals, 8.8% of whom are non-unionised, 30.9% are unionised and 60.3% are contractors. Additionally, of our total workforce, 12.5% are women. See our ESG KPIs Tables on pages 107-113.

Workforce composition by affiliation



- Contractors
- Unionised employees
- Non-unionised employees

Note: 297 of the contractor personnel are non-unionised operational workers internalised from contracting companies.

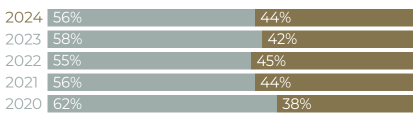
Attraction

We collaborate with leading educational institutions that offer degrees in fields related to Earth sciences, such as mining, geology, metallurgy, and engineering. Our cohort-based recruitment system for non-unionised workers includes short and long-term internships, residencies, and the Engineers in Training programme.

The Engineers in Training programme is tailored for residency graduates, providing a dedicated coach for guidance and performance appraisals, with the potential for permanent roles in the Company, holding an average retention rate of 62%.

These initiatives offer undergraduates meaningful professional experience, embedding our culture and values early in their careers, whilst building a robust talent pipeline aligned with our growth strategy. They also support our commitment to increasing women's participation in the mining industry. Over time, we have made significant progress toward gender-balanced cohorts. Our latest cohort in 2024 comprised 143 young professionals.

Diversity in talent attraction



- Men
- Women

Note: includes Long-term internships and Engineers in Training. Junior non-unionised positions.

INTERNSHIPS

Includes traditional one-month continuous internships and specialised Dual Internships, where participants alternate between academic coursework and one week per month at work centres to reinforce their knowledge.

RESIDENCIES

These three-month residencies focus on implementing impactful projects for the Company. Participants present their findings to interdisciplinary teams.

ENGINEERS IN TRAINING

Designed for undergraduates who have completed residencies, this six-month programme develops skills across mining production processes and provides technical, administrative, and safety competencies.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
CARING FOR OUR PEOPLE

Retention

To unlock our employees' full potential, we foster a work culture that champions inclusion, collaboration, and innovation, while prioritising physical and emotional wellbeing through robust safety policies, career development plans, and recognition initiatives. Long-term career growth is a cornerstone of our retention strategy, reflected in our ongoing investment in training programmes and commitment to offering fair, competitive compensation packages and benefits that exceed legal requirements, tailored to responsibilities and performance-based evaluations. To celebrate their dedication and contributions, we honour employees' milestones annually through our Loyalty Recognition Programme. In 2024,195 employees were recognised for service anniversaries ranging from five to 40 years.

Acknowledging the importance of a modern work environment, we prioritise initiatives that enhance workforce wellbeing, promote work-life balance and address the unique needs associated with mining units, including:

- **Enhanced support for remote locations:** Flexible working arrangements such as fly-in-fly-out schedules, role rotation, variable workdays, and additional measures to compensate personnel working in areas with limited family support infrastructure.
- **Quality-of-life facilities:** Access to gyms, pools, sports courts, and reliable telecommunications.
- **Health, Nutrition, and Cultural Programmes:** Organisation-wide initiatives to promote comprehensive wellbeing. The Living in Balance Programme also provides tools for employees and families to foster healthy habits that improve their lifestyle (see Health on pages 78-79).

Periodic engagement exercises provide valuable insights that inform future policies and initiatives to enhance employee satisfaction and drive organisational success. This includes biennial organisational climate surveys and annual discussions with our Designated Non-Executive Director (NED) for workforce engagement (see Workforce Engagement in page 30).

ENGAGING WITH OUR PEOPLE

We carry out biennial engagement surveys, using the Basher methodology to monitor organisational climate. This encompasses 60 items across seven key areas to evaluate employee and contractor satisfaction. The survey employs a dual evaluation scale, combining responses with the relevance they hold for each individual. The outcomes are comprehensively analysed across different cohorts, leading to discussions among leadership teams and relevant departments. Areas with the lowest scores, as well as specific items, are highlighted and form the basis for extensions to existing programmes or integrated as focal points of new improvement plans.

Topics:

- Our working practices.
- Industrial safety.
- Code of conduct and compliance.
- Management and leadership.
- Work environment.
- Trust.
- Teamwork.

Cohorts analysed:

- Process/department.
- Organisational roles.
- Age groups.
- Seniority.
- Sex.
- Key personnel.

Development

Our onboarding procedures integrate unionised and non-unionised personnel through immersive in-person sessions, while contractors complete a comprehensive programme via our online Virtual Campus before accessing industrial facilities, ensuring safe operations. All personnel undergo regular reinduction processes to reinforce safety protocols and operational excellence. The onboarding experience highlights the Company's safety culture, fostering a collective commitment to accountability, risk prevention, and critical risk controls, ensuring alignment with operational standards (see Safety on pages 73-77). Core onboarding topics include:

- Industrial safety and hygiene: Basic safety, 'I Care, We Care' philosophy and critical risks control protocol.
- Health, safety and environmental regulation: Special permits and norms, first aid, CPR, and compliance regulations.
- Company overview: HSECR management system, antibribery practices, labour harassment prevention and psychosocial risks management.

Our **Performance Appraisal** system identifies training needs, high-potential individuals, and key positions for succession planning, advancing promising candidates into institutional development programmes. Aligned with our strategic priorities, these programmes strengthen both technical competencies and leadership capabilities.

The **Soft Skills Development Programmes** provide tailored support across all organisational levels. Managers and supervisors strengthen their technical expertise in exploration, mine planning, accounting, mineral processing and digital innovation while also gaining leadership and managerial skills. Executives focus on strategic challenges, deepening their knowledge in finance, human resources, corporate social responsibility, and leadership.

The **Technical Development Programmes** focus on strengthening and certifying competencies vital to business process – such as Rock Mechanics, Ventilation, Safety, Environment, Planning, and Metallurgy. And aim to enhance core safety capabilities such as critical risks and controls. We also operate three evaluation centres at our facilities in the Fresnillo District, registered with the National Council for Standardization and Certification of Labour Competencies (CONOCER).

In 2024, we achieved an average of 67 training hours per worker, including 23 hours specifically dedicated to safety training. See our ESG KPIs Tables on pages 107-113.

Diversity, equity and inclusion

We are committed to fostering inclusion and promoting gender equality, guided by the Women's Empowerment Principles (WEPs), which we signed in 2020. To increase the overall representation of women, we have established two key objectives:

1. Strengthen the contribution of women to the Company's success.
2. Positively impact female employees' experience and opportunities.

In 2020, we committed to raising the overall representation of women in our workforce to 12% by 2025 and breaking the glass ceiling at the operating manager and superintendent levels, with the aim of increasing the percentage of women in these roles to 8%. Significant progress has been made, with the overall representation of women reaching 12.46% and women in managerial roles rising to 9.43% by 2024, compared to 9.70% and 2.56% in 2020, respectively. Whilst proud of these achievements, we recognise that further efforts are needed to close the gap with the national average of 17.9%, as reported by the Mexican Mining Chamber.

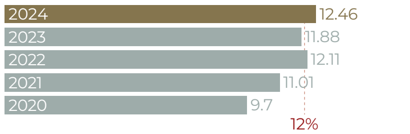
Since adhering to the WEPs, we have participated in multiple initiatives that have allowed us to measure our progress, identify areas of opportunity, and drive organisational improvements. In 2024, we joined the United Nations Global Compact (UNGC) Target Gender Equality (TGE) Accelerator Program and reassessed our performance using the WEPs Gender Gap Analysis Tool, achieving an overall score of 54%. Our strongest results are in the commitments pillar, with medium performance in implementation and greater opportunities for improvement in metrics and transparency.

Further advancing our gender diversity efforts, the Herradura mine underwent evaluation under the Women in Mining (WIM) Mexico Seal, a methodology that assesses mining units across nine pillars, including harassment prevention, professional development, inclusive facilities and working conditions. This marked significant progress in our journey, providing valuable insights to recalibrate the Company's gender diversity strategy in alignment with its 2025-2040 Strategic Plan across our operations.

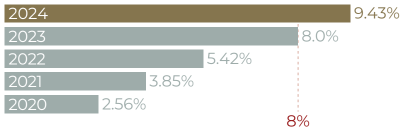
Since 2022, we have deepened our inclusion initiatives by hosting annual rallies in Caborca, Sonora, in collaboration with the TELETON Sonora Foundation, the local National System for Integral Family Development (DIF), and Sonora University's (UNISON) Caborca campus. These events aim to raise awareness and provide practical tools for fostering an inclusive society and workplace. In 2024, the rally brought together 300 attendees, including students, teachers, psychologists, and medical professionals. The programme featured eight conferences on topics such as language development, neurodevelopmental divergences, occupational therapy, and sensory integration, alongside five workshops on crisis intervention and classroom behavioural management.

Additionally, during 2024 we actively participated in BAL Group's annual DEI Week, which provides conferences and discussions on disability awareness and best practices for labour inclusion. These initiatives underscore our commitment to cultivating an inclusive workplace and driving meaningful progress in diversity, equity, and inclusion.

Percentage of women in the workforce



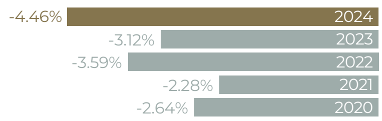
Glass ceiling: women in managerial positions



Gender Pay Gap

We are committed to paying an equal wage for an equal job. Based on salary scales, we have policies in place to close the gender pay gap. In 2024, the gender pay gap for non-unionised, non-executive employees was -4.46% in 2024. The gender pay gap is calculated using the weighted average salary per hierarchical level. The head count per hierarchical level and business unit is used to determine the weights in the overall average gap calculation.

Overall gender pay gap



SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
CARING FOR OUR PEOPLE

Labour relations

Unions play a pivotal role in our commitment to promote ongoing operation at our mine sites, enhancing productivity and developing a robust safety culture. We believe that maintaining fair and respectful relationships with Unions is essential to building trust and mutual accountability, whilst upholding workers' rights to freedom of expression, free association, and collective bargaining.

We actively engage with Unions through regular dialogue and periodic operational reviews, leadership development programmes, and wellbeing initiatives – including sports and cultural events – as well as collaborative projects focused on continuous improvement. Regular interactions take place between the CEO, the Head of HR, and Union senior leadership, whilst at the operational level, our business units maintain close ties with local Union committees and delegates. These engagements underscore our dedication to open communication and foster collaboration for capacity-building initiatives, particularly for those newly elected as Union committee members.

Annual Safety Symposiums, conducted in partnership with Unions and authorities, provide a platform for exchanging best practices and promoting meaningful discussions on industry challenges and opportunities. In partnership with the Union, we also conduct the 'LEAL' survey on workplace behaviour perceptions and experiences, using its insights to refine our strategy and drive continuous improvement in our safety culture (see Safety section on pages 73-77).

WHAT'S NEXT
- Diversify talent development programmes and initiatives.
- Formalise succession plans.
- Implement a DEI module in onboarding virtual trainings.
- Leverage recent insights and findings from initiatives and frameworks to further evolve our DEI strategy and effectively communicate the positive impacts achieved.

Safety

We prioritise the wellbeing of our workers and uphold a deep commitment to Life though our 'I Care, We Care' philosophy, with the goal of ensuring safe operations: zero fatalities, zero accidents, zero injuries, and zero harm.

Strategy

Safety is a fundamental value, reflecting our moral obligation to protect the wellbeing of our workers. Our goal is clear: to operate without fatal accidents, minimise exposure to risk, prevent harm to people and damage to assets, and maintain an ethical, safe work environment supported by strong and visible leadership at all levels of the organisation. Our 2026 vision is to achieve zero fatalities and decrease our TRIFR to International Council on Mining and Metals (ICMM) standards.

We aim to minimise individuals' risk exposure, protect assets, and leverage advanced technology to enhance preventive reporting and enable proactive decision-making, whilst mitigating common industry risks and ensuring operational continuity. To this end, we continue analysing and testing solutions tailored to each site's specific needs – including advanced telemetry for asset integrity monitoring, geolocation, proximity and collision warning systems to prevent accidents, and radars and geomechanical cables for slope and rock stability monitoring. Additionally, technologies that support critical control automation, and software to ensure proper escalation, among others.

Prevention is at the heart of our safety culture. Our 'I Care, We Care' philosophy addresses inherent risks though five strategic pillars: leadership, accountability, behaviours risk competencies, systems, and learning environment. These pillars aim to establish critical controls and performance standards across all business process, from explorations to operations, empowering personnel to identify and address risks in alignment with safety protocols, and make sound, responsible decisions. This approach fosters continuous improvement, effectively reducing risks through the provision of the right tools and training.

The 'I Care, We Care' technical components prioritise critical risks – those with the potential for fatalities or serious harm – whilst the operational framework ensures that all risks are addressed systematically. This approach enables a comprehensive risk management strategy and drives continuous innovation in safety practices, risk management, and emergency preparedness, all within a virtuous cycle of a Learning Environment: high-performance standards, continuous learning and improvement.

Since 2021, we also implement near-miss reporting to identify missed or failed critical controls that could lead to harm. This initiative fosters a proactive management approach, encourages worker participation in an early warning system, and strengthens operational safety by enabling timely and informed decision-making.

The 'I Care, We Care' strategic cycle

Management

The Safety Operational Plan focuses on the consistent and comprehensive implementation of critical controls. This includes verifying their effectiveness, ensuring proper deployment, and promoting visible leadership both in the field and through active engagement and participation with employees and contractors at all levels of the organisation. We employ various mechanisms to identify and assess risks, all with an operational focus aimed at minimising risk during field activities.

- Our risk management strategy adheres to the NOM-023-STPS-2012 standard. Routine tasks are evaluated using general tools, while non-routine or high-risk activities require specific mechanisms such as the Safe Work Analysis, permits, and authorisations.
- For critical risks, leadership teams conduct critical risk identification and bow-tie analyses to identify, review, and strengthen controls, actively supported by risk owners, critical control owners and experts. These efforts have enabled us to develop a comprehensive portfolio of critical control verification tools that ensure avoidance or mitigation of risks, including pre-activity checklists, performance standards, parameters and quality criteria.

We have advanced our efforts to establish our safety culture as a way of life, building on past initiatives and reflecting our ideal way of doing business. Creating value while ensuring the wellbeing of our people, as outlined in the following sections.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
CARING FOR OUR PEOPLE

Leadership in the field
We consider safety a Life Value, and uphold it though values-driven Visible Leadership, embedding responsibility and accountability at every level and among all members of our workforce.

We deliver leadership programmes to promote leadership by example in the field. This approach ensures the oversight and verification of critical risks and their associated controls, contributing to the strengthening of our preventive culture. Leadership practices aim to empower individuals to identify missing or failed controls and make the right decisions. For example by stopping tasks if necessary to ensure safe operations until issues are resolved. In 2024, we:

- Initiated quality verification for leadership practices (coaching modality and quality in management) and piloted quality verification for the Hazard Identification and Risk Assessment Tool (IPER) (coaching modality).
- Reinforced the accountability process for leadership teams at the executive and managerial levels. This was achieved through field support and integration into all our practices, including performance evaluation.
- Launched the Safety Leadership Survey to gather insights from middle managers – both employees and contractors – on the field implementation of the safety strategy.

Safe Operations Culture: Behaviour, Participation, Engagement and Awareness
Our workforce is composed of different roles and responsibilities that actively participate in hazard identification, risk assessment, and the establishment of control processes. Safety and risk management specialists provide training, guidance, and advice across operations and projects. Collaboration is fostered through committees, safety commissions, and emergency response teams, which drive training, risk management initiatives and projects that enhance our safety culture. To identify hazards and unsafe practices, we also partner with the Union, Health and Safety Committees and contractor committees to conduct facility inspections, recommend preventive measures, and conduct accident investigations.

'I CARE, WE CARE' OPERATIONAL COMMITTEE

Purpose

- Ensure uniform and cross-functional deployment of the safety strategy across operations.
- Support the Executive Committee and Management in risk management.

Members

- General operational superintendents.
- Service area leaders.
- Technical specialists.
- Safety leaders.

Key Objectives

- Manage workplace safety risks.
- Track and report safety performance.
- Implement clear and compatible corporate guidelines.
- Monitor and follow-up on risk verifications.
- Conduct in-depth verifications.
- Foster cross-functional learning.

In 2024, we continued advancing the maturity of the **'I Care, We Care' Operational Committee**, with a focus on empowering people and promoting safe operations. During the committee's meetings, safety performance was assessed, with cross-functional control and learning initiatives implemented. A key outcome was the draft of the 2025 Safety Operational Plan, which is centred on achieving zero fatalities by prioritising:

- Enhancing the quality of leadership practices.
- Reviewing, verifying, and updating cross-cutting and cross-functional performance standards.
- Implementing a unified standard for contractors.

The **Business Partners Meeting** was also strengthened during 2024, providing a regular forum for evaluating safety performance by analysing common challenges, and establishing mutual commitments to achieve safe operations.

In 2024, we continued our collaboration with the **National Miners and Metallurgists' Union FRENTE** through safety leadership training workshops, experience-sharing sessions among local committees across different mines, and coordinated efforts to align communication between the Company and the Union. Together, we promoted skills development through immersive workshops designed for local committee members, new employees, and aspiring leaders.

Our flagship Safety Symposium is key for fostering collaboration and strengthening safety culture, bringing together the Company, the Union, contractors, and authorities. The 12th edition of the symposium is scheduled to take place in 2025.

Risk Management
In 2024, top critical risks were expanded from five to ten, alongside continued evaluations of performance standards. We also initiated a programme to develop technical and safety management standards with input from multidisciplinary operational teams. Additionally, four cross-functional specialist teams were formed to address risks related to:

- Explosives and blasting.
- Electrical safety.
- Rock falls.
- Loss of control of equipment and vehicles.

We also worked to enhance the analysis of performance and preventive reporting, moving beyond corporate-level reporting to adopt a drill-down focus, enabling deeper insights and more effective targeting of resources.

The SSMARCSuite software was updated to version 2.0, incorporating feedback and proposals. This upgrade supports continuous improvement in leadership practices and safety management tools across all levels of leadership.

Finally, we made progress in establishing permanent emergency brigades as a best practice at each mining unit, exceeding legal requirements. The training programme for these brigades is now underway.

Communication
In 2024, we deployed a communication strategy to emphasise key messages around daily operations and strengthen the 'I Care, We Care' philosophy as a core element of our business identity. The campaign I Take Control of My Safety covered topics such as:

- Performance and actions for controlling critical risks.
- Empowerment to take the right actions and decisions in the face of risk.
- Critical controls for hazards such as equipment control loss, equipment-vehicle-person interactions, foot and hand safety.
- Safety measures during the holiday season.

Safety Training
We prioritise the continuous development of our workforce to strengthen safety culture and achieve operational excellence. Training programmes equip our employees and contractors with the skills and knowledge needed to uphold these standards (see Our people on pages 69-70).

Certifications and awards
We hold safety related certifications relevant to our industry in our mining units, including ISO 45001, and the International Cyanide Management Code (see our ESG KPIs Tables in pages 107-113).

SAFETY TRAINING

Comprehensive Training

- Safety induction, regulatory and normative courses, risk analysis, and risk control protocols.
- Operational procedures, high-risk task practices, and permits and authorisations.
- Safety management, hazardous material handling, and preventive safety tools.

Technical Competencies

- Certification standards accredited by the National Council for Standardization and Certification of Labour Competencies (CONOCER).

Emergency Preparedness

- Training for mine rescue, firefighting, first aid, hazardous materials handling, and evacuation.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
CARING FOR OUR PEOPLE

Performance

We have continued to mature our preventive reporting through near miss reporting, identifying failed or missing critical controls. These instances, which do not represent energy release or damage, allow operational leaders to promptly address potential hazards to individuals or equipment. In addition to its focus on management, our cultural objective is to ensure workers' participation in an early warning system, enabling them to understand the safety environment and make timely decisions.

While our safety performance has shown a positive trend in recent years, we deeply regret the loss of two contractors who were performing non-routine tasks. These incidents highlight that there is no room for non-compliance or lack of controls and underscore the importance of fostering a robust risk management culture across all processes, activities and environments – every day, on every shift.

We remain resolute in our commitment to foster a disciplined control implementation, enhance leadership qualities, and strengthen accountability at every level to achieve safe operations in every task and shift. In response to the fatal accidents of 2023, cross-functional learning actions were implemented. Although the root causes of the 2023 fatal accidents did not repeat in 2024, new potential risk scenarios emerged, particularly in activities outside the productive extraction value chain and non-routine tasks. Root cause analyses provided valuable insights, leading to the following actions:

- Conducting in-depth analyses using the Incident Cause Analysis Method (ICAM).
- Reinforcing competencies in risk analysis and control implementation, while empowering all workers to take ownership of safety in every activity – both within and outside the production value chain – with greater rigour and discipline in routine and non-routine operations.
- Strengthening engagement with all business partners, regardless of company size, nature or duration of their operations.
- Implementing a mechanism to categorise, monitor, and evaluate business partners, assessing their compliance with standards and expected performance to determine their hiring and retention.
- Intensifying efforts in the planning, risk analysis, and control of non-routine activities or those outside the productive chain.
- Enhancing verification and follow-up through leadership practices for activities outside the productive chain.

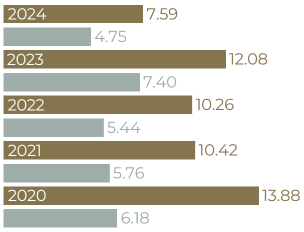
2026 goals

Goal	Decrease TRIFR by 5%:	Reduce TRIFR rate to ICMM range
Time horizon	Short-term (1 year)	Medium and long term (3-5 years)
Actions to achieve it	• Mature risk management. • Organise consultation forums. • Mature the 'I Care, We Care'. Operational Committee. • Enhance quality of leadership practices.	• Consolidate risk management. • Improve risk management across scenarios and stakeholders. • Improve personnel competencies and training. • Implement projects to improve safety.

Fatal Injuries and Fatal Injury Frequency Rate

Fatal injuries: Number of fatal injuries to employees and contractors. Fatality injury frequency rate: Number of fatal injuries to employees and contractors for every 1,000,000 hours of exposition time.

Injury Frequency Rate for every 1,000,000 hours



Total Recordable Injury Frequency Rate (TRIFR): Lost-Time Cases + Restricted Work Cases + Medical Treatment per 1,000,000 Hours Worked. Lost Time Injury Frequency Rate (LTIFR): Number of Lost-Time Injuries per 1,000,000 Hours Worked.

Performance on a site-by-site basis can be found in the ESG KPIs Tables on pages 107-113.

PROMOTING SAFETY ACROSS THE MINING INDUSTRY

During the year, we were proud to collaborate with the Mexican Mining Chamber (CAMIMEX) in hosting the XVII National Underground Mine Rescue, First Aid, and Hazardous Materials Emergency Response Competition.

A total of 35 teams from leading mining companies across Mexico came together at Fresnillo's tourist mine – an underground exhibition of our oldest mine open to the public – to test and refine their critical response skills in a series of challenging scenarios. This year's event marked a milestone for inclusion and diversity in the mining sector, with the historic participation of two all-women rescue teams.

The competition featured simulations of underground incidents including fire control, hazardous materials emergencies, and extreme rescue operations. The opening ceremony, held at the José González Echeverría Agora, brought together industry leaders and local authorities, who reaffirmed the sector's commitment to safety and the wellbeing of workers and communities.

The winners stood out for their physical fitness, technical expertise, and teamwork, demonstrating their ability to respond effectively to complex challenges. Beyond individual achievements, the event showcased the mining industry's collective commitment to strengthening emergency management processes.

Our Achievements:

- First Place in Men's Mine Rescue (Fresnillo).
- First Place in BENCHMAN BG4 Test (Fresnillo).
- First Place in Trainer (Fresnillo).
- Third Place in GASMAN Test (Fresnillo).
- Third Place in Women's Mine Rescue (Fresnillo).
- First Place in Hazardous Materials Emergency Response (Penmont).
- Second Place in First Aid in Open Pit Rescue (Penmont).

This event highlights our unwavering dedication to safety, prevention, and strong emergency response systems. It also reinforces our partnerships with key stakeholders, including CAMIMEX, government authorities, and industry peers. Together, we drive progress in risk management, ensuring safety and safeguarding live.

WHAT'S NEXT

- Continue progress on our pledges to decrease our fatality rates and TRIFR.
- Enhance the quality of Leadership Practices through direct mentoring from leaders and by improving workforce competencies.
- Transform the 'I Care, We Care' Operational Committee into an effective learning environment by elevating commitments to mandatory status.
- Consolidate the health and safety management system through the 'I Care, We Care' strategy by minimising risks, improving safety and increasing productivity.
- Conduct a comprehensive audit on the implementation of technical standards and safety management to identify and address any gaps.
- Implement formal multi-disciplinary audits and verifications to close gaps on performance and enhance steering.
- Draft conceptual design of technology and innovation projects to improve the workforce's overall safety.
- Mature processes in risk management, analysis, communication of results and transversal learning of incidents (ongoing).
- Advance the risk management strategy in the face of different scenarios and stakeholders.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
CARING FOR OUR PEOPLE

Health

We prioritise the wellbeing of our workforce by fostering a safe and healthy work environment.

Our foremost commitment is to safeguard the wellbeing of our people by ensuring a safe and healthy work environment. Supported by a multidisciplinary focus through specialists in the health sector and organisational development, we take a comprehensive approach to workplace health.

We focus on the early detection and management of health risks to prevent both occupational and chronic diseases, prioritise emergency preparedness, and promote healthy habits. This is achieved through clear operating procedures, robust controls, and targeted training programmes. In recent years, our health strategy has evolved to embrace a holistic perspective, going beyond traditional occupational health programs to address both physical and mental health.

Comprehensive Health Strategy

- **Health Care:** check-ups, medical consultations, and health campaigns.
- **Comprehensive wellbeing:** nutritional support, sports promotion and psychological support.
- **Industrial Care:** ergonomics and industrial hygiene.
- **Innovation and development:** health technologies and software.
- **Emergencies:** emergency preparedness and training.

Occupational Health

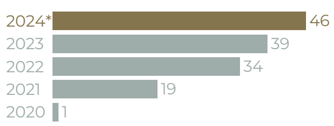
Our approach focuses on proactively identifying, mitigating, and managing the health risks to which our workforce is exposed to safeguard their wellbeing. By ensuring regulatory compliance, we establish working conditions that prevent fatalities, accidents, and occupational illnesses. Additionally, we foster a culture of health through preventive care, aiming to reduce chronic diseases and enhance overall wellbeing and fitness for work.

- Our **Health Care strategy** identifies, evaluates, analyses, and interprets employees' medical information to develop a health diagnosis for each business unit. This includes entry, periodic, exit, and specialised medical examinations, along with guidance on preventive care measures. It also includes gynaecological checkups.
- Our **Industrial Care strategy** prioritises hygiene and ergonomics, actively monitoring exposure to physical and chemical risks: ***Industrial Hygiene*** identifies workplace risk – such as noise, dust, vibration, heavy metal contamination, extreme temperatures – and implements targeted interventions to mitigate health risks and prevent occupational diseases. ***Ergonomics*** systematically analyses the interaction between individuals and their activities, equipment, and physical environment to improve tasks, working conditions, and overall wellbeing, enhancing workplace quality, productivity, safety, and health.
- While prevention remains a priority, **emergency response** is a core competence of all health teams. Training in Basic Life Support (BLS), Prehospital Trauma Life Support (PHTLS), Advanced Cardiovascular Life Support (ACLS) and Defensive Ambulance Driving is integral to the medical staff's curriculum.

In 2024, we continued to carry out our periodic medical examinations across our workforce. Our industrial hygiene programme achieved significant progress across all business units, through field inspections, hygiene studies, meetings with area leaders, and workforce training.

The 46 occupational illnesses recorded during the period were attributed to hearing loss, pneumoconiosis, and ergonomic risk – an increase from previous periods.

New cases of Occupational Illnesses



Note: Figures include employees and contractors.
* Figures are preliminary on the date of issuing this Annual Report.

Comprehensive Wellbeing

Our Comprehensive Wellbeing strategy aims to create safe and healthy workplaces whilst supporting worker health through preventive actions, emphasising a holistic approach that balances health, productivity, and quality of life. In 2024, we conducted the second edition of the Living in Balance survey, to better understand workers' current habits and promote healthier lifestyles.

Our core activities include vaccination campaigns, supplementary campaigns, nutritional guidance, sports and cultural activities, as well as community health initiatives in collaboration with local and federal authorities, health agencies and the UNAM Foundation (see Socio-Economic Development on pages 102-105).

Furthermore, in recognition of the growing percentage of women in our workforce, particularly those in childbearing stages, we have developed a dedicated programme focused on prenatal care, cancer screening, and education and training in cancer prevention. We support nursing mothers through flexible schedules to uphold breastfeeding rights. We also continued our traditional Breast Cancer awareness campaigns, featuring impactful talks, breast examinations, cytology screenings, and physical activity sessions.

Mental health is a key pillar of our commitment to wellbeing. The Mexican standard NOM-035-STPS guides companies in identifying, analysing, and preventing psychosocial risk factors while fostering a positive workplace environment. To align with this standard, we designed our psychology service to positively influence how workers think, feel, act, and respond, fostering a healthier and more resilient workforce. We have implemented robust campaigns to raise awareness of psychological risk factors and their prevention, as well as the channels that are available to report workplace harassment, such as the Whistleblowing Mechanism and the Labour Behaviour Commissions (see Ethics Culture on pages 65-66).

We asses psychosocial risk factors by administering non-mandatory Reference Guide questionnaires across our mines. Employees identified as exposed to traumatic events or risks undergo psychological evaluation and receive targeted treatment sessions. Their progress and reintegration are closely monitored, with temporary role adjustments made if appropriate to ensure their wellbeing and prevent further health risks.

Certifications and awards
We hold health-related certifications relevant to our industry in our mining units, such as the Mexican Social Security Institute's (IMSS) 'Safe and Healthy working Environment' (ELSSA); 'Cardio-protected spaces', endorsed by the Mexican National Association of Cardiologists (ANCAM) and other prestigious organisations; and the '100% Smoke-and Emissions-free space' by the Mexican Health Ministry (see ESG KPIs Tables on pages 107-113).

WHAT'S NEXT

- Establish a mental health strategic plan.
- Follow-up on recommendations from the Living in Balance survey.
- Implement industrial hygiene project to improve mining operations.
- Follow-up on the fatigue management systems at Juanicipio and Herradura.
- Continue with the plan to certify all mines as cardio-protected spaces.
- Recertification of personnel in Advanced Cardiovascular Life Support (ACLS) and Prehospital Trauma Life Support (PHTLS).

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED

PROTECTING OUR ENVIRONMENT

WE OPTIMISE RESOURCE CONSUMPTION TO CURB OUR IMPACT, AND ARE ACCOUNTABLE FOR OUR ENVIRONMENTAL FOOTPRINT

While recognising the critical role of mining and precious metals processing as essential industries, we also acknowledge the environmental impacts of our operations. This includes water consumption, land disturbance, waste generation, and Greenhouse Gas (GHG) emissions. To sustain our social licence to operate, we prioritise resource optimisation, mitigate adverse impacts, and transparently communicate our environmental footprint to stakeholders.

A systematic approach to environmental management enables us to:

- Prevent or mitigate adverse environmental impacts.
- Comply with legal and regulatory requirements.
- Improve environmental performance across the life cycle of products and services.
- Achieve financial and operational benefits through sustainable practices.
- Communicate environmental progress to stakeholders transparently.

Environmental Impact Assessments (EIAs) are a top priority before launching any mining project; identifying potential impacts on critical factors such as water resources, air quality, land use, biodiversity, and socioeconomic conditions. These assessments inform the development of robust environmental management plans and ensure compliance with ISO 14001 standards, reinforcing our commitment to sustainable development.

Energy

Mining is inherently energy-intensive, relying heavily on fuel and electricity to extract, process, and transport minerals. Vigilantly monitoring energy consumption and GHG emissions is central to our sustainability efforts, enabling us to mitigate risks, improve resource efficiency, and enhance both business continuity and cost management.

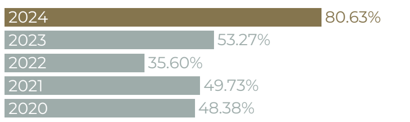
We have been steadily increasing our use of renewable energy in recent years, aiming to achieve 75% renewables in our electricity mix by 2030. In 2024, we sourced a total 80.6% of renewable electricity from the different regulatory frameworks under which we operate.

- 34.3% of total electricity was secured under the Electricity Industry Law (LIE) regulatory framework, with Fuentes de Energía Peñoles (FEP) acting as our Qualified Services Supplier. A total of 92.9% of this consumption was sourced by the wind farm Eólica Mesa La Paz (MLP), while the remainder was procured from the wholesale electricity market (WEM).
- 65.7% remaining electricity was secured under the legacy Self-Supply regime, under which some of our load centres continue to operate. Of this, 74.2% was sourced by the wind farm Eólica de Coahuila (EDC), with the remaining energy sourced from the Mexican power utility, Federal Electricity Commission (CFE) Basic Supply and a thermoelectric power plant, Termoeléctrica Peñoles (TEP).

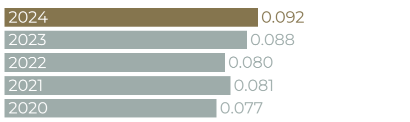
Another key milestone in 2024 was the migration of TEP to the Wholesale Electricity Market (MEM) in April by our parent company, Industrias Peñoles. During the first months of the year, two of our mines were primarily supplied by this plant; however, following the migration, they began supplementing their supply with energy from EDC. This transition marked a strategic step in reducing indirect GHG emissions associated to our operations.

As a result of the actions implemented, annual renewable energy consumption increased significantly, rising from 53.3% in 2023 to 80.6% in 2024. In absolute terms, renewable energy consumption grew from 626.3 GWh/year in 2023 to 987.7 GWh/year in 2024 despite overall electricity consumption increasing by 4.2%. These results demonstrate the efforts made in previous years, aligned with the goal of ensuring a reliable, competitive supply based on clean energy sources. See ESG KPIs Tables on pages 107-113.

Renewable electricity consumption



Energy intensity
(MWhe per tonne of mineral processed)

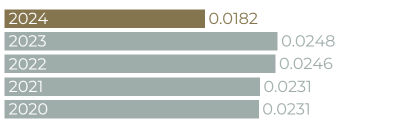


Summary of electricity sourcing by regulatory framework in 2024

Regulatory framework	% Renewable	% Non-renewable	Total
LIE (Wholesale Electricity Market)	31.9%[a]	2.4%[b]	34.3%
Self-supply (Legacy contracts)	48.8%[c]	17.0%[d]	65.7%
Total	80.6%	19.4%	100%

Notes: Sourcing for each figure corresponds to: a) MLP, b) WEM, c) EDC, d) CFE and TEP.

GHG intensity
(tonnes of CO_2e per tonne of mineral processed)



Global GHG emissions for the period 1 January 2023 to 31 December 2023

	GHG emissions (tonnes of CO_2e)				Energy (MWhe)			
	Reporting year	Previous year	% change	Comparison year	**Reporting year**	Previous year	% change	Comparison year
	2024	2023	2024-2023	2012	**2024**	2023	2024-2023	2012
Scope 1 + Scope 2	**597,422***	825,325	(27.6)	704,366	**3,003,588***	2,941,925	2.1	1,806,063
Scope 1 (direct): Combustion of fuel (mobile and stationary sources)	**469,122***	469,146	(0.0)	375,121	**1,778,652***	1,766,162	0.7	1,385,448
Diesel Total	**415,283**	428,015	(3.0)	366,784	**1,533,177**	1,580,181	(3.0)	1,729,591
Diesel (Company-owned)	**283,431**	288,762	(1.8)	228,085	**1,046,401**	1,066,088	(1.8)	841,216
Diesel (contractors)	**131,852**	139,254	(5.3)	138,700	**486,776**	514,094	(5.3)	511,550
Gasoline Total	**5,935**	5,995	(1.0)	3,686	**22,859**	23,092	(1.0)	12,234
Gasoline (Company-owned)	**3,214**	3,487	(7.8)	3,686	**12,381**	13,432	(7.8)	12,234
Gasoline (contractors)	**2,721**	2,508	8.5	0	**10,479**	9,661	8.5	0
Natural gas Total	**43,728**	30,657	42.6	0	**204,245**	143,192	42.6	0
Natural gas (Company-owned)	**43,728**	30,657	42.6	0	**204,245**	143,192	42.6	0
Natural gas (contractors)	**0**	0	n/a	0	**0**	0	n/a	0
LPG Total	**4,177**	4,478	(6.7)	4,650	**18,371**	19,696	(6.7)	20,448
LPG (Company-owned)	**3,977**	4,243	(6.3)	4,650	**17,492**	18,663	(6.3)	20,448
LPG (contractors)	**200**	235	(14.9)	0	**879**	1,033	(14.9)	0
Scope 2 (indirect): Electricity purchased from the grid and PPAs	**128,299***	356,179	(64.0)	329,245	**1,224,936***	1,175,763	4.2	420,615
Mexican National Grid (CFE and WEM)	**84,671**	136,914	(38.2)	69,966	**193,314**	312,590	(38.2)	135,461
Thermal – Thermoelectric Peñoles (TEP)	**43,628**	219,265	(80.1)	259,279	**43,949**	236,889	(81.4)	285,164
Wind – Coahuila Wind Force (EDC) & Mesa la Paz (MLP)	**0**	0	n/a	0	**987,674**	626,284	57.7	0
Intensity measurement: Emissions and energy reported above per tonne of processed ore.	**0.0182***	0.0248	(26.6)	0.013	**0.092***	0.088	3.6	0.034

i. Figures marked with an asterisk (*) have been assured by EY. Please refer to the Assurance Statement on pages 114-115.
ii. Methodology: We have reported on all the emission sources required under the Streamlined Energy & Carbon Reporting. These sources fall within our operational control. We do not have responsibility for any emission sources that are not included in our Consolidated Statement. The emissions and energy consumed in the United Kingdom and offshore as well as those pertaining to our exploration projects and corporate offices are negligible. We have used the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), and a 100-year time horizon Global Warming Potential (GWP) for Methane (CH4) and Nitrous oxide (N2O) equivalences. Updates to Scope 1 and 2 data versus previous periods are twofold: the former due to rectifications of fuel inventories derived from the external audits – but not material as they amount to an increase of less than 1.5% of GHG emissions – and the latter due to the Mexican National Grid emission factor for the period – usually published on a later date than this Annual Report. For the same reason, the emission factor of electricity consumed from the electricity grid (CFE and WEM) during 2024, corresponds to 2023.
iii. Scope 1 corresponds to direct GHG emissions/direct energy consumed.
iv. Scope 2 corresponds to indirect GHG emissions from purchased electricity/total purchased electricity consumption.
v. Processed ore corresponds to the ore processed in the beneficiation and leaching plants, the mineral deposited in the leaching pads as well as iron concentrate treated in the pyrites plant.

SUPPORTING AND STABILISING MEXICO'S POWER GRID

For many years, Fresnillo and Saucito mines have maintained strict operational discipline to control energy consumption during the hours when energy demand in Mexico reaches its peak. Strategies such as reducing water levels in the mines and halting equipment, including ventilation and exploration machinery, have been implemented to avoid overcharges related to power fees.

In May 2024, the national grid operator, CENACE, declared an operational emergency due to high electricity demand in the country, resulting in a load shedding event that affected several units within the Company, including Fresnillo and Saucito. To prevent future disconnections, the Company coordinated with CENACE and CFE to implement voluntary controlled energy contributions during peak demand periods. Both mining units increased their contribution from 4.0 MW, which had been managed prior to the emergency in the National Electric System (SEN), to up to 6.5 MW during peak hours. This measure helped stabilise the national grid and reduced the likelihood of further load shedding.

Our high degree of operational discipline has been essential in controlling demand. In 2024, the energy allocation strategy was reviewed to ensure efficient, sustainable, and cost-effective coverage, as the generating plants under the self-supply scheme could not fully meet the needs of the mining units.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

Climate change

Task Force on Climate-related Financial Disclosures (TCFD) Compliance Statement

FCA Listing Rules

We have provided climate-related financial disclosures for the year ended 31 December 2024 according to the UK's Listing Rule 6.6.6R(8) of information to be included in Annual Report and Accounts, having taken into consideration the UK Listing Rule Guidance (UKLR) 6.6.8G and UKLR 6.6.9G for all sectors and non-financial sectors. This includes all four of the TCFD pillars and the 11 recommended disclosures set out in Figure 4 of Section C of the report entitled Recommendations of the Task Force on Climate-related Financial Disclosures published in 2021 by the TCFD. In completing this work, we made use of TCFD guidance material, including the TCFD technical supplement on the use of scenario analysis, TCFD Guidance on Metrics, Targets and Transition Plans, and the TCFD Guidance for All Sectors.

Our report is partially consistent with the TCFD recommendations as outlined in the table below. Further development still required on Strategy recommended disclosures B and C, and Metrics and Targets recommended disclosure C. These gaps stem from ongoing efforts quantify Climate Risks and Opportunities (CROs), integrate them into business strategy, and define additional climate-related targets. In 2025, we plan to continue our progress in reporting across all four TCFD pillars, with particular focus on quantifying risk materialisation scenarios, and refining the energy forecasting process to strengthen financial planning. Additional details on our planned improvements are provided in the table below.

Task Force on Climate-related Financial Disclosures Statement. Summary of Fresnillo's TCFD response

TCFD Pillar	TCFD recommendation	Cross-reference	Summary of progress to date	What's next
Governance	**a) Board oversight**	Page 83	Consistent: The HSECR committee assists the Board and collaborates with management to provide oversight on the effectiveness of the Company's ESG strategies – including climate change – which is discussed at quarterly meetings; the Chairman of the HSECR reports insights from these meetings to the Board.	Assess progress on TCFD disclosure and oversight of Company's approach to physical risks and transition risks. Develop synergy between the Audit and the HSECR Committees.
	b) Management's role	Pages 83-84	Consistent: Within the senior and middle management tiers, the responsibility for climate change encompasses identifying strategic risks, evaluating their impact on achieving strategic objectives, and supervising the implementation of controls in both strategic and operational plans.	Integrate climate-related opportunities into the Company's growth strategy and cost control initiatives. Define criteria and coordinate efforts to mature climate financial analysis.
Strategy	**a) Climate-related risks and opportunities**	Pages 84-89	Consistent: Time horizons for CROs are defined based on the ERM framework and the Company's strategic planning. The shortlist of CROs includes detailed descriptions of impacts to our business.	Continue to improve and refine financial materiality assessments of the most relevant CROs.
	b) Impact on the Company's business, strategy and financial planning	Page 90	Partially consistent: Engaged with industry experts to understand decarbonisation value levers and initiated an energy forecast process. Still more work is needed to integrate climate-related considerations into overall strategic decision-making.	Continue to develop and mature inputs to integrate climate-analysis into financial planning, informing the Company's strategy, and how the implementation of this strategy will align with Mexico's updated NDC.
	c) Resilience of the Company's strategy	Pages 90-91	Partially consistent: Strengthened climate-scenario analysis including a 2°C scenario for transition risks and a 4°C for physical risks. Gathered key insights on risk exposure, both qualitative and quantitative, informing climate resilience. More work is needed on financial quantification and strategies responsive to specific CROs.	Quantify risk materialisation scenarios of most prevalent CROs and develop a framework that allows for connectivity between CROs and capital expenditures. Incorporate ongoing cost control initiatives and climate-opportunities to climate mitigation and adaptation strategies.
Risk Management	**a) Risk identification and assessment process.**	Pages 91-92	Consistent: Achieved comprehensive CRO register that has been subject to several iterations and improvements, providing insights into the most exposed CROs.	Quantify risk materialisation scenarios of our most prevalent CROs.
	b) Risk management process	Page 92	Consistent: Design of climate-risk management framework, and first climate-risk assessment.	Develop action plans for the eight CROs identified in the 2024 assessment, to strengthen and standardise existing controls and mitigation measures.
	c) Integration into overall risk management	Pages 92-93	Consistent: Streamlined climate into the ERM framework.	Continue maturing the climate-risk management framework, connectivity with emerging risks and review insurance opportunities.
Metrics and Targets	**a) Climate-related metrics to assess climate risks and opportunities**	Pages 92-93	Consistent: Industry specific metrics disclosed.	Fully comply with cross-industry indicators.
	b) Scope 1, Scope 2, and, if appropriate, Scope 3 GHG metrics and the related risks	Page 94	Consistent: GHG emissions aligned to GHG Protocol methodology. Third-party verification of Scope 1 and Scope 2 GHG emissions.	Refine scope 3 GHG inventory while concurrently carrying out third-party verification of climate-related KPIs.
	c) Climate-related targets and performance against targets	Page 94	Partially consistent: Aim to source 75% of the Company's electricity from renewable energy by 2030. Introduced the first remuneration indicator. More work is needed to commit to other targets.	Analyse different approaches to setting GHG emission reductions and timeframes for resulting viable options. Mature connections between climate change and other ESG risks, incorporating them more explicitly into KPIs and targets.

Governance

The Board and its Committees' role

The Company's governance framework is detailed on page 146. Board Committees focus on specific topics on behalf of the Board, drawing on the Directors' diverse range of skillsets and experiences. During these sessions, Directors actively engage in discussions, raise inquiries and provide recommendations to guide Management.

Two Committees play a particularly active role in overseeing climate-change and broader ESG matters:

- **The Audit Committee** reviews and challenges the Company's climate-related financial disclosures and oversees progress on reporting. It also conducts a quarterly review of principal and emerging risks – many of which intersect with climate-related risks – and monitors the effectiveness of risk management and internal controls.
- **The HSECR Committee** engages closely with Management to oversee the Company's strategies, ensuring they effectively address ESG considerations, including climate change. On a quarterly basis, it monitors key performance indicators and benchmarks progress against industry peers. Discussions include TCFD requirements, progress against the Company's renewables target, and intensity metrics on water, energy and GHG emissions.

The Board receives updates from its Committees, including reports from the Chairmen of the Audit and HSECR Committees, as well as regular sustainability performance updates from the CEO. Additionally, Board working meetings incorporate strategic discussions on climate change and broader ESG priorities, reinforcing their role as an ongoing area of focus. During 2024, key climate-related activities by the Board and its Committees included:

- A review of the Company's sustainability strategy, climate change initiatives to date, and ESG priorities during a Board working session.
- Audit Committee approval of third-party external assurance for KPIs related to direct and indirect energy consumption and GHG emissions for the reporting year.
- HSECR Committee updates on the Company's progress in its Annual TCFD compliance programme.

To ensure Directors possess the necessary expertise to oversee Fresnillo's climate-related regulatory compliance and overall strategy, Board working sessions in recent years have included briefings on regulatory updates, reporting frameworks, and sustainability trends with an industry perspective from both management and sustainability experts.

Relevant competencies of Board members for addressing climate change, particularly within the HSECR Committee, are detailed in the Board biographies in the governance section on pages 148-151. Notably:

- Mr Arturo Fernández brings extensive expertise in Mexican public policy and a strong academic background in macroeconomics.
- Ms Georgina Kessel contributes significant experience in energy and climate change.
- Dame Judith Macgregor provides valuable international perspectives on climate change, leveraging her extensive diplomatic background.
- Mr Fernando Ruiz offers considerable experience in Mexican taxation and insights into evolving carbon pricing legislation.

Further details on the Audit and HSECR Committees' Terms of Reference are available on the Company's corporate website.

Management's role

Guided by the Board and Executive Committee, and in alignment with our risk appetite, we systematically assess, prioritise, and manage climate-related risks through our Enterprise Risk Management (ERM) framework.

Climate oversight is embedded within senior management, ensuring that decision-makers at the highest level integrate climate-related risks and opportunities into the Company's long-term strategy. The following roles have direct responsibility for assessing and managing these risks:

Management Role	Responsibilities
Chief Executive Officer (CEO)	Oversees the integration of climate-related risks and opportunities into business strategy, ensuring alignment with corporate objectives and regulatory requirements. Leads communication on climate goals and holds the organisation accountable for implementation.
Chief Financial Officer (CFO)	Ensures financial resilience by overseeing compliance with climate-related regulations and integrating climate risks into financial planning and reporting. Collaborates with operations to evaluate cost-effective decarbonisation opportunities.
Chief Operations Officers (COOs – North and Centre Districts)	Lead operational initiatives to enhance energy and resource efficiency, reduce GHG emissions, and address environmental risks, ensuring alignment with the Company's sustainability strategy.
Corporate Risk Manager	Oversees corporate risk management, ensuring climate-related risks are identified, assessed, and integrated into the broader Enterprise Risk Management (ERM) framework. In addition, prepares scenarios of possible risks that could materialise.
ESG Compliance Manager	Ensures compliance with climate-related regulations and disclosure requirements, aligning the Company's reporting with investor and stakeholder expectations.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

Additional functional areas such as Finance, Safety and Environment, Energy, Infrastructure and Community Relations contribute expertise and provide operational support, ensuring alignment with climate ambitions.

In recent years, we have strengthened our approach to climate risk assessment by forming cross-functional steering teams to refine climate-risk frameworks and develop climate financial analysis. Following the harmonisation of climate risk management with the ERM framework, in 2024 a team from Risk, Financial Control, and ESG Compliance continued collaboration with the mining units to assess site-specific climate-related risks. Although still in its early stages, a process to estimate long-term energy demand for the Strategic Plan was also initiated.

During 2024, workshops were held for Senior and Middle Management on upcoming sustainability regulations, the financial impacts of climate change, and other ESG topics, to strengthen expertise in key leadership positions.

Governance Priorities for 2025
In 2025, we will further refine how climate priorities translate into measurable business objectives, ensuring alignment across strategy, operations, and investment decisions. Under the Executive Committee's guidance, management will focus on integrating climate-related opportunities into the Company's growth strategy and cost control initiatives, tracking progress while maintaining flexibility in the context of evolving regulations and market conditions, continuing to take steps towards reaching full compliance with TCFD recommendations.

Additionally, we will continue using targeted training and capacity-building initiatives to strengthen our internal capabilities, ensuring that both management and operations teams can effectively incorporate climate considerations into their decision-making and daily practices.

Strategy
Climate change represents a principal risk for the Company, with strategic implications for the business. Mining plays a key role in enabling the global transition to a low-carbon future by providing essential minerals for renewable energy technologies, but at the same time is expected to decarbonise its own operations and adapt to evolving regulations to reduce its impact.

Although Mexico does not currently have a net-zero target, the country's recently announced plans to increase reductions in its Nationally Determined Contributions (NDCs) of economy-wide emissions from 30% to 35% by 2030 will require the participation of heavy industries such as mining. This regulatory shift, along with increasing pressure for carbon pricing mechanisms, underscores the importance of preparing for transition risks while also leveraging opportunities to enhance efficiency and incorporate renewables to reduce costs.

Scenario analysis
We use scenario analysis to evaluate how different climate futures could impact our business. Our approach follows internationally recognised methodologies:

- **Physical Risk Scenarios:** Based on the Intergovernmental Panel on Climate Change (IPCC) and Shared Socioeconomic Pathways (SSPs), these scenarios encompass a spectrum of potential futures shaped by various combinations of possible socioeconomic, regulatory and climate factors offering insights into possible social, economic, political, and technological changes between the present and 2100. These were used to assess impacts such as extreme weather events.
- **Transition Risk Scenarios:** Based on the International Energy Agency (IEA) – which relies on the Global Energy and Climate (GEC) Model – these scenarios examine future energy trends to model potential regulatory and market changes, including carbon pricing. The Net Zero Emissions (NZE) scenario shows a narrow but achievable pathway for the global energy sector to achieve Net Zero by 2050, whereas the Announced Pledges Scenarios (APS) considers all climate commitments made by Governments around the world, including NDCs and Net Zero targets.

Climate scenarios

Scenario name	Warming trajectory by 2100	Description	Physical Scenario Source	Transition Scenario source
Rapid	1.5°C	A rapid transition to a global low-carbon economy that achieves Net Zero by 2050.	Not considered	IEA NZE
Steady	<2°C	A steady transition in line with the Paris Agreement, limiting peak warming below 2°C. World economies adopt more sustainable growth, with lower material intensity and respect for environmental boundaries.	IPCC SSP 1-2.6	IEA APS
Delayed	2-3°C	A slow transition with notable physical and transition impacts. Emissions decline after 2045, but environmental degradation, moderate growth, and persistent inequality increase vulnerability.	IPCC SSP 2-4.5	Not considered
Business as usual	>4°C	A worst-case scenario with unconstrained emissions, leading to extreme warming and intensified physical risks. Rapid technological progress is coupled with high fossil fuel use and resource-intensive lifestyles.	IPCC SSP 5-8.5	Not considered

We anticipate that transition risks will materialise more rapidly than physical risks, as proactive climate action seeks to mitigate the most severe consequences of climate change. Whilst reducing emissions can help limit long-term physical risks, it also introduces regulatory, financial, and market-driven challenges. Conversely, in the absence of emissions constraints, physical risks will intensify, becoming more frequent and severe.

Scenario analysis provides a structured approach to understanding potential climate-related impacts on our business. Although not a forecast, it enables us to evaluate a range of possible futures and integrate climate considerations into operational and financial planning. In past years, management has been assessing the resilience of the Company taking into consideration different climate-related scenarios. This ongoing work has taken into consideration how climate-related risks and opportunities may evolve and their potential business implications under different conditions.

Physical risks
There are significant potential physical risks to our operations due to extreme weather events caused by climate change. These risks vary depending on factors such as whether a mine is underground or open-pit and its geographic location within Mexico.

In 2023, we conducted a scenario analysis based on IPCC scenarios for eight physical risk hazards: wildfire, heat, flood, precipitation, drought, hail/thunderstorms, cold, and wind. The focus of this analysis was impact, understood as potential financial loss due to asset and infrastructure damage, as well as disruption to revenue-generating activities. The analysis was performed at five-year intervals from 2020 to 2100. By evaluating the severity and frequency of these risks in the short term and projecting their evolution through 2050, we identified sites currently exposed to physical risks as well as those that may become more vulnerable over time.

Average risk classification for all mining sites assessed by hazard

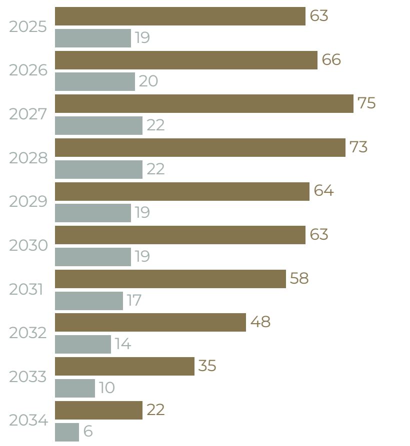
Hazard	Current risk (2020)	Description (2020-2050)
Wildfire	High	Lowest increase
Wind	Low	Lowest increase
Heat	Low	Medium increase
Drought	Low	Reduction in risk
Precipitation (rainfall)	Low	Low increase
Cold	Low	Reduction in risk
Hail and thunderstorms	Low	Reduction in risk
Flood*	Lowest	Lowest increase

* There are three common flood types: 1) Fluvial floods (or river floods), caused by an overflow of a river, lake or stream into neighboring land. 2) Pluvial floods (flash floods and surface water), caused by extreme precipitation. Surface water floods occur when the urban drainage system is overwhelmed, whereas flash floods are caused by torrential precipitation falling within a short amount of time, as well as due to the sudden release of water from a levee or dam. 3) Coastal floods (or storm surge) are the inundation of land along the coast by seawater caused by tsunamis, high tides and windstorms.

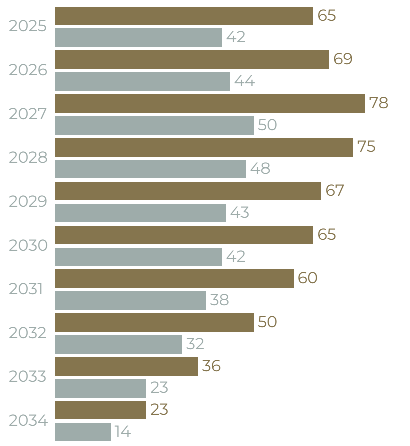
Risk classifications ranged from lowest to highest, based on hazard severity in 2020 under a >4°C scenario (Business as usual) – as per the base year default of the modelling tool used to model these hazards. The risk change categories indicate how risk levels are expected to shift by 2050 under the same scenario. These range from Lowest increase in risk to Highest increase in risk, with an additional Reduction in risk category where applicable. The risk classification for each hazard reflects the average across all sites included in our scenario analysis – incorporating all our operating mines and advanced exploration projects. We have highlighted in the table below those that resulted most relevant for this preliminary analysis.

Transition risks
Our operations face a range of potential transition risks, including market shifts, policy and legal changes, technological advancements, and reputational factors. Many of these risks fall outside our direct operational control, necessitating a proactive and preventive approach. When incorporating scenario analysis, the warming trajectory expected by 2100 for transition risks remains consistent across the NZE and APS scenarios, as both assume progress toward decarbonisation – albeit at different speeds.

Projected impact of carbon pricing, Announced Pledges scenario (US$ million)



Projected impact of carbon pricing, Net Zero scenario (US$ million)



SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

We conducted scenario analysis using a Net Zero Emissions (NZE) pathway and an Announced Pledges (APS) scenario. In the absence of a current carbon pricing mechanism in Mexico, we used carbon price projections from the International Energy Agency (IEA) for both developed and developing economies. This dual approach accounts for potential future pricing policies in Mexico and reflects costs associated with the EU, and other potential Carbon Border Adjustment Mechanisms (CBAM). Our analysis considered Scope 1 and 2 emissions by mine site, based on calculations from the 2024 update of our 2024-2039 Strategic Plan, including only the Life of Mine (LOM) of existing assets and most material energy sources (electricity and diesel).

The findings indicate that, depending on the pricing scenario, our Company faces significant potential exposure to rising costs from carbon pricing if additional emission reduction measures are not implemented. Additionally, we anticipate cost pressures from our upstream value chain, as suppliers pass on expenses related to new equipment investments and direct carbon costs. Given that commodity prices are market-driven, we have limited ability to influence downstream pricing. Moreover, further granularity in carbon emissions data across the value chain is needed to fully assess the financial impact of carbon pricing.

Despite continuous monitoring of carbon pricing mechanisms, we currently assess its risk rating as low due to the limited applicability of such instruments in Mexico – as detailed in the Climate Resilience section on pages 90-91. However, given the potential financial implications as well as the evolving regulatory landscape and growing public policy commitments nationally and internationally, together with its relevance for internal shadow pricing or carbon budgeting, we recognise the need to ensure both Company Senior Management and stakeholders remain informed of its potential impact.

Climate Risk Identification and Assessment

Our climate risk assessment is an evolving process that integrates periodic reviews to refine our strategic response. After running some calibration exercises for our scenario analysis, in 2023, we reassessed our Climate-Related Risks and Opportunities (CROs) through an updated analysis aligned with our Enterprise Risk Management (ERM) framework. This review incorporated insights from risk owners across key areas – Industrial Safety, Water, Tailings Storage Facilities (TSFs), Mine Planning, and Maintenance – enabling a more focused approach to prioritising climate resilience and adaptation measures.

We have identified and evaluated 25 material CROs based on their likelihood and impact, ensuring alignment with the operational frontiers of our Strategic Planning framework. These risks span short-term (2024-2028), medium-term (2029-2034), and long-term (beyond 2035) horizons, providing a structured approach to managing exposure across the mining lifecycle. While some locations will cease operations before 2040, we aim to develop an overall and consistent long-term assessment for the business, as the risk at these sites continues throughout the closure and post-closure stages of the mining life cycle.

In 2024, we updated the risk rating for each CRO on our list, shown next, with Red-Amber-Green (RAG) ratings based on the ERM framework scoring – which additionally to impact, incorporates likelihood of occurrence. The following table includes a summary of the short-term gross risks or opportunities for our complete registry. The strategic review of our CROs continues to inform our risk management approach and provides valuable insights to mature our climate strategy in the coming years.

For more information on the ERM framework, please refer to the Managing our risks and opportunities section on pages 116-138.

List of Climate Risks and Opportunities

ID	Risk Category	Climate risk type -subcategory	Summary risk title	Operational risk description (cause, event & consequence(s))	Financial risk description (cause, event & consequence(s))	Value chain impact	Time horizon	Risk Rating
P1	Operational	Physical – Acute	Extreme weather events (rainfall, storms, flooding) impact operations and cause business disruption	Increased rainfall causes flooding, restricting access roads to the site and preventing accessibility for employees. More extreme and frequent storms cause overflow or collapse of tailings deposits.	Decrease in revenue due to reduced operating time. Increased operating, extraction and maintenance costs.	Extraction and beneficiation	Medium Term	High
P2	Operational	Physical – Acute	Extreme weather events (cold, freezing conditions, snowfall) impact operations and cause business disruption	Reduction of electricity generation due to the reduced availability of fuel (e.g. natural gas) - leads to reduced output capacity in extraction and beneficiation.	Reduced revenue.	Extraction and beneficiation	Medium Term	Medium
P3	Financial	Physical – Acute	Extreme weather events (heatwaves and wildfires) impact operations and cause business disruption	Wildfire limits land area eligible for licencing. Workers' productivity, health and wellbeing are negatively impacted by the effects of excess heat. Damage to equipment or spare parts.	Reduction in revenue (heat) and loss of potential future revenue due to limitations of new sites that can be explored (wildfire).	Extraction and beneficiation	Medium Term	Medium

ID	Risk Category	Climate risk type -subcategory	Summary risk title	Operational risk description (cause, event & consequence(s))	Financial risk description (cause, event & consequence(s))	Value chain impact	Time horizon	Risk Rating
P4	Operational	Physical – Chronic	Chronic changes to climate affecting operations and mine closure	Chronic changes in temperature lead to modifications to current monitoring and remediation processes of closed mines. Water stress negatively impacts operations and extraction processes. Higher temperatures increase dust emissions associated with mine operations – suppressing dust and managing tailings storage facilities/disposal activities becomes more challenging.	Increased costs due to necessary modifications to mines, operations and mine closure processes. Potential for extra costs associated with non-compliance/ fines for exceeding permitted dust limits.	Extraction and beneficiation/ Closure and post-closure	Long Term	Low
P5	Financial	Physical – Chronic	Droughts stress water management systems	Reduced precipitation and increased water stress during the dry season and/or periods of high temperatures impact long-term changes in water availability and/or water quality to supply operations and watershed users. Modifications to existing water managements systems are required.	Increased costs due to modifications to existing water managements systems, or the construction of water reservoirs.	Extraction and beneficiation	Long Term	High
P6	Operational	Physical – Chronic	More frequent extreme weather events increase insurance costs	Insurance companies change commercial conditions and increase premiums in response to damage from more extreme weather events, such as overflow of tailings deposits due to extreme rainfall.	Increase in total extraction and beneficiation operating costs.	Extraction and beneficiation	Long Term	Medium
T1	Compliance	Transition – Markets	Lower ESG score decreases credit rating	Access to finance for mine construction in Mexico is restricted. Mines are typically scored lower for ESG ratings, which are considered by credit rating agencies.	Low ESG ratings increase the cost of loans for constructing new mines in Mexico.	Development and construction	Short Term	Low
T2	Operational	Transition – Reputation	Intensive water use affecting social licence to operate	Increasing water scarcity in Fresnillo's areas of operation lead to increased competition for water. This reduces water availability for extractive operations, despite proper water permits being in place.	Increased operating costs due to increased competition for water.	Extraction and beneficiation	Short Term	Medium
T3	Financial	Transition – Reputation	Community engagement required to avoid negative perceptions relating to changes in local ecosystem	During mine construction, changes in land use affect forest land, with increased road building and vehicular activity. This increases noise and dust levels and also creates negative perceptions of Fresnillo in neighbouring communities and potentially from other stakeholders. To combat this, engagement activities with local communities are required.	Additional costs incurred for community engagement activities to avoid construction delays and other future impacts.	Development and construction	Short Term	High
T4	Operational	Transition – Reputation	Capital re-allocation to implement a decarbonisation strategy	Fresnillo has failed to develop a clear sustainability roadmap for the future, leading to considerable impacts on the whole company's operational approach and costs.	Increased operating costs.	Extraction and beneficiation	Short Term	Low
T5	Compliance	Transition – Policy and Legal	Introduction of carbon taxes	Sub-national carbon pricing instruments become more stringent, impacting the costs of extraction and operations as these are emissions intensive activities. Some transfer of Carbon Boarder Adjustment Mechanisms (CBAM) costs to final buyers occurs, due to levies on exports of specific products. Mines in particular states are affected by local government decisions to issue 'environmental taxes'.	An increased carbon tax impacts energy costs, increasing production costs for mineral extraction and beneficiation. Revenue decreases due to the absorption of some of the increased costs incurred by CBAMs. Extraction and operation costs increase due to the emissions intensive natures of these processes	Extraction and beneficiation/ Other	Medium Term	Low

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

ID	Risk Category	Climate risk type -subcategory	Summary risk title	Operational risk description (cause, event & consequence(s))	Financial risk description (cause, event & consequence(s))	Value chain impact	Time horizon	Risk Rating
T6	Operational	Transition – Policy and Legal	Impacts of purchasing offsets	In order to meet increased regulatory standards and improve market reputation in relation to decarbonisation, costs are incurred in the offsetting of GHG emissions of operations in Mexico.	Gross margin is impacted due to increase in operating costs as a result of offsetting.	Extraction and beneficiation	Medium Term	Medium
T7	Compliance	Transition – Policy and Legal	More stringent land and water usage regulations are enforced	Fresnillo must ensure compliance with more stringent regulations in Mexico relating to surface and groundwater use. Regulations relating to land-use change and land-use licences impact construction and equipment costs.	Increased operating expenses due to higher costs for water and land-use licenses. This also increases total construction and equipment costs.	Extraction and beneficiation	Medium Term	High
T8	Compliance	Transition – Reputation	Increased emissions due to fossil fuel subsidies	Higher fossil fuel subsidies increase the emissions associated with energy consumption. This negatively affects Fresnillo's reputation among stakeholders looking for an improved sustainability performance.		Extraction and beneficiation	Medium Term	Low
T9	Operational	Transition – Markets	Diesel prices affect costs associated with energy during extraction	Diesel prices rise due to the move away from fossil fuels to renewable energy sources. Operations (specifically the current fleet) are heavily reliant on diesel usage, hindering a transition to renewable fuel sources.	Operating costs increase as anticipated increases in fossil fuel costs (due to market changes and regulatory pressures) come into effect.	Extraction and beneficiation	Long Term	High
T10	Compliance	Transition – Policy and Legal	Changing political environment	National policies to increase Mexico's production of fossil fuel result in an increase in the electricity tariff paid by corporations.	The electricity tariff paid by corporations increases due to the slow increase of renewable energy in the fuel mix – this increases Fresnillo's energy costs for mineral extraction and beneficiation.	Extraction and beneficiation	Long Term	Medium
T11	Compliance	Transition – Policy and Legal	More stringent emissions standards to comply with Mexico's NDC	More stringent emissions standards are enforced to comply with Mexico's NDC, which delays construction of new mines because of more challenging requirements to obtain licences.	Decrease in revenue growth rate.	Extraction and beneficiation	Long Term	Low
T12	Operational	Transition – Policy and Legal	Implementation of optimisation software	Implementing software to optimise processes and seize efficiencies (for example through greater use of the Internet of Things) makes processes more efficient by improving monitoring. This requires intensive software development and rollout.	Increased operating costs to introduce new software across the organisation.	Extraction and beneficiation	Long Term	Low
O1	Operational	Transition – Energy Source	Switching to renewable sources of energy	The implementation of a decarbonisation strategy for Fresnillo's vehicle fleet (resulting in a move to electric or hydrogen-fuel vehicles), coupled with the increased consumption of renewable electricity, allows the business to reduce its reliance on fossil fuels. Fresnillo engages with the move to renewable energy to ensure climate resilience and support the energy transition.	Operating costs are reduced due to minimised exposure to carbon taxation policies. Business emissions are reduced, enabling cost savings associated with renewable energy supply in the mining extraction processes.	Extraction and beneficiation	Short Term	High

ID	Risk Category	Climate risk type -subcategory	Summary risk title	Operational risk description (cause, event & consequence(s))	Financial risk description (cause, event & consequence(s))	Value chain impact	Time horizon	Risk Rating
O2	Strategic	Transition – Markets	Increased demand for silver for PV panels	The increased global demand for solar panels and other low-carbon technologies (many of which are reliant on silver in their construction), will increase silver demand globally.	Extraction revenue will increase.	Extraction and beneficiation	Short Term	Medium
O3	Operational	Transition – Resilience	Reduction in the material footprint of Fresnillo as a whole	Fresnillo introduces policies to reduce the total material footprint of operations, including offices, waste management and other areas.	By reducing the total material footprint of the organisation, and implementing process and material efficiencies, Fresnillo reduces its operating costs.	Extraction and beneficiation	Medium Term	Low
O4	Strategic	Transition – Resilience	Climate modelling exercises are used to build organisational resilience	Climate modelling is used to engage stakeholders across the business on risks and opportunities that have not previously been considered. This process enables greater understanding of risks and adaptation measures and improves the definition of safe parameters for mine infrastructure.	Potential for reduced exposure to financial impact resulting from climate changes in the future due to the introduction of adaptation and mitigation measures.	Extraction and beneficiation	Long Term	Medium
O5	Operational	Transition – Resource Efficiency	Implementing efficient closed water circuits	The stress imposed on water sources during extraction processes is eased, providing greater water resilience to operations.	Reduced operational costs during the extraction phase.	Extraction and beneficiation	Long Term	Medium
O6	Operational	Transition – Resource Efficiency	Introduction of adaptive technologies to reduce carbon intensity of assets and operations	Fresnillo implements its decarbonisation strategy for the current vehicle fleet at existing mines. This may include the operation of dual (diesel-LNG) systems to replace diesel-based vehicles. The migration to electric technologies for extraction in existing mines will also help to reduce the carbon intensity of operations.	Decreased exposure to carbon taxation and reduced operational costs (due to process efficiencies) result in overall cost reductions for operations and extraction.	Extraction and beneficiation	Long Term	Medium
O7	Operational	Transition – Resource Efficiency	Introduction of adaptive technologies to reduce water intensity of assets and operations	Low water intensity technologies (for example, dry tailings deposits) allow Fresnillo to reduce dependence on freshwater to operate, avoiding the risk of water scarcity.	Reduced operating costs.	Extraction and beneficiation	Long Term	Medium

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

Impact on the business, strategy and financial planning
Climate change affects various stages of the mining life cycle, including exploration, development, operation, closure, and post-closure. Most of our CROs have been identified as relevant to the operational stage. Our thorough analysis of our CROs is intended to serve as the foundation for informed strategic decision-making for current operations and development projects. The Company has already made certain climate-related strategic decisions, such as to increase renewable energy consumption, and investments in energy and operational efficiency. Where decisions have been approved by the Board, the effects were considered in the preparation of the financial statements (see the judgements section of the Consolidated Financial Statements note on pages 218-220).

Our climate strategy follows a proactive approach, aiming to both mitigate our impact on climate change and adapt to its physical consequences at the same time. To achieve this, we have embarked on two projects that will help us make informed decisions regarding our climate change initiatives:

- The regional climate modelling project was successfully concluded during 2023, providing industry-valuable insights of climate parameters on a per-mine site basis. Nevertheless, we recognise that more training is needed for operational teams to be able to leverage this information and incorporate it into decision making.
- The decarbonisation roadmap – an in-depth analysis of our largest assets and those of our parent company, Industrias Peñoles – has provided valuable insights into available low-carbon technologies in our industry. The most relevant decarbonisation levers remain renewable electricity, which we have already capitalised extensively (see energy section on pages 80-81), and fleet electrification. While fleet electrification requires specific infrastructure at mine sites, its potential benefits may be more applicable to future operations rather than existing ones. Further analysis is needed to assess feasibility and implementation requirements, as well as other value levers specific to the extraction and beneficiation process.

In anticipation of potential impacts, we recognise further work needs to be carried out to account for stand-alone effects, particularly concerning energy and operational efficiency measures. In 2024, we worked on incorporating energy consumption by source into the Strategic Plan's long-term models. A comprehensive understanding and strategic planning regarding climate-related risks will enable us to implement measures that effectively mitigate the impact of, and reduce our exposure to, transition risks. Our strategic priorities include leveraging ongoing operational and cost efficiency initiatives in water and energy, integrating transition planning into day-to-day operations, and ensuring operational discipline in the analytical accounting of impact and GHG reductions. This approach ensures that all contributing factors – beyond large-scale technology investments – are systematically incorporated, reinforcing our ability to drive meaningful progress.

Additionally, we seek to capitalise on opportunities such as the growing demand for silver in the solar PV industry. Adapting to climate change will also safeguard the wellbeing of our workforce, strengthen mining infrastructure, secure water supplies, and enhance collaboration with surrounding communities, ultimately minimising the potential impact on our business.

These ongoing efforts are part of our broader commitment to developing a transition plan that aligns with the framework outlined by the Transition Pathway Taskforce (TPT) in the years ahead. While more information is still required to help us engage with our value chain for Scope 3 reductions, we believe that continuing to make steady progress will enhance our ability to anticipate and integrate associated costs and revenue streams more accurately, ensuring long-term profitability and resilience.

Climate resilience
In 2024, we deepened our analysis of key physical risks, focusing on wildfire exposure and water stress in the Fresnillo District and extreme heat conditions at Herradura – the mine with the highest number of days exceeding 38°C across all scenarios. This involved working sessions with operational teams to assess exposure and resilience. A summary of our findings is presented below. More information on how the Company manages our CROs is available in the next section, on pages 92-93.

Additionally, we continue to monitor transition risks, such as regulatory developments related to emissions reduction, carbon pricing mechanisms and land and water usage regulations, as well as evolving ESG considerations in credit ratings methodologies:

- The Special Tax on Products and Services (IEPS) applied to fossil fuels has been in place since 2014. Current environmental taxes in states where we operate are not applicable to emission factors from non-source point emissions. The carbon market remains voluntary, while the Mexican Trading Emissions System to date only considers source point emissions, remaining unapplicable to our Company.
- The ESG profile scores of our credit ratings are in line with the metals and mining sector.

Hazard	Assumptions	What we did	Conclusion
Wildfire	Potentially disrupts operations, damages infrastructure and equipment, and poses safety hazards due to flames, excess heat, and smoke.	Conducted a detailed review of reinsurance risk surveys, business continuity audits for each mine, and current insurance coverage.	The risk of wildfire impacting business continuity was dismissed, as mine sites have robust firefighting systems and brigades. Additionally, fire-related damage to assets and operations is covered by insurance.
Heat stress -equipment and infrastructure	Extreme heat may reduce machinery performance or damage equipment.	Held interviews with mine leadership, operations, and mine planning teams to identify equipment vulnerabilities.	The risk of heat damage to equipment and infrastructure was assessed as non-material, as only a few spare parts, such as tyres, may be vulnerable during certain seasons, with no historical data indicating significant impact. A more detailed analysis is required.
Heat stress – worker productivity	High temperatures may impact worker productivity.	Engaged with medical and human resources teams to evaluate personnel exposure, existing site condition monitoring processes, and compliance with labour regulations on heat exposure.	The risk of heat stress on worker productivity is difficult to quantify, as job roles already factor in heat exposure regulations, and mitigation measures such as air conditioning improve overall site conditions despite average or peak temperatures.
Water stress	Increased water scarcity and reduced precipitation drives competition for water resources.	Engaged with environmental, operations and accounting teams to identify operational strategies to reduce mine water consumption and enhance community engagement.	The impact of water stress is complex, context-dependent, and sometimes indirect, influencing our social licence more than operational performance. The Company will continue to substitute freshwater for treated wastewater, improving operational efficiency and strengthening community relations.

Based on our thorough and evolving analysis of CROs, our management is confident in the Company's resilience and ability to thrive amidst the challenges of climate change. We are dedicated to sustainable operations and remain optimistic about our profit-generation capacity. With strong processes to manage and adapt to climate-related risks, we are well-equipped to successfully navigate the changing climate landscape, securing the long-term sustainability and success of our business.

Strategy Priorities for 2025

In 2024, we incorporated a long-term energy planning forecast into our Strategic Plan. Capitalising on lessons learnt, we expect to further improve, standardise and document this process in 2025. We believe this information is crucial to advancing our financial analysis by incorporating more detailed data on key inputs – such as water or energy – to enhance forward looking planning. Additionally, we aim to develop a framework that allows for connectivity between CROs and capital expenditures. Finally, we will pursue refining quantitative analysis of the most salient climate-opportunities in the future.

Risk Management

The Board has overall responsibility for our approach to Risk Management and delegates this responsibility to the Audit Committee. Climate change is considered a principal risk to the business, and we adopt a Group-wide approach to risk management based on risk identification, assessment, prioritisation, mitigation and monitoring processes, which are continually evaluated, improved and enhanced in line with best practice. The principal risk Climate Change connects with our emerging risks, notably Water stress and drought, Transition to a low-carbon future and Increasing societal and investor expectations (see Managing our Risks and Opportunities on pages 116-138).

Identifying and assessing climate risks and opportunities

The intricate and rapidly evolving nature of climate change amplifies risks related to environmental incidents, water access, workforce health and safety, regulatory changes, and social licence to operate. A robust climate strategy depends on a deep understanding of our business model's CROs, considering the mining lifecycle and our value chain. Our risk management system follows a structured approach – identification, assessment, prioritisation, mitigation, and monitoring – continuously refined in line with best practices.

Climate change considerations were first incorporated into our annual risk appraisal in 2021. The process began with a risk catalogue informed by industry benchmarks, peer insights, and climate guidance, followed by workshops and interviews across all business areas to build a comprehensive CRO register. In 2023, we refined this register, consolidating risks into a more focused list of material CROs. This involved fully integrating climate change into our Enterprise Risk Management (ERM) framework, aligning climate risk scoring with corporate risk criteria and ensuring risk definitions were broad enough to be relevant across the business.

In 2024, we conducted our first dedicated climate risk assessment, applying a balanced and representative approach to evaluate what management deemed as the most material physical and transition CROs to the organisation. We believe that an insight into this comprehensive subset of CROs offers an opportunity to enhance controls and mitigation actions for risks that have either materialised or remain latent.

This process was informed by past experiences of business continuity interruptions. For example, Hurricane Rosa in Herradura where extreme precipitation disrupted transport routes and access roads, caused landslides, and flooded the pit and other critical infrastructure. Further examples include the polar vortex in San Julián, which caused blockages to access roads, interrupting critical supplies, and power shortages. The process was also informed by past events that did not affect business continuity, such as wildfires close to our facilities at Ciénega and San Julián, as well as current operational challenges and local conditions including water sourcing availability, community perception of water stress and disruptions to local ecosystems. Finally, regulatory factors such as environmental state taxes were also considered, given their increasing salience in Mexican government policy.

The assessment involved interviews with risk owners, mapping critical processes, surveying mining units and key corporate departments, and benchmarking findings against reports from insurance institutions and consultancy firms. As a result, we gained clearer insights into our risk appetite for material climate risks, identifying opportunities to strengthen mitigation actions and allowing us to plan more effectively for the future.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

2024 climate risk assessment matrix

Risk ID	Risk name	Likelihood	Impact	Risk rating	Velocity	Appetite	Business interruption
P1	Extreme weather events (rainfall, storms, flooding) impact operations and cause business disruption	High	Significant	High	< 1 year	Medium	Total shutdown
P2	Extreme weather events (cold, freezing conditions, snowfall) impact operations and cause business disruption	Likely	Moderate	Medium	< 1 year	Low	Impact on one or more processes
P3	Extreme weather events (heatwaves and wildfires) impact operations and cause business disruption	Likely	Moderate	Medium	< 1 year	Low	Impact on one or more processes
P5	Droughts stress water management systems	High	Severe	High	< 3 years	Low	Partial shutdown
P6	More frequent extreme weather events increase insurance costs	Likely	Moderate	Medium	< 3 years	Low	n/a
T2	Intensive water use affects our social licence to operate	High	Significant	Medium	< 1 year	Low	Impact on one or more processes
T3	Community engagement required to avoid negative perceptions relating to changes in local ecosystem	High	Significant	High	< 1 year	Low	Impact on one or more processes
T5	Introduction of carbon taxes	Unlikely	Low	Low	< 3 years	Medium	No impact

This thorough analysis enabled us to identify the two CROs the Company is most exposed to, which are:

- P1 – Extreme weather events (rainfall, storms, flooding) impact operations and cause business disruption, and
- P5 – Droughts stress water management systems.

Managing climate risks

The business-wide impacts of climate change originally led us to include climate change as an emerging risk, as part of provision 28 of the 2018 UK Corporate Governance Code. Today, however, we now consider it to be a principal risk. Updates on the regulatory landscape are considered in line with business-wide regulatory monitoring processes. In this regard, climate change related risks have been included in the financial viability study, primarily focused on hypothetical scenarios of winter storms and extreme rainfall. For a more detailed overview of these scenarios, please see Viability Statement on pages 139-140.

Our updated climate change risk management system is a collaborative effort involving operational and corporate departments including Mine Operations, Plant Operations, Maintenance, Mine Closure, Environment, Industrial Safety, Tailings Storage Facilities (TSFs), Community Relations, Energy, Financial Planning, Operational Comptrollership, Financial Comptrollership, Explorations Comptrollership, Legal, ESG and Risk. Ongoing work focuses on the definition of risk owners, identifying current controls and mitigation actions, and collaboratively enhancing these through monitoring and management, across all operating units. Our purpose is to run this exercise periodically with risk owners to ensure the accuracy of impact assessments and the adequacy of future mitigation actions.

In recent years, our focus has been on fully integrating our assessment of climate-related risks and opportunities with our ERM framework. As a result, we have updated our climate risk framework to reflect the same scoring system and timeframes as our central ERM framework, enabling climate to be ranked alongside other risks to our business. Additionally, following the 2024 assessment detailed in the previous section, we have updated our controls and mitigation actions for each CRO in that subset.

Risk ID	Risk name	Controls and mitigation actions	Metrics
P1	Extreme weather events (rainfall, storms, flooding) impact operations and cause business disruption	1. Continuous monitoring by qualified personnel using weather stations to predict and anticipate extreme weather events. 2. Communication protocols and coordination with municipal, state, and federal authorities. 3. Emergency Preparedness Response Plans (EPRPs) for extreme weather events, with continuous training for emergency response teams. 4. TSFs Potential Failure Model Assessments (PFMAs). 5. Deep drainage systems with regular maintenance to withstand extreme rainfall, diversion channels around industrial areas, contingency ponds surrounding leaching pads, freeboard capacity in TSFs to contain 100-year storms, pumping systems, lightning rods, and slope stability monitoring in leaching pads and waste rock heaps. References in other sections: • Safety: pages 73-77 • Tailings and mineral waste: pages 95-96	Under development
P2	Extreme weather events (cold, freezing conditions, snowfall) impact operations and cause business disruption	Controls 1, 2 and 3. 6. HVAC systems for offices, housing, and support areas as well as flu prevention campaigns. 7. Road maintenance, tree pruning to prevent damage to power lines, and construction of alternative routes. 8. Maintenance and signage of roads, and instrumentation in ventilation circuits. References in other sections: • Safety: pages 73-77	Under development

Risk ID	Risk name	Controls and mitigation actions	Metrics
P3	Extreme weather events (heatwaves and wildfires) impact operations and cause business disruption	Controls1, 2, 3 and 6. 9. Firefighting systems and brigades, wildfire response equipment and non-damaging testing of pipelines and infrastructure near forested areas. 10. Cleaning and reforestation campaigns near facilities. 11. Occupational health site monitoring of job conditions (including temperature) and mitigation measures (such as breaks, hydration or air conditioning) in compliance with labour regulations on heat exposure. References in other sections: • Safety: pages 73-77 • Environment: pages 80-100	Under development
P5	Droughts stress water management systems	12. Tracking water usage in processes and continuous monitoring of groundwater levels across all business units. 13. Long-term water consumption planning per business unit, including monitoring water concession titles and usage licences. 14. Implementation of wastewater treatment, water recirculation, and reuse efficiency to minimise freshwater consumption. 15. Infrastructure in place to redirect water supply within the mine and plant, with daily monitoring. 16. Strict control over groundwater extraction for operational use. 17. Specific site initiatives: – Municipal wastewater treatment and potabilisation of groundwater in Fresnillo District. – Rainwater harvesting project in Ciénega. – Early warning system for drought conditions at Herradura. References in other sections: • Water stewardship: pages 98-99 • Socioeconomic development: pages 102-105	Percentage of freshwater withdrawn in regions with high or extremely high-water stress Percentage of water consumed in regions with high or extremely high-water stress Percentage of water reuse efficiency* Wastewater intensity Percentage of Third-party wastewater inputs
P6	More frequent extreme weather events increase insurance costs	18. Ongoing global monitoring of insurance coverage, pricing, and policy types available for extreme weather events and climate change-related risks.	n/a
T2	Intensive water use affecting social licence to operate	19. Implementation of wastewater treatment, water recirculation, and reuse efficiency to minimise freshwater consumption to prevent conflicts with local communities. 20. Community engagement framework, including: – Meetings with community leaders to discuss water usage concerns. – Monitoring community grievances over water shortages and prioritising the addressing of water-related complaints. – Specific engagement programmes related to biodiversity and water management. References in other sections: • Water: pages 98-99 • Community relations: pages 101-102 • Socio-economic development: pages 102-105	Wastewater intensity Percentage of Third-party wastewater inputs Community grievances*
T3	Community engagement required to avoid negative perceptions relating to changes in local ecosystem	Control 20. References in other sections: • Community relations: pages 101-102 • Socio-economic development: pages 102-105	Community grievances*
T5	Introduction of carbon taxes	21. Engagement with regulators and law makers on energy and climate change regulations through industry associations 22. Strategy of increasing renewable electricity consumption through legacy self-supply and current regulatory frameworks. 23. Energy and operational efficiency measures including demand control to reduce electricity demand in peak hours, haulage route optimisation, mine shafts, harmonic filters, and on demand ventilation systems 24. Use of hydraulic electric drills in underground mines is already established. 25. Deployment of fuel switching projects from diesel to electricity. References in other sections: • Energy: pages 80-81 • Our approach to sustainable mining: page 60	Absolute Scope 1 and 2 GHG emissions Percentage of grid electricity Percentage renewable electricity
O1	Switching to renewable sources of energy	Control 21, 22, 23 and 24. References in other sections: • Energy: pages 80-81	Percentage renewable electricity
O2	Increased demand for silver for PV panels	26. Monitor commodity insights through the Silver Institute and specialised reports. 27. Advanced exploration projects such as Guanajuato focus on silver reserves, whereas exploration projects in Latin America focus on product diversification References in other sections: • Exploration: pages 48-50 • Our markets: pages 20-21	Silver price** Annual global industrial silver demand***

Note: Metrics with (*) are found in the ESG KPIs Tables on pages 107-113, (**) in other sections of this Annual Report, (***) not presented in this Annual Report.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

Risk Management priorities for 2025
Following the completion of our 2024 climate risk assessment, we have identified an emerging priority: developing risk materialisation scenarios for the two most exposed risks. For extreme weather events (rain, storms, flooding), we will focus on La Herradura and Ciénega, whilst for water scarcity, we will analyse the Saucito and Juanicipio units.

Additionally, we will develop action plans for the eight CROs identified in the 2024 assessment, working with risk owners to strengthen and standardise existing controls and mitigation measures. We will also review the scope and coverage of insurance policies for weather-related and reputational impacts.

Looking ahead, we aim to further develop Key Risk Indicators and leverage scenario analysis to quantify key opportunities, such as the growing demand for metals and minerals in the global transition to net zero.

Metrics and Targets

Our target is to source 75% of electricity from renewable sources by 2030. We have steadily increased our consumption of renewables in recent years, despite regulatory uncertainties which have caused delays to new renewable supply sources coming online.

Our primary climate-related metrics and targets are linked to our priority CROs, detailed in the previous section. Additionally the mining industry is energy and water intensive, and the rigorous monitoring of our usage of both resources is therefore key to our operations. Our metrics are outlined in table below. Further work is still needed to comply with the cross-industry metrics.

TCFD category	Metric	Unit of measurement	% change YoY	FY24	FY23	FY22	FY21
SASB Climate-related Disclosure Topics and Metrics, Metals and Mining							
GHG emissions	Absolute Scope 1 and 2	tCO_2e	-27.6%	597,422	825,325	968,249	894,149
	Scope 1	tCO_2e	0.0%	469,122	469,146	545,970	544,107
	Percentage of Scope 1 emissions under emissions limiting regulations	%	n/a	0	0	0	0
	Scope 2	tCO_2e	-64.0%	128,299	356,179	422,279	350,042
	Absolute Scope 3[a]	tCO_2e	n/a	*	700,480	713,043	729,158
	GHG emissions intensity measurement	tCO_2e/ton of mineral processed	-26.6%	0.0182	0.0248	0.0246	0.0231
Energy management	Total energy consumed	GJ	2.1%	10,812,917	10,590,930	11,350,894	11,327,936
	Percentage of grid electricity of total energy consumed	%	n/a	6.4%	10.6%	14.8%	10.0%
	Percentage renewable energy of total energy consumed	%	n/a	32.9%	21.3%	12.4%	17.4%
	Percentage renewable electricity of total electricity consumed	%	n/a	80.6%	53.3%	35.6%	49.7%
	Energy intensity measurement	MWh/ton of mineral processed	3.6%	0.0916	0.0885	0.0801	0.0814
Water management	Total freshwater withdrawn	thousand m^3	29.8%	31,215	24,057	30,023	28,488
	Total freshwater consumed	thousand m^3	4.4%	9,944	9,521	12,817	14,534
	Percentage of freshwater consumed in regions with High or Extremely High Baseline Water Stress	%	n/a	100%	100%	100%	100%
	Percentage of third-party wastewater inputs	%	n/a	30.2%	26.3%	14.0%	12.9%
	Wastewater intensity	m^3/ton of mineral processed	28.0%	0.1329	0.1028	0.0532	0.0556
Tailings Storage Facilities Management	Number of TSFs[b]	Number	0.0%	17	17	14	n/a
SASB Climate-related Disclosure Topics and Metrics, Metals and Mining							
Remuneration – CEO Annual Bonus	Weighting points[c]	Number	0.0%	5	5	n/a	n/a

a. Scope 3 GHG emissions categories that have been deemed most material include Purchased goods and services, Processing of sold products, Downstream transportation and distribution, and Investments. See our ESG KPIs Tables on pages 107-113.
b. During 2024, the Tailings Review Executive Committee authorised changing the scope of the Tailings Management System to focus only on TSFs, resulting in an update of the TSF inventory, leaving a record of 6 operational TSFs, three under care and maintenance in operational units, and eight under care and maintenance in legacy units. See Tailings and mineral waste on pages 95-96.
c. Two new indicators were included in the CEO Annual bonus under the ESG objective category in 2023, related to water and GHG emission intensities. See Director's Remuneration Report on page 184.

* Processing of sold products was not available at the time of publication; it will be updated retroactively.

Waste management

We safeguard local communities and the environment through responsible waste management.
Our mining operations produce two primary categories of waste:

- Mineral waste, such as tailings and waste rock, and
- Non-mineral waste, including hazardous materials like spent oils and non-hazardous recyclables such as wood and plastics.

Each waste type is managed through dedicated processes to ensure proper disposal, recycling, or reuse, prioritising environmental stewardship and compliance. For example, our management systems prioritise the prevention of soil contamination through measures such as handling engine oils, fuels, and chemicals responsibly, and mitigating risks from tailings and dust. See our ESG KPIs Tables on pages 107-113.

The following diagram outlines the specific pathways for handling and managing these waste streams across our operations, and the following sections explain each of them

Tailings and mineral waste

Safe tailings management is a critical aspect of our mining operations, covering every phase from design to post-closure. Committed to achieving zero harm to people and the environment, we have adopted some of the industry-leading principles and practices for the governance and operation of our Tailings Storage Facilities (TSFs). As a result, we reported no tailings-related failures in 2024.

During 2024, the Tailings Review Executive Committee authorised changing the scope of the Tailings Management System to focus only on TSFs. Other facilities, such as leach pads and water dams, will continue to be managed safely and responsibly, complying with their specific norms and standards. As result of the change of scope, the TSF inventory was updated, with leach pads and water dams excluded, leaving a record of six operational TSFs, three under care and maintenance in operational units, and eight under care and maintenance in legacy units. See our ESG KPIs Tables on pages 107-113.

Governance

Our governance framework defines the roles, responsibilities, and accountability of those involved in the design, construction, operation, maintenance, and monitoring of TSFs. The Board's Health, Safety, Environment, and Community Relations (HSECR) Committee is regularly updated on compliance, key issues, risks, and recommended actions.

The Independent Tailings Review Panel (ITRP) meets with the Company every two months, conducts annual field visits, and presents findings to senior management for follow-up. The Tailings Review Executive Committee – comprising Board members, advisors, and general managers – continues to meet every two months, fostering coordination across management and enabling timely, informed decision-making.

In 2024, addressing organisational needs and reflecting the evolution and maturity of the TSFs system, the Responsible Tailings Facility Engineers (RTFEs) were transferred from the Corporate Tailings Management Office to individual mining units to strengthen governance and enhance operational performance.

TAILINGS AND MINERAL WASTE

Tailings are a by-product of mineral processing, the leftover slurry of milled rock after valuable minerals are extracted. They are stored in engineered Tailings Storage Facilities (TSFs) or reused as paste backfill in underground works.

Waste Rock is removed to access ore, and primarily stored in waste piles, with some reused in underground cut-and-fill operations. Most waste rock is generated by open-pit operations.

Heap leaching is used for disseminated ore deposits of open pit operations. After ore extraction is complete, heaps are rinsed and drained to ensure environmental protection.

Governance framework of TSFs
(Roles and responsibilities)

SITE MANAGEMENT

Mine Manger
Risk owner and responsible for operating facilities following the Tailings Management System guidelines.

Responsible Tailings Facility Engineer (RTFE)
Ensure safe operation and implementation of the Tailings Management System.

Engineer of Record (EoR)
Provide technical expertise to ensure the TSF is managed safely and complies with appropriate governance and best practices.

TSFS STEWARDSHIP

Corporate Tailings Manager
Develop, update and manage Corporate Governance and Tailings Management System.

Administer external reviews and verifications.

EXTERNAL REVIEWS

Independent Tailings Review Panel (ITRP)
Annual review programme to confirm compliance with Governance and best practice requirements.

Inspectors, reviewers, and auditors
Implement Dam Safety Inspections (DSI).

Implement Dam Safety Reviews (DSR).

GROUP-LEVEL OVERSIGHT

Accountable Executive Officer (AEO)
Accountable for tailings management and implementing the systems needed for responsible tailings management.

Tailings Review Executive Committee
Provide governance and overall oversight.

Continuous oversight of operation, governance, inspection, review, and audit reports.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED

PROTECTING OUR ENVIRONMENT

In 2024, we strengthened our efforts to disseminate the Tailings Management System guidelines and the Board of Directors' Policy and commitments to responsible tailings management, which were issued in 2023. The annual review programme by the ITRP was also completed:

- Review programme covered Ciénega, San Julián, and the Orisyvo project.
- Overall recommendations from the ITRP decreased from to 43 in 2024, down 50% from 2023.
- Priority 1 (highest priority) recommendations fell from 12 in 2023 to none.
- We also achieved 70% progress on recommendations accumulated since 2019, with no highest priority recommendations outstanding.

Strategy and Risk Management

Guided by our Tailings Management System, we uphold safety and environmental standards throughout the lifecycle of TSFs. Our system is based on the ICMM tailings governance principles and primarily aligned with the Mining Association of Canada (MAC) and the Canadian Dam Association (CDA), which we believe to be industry best practice. Our design, construction, surveillance, and maintenance practices are supported by qualified engineering firms. Compliance efforts are supported by advanced instrumentation and monitoring systems, enabling near real-time management of critical controls, detailed condition reporting, and prompt response capabilities.

While we are currently not implementing the Global Industry Standard on Tailings Management (GISTM), we continue to monitor updates and industry developments related to its implementation. We believe advancing our Tailings Management System will position us to meet many GISTM requirements.

Our approach to new technologies evaluates safety, efficiency, and environmental benefits, as well as their maturity and economic feasibility. Our focus includes:

i. Improving safety: Advanced surveillance, monitoring, and alerting technologies (e.g., InSAR, drones, and data analytics).
ii. Enhancing operational efficiency: Downstream processing technologies (e.g. paste and filtered tailings).
iii. Reducing environmental risks: Upstream processing technologies (e.g. selective processing, water and energy efficiency).

In 2024, we implemented projects including expansions to TSFs at Fresnillo (San Carlos), Saucito, and Juanicipio, as well as the design of a new TSF for Herradura. Additionally, three projects were in pre-feasibility or feasibility stages. All projects adhered to the principles of our Tailings Management and Capital Project Management Systems, ensuring site and tailings characterisation-based designs, quality assurance, design intent validation by the designer or EoR, and effective project documentation.

We closely monitor tailings volumes to assess remaining capacity and lifespan, adopt innovative practices that reduce surface storage needs, enhance resource recovery, and promote sustainable tailings management. These efforts add value to mining waste and align with our environmental stewardship goals by minimising in situ storage and maximising resource efficiency across operations, achieving a low cost per ton of stored tailings.

Efforts to implement the Tailings Management System across mining units continued in 2024, emphasising the incorporation of Dam Safety Inspections, and risk evaluation and management for TSFs. Significant progress was made in:

- Conducting Dam Break Analyses at San Julián and Herradura.
- Potential Failure Modes Analyses at Juanicipio, Saucito, and Fresnillo (San Carlos) and San Julián.
- Development of Operation, Maintenance, and Surveillance manuals at Ciénega.

Performance

In 2024, we generated 15.74 million tons of tailings, used 649,144 tons as underground mine backfill, reprocessed 1.39 million tons of old tailings, and used 64,294 tons as construction material for TSF expansions. These initiatives contributed to a net increase of 15.03 million tons in stored tailings, despite 16.49 million tons being deposited during the year. Key contributions from our operations include:

- Fresnillo (Proaño Complex): Tailings from legacy facilities were reprocessed at the Pyrites Plant to recover economically valuable metals, with residual materials transferred to facilities designed and operated according to our Tailings Management System.
- San Julián: One-third of generated tailings were converted into paste backfill for underground mine works.
- Saucito: Tailings were repurposed for construction applications, such as embankments and buttresses, in the expansion of its TSF.

Non-mineral waste

Our goal is to optimise resource use by minimising physical waste and maximising process efficiency.

Non-hazardous waste

Most non-hazardous waste from our mining operations consists of recyclable materials such as cardboard, tyres, wood, steel, plastics, and urban solids. To ensure proper handling, we adhere to rigorous materials management protocols and have dedicated storage sites within our business units.

We manage special handling and organic waste by segregating, recycling, and repurposing materials in compliance with regulatory standards. Recyclables are sent to accredited facilities, urban solid waste is compacted and disposed of safely, and organic waste is composted or repurposed for community use.

Hazardous waste

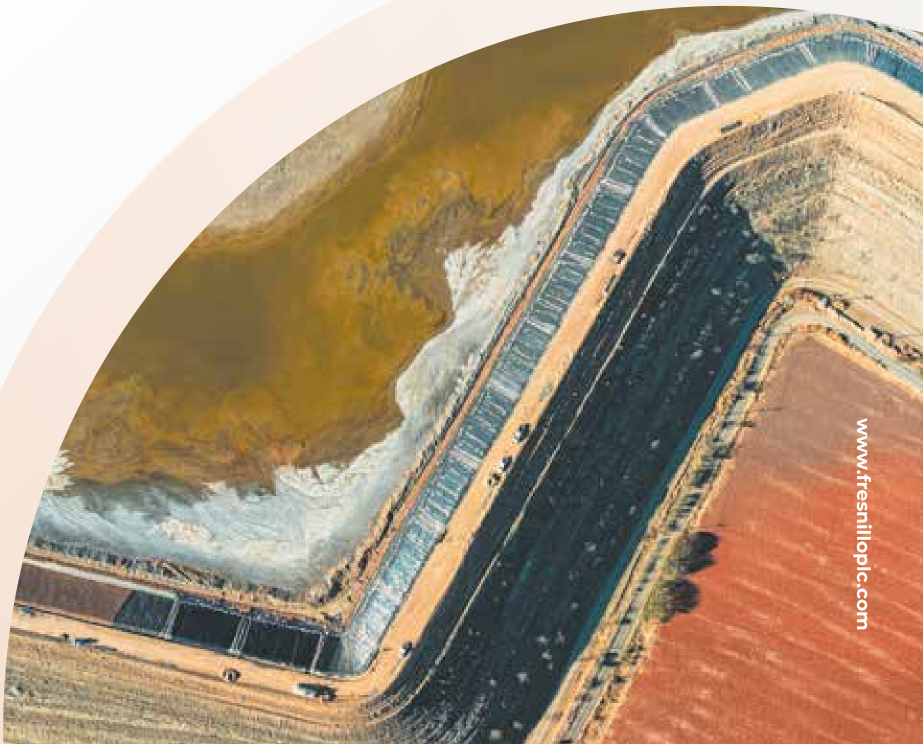
We are committed to responsible hazardous waste management and provide comprehensive training to all personnel covering the entire waste lifecycle. We securely store, identify, and organise hazardous waste before sending it to authorised facilities for final disposal. Preventive maintenance is also carried out to ensure equipment efficiency and minimise the risk of oil spills, while spent lubricating oil is reprocessed for reuse.

We also prioritise safe and responsible **cyanide management** in compliance with the International Cyanide Management Code (ICMC) best practices and Mexican standard NOM-155 SEMARNAT-2007, which establish environmental requirements for gold and silver leaching systems (production, transportation, storage, usage, and facilities decommissioning). Operations at Herradura and Noche Buena are certified under the International Cyanide Management Code, which accounts for each of their Merrill-Crowe processes and the dynamic leaching plants.

Although not all mines are certified under the ICMC, their operations are based on its principles. Key measures include:

- Procuring sodium cyanide from certified manufacturers.
- Protecting communities and the environment during transportation, handling, and storage.
- Optimising processes to minimise residual cyanide in tailings.
- Monitoring seepage to prevent groundwater contamination.
- Decommissioning facilities responsibly to avoid legacy issues.
- Following working practices that prevent impacts on health or ecosystems.

We train personnel, conduct scenario simulations and emergency drills regularly, in accordance with NOM-023-STPS-2012, ISO 45001, ISO 14001 and the ICMC itself. Detailed procedures for cyanide solution preparation, destruction, and contingency plans are also reviewed frequently. In addition, we engage local authorities and communities to enhance transparency. In addition, we build trust by engaging with local authorities and communities – ensuring full transparency around our processes, potential hazards and controls. No incidents related to cyanide management were reported in 2024.



SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

Water stewardship

We strive to minimise our water footprint and collaborate with our stakeholders to promote responsible water management.

Mining and ore processing require considerable water resources. A challenge heightened in arid regions where local communities also face water scarcity. Recognising that sustainable water management is essential to both operational success and community wellbeing, we prioritise minimising our water footprint.

We conduct Environmental Impact Assessments (EIAs) to evaluate the state of local and regional water resources and their vulnerability before embarking on any project and have developed a water stewardship strategy built on four key pillars:

Water stewardship strategy

EFFICIENCY AND REUSE

Implement closed-loop water circuits to prevent discharge into natural waterways.

Reuse wastewater from municipal sources and internal operations to reduce freshwater consumption.

Assess and adopt mineral processing technologies to enhance safety and reducing carbon and water footprints.

POLLUTION PREVENTION

Direct unused water from dewatering into settlement ponds to remove suspended solids before safe downstream discharges (deviations).

Ensure responsible cyanide management.

Ensure the responsible operation of TSFs. See Tailings and Mineral Waste on pages 95-96.

STEWARDSHIP

WATERSHED AND COMMUNITY ENGAGEMENT

Secure water rights from authorities before operational usage.

Collaborate with authorities and stakeholders to improve water access for neighbouring communities. See Social Investment on pages 103-105.

Exchange best practices with other industries and civil society organisations.

TRANSPARENCY AND ACCOUNTABILITY

Comply with water quotas and quality regulations.

Monitor and improve withdrawals and discharges (deviations).

Enhance water accounting practices through disclosure and ongoing evaluation.

We operate in river basins already facing water stress, a challenge that climate change is set to intensify across all scenarios. This reality drives our commitment to responsible water management and active collaboration with stakeholders to safeguard this vital resource.

	Current Conditions		Water stress considering climate change scenarios (by 2030)		
Business unit	**Overall Water Risk**	**Water stress**	**Optimistic**	**Business as usual**	**Pessimistic**
Herradura					
Noche Buena					
Fresnillo					
Saucito					
Juanicipio					
Ciénega					
San Julián					

Key

Overall Water Risk	Water stress
Extremely High (4-5)	Extremely High (>80%)
High (3-4)	High (40-80%)
Medium – High (2-3)	Medium – High (20-40%)

Committed to environmental stewardship across all our mines, we implement operational controls to reduce total suspended and dissolved solids. Additionally, we have water quality monitoring programs in place, complying with national standards. Our mining operations use closed-circuit water systems and have a high rate of water reuse, achieving an 84.2% reuse efficiency in 2024.

Since 2009, the Fresnillo District has implemented an ambitious strategy to replace freshwater consumption in our processes with municipal treated wastewater. This initiative benefits local government by reducing wastewater treatment costs whilst contributing to a cleaner environment for the community.

We are currently optimising the operations of the Proaño and West plants, which supply most of the water needs for Fresnillo, Saucito, and Juanicipio.

In 2024, we saw an increase in freshwater withdrawals: in the Fresnillo District, mainly due to the 2023 agreement with the municipal Potable Water, Sewage, and Sanitation System announced last year. As per the agreement we will supply potable mine water to city residents, while repurposing rejected water for our industrial processes – avoiding any discharge to superficial water bodies or the city's sewer system.

In Herradura, due to the construction of the new leaching pad and TSF. Finally, in Ciénega, due to improvements in our accounting methodology, as we continue to incorporate more accurately our total water deviations. For more detail on water performance, refer to our statement of water input and outputs in our ESG KPIs Tables on pages 107-113.

Also in 2024, the proportion of municipal treated wastewater in our total water consumption increased to 81.2% in the Fresnillo District and 30.2% on a consolidated basis – up from 76.5% and 26.3% in 2023, respectively. This progress has further reduced our reliance on freshwater. Notably, despite an increase in overall water intensity to 0.44 in 2024, freshwater intensity has somewhat continued its downward trend of recent years. See ESG KPIs Tables on pages 107-113.

Freshwater intensity
(m^3 per ton of processed ore)

Water Intensity
(m^3 per ton of processed ore)

In 2024, we strengthened our collaboration with the Federal Government by committing an annual return of 300,000 m^3 of water as part of the 2024-2030 National Water Plan. This included investing US$2 million during the year – out of a total US$7 million – to rehabilitate Fresnillo city's water potabilisation plant, now renamed the Proaño Potable Water Plant.

The year also saw the launch of a project in Ciénega to replace mine water with treated wastewater for mine auxiliary services. Additionally, a portion of treated water will be used for irrigating green areas, and alfalfa and oat crops grown for deer at the Wildlife Conservation Management Unit (UMA). This will avoid residual treated wastewater discharges.

Looking ahead, we will continue refining our water management standards and procedures to ensure our practices not only meet but exceed industry benchmarks. Furthermore, we will continue to enhance water accounting to improve tracking, efficiency, and transparency – reinforcing our commitment to sustainable and responsible water use.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PROTECTING OUR ENVIRONMENT

Biodiversity

We are committed to preserving biodiversity through responsible practices that mitigate the impact of our operations on ecosystems and natural habitats.

Aligned with the Mexican biodiversity norm NOM-059-SEMARNAT-2010, our Environmental Impact Assessments (EIAs) and management plans provide a robust framework to managing biodiversity responsibly by identifying and implementing measures to avoid, mitigate, and compensate our environmental impacts.

Before initiating any project, or making significant changes such as expanding permits or operations, we conduct comprehensive assessments to evaluate potential impacts on biodiversity. To address these impacts throughout a project's lifecycle, we implement permanent environmental management programmes that monitor air, soil, water, vegetation, and wildlife, as well as closure plans.

We actively avoid operating in Mexican Natural Protected Areas, UNESCO Natural World Heritage sites, UNESCO Man and the Biosphere Reserves, Ramsar Wetlands of International Importance as well as International Union for Conservation of Nature (IUCN) Protected Areas.

We identify species of special concern and execute comprehensive Wildlife Rescue and Relocation Programmes. Measures include wildlife exclusion barriers, such as fencing and wildlife corridors, species counts, relocation of flora and fauna, and monitoring survival rates, aligning with IUCN and Mexican biodiversity norm listings and species under protection status. Key measures include:

- Inspections to assess plant and wildlife conditions, applying preventive measures to ensure survival rate.
- Prohibiting the introduction of non-native species and limiting vegetation impacts to designated construction areas.
- Training new employees on ecological protection.
- Prohibiting hunting on company-owned lands.

Rehabilitation efforts focus on restoring affected areas to their natural state post-operation, using endemic vegetation. Soil conservation initiatives, including erosion control through plant material cordons, enhance natural habitat recovery by increasing humidity levels.

Forestry nurseries at all operations play a vital role in restoring sites to their pre-operation state and conserving endemic species. Staff receive training in planting, irrigation, and pest control to ensure the nurseries' success. In some cases, these facilities also support environmental education and research in partnership with local authorities.

Our Wildlife Conservation Management Units (UMAs), approved by the Mexican Federal Environmental Agency (SEMARNAT), are dedicated to conserving natural habitats and wildlife populations. At Fresnillo and Ciénega, these facilities host educational tours to raise awareness among employees and local communities, particularly children.

Mine closure

Our mine closure vision is an integral part of our project planning, shaping both design and cost considerations throughout the lifecycle of our operations. It also incorporates social impact assessments and stakeholder engagement to support long-term community transitions. See Community Relations on pages 101-102.

Our mining units benefit from conceptual closure plans which are updated every three years on a mine-site basis with the support of a third-party expert, and an internal multidisciplinary team. Mine closure provisions are updated annually for cost adjustments. See Significant accounting policies on page 225.

Noche Buena is the first mine in our portfolio scheduled for closure. While pit operations have ceased, inventory recovery continues as long as it remains economically viable. The progressive closure plan focuses on restoring land for livestock and wildlife use, with a 20-year post-closure commitment to rehabilitation and maintenance. This includes the removal of most access roads, power corridors, and water infrastructure, while ensuring waste facilities and processing areas are safely decommissioned. Certain structures, such as leaching pads, may require extended care.

In 2024, we carried out a variety of rehabilitation efforts, including repurposing deadwood for soil conservation structures, filter dams and the planting of native saplings. We also continued advancing slope grading to enhance stability and prevent soil erosion at the western Tepetatera.

WHAT'S NEXT

- Continue maturing our climate change strategy.
- Continue developing standards and procedures for water management within our operations.
- Progressively implement critical environmental risk management methodology guided by the International Council on Mining and Metals (ICMM) in our mining units.
- Continue to deploy Noche Buena's progressive closure plan.

PARTNERING WITH OUR COMMUNITIES

WE ENGAGE MEANINGFULLY WITH OUR COMMUNITIES AND SUPPORT THE ISSUES THAT MATTER TO THEM

Community relations

We build and maintain communities' trust by engaging effectively and taking responsibility for our impacts. This approach is essential to securing our social licence to operate. Our community strategy, spanning all phases of the mining lifecycle, focuses on fostering mutual understanding and collaboration between our operations and local communities, ensuring shared development and growth.

Engaging communities effectively in the lifecycle of mining

Stakeholders in the global mining industry increasingly expect companies to manage social and environmental impacts responsibly whilst contributing to community development. Managing these expectations responsibly, transparently, and in a timely manner helps us reduce opposition to projects and aims to mitigate potential impacts on local communities.

Projects are carefully designed to avoid adverse impacts, and when challenges arise, mitigation measures are implemented proactively. Key elements of our approach include:

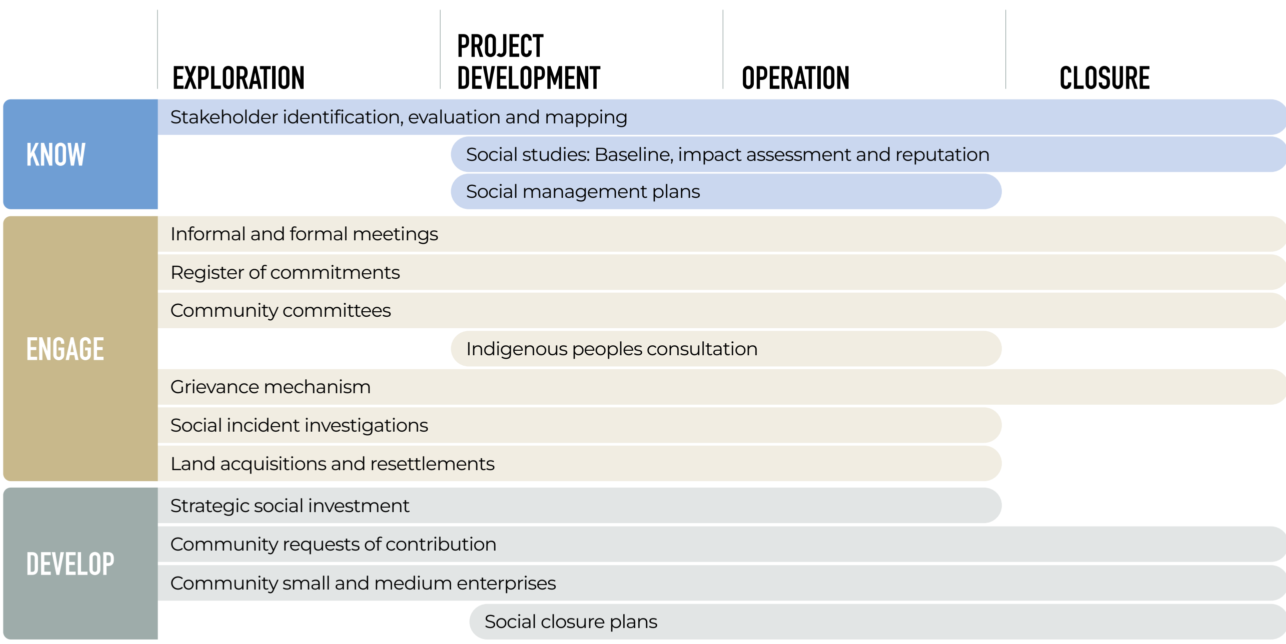
- Monitoring public opinion to identify challenges through partnerships with peers, business associations, governments and NGOs.
- Conducting social studies to align engagement strategies with community perceptions.
- Engaging communities through formal and informal settings and ongoing social programmes.
- Operating a grievance mechanism to resolve concerns efficiently and prevent escalation.
- Aligning mitigation strategies with global best practices in social and environmental responsibility.

Our community engagement strategy evolves with the mining lifecycle, from building relationships during exploration to trust-building and risk assessments in the development phase, ongoing dialogue during operations, and impact mitigation in closure. Local employment, procurement, and social investment also evolve over time, transitioning from early-stage support to capacity-building initiatives that align with community needs at each phase. See Socio-economic Development on pages 102-105.

Social Risk management

Our evaluation procedures help us to identify potential risks and potentially impacted stakeholder groups, prioritising risks based on their impact and location. Preventive and mitigation actions are implemented through collaborative strategic planning and overseen by dedicated committees. Clear responsibilities are assigned within an accountability framework to ensure that the issues underlying risks are effectively addressed and resolved, while remaining vigilant to any potential re-emergence.

Framework for community engagement in the life cycle of mining



SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PARTNERING WITH OUR COMMUNITIES

Potential risks include negative perceptions of company performance, unmet community expectations and commitments, ineffective communication, competition for natural resources, and anti-mining activism, as well as reduced government spending.

Strategic Programmes
In 2024, we successfully standardised strategic programmes across all our business units, aligning them with our social management and investment frameworks. These programmes aim to strengthen community relations by raising awareness of social realities in our internal workforce, and include:

- **Operational Engagement Programme:** Aims to enhance collaboration between community relations and operational teams, fostering trust and teamwork to address social challenges effectively.
- **Social Engagement Programme:** Aims to develop social ambassadors within our operations who engage with communities to communicate the Company's commitment to modern and socially responsible mining practices.
- **Contractor Awareness Programme:** Targets foreign contractors to prevent and mitigate social risks in local communities, with an emphasis on ethics and human rights.

Community Grievances
Our grievance mechanism ensures fair and efficient resolution processes, supported by dedicated Community Relations teams at each operating unit and advanced project. These teams document and manage grievances through a specialised system, acting as mediators between communities and the relevant operational departments to promptly investigate and resolve issues.

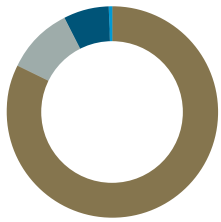
The effectiveness of our grievance mechanism is measured by its ability to build trust, address community needs, and prevent recurring issues. By fostering open communication and a fair resolution process, we ensure concerns are handled transparently and effectively across our operations. In 2024 we had 25 community grievances, with more details on our performance available in the ESG KPIs Tables on pages 107-113.

Socio-economic development

In addition to effective stakeholder engagement, the equitable distribution of mining benefits significantly contributes to the overall wellbeing of communities. Our commitment to creating value in the regions where we operate is demonstrated by our actions, which include providing job opportunities, local procurement, skills development, targeted community investments, and fulfilling our financial responsibilities by paying our fair share of taxes.

Economic impact
Our activities yield a positive economic impact in the regions where we operate. In particular, employment, contracting opportunities and contributions to governments demonstrate our commitment to sharing the benefits of mining. In 2024, our Economic value distributed amounted to US$2,152.5 million, down 8% versus 2023.

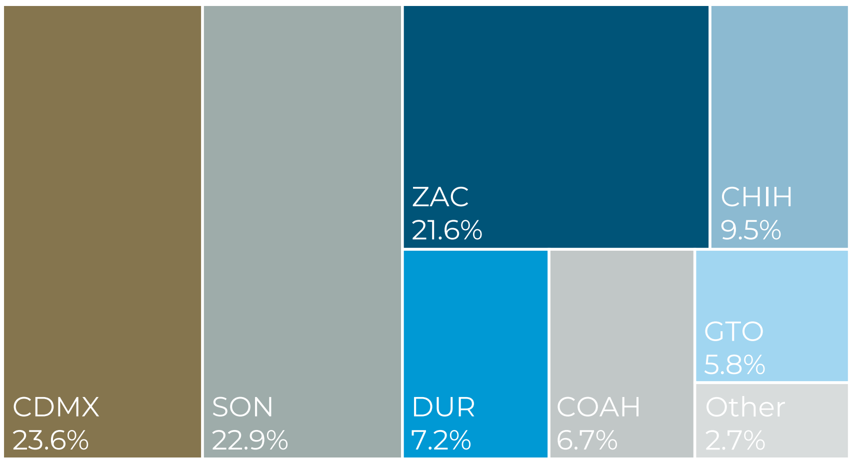
Economic value distributed by concept



Concept	US$ million	Percentage
Payments to suppliers (contractors)	**1,773.5**	82.4%
Payments to federal government	**221.2**	10.3%
Wages and benefits of workers	**149.7**	7.0%
Payments to local governments	**8.0**	0.4%
Total	**2,152.5**	100%

Economic Value Distributed is considered to be a social performance measure. We consider our community investment to be an indirect economic impact of our activities and therefore present it separately from the Economic Value Distributed measure.

Economic value distributed by state



Mining fund
Introduced in 2014, Mexico's special tax on mining activities was designed to create a fund to support the sustainable development of mining regions, benefiting communities near mining operations. However, this fund has since been reallocated to national public spending. In response, we continue to work closely with the communities where we operate to engage authorities and advocate for infrastructure projects that directly benefit mining communities.

In 2024, we contributed US$31.8 million to the Fund for Sustainable Development of Mining States and Municipalities.

Local employment and procurement
Local employment is a key driver of social acceptability and community development. From the early days of exploration, we prioritised hiring locally and continue this commitment throughout the development and operational phases. Employment opportunities are offered directly or through our mining contractors, and in 2024, regional labour accounted for 74.95% of our total workforce.

We actively participate in the mining clusters of Zacatecas, Sonora, Chihuahua, and the recently established Durango cluster. These clusters serve as key platforms for fostering regional supplier development, enhancing their integration into the mining industry's value chain. Additionally, they provide an effective mechanism for maintaining close relationships with key stakeholders, including state governments, while supporting local procurement capabilities and skills development.

Furthermore, Peñoles' Centre for Technical Studies in Laguna del Rey (CETLAR) provides training for mining, instrumentation and maintenance technicians, tailored to our specific needs. Candidates are selected from communities near our operations, fostering local talent and promoting long-term community engagement.

Social investment

We are committed to maintaining and strengthening our social licence to operate by addressing the most pressing needs of our communities and building trust through accountable and collaborative partnerships.

Our social investment priorities align with the UN Sustainable Development Goals (SDGs) – Education, Water, Decent Work and Economic Growth, and Health – through initiatives that support community aspirations while ensuring the responsible use of resources. Embracing the concept of shared value, we drive community growth while generating long-term benefits for the Company, fostering a more inclusive and sustainable economy that helps reduce poverty, inequality, and social fragmentation.

In 2024, we invested US$ 4.78 million in local communities, a 25.2% increase over 2023. Investment distribution by strategic lever and by region are shown below.

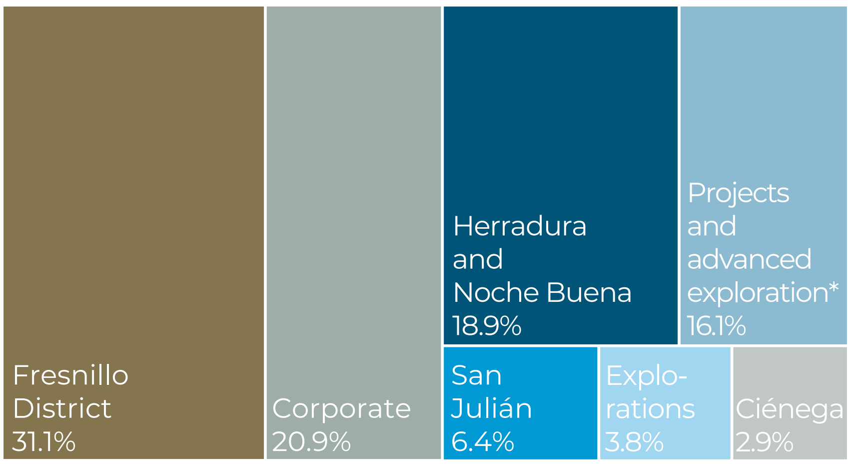
We believe that meaningful and lasting impact can only be achieved through collaborative efforts. Through our Alliance for the Common Good strategy, we proactively engage all levels of government in transparent and participatory dialogue. Our primary objective is to build long-term capacity in our neighbouring communities and to foster lasting relationships with them, civil society organisations, and government entities.

By providing accurate and verifiable information, we advocate to influence decision-making that prioritises the needs of communities. This involves promoting projects that address pressing concerns and securing funding from various government sources. These partnerships are vital in mitigating the impact of negative external influences and ensuring operational continuity, from both a regulatory and public investment perspective. Our work helps highlight our contributions to society, strengthens the State's presence in these regions and, most importantly, improves community wellbeing.

Social Investment by strategic lever, 2024

	%
Education	**27.3**
Health	**39.9**
Decent work	**6.4**
Water	**5.0**
Other	**21.4**

Social investment by business unit, 2024



* Includes the Orisyvo, Rodeo and Guanajuato advanced exploration projects.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PARTNERING WITH OUR COMMUNITIES

SOCIAL INVESTMENT PORTFOLIO

SDG alignment

Objective

We are committed to enhancing the health and wellbeing of our neighbouring communities through a preventive approach. Our efforts focus on promoting initiatives that improve access to healthcare, encourage healthy lifestyles, and strengthen community wellbeing.

We are also committed to advancing inclusive and quality education, recognising its critical role in reducing poverty and inequality. By fostering education, we aim to expand development opportunities for children and young people in our communities.

We aim to reduce our freshwater footprint through operational efficiency. We also strive to secure access to safe water and infrastructure for our neighbouring communities, aiming to avoid reliance on water supplied by the Company. Through community committees, we support tripartite water supply projects in partnership with government entities and NGOs, delivering solutions that meet local needs.

We are committed to fostering entrepreneurship in our neighbouring communities through collaborative strategies that promote self-sustaining local economies and support regional supplier diversification within our value chain. By working with strategic partners, we focus on developing entrepreneurial skills, empowering small and medium-sized enterprises (SMEs) for long-term success and facilitating economic resilience beyond mine closure.

Strategic partners

Key initiatives in 2024

Community Health Weeks in partnership with the UNAM Foundation, local and federal authorities and health agencies to bring quality health to our neighbouring communities, providing:

- 2,496 optometry appointments and 2,421 items of corrective eyewear.
- 2,714 odontology appointments and 15,505 dental procedures.
- 821 physical therapy appointments.
- 1,071 general medical appointments.

Preventive Health in communities, providing almost 12,000 appointments.

Leaders in the Horizon, a sports training programme for young people and adults to develop sport leaders in communities close to Herradura and the Guanajuato project.

Sports and recreational activities to promote health and wellbeing among children, young people and adults. Examples include the Santos Fresnillo plc Soccer Academy, the Baseball Academy, the Basketball Academy, the BMX Minera Fresnillo Club, and the Tennis Club.

Fresnillo Recreational Park is a high-quality sports facility designed to encourage physical activity and provide relaxation spaces for families.

PREST-MATH is designed to enhance critical thinking, problem-solving, and mathematical reasoning through interactive learning. Introduced in 45 primary schools in the communities of San Julián, Herradura, and the Fresnillo District, it operates in partnership with INNOVEC and the education ministries of Sonora, Zacatecas, and Chihuahua.

Picando Letras has been redesigned with an inclusive approach that promotes equity, cultural diversity and a culture of harmony, along with reading comprehension. Delivered in partnership with Ensamble Alejandría, it is currently active in 64 schools across communities neighbouring our mines.

FIRST Robotics competition engages students in Science, Technology, Engineering and Maths (STEM) subjects while fostering teamwork and leadership skills. We currently support over 150 high school students and sponsor five teams from communities near the Orisyvo and Guanajuato projects, Herradura, Ciénega, and Fresnillo.

Excellence Scholarships covering academic, living, and other expenses, to support top-performing applicants from the FIRST robotics competition to access higher education. Currently, we sponsor 18 students at La Salle University's Laguna and Noroeste Campuses, as well as technological and state universities in regions where we sponsor robotics teams.

See Case Study on page 105

Water Infrastructure Strategy addresses water infrastructure in different areas of influence:

- Working with the San Julián community committee and our partner FORMAC, we are continuing to build a collective water system for the community.
- We supported La Lagunita by providing 2 km of piping to supply water to 15 families in San Julián.
- We contributed labour for maintenance work on the water well in La Almita in Herradura.
- We maintain an ongoing collaboration with the Centre for the Study of Deserts and Oceans (CEDO) and the Municipal Water, Sewage, and Sanitation Operating Agency (OOMPAS) to address water-related challenges in the 15 de Septiembre community, in Herradura.

See Case Study on page 105

See Water Stewardship on pages 98-99

Productive Projects is our flagship programme to support the creation and consolidation of small businesses.

Through our partnership with ProEmpleo, they receive tailored advisory services in marketing, finance, and business administration, aimed at enhancing their autonomy, generating employment, and expanding their market reach beyond the regional level.

We assessed 14 local businesses in the Fresnillo and Sierra Districts, and also continue to operate the 'Women of the Desert and Sea' training programme in Herradura.

Socio-economic development continued

GIVING MORE STUDENTS ACCESS TO HIGHER EDUCATION

We have expanded our Excellence Scholarships Programme to include public universities in states near our operations, optimising resources and making higher education more accessible to local students. By partnering with universities closer to their hometowns, we help students pursue their degrees while staying near their families, reducing financial and logistical barriers.

Through these partnerships, we have awarded 10 new scholarships to students at:

- Guanajuato University (UGTO).
- Sonora University (UNISON).
- Zacatecas Autonomous University (UAZ).
- Tecnológicos Nacionales de México (TecNM) – Ciudad Cuauhtémoc, Hermosillo, and Fresnillo campuses.

The programme provides long-term academic support, covering tuition, school materials, housing, meals, personal expenses, and transportation.

We remain committed to strengthening communities through strategic partnerships with educational institutions and civil society. By working together, we continue to create meaningful opportunities for the next generation.

STRENGTHENING WATER SUSTAINABILITY

As part of our commitment to water conservation and community engagement, we are enhancing rainwater harvesting efforts in Ciénega to further strengthen the region's water sustainability.

This initiative is part of a comprehensive smart water management project that integrates rainwater, surface water, and groundwater resources.

Implemented in collaboration with local schools and the community, the project fosters active participation and shared responsibility for water conservation. In 2025, efforts will focus on continuing to develop and install infrastructure designed to enhance water recharge, such as key lines, infiltration trenches, water collection dams, infiltration furrows, and fog collectors.

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED
PARTNERING WITH OUR COMMUNITIES

Respecting human rights

Our due diligence approach focuses on social assessments in the communities where we operate. These assessments identify risks and impacts related to social, environmental, labour, and human rights – driving continuous improvements in our stakeholder engagement strategy and social management plans. We also benefit from processes to identify the presence of indigenous peoples early in our projects, guiding our engagement approach.

We do not tolerate threats or intimidation for corporate gain and uphold an ethical culture that rejects any form of violence, including against those who may oppose our activities.

Interactions with private security

We expect strict ethical conduct from private security contractors, ensuring honest, respectful, and lawful interactions that align with environmental protection, anti-corruption, labour, and human rights standards. All private security suppliers undergo background screenings using national criminal databases.

Our private security serves a deterrent role, supported by technology and collaboration with municipal, state, and federal security authorities. To mitigate risks, our security forces remain unarmed, preventing:

- Clashes with criminal groups that could endanger our workforce and communities.
- Violent confrontations with artisanal miners attempting to access our facilities.

Interactions with public security

Mexico's Federal Protection Agency established the Mining Police in 2020, a specialised force providing security for mining operations in collaboration with the Economy Ministry and the Mexican Mining Chamber. Herradura was the first mine in Mexico to implement this initiative.

Mining Police officers complete a 15-hour Human Rights Training Module, focusing on protecting both mining facilities and human rights. Training covers core human rights principles and police action, and how to protect, respect, promote and guarantee human rights in their work activities and in their daily lives. Criminal background checks are conducted for all employees during hiring, with enhanced screening for security personnel

Indigenous peoples

We recognise that Free, Prior, and Informed Consent (FPIC) consultation is a fundamental right of Indigenous communities and a key mechanism for building trust. We are committed to fostering meaningful engagement, ensuring that every interaction respects their values, culture, and traditions while adhering to national regulations and international best practices. Our consultative approach is guided by good faith, transparency, and accountability. Consultation allows us to understand the perspectives of Indigenous peoples on our projects and to address their concerns.

Our approach begins with the proactive identification of Indigenous communities and due diligence in exploration concessions. Before consultation, we assess the potential impacts and benefits of projects and support community capacity-building to enable their full participation. During consultation, we consider their preferred engagement methods, present information in a culturally appropriate manner, and establish agreements on shared benefits.

In 2018, we obtained the Rarámuri people's consent to build a water reservoir for San Julián. In 2021, we collaborated with their community on road infrastructure and collective water monitoring. In 2024, we continued strengthening relationships with indigenous communities at Orisyvo and San Julián. There were no indigenous consultations in 2024.

Land acquisitions and resettlements

Developing a mining project involves land acquisition and, in some cases, the resettlement of households. We recognise that these are complex and life-changing issues for communities and that poorly managed resettlements can disrupt livelihoods and social structures, damage community relations, and cause conflict.

We recognise that the right to an adequate standard of living after land acquisition and resettlement projects is a basic human right. For this reason, we manage land acquisition and resettlement responsibly, adhering to local laws and international best practices, while also:

- Avoiding resettlements whenever possible, and exploring alternative solutions.
- Minimising adverse impacts by working with affected households, communities, and governments to restore or improve living conditions if resettlement is unavoidable.
- Implementing structured processes, including social baseline studies, asset surveys, compensation frameworks, negotiation, livelihood restoration programmes, and ongoing monitoring.

No community resettlements occurred at our operations or development projects during 2024.

ESG KPIS TABLE

Indicator	Metric	% var 2024-2023	**2024**	2023	2022	2021	2020	Notes
DOING BUSINESS ETHICALLY AND RESPONSIBLY								
Compliance								
Ethical conduct								
Whistleblowing: number of reports	Number	-5.2%	**202**	213	143	186	154	
Whistleblowing: number of cases	Number	-1.2%	**161**	163	113	157	110	
Tone from the top: number of reports related to managers	Number	-26.3%	**14**	19	8	8	12	
Discipline: Number of disciplinary actions	Number	3.0%	**69**	67	41	50	29	
Discipline: Number of control reinforcement	Number	-27.3%	**8**	11	13	9	5	
CARING FOR OUR PEOPLE								
Workforce								
Total personnel								
Employees and contractors	Number	-8.5%	**18,095**	19,776	21,709	20,116	19,364	EM-MM-000.B
Workforce composition, by affiliation								
Non-unionised	Number	0.7%	**1,591**	1,580	1,710	1,533	1,431	
Percentage non-unionised	Percentage		**8.8%**	8.7%	9.4%	8.5%	7.9%	
Unionised	Number	-1.6%	**5,588**	5,680	6,360	5,826	4,327	
Percentage unionised	Percentage		**30.9%**	31.4%	35.1%	32.2%	23.9%	EM-MM-310a.1
Contractors	Number	-12.8%	**10,916**	12,516	13,639	12,757	13,606	
Percentage contractors	Percentage		**60.3%**	69.1%	75.3%	70.4%	75.1%	EM-MM-000.B
Workforce composition, by gender								
Men	Number	-9.1%	**15,841**	17,427	19,081	17,901	17,490	
Women	Number	-4.0%	**2,254**	2,349	2,628	2,215	1,874	
Percentage women	Percentage		**12.46%**	11.88%	12.11%	11.01%	9.68%	
Labour turnover								
Total turnover	Rate		**13.30%**	22.07%	13.56%	10.00%	9.55%	
Voluntary turnover	Rate		**7.87%**	9.19%	9.19%	6.44%	3.97%	
Training per person								
Average training hours per person	Hours	3.6%	**67**	65	83	71	64	
Average HSECR-training per person	Hours	-1.0%	**28**	28	23	27	42	EM-MM-320a.1
Average non-HSECR training per person	Hours	7.1%	**40**	37	60	44	22	
Average safety training per person	Hours	-1.4%	**23**	23	19	20	31	EM-MM-320a.1
Diversity, equity and inclusion								
Workforce composition, by seniority								
Senior executives	Number	66.7%	**25**	15	16	14	18	
Men	Number	69.2%	**22**	13	11	11	13	
Women	Number	50.0%	**3**	2	5	3	5	
Percentage women	Percentage		**12.00%**	13.33%	31.25%	21.43%	27.78%	
Managers	Number	6.0%	**159**	150	166	156	156	
Men	Percentage	4.3%	**144**	138	157	150	152	
Women	Percentage	25.0%	**15**	12	9	6	4	
Percentage women	Percentage		**9.43%**	8.00%	5.42%	3.85%	2.56%	
Women in leadership positions	Number	28.6%	**18**	14	14	9	9	
Percentage women	Percentage		**9.78%**	8.48%	7.69%	5.29%	5.17%	

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED

Indicator	Metric	% var 2024-2023	2024	2023	2022	2021	2020	Notes
CARING FOR OUR PEOPLE (CONTINUED)								
Diversity, equity and inclusion (continued)								
Workforce composition, by affiliation								
Non-unionised	Number	0.7%	**1,591**	1,580	1,710	1,533	1,431	
Men	Percentage	-0.9%	**1,264**	1,276	1,372	1,256	1,219	
Women	Percentage	7.6%	**327**	304	338	277	212	
Percentage women	Percentage		**20.6%**	19.2%	19.8%	18.1%	14.8%	
Unionised	Number	-1.6%	**5,588**	5,680	6,360	5,826	4,327	
Men	Number	-2.2%	**4,869**	4,978	5,566	5,171	3,894	
Women	Number	2.4%	**719**	702	794	655	433	
Percentage women	Percentage		**12.9%**	12.4%	12.5%	11.2%	10.0%	
Contractors	Number	-12.8%	**10,916**	12,516	13,639	12,757	13,606	
Men	Number	-13.1%	**9,708**	11,173	12,143	11,474	12,377	
Women	Number	-10.1%	**1,208**	1,343	1,496	1,283	1,229	
Percentage women	Percentage		**11.1%**	10.7%	11.0%	10.1%	9.0%	
Health and Safety								
Occupational Health								
New cases of occupational illnesses	Number	17.9%	**46***	39	34	19	1	
Occupational Safety								
Fatal injuries	Number	-50.0%	**2**	4	1	1	1	EM-MM-320a.1
Fatal frequency rate	Rate	-45.7%	**0.044**	0.081	0.020	0.220	0.045	EM-MM-320a.1
Total recordable injury frequency rate (TRIFR)	Rate	-37.1%	**7.59**	12.08	10.26	10.42	13.88	EM-MM-320a.1
Lost time injury frequency rate (LTIFR)	Rate	-35.7%	**4.75**	7.40	5.44	5.76	6.18	EM-MM-320a.1

* Preliminary figures as final data not available at the moment of issuing this Annual Report.

Indicator	Metric	% var 2024-2023	2024	2023	2022	2021	2020	Notes
PROTECTING THE ENVIRONMENT								
Greenhouse Gas (GHG) emissions								
GHG emissions, by source								
Diesel GHG emissions	ton CO_2e	-3.0%	**415,283**	428,015	500,747	499,449	457,955	
Gasoline GHG emissions	ton CO_2e	-1.0%	**5,935**	5,995	7,512	6,925	4,840	
Liquified Natural Gas (LNG) GHG emissions	ton CO_2e	42.6%	**43,728**	30,657	33,330	34,188	7,379	
Petroleum Liquified Gas (LPG) GHG emissions	ton CO_2e	-6.7%	**4,177**	4,478	4,380	3,545	3,544	
Electricity from the grid GHG emissions, market based	ton CO_2e	-38.2%	**84,671**	136,914	203,486	132,865	158,505	
Electricity from thermal GHG emissions, market based	ton CO_2e	-80.1%	**43,628**	219,265	218,793	217,177	211,375	
Electricity from wind GHG emissions, market based	ton CO_2e	–	**0**	0	0	0	0	
Total GHG emissions								
Direct GHG emissions (Scope 1)	ton CO_2e	0.0%	**469,122**	469,146	545,970	544,107	473,719	EM-MM-110a.1
Indirect GHG emissions (Scope 2), market based	ton CO_2e	-64.0%	**128,299**	356,179	422,279	350,042	369,880	
Direct and indirect GHG emissions (Scope 1 and Scope 2), market based	ton CO_2e	-27.6%	**597,422**	825,325	968,249	894,149	843,599	
Indirect GHG emissions (Scope 2), location based	ton CO_2e	4.2%	**536,522**	514,984	478,671	465,596	528,826	
Direct and indirect GHG emissions (Scope 1 and Scope 2), location based	ton CO_2e	2.2%	**1,005,645**	984,130	1,024,640	1,009,703	1,002,545	
Other GHG emission metrics								
Direct GHG emissions covered under emissions-limiting regulations	Percentage	–	**0%**	0%	0%	0%	0%	EM-MM-110a.1

Indicator	Metric	% var 2024-2023	**2024**	2023	2022	2021	2020	Notes
PROTECTING THE ENVIRONMENT (CONTINUED)								
Greenhouse Gas (GHG) emissions (continued)								
GHG emissions from purchased goods and services	ton CO_2e	-8.0%	**144,541**	157,073	168,947	176,193	196,000	Blasting agents (explosives), steel balls for milling and lube oil.
GHG emissions from downstream transportation and distribution	ton CO_2e	22.2%	**20,009**	16,371	16,595	15,178	17,000	Intermediate products transportation to processing facilities.
GHG emissions from processing of sold products	ton CO_2e	n/a	*	456,390	460,478	473,604	490,000	Smelting and refining.
GHG emissions from Investments	ton CO_2e	-38.6%	**43,360**	70,645	67,022	64,183	64,000	Silverstream contract.
Total GHG emissions from the value chain (Scope 3)	ton CO_2e	n/a	*	700,479	713,042	729,158	767,000	
Greenhouse Gas emissions intensity	ton CO_2e/ton of mineral processed	-26.9%	**0.0182**	0.0248	0.0246	0.0231	0.0231	

* Processing of sold products was not available at the time of publication; it will be updated retroactively.

Indicator	Metric	% var 2024-2023	**2024**	2023	2022	2021	2020	Notes
Energy								
Energy Consumption by source								
Diesel	MWh	-3.0%	**1,533,177**	1,580,181	1,848,756	1,843,999	1,691,068	
Gasoline	MWh	-1.0%	**22,859**	23,092	28,934	26,672	18,640	
Liquified Natural Gas (LNG)	MWh	42.6%	**204,245**	143,192	155,680	159,685	36,460	
Petroleum Liquified Gas (LPG)	MWh	-6.7%	**18,371**	19,696	19,264	15,593	15,590	
Electricity from the grid	MWh	-38.2%	**193,314**	312,590	467,784	314,103	320,861	
Electricity from thermal	MWh	-81.4%	**43,949**	236,889	240,875	239,198	231,753	
Electricity from wind	MWh	57.7%	**987,674**	626,284	391,733	547,399	517,884	
Total Direct Energy Consumption	MWh	0.7%	**1,778,652**	1,766,162	2,052,634	2,045,950	1,761,759	
Total Indirect Energy Consumption	MWh	4.2%	**1,224,936**	1,175,763	1,100,392	1,100,699	1,070,498	
Total Direct and Indirect Energy Consumption	MWh	2.1%	**3,003,588**	2,941,925	3,153,026	3,146,649	2,832,257	
Total Energy Consumption	GJ	2.1%	**10,812,917**	10,590,930	11,350,894	11,327,936	10,196,125	EM-MM-130a.1
Grid Electricity Consumption	Percentage		**6.4%**	10.6%	14.8%	10.0%	11.3%	EM-MM-130a.1
Renewable Energy Consumption	Percentage		**32.9%**	21.3%	12.4%	17.4%	18.3%	EM-MM-130a.1
Renewable Electricity Consumption as percentage of total electricity consumption	Percentage		**80.6%**	53.3%	35.6%	49.7%	48.4%	EM-MM-130a.1
Energy intensity	MWh/ton of mineral processed	3.6%	**0.0916**	0.0885	0.0801	0.0814	0.0775	
Water								
Statement of water inputs and outputs								
Surface water – Rivers and creeks	megalitres	-69.2%	**166**	540	617	669	201	
Ground water – Mine Water	megalitres	0.3%	**2,277**	2,270	5,154	6,166	5,573	
Ground water – Bore fields	megalitres	14.5%	**7,101**	6,205	6,721	7,370	5,822	
Ground water – Ore entrainment	megalitres	-21.3%	**427**	542	353	362	383	
Third party – Wastewater	megalitres	26.2%	**4,313**	3,417	2,094	2,150	1,599	
Total water inputs	megalitres	10.1%	**14,284**	12,973	14,938	16,718	13,578	
Surface water – Discharges	megalitres	-25.6%	**27**	36	28	33	27	
Other – Water entrained in concentrates	megalitres	10.5%	**44**	40	35	35	38	
Total water outputs	megalitres	-6.6%	**70**	75	63	68	65	

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED

PROTECTING THE ENVIRONMENT (CONTINUED)

Indicator	Metric	% var 2024-2023	2024	2023	2022	2021	2020	Notes
Water (continued)								
Water deviations								
Surface water – Rivers and creeks	megalitres	–	**0**	0	0	0	0	
Ground water – Aquifer Interception (dewatering)	megalitres	46.5%	**21,244**	14,501	17,179	13,921	7,495	
Total water inputs	megalitres	46.5%	**21,244**	14,501	17,179	13,921	7,495	
Surface water – Discharges	megalitres	44.4%	**20,652**	14,299	17,051	13,807	7,467	
Surface water – Supply to third party (donation)	megalitres	194.0%	**592**	202	128	115	28	
Surface water – Loss (evaporation, infiltration, etc.)	megalitres	–	**0**	0	0	0	0	
Total water outputs	megalitres	46.5%	**21,244**	14,501	17,179	13,921	7,495	
Statement of operational efficiency								
Total volume to task	megalitres	1.6%	**72,832**	71,653	77,135	76,010	73,510	
Total volume of reused water	megalitres	0.8%	**61,314**	60,803	63,025	60,031	60,027	
Efficiency of reuse	Percentage		**84.19%**	84.86%	81.71%	78.98%	81.66%	
Total volume of recycled water	megalitres	21.6%	**4,629**	3,806	2,401	1,955	1,716	
Water management								
Total water withdrawn	megalitres	29.2%	**35,599**	27,549	32,180	30,707	21,138	EM-MM-140a.1
Total water deviations	megalitres	46.3%	**21,271**	14,537	17,207	13,954	7,522	
Total water consumed	megalitres	10.1%	**14,328**	13,013	14,973	16,753	13,616	EM-MM-140a.1
Total freshwater withdrawn	megalitres	29.8%	**31,215**	24,057	30,023	28,488	19,474	EM-MM-140a.1
In regions with high or extremely high baseline water stress	Percentage		**100%**	100%	100%	100%	100%	EM-MM-140a.1
Total freshwater consumed	megalitres	4.4%	**9,944**	9,521	12,817	14,534	11,952	EM-MM-140a.1
In regions with high or extremely high baseline water stress	Percentage		**100%**	100%	100%	100%	100%	EM-MM-140a.1
Other water metrics								
Total water intensity	m^3/ton of mineral processed	11.7%	**0.44**	0.39	0.38	0.43	0.37	
Freshwater intensity	m^3/ton of mineral processed	5.8%	**0.30**	0.29	0.33	0.38	0.33	
Wastewater intensity	m^3/ton of mineral processed	29.3%	**0.13**	0.10	0.05	0.06	0.04	

Indicator	Metric	% var 2024-2023	2024	2023	2022	2021	2020	Notes
PROTECTING THE ENVIRONMENT (CONTINUED)								
Waste								
Tailing Storage Facilities								
Total operational facilities	Number		**6**	6	6	n/a	n/a	EM-MM-540a.1
Total facilities under care and maintenance	Number		**3**	3	3	n/a	n/a	EM-MM-540a.1
Total facilities in legacy units	Number		**8**	8	5			EM-MM-540a.1
Total facilities	Number		**17**	17	14	n/a	n/a	EM-MM-540a.1
Mineral waste								
Mine waste – waste rock	kton	-13.2%	**76,608**	88,241	119,424	131,603	119,234	EM-MM-150a.6
Processing waste – tailings	kton	-1.6%	**8,841**	8,980	8,167	7,986	8,969	EM-MM-150a.5
Metallurgical waste – tailings	kton	23.8%	**6,246**	5,045	5,993	6,225	5,909	EM-MM-150a.5
Metallurgical waste – heaps	kton	3.7%	**21,989**	21,209	29,345	28,642	20,571	EM-MM-150a.5
Non-mineral waste								
Hazardous waste	ton	10.5%	**3,544**	3,206	1,870	n/a	n/a	EM-MM-150a.7
Non-hazardous waste	ton	12.8%	**11,274**	9,994	11,279	n/a	n/a	
Municipal solid waste	ton	7.4%	**2,992**	2,786	2,337	n/a	n/a	
Special handling waste	ton	14.9%	**8,282**	7,209	8,941	n/a	n/a	
Total non-mineral waste	ton	12.2%	**14,817**	13,201	13,148	n/a	n/a	EM-MM-150a.4
Sodium cyanide								
Sodium cyanide (NaCN) consumption	ton	9.4%	**12,721**	11,632	13,503	13,400	13,549	
PARTNERING WITH OUR COMMUNITIES								
Community Relations								
Grievance statistics								
Outstanding grievances from previous periods	Number		**6**	10	11	14	n/a	
New grievances received in the period	Number		**19**	21	11	22	n/a	
Total grievances	Number		**25**	31	22	36	n/a	
Closed grievances in the period	Number		**18**	25	12	25	n/a	
Outstanding grievances at the end of the period	Number		**7**	6	10	11	n/a	
Local employment and procurement								
Local employment	Percentage		**74.91%**	73.74%	67.25%	70.98%	72.29%	
Economic value distributed								
Wages and benefits to workers	US$ million	-1.3%	**149.7**	151.7	146.6	127.5	93.1	
Payments to suppliers (contractors)	US$ million	-10.6%	**1,773.5**	1,983.2	1,817.3	1,617.4	1,333.9	
Payments to local governments	US$ million	-36.5%	**8.0**	12.6	6.2	4.6	3.8	
Payments to Federal Government	US$ million	10.5%	**221.2**	200.2	258.6	370.4	289.8	
Total economic impact	US$ million	-8.3%	**2,152.5**	2,347.8	2,228.7	2,120.0	1,720.7	
Fund for Sustainable Development of Mining States and Municipalities								
Company contribution	US$ million	-4.1%	**31.8**	33.2	48.7	64.1	33.6	
Social Investment								
Education	US$ million	65.7%	**1.91**	1.15	0.82	0.89	0.87	
Health	US$ million	-2.8%	**1.30**	1.34	1.10	0.63	1.17	
Water	US$ million	11.8%	**0.24**	0.21	0.14	0.36	0.28	
Decent work and economic growth	US$ million	68.7%	**0.31**	0.18	0.17	0.12	0.14	
Other	US$ million	10.0%	**1.02**	0.93	1.08	1.13	0.66	
Total social investment	US$ million	25.2%	**4.78**	3.82	3.31	3.14	3.12	

SUSTAINABILITY AT THE CORE OF OUR PURPOSE CONTINUED

SITE DATA

	Metric	Herradura	Noche Buena	Fresnillo	Saucito	Juanicipio	Ciénega	San Julián
Health and Safety								
Occupational Safety								
Total recordable injury frequency rate (TRIFR) – 2024	Rate	1.79	2.53	7.43	14.17	9.84	7.44	6.56
Total recordable injury frequency rate (TRIFR) – 2023	Rate	2.73	1.07	11.45	22.89	16.09	10.41	13.23
Lost time injury frequency rate (LTIFR) – 2024	Rate	1.67	2.53	5.57	7.70	5.69	3.98	4.04
Lost time injury frequency rate (LTIFR) – 2023	Rate	2.73	1.07	6.91	11.64	10.59	6.24	10.12
Greenhouse Gas (GHG) emissions and Energy								
GHG emissions								
Direct and indirect GHG emissions (Scope 1 and Scope 2), market based	ton CO_2e	345,319	2,343	91,710	64,902	23,209	27,744	42,195
Percentage of total	Percentage	57.8%	0.4%	15.4%	10.9%	3.9%	4.6%	7.1%
Direct and indirect GHG emissions (Scope 1 and Scope 2), location based	ton CO_2e	438,132	10,703	165,886	157,495	78,652	51,923	102,853
Energy								
Percentage of renewable electricity consumption	Percentage	91.9%	90.9%	72.1%	75.6%	95.5%	80.5%	75.7%
Water								
Water management								
Total water withdrawn	megalitres	5,830	1,468	9,934	9,172	2,298	5,768	1,128
Total water deviations	megalitres	0	0	7,136	7,563	1,355	5,217	0
Total water consumed	megalitres	5,830	1,468	2,797	1,609	943	551	1,128

	Name	Status	Coordinates (lat./long.)	Construction year	Embarkment height	Construction method	Last external review	
Waste								
Tailings Storage Facilities inventory								
Fresnillo	Fresnillo TSF (Proaño)	Care and maintenance	23°09'11.99"N 102°51'45.35"W	1953	38m	Upstream	DSI, Jan 2025	EM-MM-540a.1
Fresnillo	San Carlos TSF	Operating	23°08'52.26"N 102°53'10"W	2020	32m	Centreline	DSI, Jul 2024	EM-MM-540a.1
Saucito	Saucito TSF	Operating	23°07'30"N 102°55'37.2W	2011	50m	Centreline	DSI, Jul 2024	EM-MM-540a.1
Ciénega	Ciénega TSF1	Care and maintenance	25°02'23.59"N 106°20'20.31"W	1991	80m	Downstream	ITRP, Feb 2024	EM-MM-540a.1
Ciénega	Ciénega TSF2	Care and maintenance	25°03'06"N 106°20'46.60W	1998	84m	Upstream	ITRP, Feb 2024	EM-MM-540a.1
Ciénega	Ciénega TSF3	Operating	25°02'01.65"N 106°19'45.33W	2020	75m	Downstream	ITRP, Feb 2024	EM-MM-540a.1
San Julián	San Julián TSF	Operating	26°02'34.02"N 106°30'05.26"W	2015	152m	Downstream	ITRP, Sep 2024	EM-MM-540a.1
Juanicipio	Depósito de Jales	Operating	23°09'57"N 102°58'19"W	2020	29m	Downstream	DSI, Oct 2023	EM-MM-540a.1
Herradura	Herradura TSF	Operating	31°07'43.35"N 112°51'34.47"W	2014	47m	Downstream	ITRP, Jan 2025	EM-MM-540a.1

Note: DSI – Dam Safety Inspection. ITRP – Independent Tailings Review Panel.

SITE DATA (CONTINUED)

Metric	Herradura	Noche Buena	Fresnillo	Saucito	Juanicipio	Ciénega	San Julián
Certification and awards							
Health							
Safe and healthy work environments (ELSSA)	Certified	Certified	Certified	Certified	Certified	Certified	Certified
100% smoke- and emissions-free space	Certified	Certified	–	–	–	–	Certified
Cardio-protected space	–	–	–	Certified	–	–	–
Occupational Safety							
ISO 45001	Certified	Certified	Certified	Certified	–	–	–
Environmental Management							
ISO 14001	Certified	Certified	Certified	Certified	–	–	–
International Cyanide Management Code (ICMC)	Certified	Certified	–	–	–	–	–

INDEPENDENT PRACTITIONER'S ASSURANCE REPORT

To the Management of Fresnillo plc

Scope

We have been engaged by Fresnillo plc to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on Fresnillo plc's Key Performance Indicators: Scope 1 GHG Emissions, Scope 2 GHG Emissions, GHG Intensity (Scope 1 and 2) per tonne of mineral processed, Energy Use (MWh), and Energy Intensity (MWh) per tonne of mineral processed (collectively 'the Subject Matter') contained in Fresnillo plc's (the Company's) Annual Report 2024 (the 'Report').

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by Fresnillo plc

In preparing the Subject Matter, Fresnillo plc applied the WRI/WBCSD The Greenhouse Gas Protocol Corporate Accounting and Reporting Standards (Revised edition) and the UK Streamlined Energy and Carbon Reporting (SECR) requirements as stipulated by the Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 and the Companies (Director's Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018 ('the Criteria').

Fresnillo plc's responsibilities

Fresnillo plc's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and the International Standard for Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410'), and the terms of reference for this engagement as agreed with Fresnillo plc on 26 September 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems. The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of greenhouse gases. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Inquiries with Fresnillo plc representatives responsible for greenhouse gas emissions and energy management, collection of the underlying data and reporting on the Subject Matter;
- Obtaining understanding of the process used to prepare the Subject Matter data;
- Performing data walk-throughs with representatives on a sample of sites to test the process of data collection and consolidation;
- Performing analytical procedures to support reasonableness of the Subject Matter data;
- Selecting a sample of data points across Fresnillo plc locations, obtaining and analysing documentary evidence on a sample basis regarding key GHG emissions, energy use and production indicators data to assess whether these data have been collected, prepared, collated and reported appropriately;
- Reading the Report to assess whether the Subject Matter has reported appropriately.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion
Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter for the year ended 31 December 2024 in order for it to be in accordance with the Criteria.

Use of our Assurance Statement
We disclaim any assumption of responsibility for any reliance on this assurance report or its conclusions to any other persons, or for any purpose other than that for which it was prepared. Accordingly, we accept no liability whatsoever, whether in contract, tort or otherwise, to any third party for any consequences of the use or misuse of this assurance report or its conclusions.

Ernst & Young LLP

Ernst & Young LLP
03 March 2025
London, United Kingdom

MANAGING OUR RISKS AND OPPORTUNITIES

Our approach to risk

The effective management of risk is integral to good management practice and fundamental to living up to our purpose and delivering our strategy. By understanding, prioritising and managing risk, Fresnillo plc safeguards our people, our assets, our values and reputation, and the environment, and identifies opportunities to best serve the long-term interest of all our stakeholders. We are focused on conducting our business responsibly, safely, and legally, while making risk-informed decisions when responding to opportunities or threats that present themselves. Risk management is a key accountability and performance criterion for our leaders.

Our risk management process helps us to manage risks that have the potential to impact our business objectives and timely risk monitoring is at the core of our management practices. All employees have responsibility for identifying and managing risks. Our risk management framework reflects the importance of risk awareness across Fresnillo plc. It enables us to identify, assess, prioritise and manage risks to deliver the value creation objectives defined in our business model.

Risk appetite

Defining risk appetite is key in embedding the risk management system into our organisational culture. The Company's risk appetite statement helps to align our strategy with the objectives of each business unit, clarifying which risk levels are, or are not, acceptable. It promotes consistent decision-making on risk, allied to the strategic focus and risk/reward balance approved by the Board.

We define risk appetite as 'the nature and extent of risk Fresnillo plc is willing to accept in relation to the pursuit of its objectives'. We look at risk appetite from the context of severity of the consequences should the risk materialise, any relevant internal or external factors influencing the risk, and the status of management actions to mitigate or control the risk. A scale is used to help determine the limit of appetite for each risk, recognising that risk appetite will change over time.

The risk appetite statement for each principal risk is the level of risk that the Board is willing to accept to achieve our strategic objectives. It articulates what is an acceptable level of exposure, relative to the amount of reward we are seeking, and helps to determine how much control or mitigating actions may be required.

Risks that are approaching the limit of the Company's risk appetite may require management actions to be accelerated or enhanced to ensure the risks remain within appetite levels. If a risk exceeds appetite, it will threaten the achievement of objectives and may require a change to strategy.

Risk management framework

Our strategy, values and risk appetite inform and shape our risk management framework. We embed risk management at every level of the organisation to effectively manage threats and opportunities to our business and host communities, and our environmental impact.

Fresnillo plc has an enterprise-wide risk management information system which includes a set of integrated tools and applications to capture, manage and communicate material risks to the business. This system considers the three lines of defence we have in place at Fresnillo plc:

- First – Unit leaders including mine, exploration and project personnel, as well as leaders of corporate and support areas;
- Second – Corporate level oversight functions involve the risk management team, the Health, Safety, Security, Environment and Community Relations (HSECR) team, the project oversight function and the Executive Committee; and
- Third – Group Internal Audit.

Governance structure

This governance structure supports our risk management framework and enables effective management of material risks.

Top down / Bottom up

Board and Committees

Third line of defence

Board
Overall responsibility for assessing the nature and extent of principal and emerging risks and the risk appetite of the Company and for facilitating effective, entrepreneurial and prudent management of the business.

Audit Committee/HSECR Committee
Responsible for reviewing the effectiveness of the Company's risk management systems and processes. Review assurance over mitigating controls.

Internal Audit
Provides independent and objective assurance that risk management, governance and internal control processes are working effectively, thus ensuring that the Company can achieve its objectives.

Executive management[1]

Second line of defence

Executive Committee
Responsible for the review and assessment of the principal risks and recommending risk appetite and tolerance to the Board. Develops Company strategy in line with Board appetite.

Risk management
Responsible for monitoring principal and key risks and ensuring effectiveness of regional and function risk management.

Operations & projects	Exploration & ore reserves	Finance	Legal, ethics & compliance	Security
Human resources and Union	Communities relations	Safety & health	TI-TO Cybersecurity	Insurance policies and coverage

Operational management

First line of defence

Management steering regional departments providing oversight of risk management in their areas of responsibility. Responsible for identifying, assessing and mitigating both key and operational risks within their functions/business areas. Risks should be discussed as part of country management meetings.

Strategic risks

- Resources to reserves risks
- Potential actions by governments*
- Exploration risks*
- Project risks*
- Technology risks
- Low-carbon transition risks
- Climate change and natural disaster risks*
- Security risks*

People, operational, safety and communities' risks

- People and culture risks*
- Union risks*
- Operation, maintenance and planning risks
- Health, safety and environment risks*
- Communities and social risks*
- Ethics and compliance risks
- Cyber risks*
- Tailings Dams*

Financial risks

- Liquidity risks
- Market risks
- Credit risks
- Tax risks
- Disclosure risks
- Global macroeconomic developments*
- Impact of metals prices and exchange rates*

* Principal risk.
1 Main areas of executive management.

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

Risk management process

Set strategy, objectives and risk appetite	**1. Risk analysis** Identify, prioritisation and evaluate risks to our strategy and objectives	**2. Controls and risk responses** Implement controls and actions to manage risks within risk appetite	**3. Audit & assurance** Check and verify that controls and actions are effective in managing the risks	**4. Communication & monitoring** Communicate principal and emerging risk and escalate as appropriate	**5. Improvement & embed** Build risk capability and culture so active management is embedded in how we run our business	**6. Resilience** Development of the Company's culture and capacity to adapt, resist, absorb and recover from the impact of a risk
First line	• Risk assessment and identification of new risks in the business units.	• Continuous improvement of processes and controls. • Implementation of corrective and preventive actions based on the results of leadership team monitoring.	• Control self-certifications.	• Preparation of risk dashboards and risk matrices presenting the status of individual risks in the business units.	• Compliance with the highest international industry standards such as TSFs.	
Second line	• Review of Key Risk Indicators (KRIs) and mitigation actions.	• Implementation of controls and mitigations in response to risk scenarios.	• Monitoring compliance with international risk standards.	• On-going reviews of risks and threats. • Preparation of quarterly, half-yearly and Annual Reports and briefings to the Audit and HSECR Committee.	• Promoting the risk culture across the Company through workshops and training.	• Creating risk scenarios to anticipate impacts and prepare risk responses.
Third line			• Execution of the annual internal audit programme.	• Advice and recommendations regarding the most exposed or new risks.		• Implement appropriate policies and guidelines to build resilience to risks.
Culture & leadership						

1. Risk analysis

A complete view of our risk universe starts with the analysis of our business, the external environment in which we operate, the regulatory landscape and our internal operations. This includes the impacts on and of our strategy, initiatives, governance, and processes.

The Board, the Audit Committee, the HSECR Committee, the Executive Committee and Internal Audit, periodically use working sessions and interviews to review the evolution of principal and emerging risks, as well as the appetite for each risk. At these working sessions, the views and suggestions of Board members are heard, and adjustments are made according to the factors influencing each risk.

We mainly use the following methods in risk assessment:

- Scenario planning.
- Horizon scanning.
- Real time risk management monitoring.
- Social media monitoring.
- Collaboration with other organisations such as third-party suppliers.

Aspects we review when assessing our principal and key risks:

- Risk ownership: each risk has an owner. In addition, each key risk is sponsored by a member of the Executive Committee who drives the monitoring and progress of mitigation measures.
- Probability and impact: five-by-five scoring matrix applied globally.
- Gross risk: before preventive controls.
- Net risk: after preventive controls have been applied.
- Risk appetite: defined at the principal and emerging risk level and approved by the Board.
- Risk tolerance: in data format, shows the amount of deviation from risk appetite.
- Key risk indicators: quantitative and qualitative measures that provide early signals of a change in the degree of risk.
- Actions: key controls in place and activities required to mitigate them if necessary.
- Impact on the Company's strategic pillars and interdependencies between key risks.
- Any relevant risks where the principal risk is affected or may affect the emerging risk.

All principal risks are detailed in a standardised statement. This ensures effective review, understanding and monitoring across the Company, together with consistency, both in terminology and in the underlying assessment itself. Following the establishment of climate change as a separate principal risk in 2020/21, reviews have been carried out at various levels, including the Executive Committee and the Board. These include the identification and documentation of climate-related risks and the review and consideration of appropriate risk responses. This consolidated view is an input to our review of the Company's risk profile.

As part of the top-down process, an updated assessment was completed for each principal risk by the relevant risk owner, working with the Executive Committee risk sponsor and the risk function.

The framework is based on ISO 31000 (International standard that provides guidelines and principles for managing risk), ISO 22301 (International standard for Business Continuity Management Systems) and COSO ERM.[1]

1 The Committee of Sponsoring Organizations (COSO) of the Treadway Commission Enterprise Risk Management (ERM) framework.

Emerging risk considerations.
Emerging risks are very uncertain by nature. Given the diversity of our operations and projects as well as our geographic footprint, we are exposed to many highly uncertain, complex, and often interrelated risks. The Company continues to focus on horizon scanning activity to inform and support identification of the most pertinent internal and external trends and developments.

We monitor key indicators of emerging risks and their potential impact on our business, markets and host communities. Many emerging risk topics are reviewed on a recurring basis, alongside ongoing activity addressing their impacts. However, it is acknowledged that the nature of the emerging risks will evolve and could drive future trends in the long term which the Company will need to prepare for.

2. Controls and risk responses

We use five key processes to better address our risks: (i) a monthly procedure for evaluating and mitigating principal risks; (ii) a process to identify and analyse the impact of the geopolitical instability in all the Company's risks, including projects, with a main focus on the safety and identification of new risks; (iii) dashboards for each business unit to monitor mitigation actions and risk level; (iv) impact and probability scenarios which were conducted for risks related to security, supply chain of critical inputs for operations, cost increases and projects, and (v) collaboration with government, the mining sector and communities to ensure that we followed best practice.

Fresnillo plc has an internal control framework in place to mitigate the impact of principal and emerging risks. Our executives (including operations, exploration and project managers, the controllership group, HSECR team), regularly engage in strengthening the effectiveness of our current controls.

During 2024, with the support of a specialist team and external advice, the comprehensive internal control framework was enhanced to document material financial and non-financial controls, responsibilities and accountabilities and align them with the Company's processes. This improves risk management, reduces potential negative impacts, and ensures compliance with regulatory requirements for internal controls.

The new mining laws in Mexico, the security near our business units, the increase in the cost of operation, the geopolitical instability, the license to operate and climate disruption posed new challenges for the Risk Department and the Executive Committee. Due to the uncertainty around these topics, this year, in addition to our established risk management activities, all strategic decisions by the Company were analysed using risk scenarios modelling their potential impacts.

3. Audit and assurance

The Board, in pursuing the Company's business objectives, cannot give absolute assurance that the implementation of a risk management process will overcome, eliminate, or mitigate all material risks. However, by developing and implementing an annual and ongoing risk management process to identify, report and manage significant risks, the Board intends to provide reasonable assurance against material misstatement or loss.

We monitor how well we manage material risks to our objectives by checking and verifying the implementation of our response plans (actions and controls) and our actual performance against objectives. We enhance the 'check and verify' step by applying the three lines of defence approach:

The internal audit team consists of highly experienced professionals from various specialties, who frequently review operational, financial, exploration and project processes in the field, using international standard tests and methodologies.

MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

First line	• Annual self-assessments of controls and the bi-annual compliance assurance statements.
Second line	• As part of our ERM approach, we the Risk Team conduct specialised reviews to assess risks and controls to ensure compliance, focused on validating and testing key controls to augment the first line attestations. • The risk team annually reviews key controls for our principal risks, significant local risks and response plans to identify and respond to any significant changes in the control environment. Whilst many controls are tailored to business unit requirements, there are consistent themes across our control environment, such as clear oversight and reporting by business unit management teams, governance processes for operations, maintenance and tenders, attention to health and safety, the wellbeing of our people and the priority of maintaining integrity and a strong ethical culture.
Third line	• We are supported by external partners in certain specialised areas, we are also subject to significant assurance activities and third-line audits conducted through our Internal Audit team, external third parties, certification standards and customer requirements in our various business lines. • The work plan of the internal audit area considers all the company's operational and financial processes, permanently following up on the recommendations made in each audit, with a particular focus on the most exposed risks or risks that have an impact on regulatory non-compliance or business disruption. • External reviews include those that support the range of ISO certifications we manage across the business as well as independent performance and regulatory reports on Fresnillo plc operations. Examples include: – business continuity risk inspections of all business units by Hawcroft Consulting in 2024. – ISO 45001 and ISO 14001 audits of Fresnillo and Saucito mines by BSI Group auditors. – certification that the Herradura mine leaching operations comply with the Cyanide Code issued by the International Cyanide Code Institute.

4. Communication and monitoring

Risk can be of any nature and manifest itself and escalate from any part of the business as a threat or even an opportunity. When risks are material to the Company, they are escalated to the Executive Committee and, where appropriate, to the Board or its Committees. This requires a strong risk culture, which we continue to develop and encourage.

Although we deploy controls to reduce the likelihood and consequences of risks, some risks inherent in our business remain. These include natural catastrophes, for which there is limited capacity in international insurance markets. We monitor these threats closely and develop business resilience plans.

The previous steps of the risk assessment process allow for analyses, reports and briefings that communicate the results and main findings; this information is mainly presented and discussed at the Audit Committee and the Board.

5 & 6. Improvement, embedding and resilience

To ensure that we can prioritise our efforts and resources, we regularly assess the potential consequences and likelihood of impact of our principal risks, creating impact scenarios to implement prevention-mitigation measures and response plans. These assessments, and the effectiveness of our associated controls, reflect management's current expectations, forecasts and assumptions. They involve subjective judgements and depend on changes in our internal and external environment.

The Board confirms that:

- A robust assessment of principal and emerging risks has been carried out.
- With support from the Audit and the HSECR Committees, it has monitored the risk management framework throughout the year.
- It has reviewed the planning, progress and preliminary results of the enhancement of the comprehensive internal control framework.

Principal risks and uncertainties

The principal risks and uncertainties outlined in this section reflect the risks that could materially affect (negatively or positively) our ability to meet our strategic objectives.

We define principal risk as 'risk, or a combination of risks, which may seriously affect the business model, performance, future or reputation of the Company'.

The Company's risk profile has been developed based on the most significant risks in our business profiles. All of our principal risks were reviewed at least twice during the year, including through KRIs, which were developed to help embed the risk appetite framework in the business and enhance the monitoring and mitigation of risks.

Due to the effects caused by geopolitical instability – the Russia-Ukraine and Hamas-Israel wars, attacks on commercial shipping in the Red Sea by Iran-backed Houthi rebels, the effects of global inflation affecting the cost of operation, security and violence near business units, cyberattacks, climatic disturbances, environmental situations close to our operations and changes to the laws and regulations in the mining industry in Mexico – it was necessary to reassess the principal risks and reorder their materiality, likelihood and impact, as well as reassess related mitigation actions.

These risks are summarised in the following table in order of maximum reasonable consequence, probability and change since 2023.

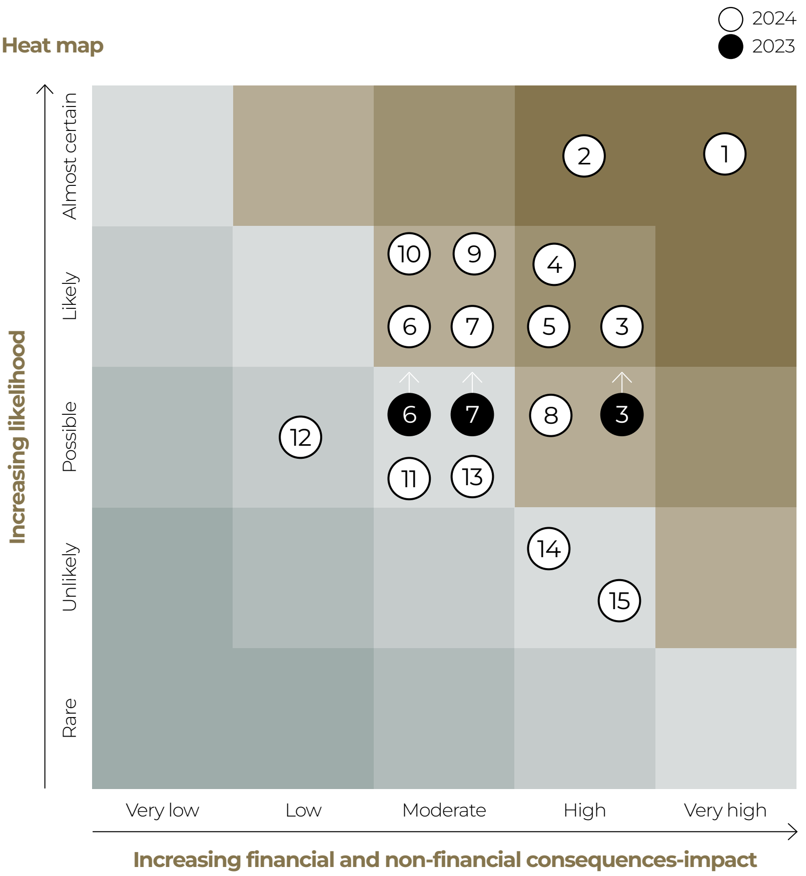
CURRENT ASSESSMENT OF PRINCIPAL RISKS AS OF FEBRUARY 2025

2024	Risk	Risk appetite*	Risk level	Change in risk level vs 2023	
1	Potential actions by governments (political, legal, regulatory, tax & concessions)	Low	Very high	Stable	V
2	Security	Low	Very high	Stable	V
3	Cybersecurity	Low	High	Increasing	
4	Impact of metals prices and exchange rates	High	High	With attention	V
5	Global macroeconomic developments (energy and supply chain disruptions, inflation and cost)	Medium	High	With attention	
6	Access to land (full access to the lands)	Low	High	Increasing	
7	Union relations (labour relations)	Low	High	Increasing	V
8	Human resources (attract and retain requisite skilled people/talent crisis)	Medium	High	Stable	
9	Projects (performance risk)	Medium	High	With attention	
10	Safety (incidents due to unsafe acts or conditions could lead to injuries or fatalities)	Low	High	Stable	V
11	Licence to operate (community relations)	Medium	Medium	Stable	
12	Exploration (new ore resources)	High	Medium	Stable	
13	Climate change (comply with international standards and regulations)	Medium	Medium	Stable	V
14	Tailings dams (overflow or collapse of tailings deposits)	Low	Medium	Stable	V
15	Environmental Incidents (cyanide spills and chemical contamination)	Low	Medium	Stable	V

* Appetite determined by the Board in January 2025.
With attention. Potential for increase in the short term
(V) Risks that were considered for the viability assessment

Very high   High   Medium

Heat map



MANAGING OUR RISKS AND OPPORTUNITIES CONTINUED

Emerging risks

Mining is a long-term business, and so our strategy aims to create sustained value over the life of our mining operations and beyond. This involves careful allocation of key resource inputs – the natural, human, intellectual, financial, manufactured, and social and relationship capitals – which are essential to achieving this aim.

In the longer term, as the world transitions to a low-carbon future and consumer demand for sustainable goods flows through the value chain, the supply-demand dynamics of commodities are expected to shift. This will lead to increasing demand for sources and solutions with low CO_2 emissions, and a lower social and environmental footprint, in addition to a growing demand for transparent, sustainable and circular value chains.

Fresnillo plc defines an emerging risk as 'new manifestation of risk that cannot yet be fully assessed, a risk that is known to some degree but is not likely to materialise or have an impact for several years, or a risk that the company is not fully aware of but that could, due to emerging macro trends in the mid or long-term future, have significant implications for the achievement of our strategic plan'. Furthermore, we consider emerging risks in the context of longer-term impact and shorter-term risk velocity. We have therefore defined emerging risks as those risks captured on a risk register that: (i) are likely to be of significant scale beyond a five-year timeframe; or (ii) have the velocity to significantly increase in severity within the five-year period.

Emerging risks constantly change, can materialise quickly, and can significantly affect the company and its operations. Procedures must be in place for continuous monitoring of these risks to allow the company to adapt or develop appropriate actions.

To strengthen our emerging risks management framework, during 2024 we carried out activities to: (i) identify new emerging risks in light of geopolitical instability, technological disruption and climate change; (ii) re-assess the emerging risks identified in 2023; (iii) deploy effective monitoring mechanisms recognising the potential for emerging risks to evolve or materialise quickly; (iv) carry out horizon scanning to consider disruptive scenarios, and (v) implement mitigating control actions and enhance our risk awareness culture.

This process involved workshops, surveys and meetings with the Executive Committee, business unit leaders, support and corporate areas, as well as suppliers, contractors and customers. We also consulted third-party information from global risk reports, academic publications, risk consulting experts and industry benchmarks.

Emerging risks can impact our principal risks directly or can become elevated to a standalone principal risk. The way we manage emerging risks is dynamic – it reflects the outcomes of our monitoring and the evolution of the risk as well as findings from our scenario analysis. Managing emerging risks involves staying on top of technological advances in the mining industry and beyond; seeking value-capturing innovations a focussing on efficiencies; drawing on new sources of information and working closely with universities specialising in mining and geology; as well as training and upskilling our people.

Emerging risks are currently managed through the Group's risk management framework, regularly enhancing controls and mitigating actions for each of them. Emerging risk topics have been discussed in executive level committees throughout 2024, with key actions assigned to closely monitor their manifestation and potential opportunities and, in some cases, also form part of the business planning process.

For 2025, it is also planned to deepen certain emerging risk topics such as Technological disruption & the rapid proliferation of Artificial Intelligence and Water stress and drought, by conducting scenarios of operational and financial impacts to implement risk reduction measures and risk mitigation actions.

Emerging Risk	Description	Timescale
Geopolitical instability	The potential political, economic, military, and social risks that can emerge from a nation's involvement in international affairs. These risks can have far-reaching implications for both the country itself and the global community at large. There are many factors that can contribute to geopolitical risks, such as a nation's economic stability, its political relations with other countries, and its military strength.	< 5 Years
Water stress and drought	Increased depletion of water resources to meet the demand for water consumption in a region, coupled with extreme heat waves in desert regions.	< 5 Years
Transition to a low-carbon future	The transition to a low-carbon future is a 'transition risk' according to the TCFD and presents challenges and opportunities for our portfolio in the short and long term. It is considered within the climate change principal risk mitigation strategy. However, we consider this risk to be an emerging risk due to the speed of potential new climate change regulations and the obstacles that government may place in the way of investment support for clean energy.	> 5 Years
Technological disruption & the rapid proliferation of Artificial Intelligence	Failure to identify, invest in, or adopt technological and operational productivity innovations that significantly replace or optimise a process through new systems with recognisably superior attributes. We have the threat that artificial intelligence could replace skilled labour.	< 5 Years
Future of the workforce	Create a culture of talent under an inclusive, empowered, and confident culture, together with the appropriate career paths, to generate a future-ready workforce.	< 5 Years
Increasing societal and investor expectations	There is increasing expectation and focus on social equality, fairness and sustainability. Financial institutions are also placing greater emphasis on Environmental, Social and Governance (ESG) considerations when making investment decisions.	< 5 Years
Replacement on depletion of ore reserves	The inability to replace depleted ore reserves in key business units through exploration, projects or acquisitions.	> 5 Years
Unexpected mine-closure liabilities that have the potential to increase costs	This is important to consider because it is possible that government authorities will change the environmental provisions and obligations of the mine closure process in a more strict and costly manner.	> 5 Years

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

1

Potential actions by governments

(political, legal, regulatory, tax and concessions)

Risk description

Regulatory initiatives or policies issued by the Mexican government, at all three levels: federal, state and municipal, may have an adverse impact on the operation of the Company. This could include new laws, regulations, rules or guidelines with a negative impact on the mining industry in Mexico. Although the law in Mexico does currently allow for the possibility of open pit mining for strategic reasons, the previous administration's prohibition of new open pit concessions remained in place under the new administration during 2024, and no new concessions were granted.

With the recent change in Mexico's judiciary, current lawsuits, 'amparos' and other legal processes are at risk. Under the previous administration, which was in office from 2018-2024, it had been very challenging to obtain permits and licences for construction and environmental matters from the Ministry of Economy and the Ministry of Environment. However, the change of approach from the new administration is easing the process and we are now starting to see the granting of permit applications that fully comply with regulations.

Failure or delay in obtaining permits and licences to operate, could adversely affect our operations and develop projects.

- Prohibition of new concessions for open-pit mining.
- Permits for building/expanding tailings dams and projects.
- Inability to obtain necessary water concessions due to government control or private interests.
- Discrepancies in the criteria used in audits carried out by the tax authority.
- Possible new taxes or royalties on the mining industry.
- Possible profit sharing with indigenous communities.
- Potential trade disputes under United States-Mexico-Canada agreement.

Factors contributing to risk

A considerable level of uncertainty is likely to dominate the Mexican legal landscape for the foreseeable future, with potential impacts on the timing, consistency and nature of legal decisions:

- Reorganisation of the Mexican Supreme Court and election of Justices and Federal Judges by popular vote.
- New judicial administration body and new judicial discipline tribunal.
- Legal reforms to the following laws: 'Mining Law', 'Law on National Waters', 'Law on Ecological Balance and Environmental Protection' and 'General Law for the prevention and integrated management of waste in the field of mining and water concessions', impacting on the granting of new concessions and their duration, exploration activities and consultation with communities and indigenous peoples as well as payments of 5% of profits to the communities.

Controls, mitigating actions and outlook

1. As a result of the new mining law, risk scenarios were developed for each change and impact, considering the legal and operational criteria to implement the necessary mitigation and prevention measures. These scenarios are constantly updated.
2. Commitment to constant communication with all levels of government.
3. Increased monitoring of the processes being implemented at the Ministry of Energy, Environment, Labour and Economy and daily monitoring, follow-up and attention to issues before the Congress of the Union that may affect the mining industry.
4. Collaboration with other members of the mining community through the Mexican Mining Chamber to lobby against any new harmful taxes, royalties or regulations. Support for industry lobbying efforts to improve the general public's understanding of the mining industry.

For more details see Protecting our Environment on pages 80-100

Link to strategy

1 2 3 4

Risk appetite

Low

Risk owner

- Government Relations Department
- Legal Department
- Taxes and royalties Department
- Mining and water concessions Department

Risk oversight

- The Board
- Audit Committee

Behaviour

Stable

Risk rating (relative position)

2024: Very high (1)

2023: Very high (1)

2

Security

Risk description

In all our business units, we face the risk of theft, which can occur within the mines or during transportation. Our employees, contractors and suppliers are also at risk of violence due to insecurity in some of the regions in which we operate.

According to information from the Ministry of Security and Citizen Protection and the National Guard, the presence of organised crime and high impact crimes (homicide, kidnapping and extortion) increased in 2024, especially in the states where our business units are located such as Zacatecas, Sonora and Guanajuato.

The main risks we face are:

- High-impact thefts in ore transportation, most notably of gold doré and silver concentrates.
- Theft of assets such as vehicles, equipment, spare parts and fuel.
- Homicide.
- Kidnappings.
- Extortions.
- Vandalism.
- Consumption and sale of toxic substances in our mining units.

Factors contributing to risk

Influence and territorial disputes by drug cartels, organised crime and anarchy in some regions of Mexico where we have operations, projects and exploration camps. Especially close to our operations in Fresnillo, Zacatecas and Caborca, Sonora.

The remote nature of many of our locations and projects.

Controls, mitigating actions and outlook

1. Our property security teams closely monitor the security situation, maintaining clear internal communications and coordinating work in areas of greater insecurity.
2. We maintain close relationships with authorities at federal, state and local levels.
3. We interact and meet regularly with people of the National Guard; Army and the Navy in some cases. There are military installations located near most of our operations.
4. We continue to implement greater technological and physical security at our operations:
   - The use of a remote monitoring process at the Herradura, Noche Buena, San Julián, Juanicipio, Saucito and Fresnillo mines.
   - Local operating and command centres for each business unit in the Saucito and Fresnillo mines and the Juanicipio development project
   - Security services during the mine construction process at the Juanicipio development project
5. Increase in logistical controls to reduce the potential for theft of mineral concentrate such as:
   - Real-time tracking technology;
   - Surveillance cameras to identify alterations in the transported material;
   - Protection and support services on distribution routes;
   - Reduction in the number of authorised stops to optimise delivery times and minimise exposure of trucks transporting ore concentrates or doré.
6. We continue to invest in community programmes, infrastructure improvements and government initiatives to support the development of legal local communities and discourage criminal acts.
7. To combat drug consumptions we have:
   - Increased the number of anti-doping tests conducted at the start of the day in the mining units.
   - Frequent inspections out inside the mines to verify that drugs are not consumed and sold.
   - Drug consumption prevention campaigns, focused on employees.

Link to strategy

1 2 3 4

Risk appetite

Low

Risk owner

- Security Department
- Legal Department

Risk oversight

- Audit Committee
- Executive Committee

Behaviour

Stable

Risk rating (relative position)

2024: Very high (2)

2023: Very high (2)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

3

Cybersecurity

Risk description

Information is an asset that must always be protected; it requires maintaining confidentiality, integrity, and availability throughout all business processes. Breaches in, or failures of, our information security management could adversely impact our business activities. Malicious interventions (hacking) of our information or operations' networks could affect our reputation and/or operational continuity.

Loss or harm to our technical infrastructure and the use of technology within the organisation from malicious or unintentional sources.

The following top eight cybersecurity and privacy risks comprise Fresnillo plc overall cybersecurity and privacy risk profile:

1. Corruption of data – Critical data where any unauthorised modification can have adverse impacts.
2. Unauthorised access – Cybersecurity and privacy incidents due to incorrect access permissions or system abuse, exploitation, or misuse.
3. Breach and data theft – Disclosure of critical and sensitive company data by an internal or external source.
4. Business disruption – Disrupting key applications or systems for a period.
5. Lack of cybersecurity ownership – Failure to assign responsibility for implementing and adopting cybersecurity practices daily.
6. Non-compliance – Cybersecurity and privacy incidents resulting in non-compliance with applicable regulations, including privacy.
7. Health and safety incidents – Breach of availability, integrity or confidentiality of data which impacts health and safety.
8. Halt or loss of operations – Cybersecurity and privacy incidents which result in loss of operating licence or closure of operations.

Factors contributing to risk

Globally, cyberattacks have increased in frequency and impact across all industries; we suffered a cybersecurity incident (partial disruption of services) in July 2024, which had negative consequences for the Group (Peñoles and Fresnillo plc).

Rising geopolitical tensions.

Heavy reliance on technology and automated systems to support operations within the mining industry.

The industrial and mining sectors are seen as having a considerably weak level of whilst the damage that can be caused is very high.

The level of global and national maturity of cybersecurity and cybercrime regulations that could deter criminals is not yet adequate and is still developing.

Controls, mitigating actions and outlook

Our cybersecurity programme, aligned with business strategies, is based on a governance model with three lines of defence, involving all operational, tactical, and strategic business levels to prevent and mitigate the effects of computer risks. Our approach is also based on the NIST Cybersecurity Framework which is used to assess and improve our ability to prevent, detect, and respond to cyberattacks.

1. We maintain continuous awareness of cybersecurity at all levels of the organisation, through workshops, communications, campaigns, and exercises that allow us to understand and increase our cybersecurity culture. Cybersecurity is a risk that requires more active involvement of Executive teams, which is why this year awareness and training exercises focused on this level have been carried out.
2. The Security Operations Centre (SOC) provides analytics that correlate information from multiple business unit sources, helping us to easily identify the impact of a threat and address the incident in a timely manner.
3. Cybersecurity incident response plans are in place and regularly assessed to ensure we can respond quickly and effectively to cybersecurity incidents.
4. We conduct ongoing assessments of the technology controls implemented in operations and services.
5. We have constant threat intelligence monitoring that allows us to analyse trends in the environment that enable adjustments in our operation to anticipate and apply necessary controls.
6. In addition, our systems, networks, and assets are continuously monitored through cybersecurity tools that use Artificial Intelligence and Machine Learning technology to analyse behaviours in the organisation's networks, identifying and mitigating advanced threats.
7. Controls are in place to comply with the Ley Federal de Protección de Datos Personales en Posesión de Particulares (LFPDPPP).
8. We carried out the second phase of auditing our Personal Data Management System with the NYCE office, with the objective of achieving certification in our business units.

Our plan for 2025 is to focus our efforts on mitigating cyber risks, implementing, and maturing controls in line with the threat landscape and emphasising the importance of individual employee responsibility to remain vigilant and alert to cyber threats.

Risk Assessment, Disaster Recovery Plans, Data Loss Prevention, Pen testing, IT/OT Network Behavioural Analysis, and targeted security enhancements for Operational Technology (OT) environments are some of the initiatives that will increase our Level of Cybersecurity Maturity (based on NIST CSF).

Link to strategy

2 3

Risk appetite

Low

Risk owner

- IT & TO Department
- Cybersecurity Office

Risk oversight

- The Cybersecurity Committee
- Audit Committee

Behaviour

Increasing

Risk rating (relative position)

2024: High (3)

2023: High (6)

4

Impact of metals prices and exchange rates

Risk description

Our results are heavily dependent on commodity prices – principally gold and silver. There is an inherent risk when investing or planning for the future price of these precious metals.

The volatility of these prices is high and unpredictable. The prices of these commodities are strongly influenced by a variety of external factors, including wars, geopolitics disruptions, world economic growth, inventory balances, industry demand and supply, possible substitution, etc.

Our sales are mainly denominated in US dollars, although some of our operating costs are in Mexican pesos. Thus, any strengthening of the Mexican peso may negatively affect our financial results.

Factors contributing to risk

Macro-economic and geopolitical factors that directly affect the price of commodities, both positively and negatively, such as the wars between Ukraine-Russia and Israel-Hamas, the recent US elections and trade tension in the US-China relationship.

Increased attraction of investing in instruments such as cryptocurrencies could lead to investors reducing their investment activities in precious metals.

Controls, mitigating actions and outlook

1. We consider exposure to commodity price fluctuations an integral part of our business and our usual policy is to sell our products at prevailing market prices although we do have a hedging policy for precious metals.
2. We monitor the commodity markets closely to determine the effect of price fluctuations on earnings, capital expenditure and cash flows. Very occasionally, when we feel it is appropriate, we use derivative instruments to manage our exposure to commodity price fluctuations. We run our business plans through various commodity price scenarios and develop contingency plans as required.

For more details see Our markets on **pages 20-21**

3. We have hedging policies for exchange rate risk, including those associated with project-related capex.
4. We focus on cost efficiencies and capital discipline to deliver competitive all-in sustaining cost.

Link to strategy

1 2 3

Risk appetite

High

Risk owner

- Financial Planning
- Treasury

Risk oversight

- The Investment Committee
- Audit Committee

Behaviour

With attention

Risk rating (relative position)

2024: High (4)

2023: High (4)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

5

Global macroeconomic developments

(energy and supply chain disruptions, inflation and cost)

Risk description

Geopolitics has the potential to increase trade tensions, affecting rules-based trading systems. Trade actions can affect our key markets, operations or projects, limiting the benefits of being a multinational company with a global presence.

Disruptions or restrictions in the supply of critical operating inputs such as steel, cyanide, copper, diesel, transport equipment, oxygen and truck tyres, electricity, diesel and gas, steel, sulphuric acid or mining equipment spare parts (supplied mainly by land transport from the US and by sea from China and Europe) could negatively affect production or increase its cost.

Factors contributing to risk

- The recent US elections.
- US imposes tariffs rate on Mexico.
- China-US tensions.
- Indirect impacts of the war in Ukraine and conflict in the Middle East.
- Lack of electricity infrastructure of the state-owned company (Comisión Federal de Electricidad CFE), which supplies energy in Mexico.
- Possible inflation growth in Mexico.

Controls, mitigating actions and outlook

1. We execute operational excellence initiatives to counter inflation and improve margins, and also enhance cost competitiveness by improving the quality of the portfolio.
2. We maintain a rigorous, risk-based supplier management framework to ensure that we engage solely with reputable product and service providers and keep in place the necessary controls to ensure the traceability of all supplies (including avoiding any conduct related to modern slavery).
3. To achieve cost competitiveness, we endeavour to buy the highest possible proportion of our key inputs, such as fuel and tyres, on as variable a price basis as possible and to link costs to underlying commodity indices where this option exists.
4. We are committed to incorporating sustainable technological and innovative solutions, such as using sea water and renewable power when economically viable, to mitigate exposure to potentially scarce resources.

For more detail see Sustainability at the Core of Our Purpose on **pages 58-115**

Link to strategy

1 2 3

Risk appetite

Medium

Risk owner

- Procurement and contracts
- Operational Comptrollers
- Financial Planning

Risk oversight

- Audit Committee

Behaviour

With attention

Risk rating (relative position)

2024: High (5)

2023: High (3)

6

Access to land

(full access to plots of land)

Risk description

Significant failure or delay in accessing surface land above our mining concessions and other lands of interest is a permanent risk to our strategy and has a potentially high impact on our objectives.

The biggest risk is failing to gain full control of the lands where we explore or operate.

Possible barriers to access to land include:

- Increasing landowner expectations.
- Refusal to comply with the terms of previous land acquisitions and conditions regarding local communities.
- Influence of multiple special interests in land negotiations.
- Conflicts regarding land boundaries, and the subsequent resolution process.
- Succession problems among landowners resulting in a lack of clarity about the legal right to own and sell land.
- Risk of litigation, such as increased activism by agrarian communities and/or judicial authorities.
- Presence of indigenous communities in proximity to lands of interest, where prior and informed consultation and consent of such communities are required.

Factors contributing to risk

The new mining law complicates efforts to regularise access to land and the procedures for obtaining new permits.

It is becoming increasingly difficult to negotiate land prices, with landowners demanding more money and benefits for access to land.

Social insecurity prevailing in the regions where our mining interests are located may not allow the necessary work to be carried out to demonstrate the minimum investments required by law, leading to the possible cancellation of the concession.

The Federal Government continues its policy of not granting new mining concessions.

Controls, mitigating actions and outlook

1. We undertake meticulous analysis of exploration objectives and construction project designs to minimise land requirements.
2. Initiatives undertaken to secure access to land in areas of strategic interest or value include:
   - Judicious use of lease or occupation contracts with purchase options, in compliance with legal and regulatory requirements.
   - Early participation of our community relations teams during the negotiation and acquisition of socially challenging objectives.
   - Strategic use of our social investment projects to build trust.
   - Close collaboration with our land negotiation teams, which include specialists hired directly by Fresnillo and provided by Peñoles as part of the service agreement.
3. We perform ongoing reviews of the legal status of our land rights, we identify certain areas of opportunity and continue to implement measures to manage this risk on a case-by-case basis. Such measures include, wherever possible, negotiations with agricultural communities for the direct purchase of land.
4. We use mechanisms provided for in agricultural law and use other legal mechanisms under mining legislation that provide greater protection for land occupation.
5. Negotiate carefully with the government on concessions with geological mining interest that have already been granted.

Link to strategy

1 2 3

Risk appetite

Low

Risk owner

- Legal
- Community Relations

Risk oversight

- Audit Committee

Behaviour

Increasing

Risk rating (relative position)

2024: High (6)

2023: Medium (10)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

7

Union relations

(labour relations)

Risk description

Our highly skilled unionised workforce and experienced management team are critical to sustaining our current operations, executing development projects and achieving long-term growth without major disruption. We are committed to safety, non-discrimination, diversity and inclusion, and compliance with Mexico's strict labour regulations.

The Labour Reform allows the existence of several Unions within a company and gives freedom of choice to the employee. This has led to a complex, rarefied work environment at the Fresnillo mine, with violent clashes between the Union and a group of workers seeking to register a new independent Union. The risk is that the fighting will continue and worsen and eventually the mine's workforce will be reduced. There is also a risk that this conflict could spread to other mines.

There is a risk of strikes or illegal work stoppages at some of our mining units by workers who do not agree with profit sharing or some of the benefits, mainly at the La Herradura mine.

Factors contributing to risk

Adverse coalitions that could disrupt operations illegally, mainly at the Herradura mine. We had a minor disruption in May 2023.

We run the risk of an outside Union seeking to destabilise the current Union.

We could also be adversely affected by National Union politics.

Controls, mitigating actions and outlook

1. We remain attentive to any developments in labour or Trade Union issues. Our executive leadership and the Executive Committee recognise the importance of Trade Union relations and follow any developments with interest. Our strategy is to integrate unionised personnel into each team in the business unit. We achieve this by clearly assigning responsibilities and through programmes aimed at maintaining close relations with Trade Unions in mines and at the national level.
2. There are long-term labour agreements (usually three years) in place with all the Unions at our operations, helping to ensure labour stability.
3. We seek to identify and address labour issues that may arise throughout the period covered by the labour agreements and to anticipate any potential issues in good time. When appropriate, we hire experienced legal advisors to support us on labour issues.
4. We have increased communication with Trade Union leaders in mining units to monitor the working environment and conducted a review of the contractual benefits for Union members in our mines.
5. We maintain constructive relationships with our employees and their Unions through regular communication and consultation. We are proactive in our interactions with unions and their representatives at various levels of the organisation are regularly involved in discussions about:
   - The future of the workforce;
   - The economic situation facing the industry;
   - Our production results.
6. We encourage Union participation in our security initiatives and other operational improvements. These initiatives include the Security Guardians programmes, certification partnerships, integration of high productivity equipment, and family activities.

For more details see Caring for our People on pages 69-79

Link to strategy

2 3

Risk appetite

Low

Risk owner

- Human Resources
- Legal

Risk oversight

- Audit Committee
- People & Remuneration Committee

Behaviour

Increasing

Risk rating (relative position)

2024: High (7)

2023: Medium (9)

8

Human resources

(attract and retain requisite skilled people/talent crisis)

Risk description

Our ability to achieve our operating strategy depends on attracting, developing and retaining a wide range of skilled and experienced internal and external people.

Managing talent and maintaining a high-quality workforce in a rapidly changing technological and cultural environment is a key priority for us. Any failure in this regard could negatively impact current operating performance and future growth prospects.

We face multiple risks in the processes of recruiting, hiring, training and retaining talented, skilled and experienced people:

- Sourcing skilled labour in the mining sector has become a major risk, and our industry requires more and more people who are trained and experienced in mining processes.
- Digital and technological innovation has the potential to generate substantial improvements in the Company's productivity, safety and environmental management. There is a risk that our workforce will be unable to transform to the extent necessary or will be resistant to change and unwilling to accept the impact of automation or to acquire new technological skills.
- The lack of reliable contractors with sufficient infrastructure, machinery, performance history and trained personnel is also a risk that could affect our ability to develop and build mine sites.

In addition, contractual terms prohibit us from hiring specialised personnel from business partners or contractors.

Factors contributing to risk

The shortage of skilled and experienced technical labour in the mining industry is leading to increased competition in the regions where we operate. In certain regions where we operate, there are not enough candidates with the necessary skills to operate mining equipment.

We have business units far from cities and with limited and complicated access, making it difficult to find skilled labour in those regions.

Changing societal expectations are putting pressure on our corporate and employer brand: who we are and what we stand for.

Controls, mitigating actions and outlook

1. We enhance the talent of our employees through training and career development, invest in initiatives to broaden the talent pool and are committed to our diversity and inclusion policy. Through these actions we aim to increase employee retention, as well as the number of women, people with disabilities and employees with international experience in the workplace.
2. Our employee performance management system is designed to attract and retain key employees by creating appropriate reward and remuneration structures and providing personal development opportunities. We have a talent management system in place to identify and develop internal candidates for key management positions, as well as to identify suitable external candidates where appropriate.
3. We aim for continuous improvement, driven by opportunities for training, development and personal growth; in short, we focus on fair recruitment, fair pay and benefits and gender equality.
4. Our goal for retaining talent is to be an employer of choice, and we recognise that, to be a profitable and sustainable business, we need to create value for our employees and their families. We do this by providing a healthy, safe, productive and team-oriented work environment that not only encourages our people to reach their potential, but also supports process improvement.
5. A renewed approach to talent management was implemented in the human resources areas of the business units, ensuring that all our employees have a meaningful conversation about their performance, motivations and experience, as well as a quality development plan that enables them to acquire the skills and experience they need for the future.
6. Employees who live far away from the business units are permanently supported with transportation, medical care for them and their families, health and nutrition programmes with access to high quality food and support with clothing and accessories to protect them from weather changes.
7. A global graduate programme and strategic partnerships are in place to establish mutually beneficial relationships with universities and schools specialising in mining and geology.
8. Local internship training programmes and other future skills development partnerships are in place.
9. We have continued our performance appraisal process, reinforcing formal feedback. We promote certification of key technical competencies for operational staff and have implemented a leadership and management competency development programme for required positions. We develop our high-potential middle managers through the Leaders with Vision programme.
10. Ongoing training workshops are held for staff by business partners and contractors, especially in new technologies and best practices in the mining industry, for example with Caterpillar, Matco, Epiroc, Robbins, Sanvik, etc.

For more details see Caring for our People on **pages 69-79**

Link to strategy

1 2 3 4

Risk appetite

Medium

Risk owner

- Human Resources

Risk oversight

- Audit Committee
- People & Remuneration Committee

Behaviour

Stable

Risk rating (relative position)

2024: High (8)

2023: High (5)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

9

Projects

(performance risk)

Risk description

The pursuit of advanced exploration and project development opportunities is essential to achieving our strategic goals. However, this carries certain risks:

- Current or new government regulations that obstruct, limit or restrict the granting of mining concessions; delay or failure to obtain permits, licences, authorisations, etc.
- Economic viability: the impact of the cost of capital to develop and maintain the mine; future metals prices; and operating costs throughout the mine's life cycle.
- Access to land: a significant failure or delay in land acquisition has a very high impact on our projects.
- Delivery risk: Projects can exceed the budget in terms of cost and time; they cannot be built according to the required specifications or there may be a delay during construction; and major mining teams cannot be delivered on time.
- Other uncertainties such as: fluctuations in the degree of ore and recovery; unforeseen complexities in the mining process; poor quality of the ore; unexpected presence of groundwater or lack of water; lack of community support; and inability or difficulty in obtaining and maintaining the required building and operating permits.

The following risks relate specifically to prospective projects in Chile and Peru:

- Government instability, especially in Peru.
- Potential actions by governments (political, legal, regulatory and tax).
- Security.
- Licence to operate (community relations).
- Access to water (national regulation and geographic complications).
- Environmental compliance.
- Competition for land (threat from green power generation companies, for example thermosolar).
- Informal mining.
- Industrial safety compliance (National Geological and Mining Service SERNAGEOMIN).
- Increased mining taxes and fees.

Factors contributing to risk

Prohibition of new open-pit mining concessions.

Uncontrolled increases in the costs of critical inputs directly affect the progress of projects and affect the planning of each project.

In some regions there are no specialised contractors or contractors with the technology to develop the projects.

Contractor productivity may be lower than anticipated, causing delays in the programme.

Increase in the number of high impact crimes (homicide, kidnapping, extortion) in the regions of the projects.

We have identified the following threats to project development:

- Insufficient resources for project execution.
- Changes in operational priorities that can affect projects.
- Inadequate management structure for project supervision.
- Delays in obtaining necessary permits for construction and operation.
- Lengthy procedures for land acquisition, electricity supply and water.

Controls, mitigating actions and outlook

1. Our investment assessment process determines how best to manage available capital using the following criteria:
   - Technical: we evaluate and confirm the resource estimate; conduct metallurgical research of mineral bodies to optimise the recovery of economic elements; calculate and determine the investment required for the overall infrastructure (including roads, energy, water, general services, housing) and the infrastructure required for the mine and plant.
   - Financial: we analyse the risk in relation to the return on the proposed capital investments; set the expected Internal Rates of Return (IRR) per project as thresholds for approving the allocation of capital based on the current value of expected cash flows of invested capital; and perform stochastic and probabilistic analyses.
   - Qualitative: we consider the alignment of investment with our Strategic Plan and business model; identify synergies with other investments and operating assets; and consider the implications for safety and the environment, the safety of facilities, people, resources and community relations.
2. The management of our projects is based on the Project Management Body of Knowledge (PMBOK) standard of the Institute of Project Management (PMI). It allows us to closely monitor project controls to ensure the delivery of approved projects on time, within budget and in accordance with defined specifications. The executive management team and the Board of Directors are regularly updated on progress.
3. Each advanced exploration project and major capital development project has a risk record containing the project-specific identified and assessed risks.

See Review of operations on **pages 46-50**

Link to strategy

2

Risk appetite

Medium

Risk owner

- Projects
- Legal
- Community Relations
- Access to Land Department

Risk oversight

- Audit Committee
- The Investment Committee

Behaviour

With attention

Risk rating (relative position)

2024: High (9)

2023: High (7)

10 Safety

(incidents due to unsafe acts or conditions could lead to injuries or fatalities)

Risk description

The mining industry is inherently dangerous. Major hazards across our operations and projects include process safety, underground mining, surface mining and tailings and water storage.

Our workforce faces risks such as fire, explosion, electrocution and carbon monoxide poisoning, as well as risks specific to each mine site and development project. These include rockfalls caused by geological conditions, cyanide contamination, explosion, becoming trapped, electrocution, insect bites, falls, heavy or light equipment collisions involving machinery or personnel and accidents occurring while personnel are being transported.

These risks have the potential to cause death, illness or injury, damage to the environment, and disruption to communities. A poor safety record or serious accidents could have a long-term impact on morale and on our reputation and productivity.

We are saddened to report that two fatalities were recorded during 2024, and that we experienced increases in accidents related to:

- Rockfall/terrain failure.
- Loss of vehicle/equipment control.
- Team-vehicle-person interaction.
- Accident in transport of staff.
- Contact with electric power.
- Becoming trapped.
- Contact with hazardous substances.

Factors contributing to risk

Frequent transportation of our people to remote business units is an ongoing feature of our operations. In many cases, these units have poor accessibility by road.

Failure to comply with safety programmes, measures and audits or with the findings of inspections.

High turnover of workforce, including contractors.

Controls, mitigating actions and outlook

1. Nothing is more important than the safety and wellbeing of our employees, contractors and communities. Our objective is first and foremost to have zero fatalities. We believe all incidents and injuries are preventable, so our focus is on identifying, managing and, where possible, eliminating risks. We constantly seek to improve our safety and health risk management procedures, with focus on the early identification of risks and the prevention of fatalities.
2. We are raising awareness of the risks generated by our operational activities. This includes quarterly meetings on the main safety risks at each mining unit, projects and exploration sites, overseen by the Executive Committee.

For more details see Caring for our People on **pages 69-79**

3. Continuing the implementation of the 'I Care, We Care' programme in all our operations, including strengthening the programme's five lines of action.
4. We are reinforcing the four pillars of our Safety and Occupational Health strategy:
   a. Safety and Health Risk Management: workers at all levels are able to identify hazards and controls, so that all jobs are carried out safely.
   b. Leadership: all employees and contractors are health and safety leaders and we demonstrate our commitment through each individual's responsible behaviour.
   c. Contractor management: our contractors are an integral part of our safety team and culture, and we work together to improve.
   d. Reporting, research and learning from our accidents: we share good practices and learn from our mistakes.
5. We have implemented technical and safety standards and procedures for slope geotechnical, tailings management, underground mining and process safety.
6. We are advancing the automation of hazardous processes.
7. The critical controls that reduce risk in the business units are periodically updated and improved through inspections and performance evaluations, which are carried out by the safety team, external auditors such as 'Real Safety' and even by government authorities such as the Ministry of Labour and PROFEPA.

For more details see Caring for our people on **pages 69-79**

Link to strategy

3 4

Risk appetite

Low

Risk owner

- Safety
- Human Resources

Risk oversight

- HSECR Committee

Behaviour

Stable

Risk rating (relative position)

2024: High (10)

2023: High (8)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

11

Licence to operate

(community relations)

Risk description

At both a local and global level, the mining industry's stakeholders have high expectations relating to social and environmental performance. These expectations go beyond the responsible management of negative impacts to include continuous engagement and contribution to stakeholder development.

Failure to adequately address these expectations increases the risk of opposition to mining projects and operations. Negative sentiment towards mining or specifically towards Fresnillo plc could have an impact on our reputation and acceptability in the regions where we have a presence.

We monitor the following risks:

- Negative perception of the Company's social and environmental performance.
- Failure to identify and address legitimate concerns and expectations of the community and of society at large.
- Insufficient or ineffective engagement and communication.
- Failure to contribute purposefully to community development.

Factors contributing to risk

Higher expectations and scrutiny of social and environmental performance.

Rising expectations on shared benefits regarding land agreements.

Perceived competition on access to natural resources, notably water.

Significant reduction in government spending on community infrastructure, development programmes and services.

Anti-mining activism fuelling opposition to mining.

Community concerns about insecurity, access to water and the environmental impact of the operations of the business units.

Controls, mitigating actions and outlook

1. We hold regular meetings with key community stakeholders to communicate about the Company, and its social and environmental practices.
2. An internet listening module was implemented, making it possible to capture concerns from the community which can remain anonymous. The module has expanded our reach into areas where technology makes it easier for people to raise matters about the Company. It also enables us to provide the same care as we do with cases presented in-person.
3. We closely monitor threat and social opportunities associated with our operations through constant and direct contact with the leaders of each business unit, social studies, and media monitoring complaints and claims process.
4. Governance over the complaints process is improving every year. Complaints are received, assessed and managed, involving line managers, while dissatisfied stakeholders are kept informed of the status of each case, until satisfactory closure agreements are reached.
5. We deploy social programmes in the communities near the business units, such as support for schools, clinics and health, supply of medicines, nutrition and food, maintenance of roads and bridges, water supply, etc.

For more details see Partnering with our communities on pages 101-106

Link to strategy

1 2 3 4

Risk appetite

Medium

Risk owner

- Community Relations
- Human Resources

Risk oversight

- HSECR Committee

Behaviour

Stable

Risk rating (relative position)

2024: Medium (11)

2023: Medium (11)

12

Exploration

(new ore resources)

Risk description

We are highly dependent on the success of the exploration programme to meet our strategic value-creation targets and our long-term production and reserves goals.

Maintaining a reasonable investment in exploration, even when metals prices are low, has been our policy through the years. While continuous investment has always been a hallmark of our exploration strategy, replenishing exploited reserves and increasing our total amount of resources could be a challenge in the future.

The growing level of insecurity, a more challenging land access scenario, and delays in obtaining government permits detailed previously, translates into a longer timeframe to deliver new discoveries and improve the category of resources. In addition, difficulties in obtaining new mineral concessions could hamper the exploration in new target areas.

Factors contributing to risk

In Mexico, the new mining law establishes that exploration activities in new concessions will be carried out only by the Mexican Geological Services assigned to the Ministry of Economy.

New concessions would be granted through a bidding process following exploration orders submitted to the Service. However, pre-existing concessions may continue to be explored by their holders and may be commercialised upon authorisation by the federal Ministry of Economy. Fresnillo plc's concessions will allow the company to continue its brownfield and greenfield exploration programmes, at least in the medium term. Access to new concessions will be difficult.

This year, we have seen that the exploration programme has been complicated and delayed mainly for the following reasons:

- Restrictions on new mining concessions.
- Delays in procedures regarding access to land.
- Presence of organised crime (insecurity) in the regions where we have projects and exploration camps.
- Delays and failures to obtain permits and licenses from government authorities.
- Increased exploration costs.
- In Chile, risk factors include lack of water in the Atacama Desert in the north and possibility of conflict with forestry or agricultural interests in the south, overall higher costs compared to those in Mexico, seasonal restrictions to exploration in the High Andes, scarcity of open grounds for staking, poor infrastructure in remote zones, presence of anti-mining communities or NGOs, and strong competition for mining claims and staff.
- In Peru, the main risk factors include the long lead time required to obtain social permits (emphasising the need for strong community relations teams and programs), delays in obtaining government permits, poor infrastructure in mountainous regions, the presence of anti-mining communities or NGO's and the possibility of invasion of illegal miners.

Controls, mitigating actions and outlook

1. Increasing regional exploration drilling programmes to intensify efforts in the districts with high potential.
2. For local exploration, aggressive drilling programmes to upgrade the resources category and convert inferred resources into reserves.
3. A team of highly trained and motivated geologists, including both employees and long-term contractors.
4. Advisory technical reviews by international third-party experts and routine use of up-to-date and integrated GIS databases, cutting-edge geophysical and geochemical techniques, large to small scale hyperspectral methods, remote sensing imagery and analytical software for identifying favourable regions to be field checked by the team.
5. Maintain a pipeline of drill-ready high priority projects.

For more details see Our Strategy on pages 14-19

Link to strategy

1

Risk appetite

High

Risk owner

- Exploration
- Projects
- Legal

Risk oversight

- The Board
- The Investment Committee

Behaviour

Stable

Risk rating (relative position)

2024: Medium (12)

2023: Medium (12)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

13

Climate change

Risk description

The mining industry is highly exposed and sensitive to climate change:

- Societal responses to the transition to a low-carbon economy include stricter regulations to reduce emissions, a transformation of the global energy system, changes in behavioural and consumption choices, and emerging technologies.
- Our operations and projects are expected to face severe physical risks from extreme weather events, such as high temperatures, drought and extreme rainfall from more frequent and intense hurricanes in the Pacific Ocean. These potential natural disasters can affect the health and safety of our people, damage access roads and mine infrastructure, disrupt operations and affect our neighbouring communities.

The most significant risk we currently face relates to compliance with all provisions and requirements of international agreements to reduce pollution and greenhouse gas emissions and regulatory disclosure standards in both Mexico and the UK.

In addition, the mining industry is also expected to face chronic risks in a few years, such as rising temperatures, which may increase our demand for water, or a decrease in annual rainfall, which is certain to exacerbate water stress in the regions where we operate. The former risks may also intensify competition for access to water resources, increasing the risks to the social licence to operate.

Factors contributing to risk

Burning fossil fuels: Adds greenhouse gases to the atmosphere, which increases the greenhouse effect and global warming.

Deforestation in areas where we have operations and projects: Intentional logging, which adds greenhouse gases to the atmosphere.

Increased temperatures in desert areas where we operate: Can worsen air quality and have effects on respiratory and cardiovascular health.

Changes in weather patterns: Can worsen air quality and cause respiratory and cardiovascular effects.

Forest fires near units where we have operations or projects: Generate smoke and other air pollutants harmful to health.

Oil and gas extraction: Main source of CO_2 pollution.

Increasing livestock farming: Cows and sheep produce large amounts of methane when they digest their food.

Controls, mitigating actions and outlook

1. Understanding our exposure on each asset through assessment programmes, such as our critical risk assessment and asset integrity assurance programme, and climate change resilience assessments with support from external consultants such as PWC, Marsh, Zurich.
2. Having business resilience plans and emergency response plans, training and annual exercises to prepare for a natural disaster, including established communication plans and coordination with local, regional and state agencies.
3. Using the latest generation of climate analysis (weather forecasts, climate outlooks, modelling and disaster projections) to obtain quantitative information on short-, medium- and long-term physical climate risks.
4. Applying protection principles rather than a compliance-based approach across our operations. Foster proactive relationships with international civil society organisations, governments and environmental departments to support protective legislation.
5. Actively supporting and reporting on our practices in relation to the commitments in the International Council on Mining and Metals statement on water management.

Link to strategy

1 2 3 4

Risk appetite

Medium

Risk owner

- ESG Department
- Legal Department

Risk oversight

- HSECR Committee

Behaviour

Stable

Risk rating (relative position)

2024: Medium (13)

2023: Medium (13)

14

Tailings dams

(overflow or collapse of tailings deposits)

Risk description

Ensuring the stability of our tailings storage facilities (TSFs) during their entire lifecycles is central to our operations. A failure, collapse or overtopping of any of our TSFs could result in fatalities, damage to the environment, regulatory violations, reputational damage and disruption to the quality of life of neighbouring communities as well as our operations.

Before constructing a dam, we conduct a series of studies to confirm the suitability of the area. These studies include geotechnical, geological, geophysical, hydrological, hydrogeological, and seismic analyses. Before construction begins, the Ministry of Environment and Natural Resources (SEMARNAT), through the Federal Office for Environmental Protection (PROFEPA), conducts several assessments.

Most of our operative facilities were designed and constructed under local and national controls and standards; following investigation, re-design, and construction process over the last 4 years they also comply with Fresnillo's new tailings policy and guidelines.

Our understanding of historic facilities' conditions is not as mature as that of the operative facilities but is a work in progress. As such, those facilities remain on care and maintenance status (non-operative).

Having permits, licences and certifications from the government to be able to operate TSFs is a risk due to the time involved in these procedures and the legal complications. Planning new TSFs with the necessary time and to international standards is also a risk, due to the limitations of the land around our mines and the costs and time involved in constructing them. If we don't manage these in a timely manner, we run the risk of disrupting the operation.

Factors contributing to risk

- The climate in recent years has become harsher in the regions where we operate, i.e. more severe and prolonged rainfall, more intense air that takes away the geomembrane liners, snowfall, and frost that complicates the operation, etc.

Controls, mitigating actions and outlook

1. The Global Industry Standard on Tailings Management (GISTM) was published in 2020 and is considered to be best practice. We understand the value and importance it brings to our industry, and we continually review and assess the impact of compliance. Taking GISTM into account, we have updated our risk assessment methods with a focus on more detailed risk identification, failure modes, and controls to avoid catastrophic failures.
2. We launched a new tailings policy in 2023, based on the industry's best practices, reinforcing our commitment to the safety and health of our workforce, communities, and the environment. Each year, internal audit and external auditors specialised in tailings dams such as Hawcroft Consulting and 'Knight Piésold Consulting' check our compliance with the policy.
3. Catastrophic failures of TSFs are unacceptable and their potential for failure is evaluated and addressed throughout the life of each facility. We manage our TSFs in a manner that allows the effectiveness of their design, operation, and closure to be monitored at the highest levels of the Company:
   - Our TSFs are constantly monitored, and all relevant information is provided to the authorities, regulating bodies, and the communities that could be affected.
   - We manage our TSFs using data, modelling, and construction and operating methods validated and recorded by qualified technical teams and reviewed by independent international experts, whose recommendations we implement to strengthen the control environment.
   - Risk management includes timely risk identification, control definition, and verification. Controls are based on the consequences of the potential failure of the tailing's facilities.
4. In 2024 we continued several initiatives to align our governance practices with current best practices:
   - Updating the inventory of the TSFs and validating the data log.
   - Reviewing findings of the Independent Tailings Review Panel (ITRP) and prioritising recommendations arising from inspections.

For more details see Tailings and Mineral Waste Management on pages 95-97

External sources of confidence

- Complying with Independent Tailings Review Panel (ITRP) annual review program. This panel is comprised by renowned international experts.
- Periodically we are inspected by the Independent Tailings Review Panel, who issue corrective and preventive recommendations to keep the tailings dams in good condition. In 2024, the Independent Tailings Review Panel visits were made to all Fresnillo plc tailings dams.

Link to strategy

4

Risk appetite

Low

Risk owner

- TSF's Department
- Safety & Environmental Department

Risk oversight

- HSECR Committee
- Executive Committee

Behaviour

Stable

Risk rating (relative position)

2024: Medium (14)

2023: Medium (14)

MANAGING OUR RISKS – RESPONSE/MITIGATION TO OUR RISKS

15

Environmental incidents

(cyanide spills and chemical contamination)

Risk description

Environmental incidents are an inherent risk in our industry. These incidents include the possible cyanide spills and dust emissions, any of which could have a high impact on our people, communities and businesses. We seek to achieve operational excellence to ensure that our employees and contractors go home safe and healthy, and that there are no adverse impacts on the communities and the environment where we operate.

An operating incident that damages the environment could affect both our relationship with local stakeholders and our reputation, reducing the social value we generate.

We continue to be alert to the following risks:

- Cyanide management risk.
- Impact on the environment through erosion/deforestation/forest loss or disturbance of biodiversity because of the operations of the business unit or project activities.
- An event involving a leak or spill of cyanide or SO2, which due to its chemical properties could generate an event of major consequence on the premises of the business unit and/or in the nearby area. Tailings pipelines leading from the plant to the storage deposits are where there is the highest risk of spills, especially at the Fresnillo and Saucito mines.

Environmental issues directly related to climate change and tailings storage are considered in our specific principal risks Climate Change and Tailings dams.

Factors contributing to risk

Climate change in the regions where we operate is beginning to increase the risk of incidents impacting the environment, mainly due to more extreme rainfall.

We operate in challenging environments, including forests and agricultural areas in Chihuahua and Durango, and Sonora Desert, where water scarcity is a key problem.

Disruptions and lack of supply of critical inputs for the operation.

Failure to address the recommendations of external audits, especially those related to the environment.

Controls, mitigating actions and outlook

1. We work to raise awareness among employees and contractors, providing training to promote operational excellence.
2. The potential environmental impact of a project is a key consideration when assessing its viability, and we encourage the integration of innovative technology in the project design to mitigate such impacts.
3. We have an environmental management system in place. We have strengthened the regulatory risk pillar of the environmental management system, incorporating monthly updates of environmental regulations. Furthermore, we now regularly monitor the Environmental Authority inspection processes to assure compliance with our environmental commitments and action plans.
4. Each site maintains updated environmental emergency preparedness and detailed closure plans with appropriate financial provisions to ensure physical and chemical stability once operations have ceased.

For more details see Protecting our Environment on **pages 80-100**

5. We comply with international best practices as promoted by the International Cyanide Management Institute (ICMI) and the Mexican standard NOM-155SEMARNAT-2007, which establishes environmental requirements for gold and silver leaching systems.

For more details see Cyanide Management on **page 97**

External sources of confidence

Fresnillo and Saucito are ISO 9001 certified; Fresnillo, Saucito, Herradura and Noche Buena are ISO 14001 and ISO 45011 certified.

Our Herradura and Noche Buena leaching operations comply with the Cyanide Code issued by the International Cyanide Code Institute with the respective certification.

Link to strategy

4

Risk appetite

Low

Risk owner

- Safety & Environmental Department

Risk oversight

- HSECR Committee

Behaviour

Stable

Risk rating (relative position)

2023: Medium (15)

2022: Medium (15)

2024 LONG-TERM VIABILITY STATEMENT

Based on their assessment of prospects and viability, the Directors confirm that they have the expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

In accordance with provision 31 section 4 of the UK Corporate Governance Code and considering the Group's current position and its principal risks for a period longer than the 12 months required by the going concern statement, management prepared a viability analysis which was assessed by the Board for approval.

We closely monitor and assess the impact of key principal and emerging risks on our long-term prospects and, where possible, proactively build response plans into our investment decisions.

To ensure our long-term resilience, we continuously stress-test our business model against the main uncertainties associated with the principal and emerging risks with the highest probability and impact. Measures are then recommended to prevent the risks and, where appropriate, mitigate them in a timely manner.

The Directors reviewed the viability period and confirmed the suitability of a five-year period to December 2029. This period aligns with the mining industry's typical planning cycle and with the Company's five-year forecast period normally used to evaluate liquidity and contingency plans. It allows us to model capital expenditure and development programmes planned during the timeframe and reflects cash flows generated by the projects currently under development. Due to the long business cycles in our industry, the Directors considered that a shorter time would be insufficient.

Reporting on the Company's viability requires the Directors to consider those principal risks that could impair the solvency and liquidity of the Company. In order to determine those risks, the Directors robustly assessed the Group-wide principal risks and operation-specific risks by undertaking consultations with executive management, mine managers and other personnel across our operations. These consultations also enabled the Directors to identify low probability, high loss scenarios – singular events – with the potential magnitude to severely impact the solvency and/or liquidity of Fresnillo.

In assessing the Group's viability, the Directors identified that of our principal risks, the following are the most important:

- **Potential actions by governments**, which could include the withdrawal of concessions, permits and licences, particularly the withdrawal of permits for the storage and handling of explosives at mining units.
- **Security**, particularly the theft of explosives at one of our business units with high rates of high impact crime and theft.
- **Impact of metals prices**, especially the volatility of gold and silver prices over a period.
- **Union**, the possibility of an illegal work stoppage or disruption of operations by unionised workers especially at the La Herradura mine.
- **Safety**, risk scenarios involving fires, explosions, severe flooding and fatalities.
- **Climate change**, the effects of winter storms and torrential rains.
- **Tailings dams**, in particular the failure, collapse or overtopping of a tailings dam.
- **Environmental incidents**, the possibility of spills of toxic substances into the environment and as a risk associated with others that would have a severe impact, e.g. tailings dams.

Having determined that none of the individual risks would in isolation compromise the Group's viability, the Directors went on to group principal risks into the following severe but plausible scenarios, in each case determining the risk proximity (how soon the risk could occur) and velocity (the speed with which the impact of a risk could be felt):

Scenario 1: Impact of metals prices
Our model assumes that prices for gold and silver in 2025 fall to US$2,500 per oz and US$29 per oz respectively. We further assume that precious metals prices remain at a low level for the following four years of the viability period, varying between US$2,500 – US$1,995 per gold oz. and US$29 – US$25.3 per silver oz. So, if the risk materialises that gold and silver prices fall to the level we stress, we could see an impact on the Company's operations.

To create an impartial projection for a future low metals prices environment, the Directors used an average of the three lowest forecasts for each year of the assessment, based on consensus estimates published by institutional financial analysts. This environment was deemed to be the most significant risk, and pervasive across the Company. (Principal risk)

Scenario 2: Bench collapse at an open pit mine
A landslide occurs covering the lower pit of La Herradura mine. Due to the unexpected nature of the event, fatalities occur. Production is gradually ramped back up and re-established to full capacity. (Singular event)

Scenario 3: Tailings deposit breach at a mine
A tailings deposit collapses and tailings are released into the surrounding area, causing environmental damage. A fund is created by the Company to be used to remediate and compensate for any damage caused. The investigation into the causes of the event is drawn out and further time is required before all environmental permits are reinstated. As a result, the mine remains closed throughout the viability assessment period. (Principal risk.)

Scenario 4: Flooding at a mine
A failure occurs in the rock mass of the Saucito mine that contains excess water, which causes a strong entry of water into the mine above the pumping capacity, thus stopping production in one of the main areas. This situation causes the loss of permits, additional costs and expenses, and reputational damage. Recovery to pre-event production levels begins once management determines it is safe to do so. (Singular event.)

Scenario 5: Action by the Government at a mine
Explosives are stolen in Fresnillo mine, causing the authorities to suspend the mine's explosives permit. Production is halted while an investigation into the matter is completed. Once permits have been restored, production ramps back up to pre-event levels. (Principal risk.)

2024 LONG-TERM VIABILITY STATEMENT CONTINUED

Scenario 6: Fire in a process plant
A major fire breaks out at a main plant at the San Julián mine, causing multiple damage to operating equipment, significant business interruption and loss of licences and permits, as well as reputational and environmental damage. (Singular event.)

Scenario 7: Total power failure at a mine
Power is totally lost at San Julián mine due to a severe winter storm in the Chihuahua and Durango region, resulting in business interruption, additional costs, and failure to meet established objectives and targets. (Singular event.)

Scenario 8: Strike breaks out over Union disagreements
Due to differences in profit sharing and other demands of unionised employees, a long-lasting strike breaks out in La Herradura mine, causing business disruption, additional costs and expenses, reputational damage and complications with communities near the mine. (Principal risk.)

The hypothetical scenarios above are 'extremely severe' to create outcomes that could threaten the viability of the Group. However, multiple control measures are in place to prevent and mitigate any such occurrences and the likelihood of these scenarios materialising is very low. In the event that they did, various options are available to the Company to maintain sufficient liquidity to continue in operation, including the deferral of capital and/or exploration expenditure. In addition, in January 2024 the Company contracted a USD 350 million revolving credit line for a period of five years.

When quantifying the expected financial impact and remediation time required for each of these scenarios, management performed benchmarking against the Group's own experience and against publicly available information on relevant, comparable incidents in the mining industry.

All scenarios were first evaluated using metals prices based on average analyst consensus. As no mitigations were necessary, it was decided that there was no threat to the viability of the Company. To create a more stringent test and further challenge the resilience of the Group, all scenarios were then overlaid with scenario one, (low metals prices) and then re-evaluated.

Even with prices stressed by the impact of precious metals prices, none of the scenarios in the viability assessment turned out to be negative. Of the entire analysis, the lowest level of cash balance was identified in scenario three (USD 1,088.9 million), with a positive balance. This is explained by the fact that in 2024, the Company closed the financial year with a cash balance of USD 1,297 million, which goes a long way towards addressing the impacts of these types of risks should they materialise.

Risk management and internal control systems are in place throughout the Group. The internal control systems enable the Directors to monitor key variables that could impact the liquidity and solvency of the Group. We are confident that management can sufficiently mitigate any situations as they might occur.

Our risk mitigation and control measures include a Crisis Committee, while the Board would also be briefed and convened as necessary, in order to respond to events as they develop. At each level of our organisation, we have appointed dedicated personnel responsible for media management and engaging with authorities and other stakeholders, depending on the magnitude of the crisis.

Based on the results of this robust analysis and having considered the established controls for the risks and the available mitigating actions, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their detailed assessment. This longer-term assessment process supports the Directors' statements on both viability, as set out above, and going concern.

GOING CONCERN STATEMENT

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above in the Strategic Report on pages 1-143. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 51-57. In addition, Note 31 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

In making their assessment of the Group's ability to manage its future cash requirements, the Directors have considered the Company and Group budgets and the cash flow forecasts for the period to 31 December 2026. In addition, they reviewed a more conservative cash flow scenario with reduced silver and gold prices of US$24.9 and US$1,938 respectively throughout this period, whilst maintaining current budgeted expenditure while only considering projects approved by the Executive Committee. This resulted in our current cash balances reducing over time but maintaining sufficient liquidity throughout the period.

The Directors have further calculated prices (US$12.8 and US$1,057 for silver and gold respectively), which should they prevail to the end of 2026 would result in cash balances decreasing to minimal levels by the end of 2026, without applying mitigations.

Should metals prices remain below the stressed prices above for an extended period, Management have identified specific elements of capital and exploration expenditures which could be deferred without adversely affecting production profiles throughout the period. On the other hand, Management could amend the mining plans to concentrate on production with a higher margin in order to accelerate cash generation without affecting the integrity of the mine plans. Finally, to maintain a strong liquidity, in January 2024 Management acquired a committed revolving credit facility of US$350M, which could be used if needed.

After reviewing all of the above considerations, the Directors have a reasonable expectation that Management have sufficient flexibility in adverse circumstances to maintain adequate resources to continue in operational existence for the foreseeable future The Directors, therefore, continue to adopt the going concern basis of accounting in preparing the annual financial statements.

NON-FINANCIAL INFORMATION STATEMENT

This section of the Strategic Report constitutes Fresnillo plc's Non-Financial Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act. The information listed is incorporated by cross-reference.

Non-Financial information	Policies and guidelines	Outcomes	Principal risk	KPIs
Environmental matters		• Protecting our environment section. See pages 80-100.	• Tailings and Environmental incidents. • Climate change.	• GHG emissions. • GHG intensity. • Energy intensity. • Mining & metallurgical waste. • Water withdrawal. • Water intensity.
Company's employees	• Sustainability[1]. • Code of Conduct[2]. • Recruitment, selection • and training of personnel[3].	• Our People section. See pages 69-72. • Safety section. See pages 73-77. • Our culture section. See page 64. • Occupational Health section. See pages 78-79.	• Security. • Safety. • Union relations.	• Labour turnover. • Training hours. • Injury frequency rates. • Cases of Occupational diseases. • Details of number of cases in HR matters. See page 66. • Number of disciplinary actions. See page 107.
Social matters		• How we report sustainability, materiality assessment section. See page 61. • Communities section of the ARA. See pages 101-106.	• Access to land. • Licence to Operate.	• Economic value distributed. • Local employment. • Community investment. • Number of community grievances. See page 102.
Respect for human rights	• Sustainability[1]. • Diversity and inclusion[1]. • Code of Conduct[2]. • Harassment Prevention Protocol[3].	• Diversity & Inclusion. See page 71. • Operating labour Commissions in each business unit. See pages 65-66. • Awareness training sessions in harassment prevention. See page 65.	• Human resources.	• Percentage of women. • Diversity in talent attraction. • Gender pay gap.

Non-Financial information	Policies and guidelines	Outcomes	Principal risk	KPIs
Anti-corruption and anti-bribery (ABAC) matters	• Anti-bribery and corruption[1]. • Code of Conduct[2]. • Donations and Political Contributions[3]. • Promotional expenses (including gifts policy)[3]. • Third party Due Diligence[3]. • Government relations[3].	• Governance activities during 2024 included reviews of elements of the ABAC programme, which were presented periodically to the Board and to the Audit Committee. See pages 156, 166 and 174. • During 2024 we continue performing our third party due diligence process (285 analysis, obtaining 5 high risk, 55 medium risk, 221 low risk and 4 third parties non-recommended thus rejected). • Corporate Integrity 500 & World's Most Ethical Companies by Ethisphere rankings See page 65. • Ethics Culture section on page 65.	• Potential actions by the Government (e.g. taxes, more stringent regulations).	• Completion rate on training programme for employees. • ABAC policy certification by third parties. • Details of number of cases of alleged inappropriate arrangement with suppliers (some of them related with alleged bribes). See page 66. • Ethical conduct. See page 65.

1 https://www.fresnilloplc.com/responsibility/our-approach/bribery-and-corruption/
2 https://www.fresnilloplc.com/responsibility/our-approach/code-of-conduct/
3 Public commitment as part of our Code of Conduct, detail on our stance and procedures available in our intranet policy site.

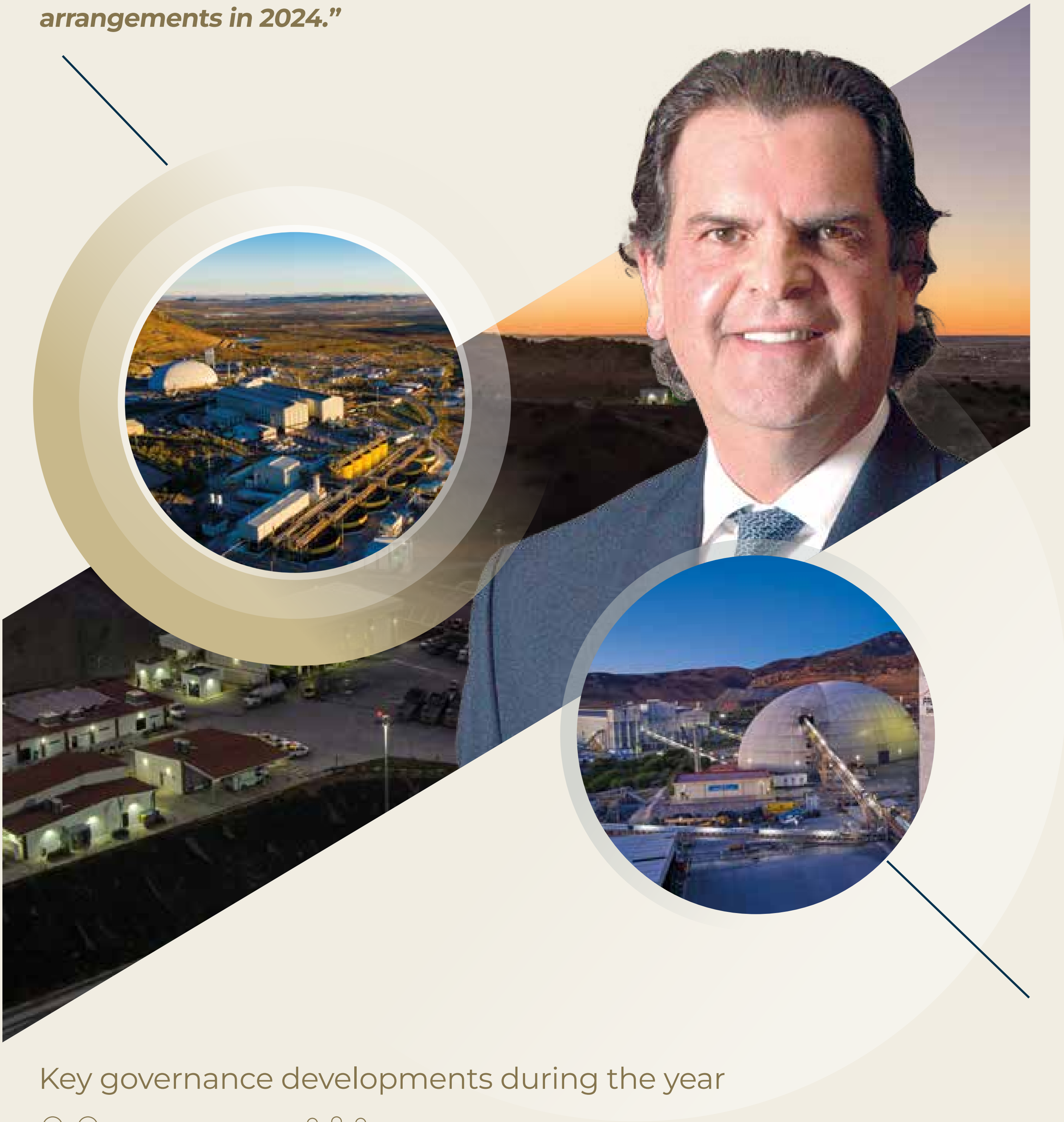
The Strategic Report which is set out on pages 1-143 has been approved by the Board of Directors of Fresnillo plc

Signed on behalf of the Board

Alberto Tiburcio
Director
3 March 2025

THE CHAIRMAN'S LETTER ON GOVERNANCE 2024
ALEJANDRO BAILLÈRES

Reflecting on the past year, I believe that the Board has made substantial and meaningful progress in its governance arrangements in 2024."



Key governance developments during the year

Appointment of two female independent Non-Executive Directors bringing the percentage of female directors up to 41%

Appointment of the Board's first female Senior Independent Director

Three-day Working Meeting and Board mine visit held in July 2024

Expansion of the Executive Committee to include the new role of VP of Business Development

Dear shareholder,

It is again my pleasure to introduce the Governance section of our Annual Report. Despite 2024 being a year of uncertainty both globally and within Mexico, I believe that we, as a Board, have nevertheless taken some significant actions to continue improving the effectiveness of our governance arrangements. This is best illustrated by reference to the themes that the Board discussed following our externally-facilitated Board review in 2023: Rebalancing Focus; Managing Succession; and Reconnecting.

Rebalancing Focus

Over the past few years, a consistent theme from the Board's annual effectiveness reviews has been a desire amongst Directors that we should spend more time engaging with Fresnillo's business environment and understanding the strategic drivers needed to respond to it. Three years ago, we initiated a Working Meeting to be held each July (in addition and separate to our usual July Board meeting) to provide an opportunity to explore key strategic issues. In 2024, in response to Directors' further feedback in 2023, the Working Meeting was extended to take place over a three-day period, including a full Board visit to our Juanicipio and Saucito mines, meetings with management and members of the workforce, and a series of strategy-related presentations and discussions. Extending the length of the Working Meeting in this way enabled us to discuss a much broader range of issues than our usual Board meetings allow.

Further information about the Working Meeting this year is set out on page 157; however, it is clear from the feedback received during the 2024 Board effectiveness review that the new format for the Working Meeting was much appreciated by Board colleagues. We propose to hold another similar session in July 2025.

Managing Succession

In 2024, the Nominations Committee concluded a Board succession process that had been under way for some time. Bárbara Garza Lagüera, who had served on the Board as an Independent Non-Executive Director (NED) for more than nine years, and Juan Bordes, who had served as a Non-Independent NED since 2008, both retired from the Board at the 2024 Annual General Meeting (AGM). At the same time, Charlie Jacobs, who had also served as an Independent NED for nine years, was re-designated as a Non-Independent NED. His responsibilities as Senior Independent Director (SID) were assumed by Dame Judith Macgregor who has served on the Board for more than seven years and is also a valuable member of the HSECR Committee. We are delighted that Judith has agreed to take on this role. I am hugely grateful to Bárbara and Juan for their contributions to the Board – we will miss their wisdom and insight. At the same time, I am very pleased that Charlie has agreed to continue to serve on the Board. We will benefit immensely from his knowledge and experience in the UK capital markets.

We were delighted to announce the appointment of two new Independent NEDs, Luz Adriana Ramírez and Rosa Vázquez, at the 2024 AGM. Both were selected following an externally-supported recruitment process. This is the first time that an external agency has assisted the recruitment process for NEDs which has introduced an additional level of independence and transparency to the appointments process. Luz Adriana and Rosa bring significant senior executive experience and technical knowledge to the Board and we are already benefitting from their respective inputs. Of particular significance is that we now have a female SID and the majority of our Independent NEDs are now female.

Alberto Tiburcio, who chairs our Audit Committee and Remuneration Committee, will reach the ninth anniversary of his appointment to the Board in May 2025. The Board and Nominations Committee have therefore already begun planning for the next stage of our Board succession process. We recognise the need for orderly and prudent Board succession at a time when both the Audit and Remuneration Committees respectively need to plan for an external audit tender process and to renew the Directors Remuneration Policy in 2026. As a consequence, to facilitate this, we have decided to ask shareholders to approve the extension of Alberto's appointment for just a further year at the 2025 AGM, notwithstanding that this will take Alberto's tenure as a Director beyond nine years. In addition, we have begun to engage with our larger independent shareholders about the rationale for this proposal.

Reconnecting

As I have mentioned already, the Working Meeting in July provided a significant opportunity for the Board members to not only meet with each other, and particularly with our two new Board members, but also to engage with the wider management team and representatives from across the workforce and some of the communities in which we are located. The Working Meeting has therefore enabled the development of better inter-personal relationships which will benefit the Board when it holds its meetings online.

In May, the 2024 Annual General Meeting was again held in person in London. The AGM provides a useful opportunity to engage with shareholders on a range of issues, both beforehand and during the meeting itself. One question raised during the AGM process was the extent to which the independent members of the Fresnillo Board are applying independent judgement and challenge in its discussions with management. This is an important question and I am pleased that Judith Macgregor, our SID, has provided her perspectives on it on page 159 of this Governance Report.

Looking forward

Reflecting on the past year, I believe that the Board has made substantial and meaningful progress in its governance arrangements in 2024. We will seek to build on that in 2025. I have every respect for my Board colleagues and therefore would like to conclude this letter by thanking them for their continuing support both to me and to the Executive Team, as well as for their valuable contributions to the work of the Board and its Committees during the year.

I also wish to express my sincere thanks to our shareholders for their continued support as well as to all Fresnillo plc's personnel for their hard work and contributions to our collective efforts.

Yours faithfully,

Mr Alejandro Baillères
Chairman of the Board
3 March 2025

GOVERNANCE AT A GLANCE
Governance framework

THE BOARD

The main role of the Board is to set the corporate values which underpin the culture by which the Group continues to operate. The Board is responsible for the supervision of the management of the Group's activities including the implementation of the Group's long-term plans and commercial strategy.

The composition of the Board is structured to ensure that no one individual can dominate the decision-making process of the Board.

The Board is led by the Chairman. The Company Secretary, working alongside the Chairman and Management, ensures that the Board receives timely and accurate information. The advice and services of the Company Secretary (whose appointment and removal are matters reserved for the Board) are also available to the Directors. The Board also regularly receives advice on UK corporate governance and legal developments from its UK legal and corporate governance advisors.

The Non-Independent Non-Executive Directors of the Board maintain regular contact with the Executive Committee to support and/or challenge as appropriate. Further oversight then comes from the Board as a whole, including the Independent Non-Executive Directors.

The respective responsibilities of the Chairman, Chief Executive Officer and the Senior Independent Director are set down in a written statement (which may be found in the Terms of Reference section of the Company's website).

For further information on the activities of the Board during the year please see pages 154-155

BOARD COMMITTEES

The Board relies on the advice and recommendations provided by the Board Committees. Committee members have the requisite skills and experience to enable their committee to focus on specific topics on behalf of the Board. Each committee operates within clearly defined terms of references and reports regularly to the Board.

NOMINATIONS COMMITTEE

Chair: Alejandro Baillères

The Nominations Committee makes recommendations on the structure, size and composition of the Board and its Committees. This includes succession planning for Directors and other senior executives.

For the Nominations Committee Report see pages 161-164

AUDIT COMMITTEE

Chair: Alberto Tiburcio

The Audit Committee is responsible for overseeing all financial reporting, external and internal audits, whistleblowing, related-party transactions, as well as risk and internal control matters.

For the Audit Committee Report see pages 165-177

HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY RELATIONS (HSECR) COMMITTEE

Chair: Arturo Fernández

The focus of the HSECR Committee is to monitor the systems that are in place to oversee the Group's health, safety, environment and community relations activities.

For the HSECR Committee Letter see pages 58-59

REMUNERATION COMMITTEE

Chair: Alberto Tiburcio

The Remuneration Committee is responsible for oversight of the Group's approach to remuneration and setting the key performance indicators for the Executive Committee.

For the Directors' Remuneration Report see pages 178-193

THE EXECUTIVE COMMITTEE

Octavio Alvídrez
Chief Executive Officer

Mario Arreguín
Chief Financial Officer

Tomás Iturriaga
Chief Operating Officer Central

Daniel Diez
Chief Operating Officer North

Marcelo Ramos
Vice President of Business Development

Guillermo Gastélum
Vice President of Exploration

The Executive Committee is responsible for the operational leadership and management of the Group and is headed by the Chief Executive Officer.

HONOUR COMMISSION

The Honour Commission consists of the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer North, the Chief Operating Officer Central, the Compliance Officer, the Vice President of Exploration and the General Counsel.

The Honour Commission is responsible for ensuring that ethical business standards within the Group are maintained, principally through its role in reviewing and determining the actions to be taken in response to all matters raised through the Whistleblowing Hotline.

SHAPING OUR BUSINESS BY IMPLEMENTING BOTH THE GROUP'S LONG-TERM PLANS AND STRATEGY

BOARD OF DIRECTORS
NON-INDEPENDENT NON-EXECUTIVE DIRECTORS

ALEJANDRO BAILLÈRES
Chairman

Appointed: 16 April 2012 as Director and 28 April 2021 as Chairman

B	N	A	H	R
6/7[1]	2/2	–	–	4/4

CHARLES JACOBS
Non-Executive Director

Appointed: 16 May 2014

B	N	A	H	R
6/7[1]	1/1	–	–	–

ARTURO FERNÁNDEZ
Non-Executive Director

Appointed: 15 April 2008

B	N	A	H	R
7/7	–	–	4/4	–

Current external listed company directorships

Alejandro Baillères: All four of the BAL Listed Entities (as defined below), and Fomento Económico Mexicano S.A.B. de C.V.

Charles Jacobs: None.

Arturo Fernández: All four of the BAL Listed Entities. and Fomento Económico Mexicano S.A.B. de C.V. (Alternate Director).

Other key current appointments

Mr Baillères is President of Grupo BAL and a member of the board of trustees of Instituto Tecnológico Autónomo de México. He is Chairman of the board of directors of Centro Cultural Manuel Gómez Morin, A.C.

Mr Jacobs is co-head of UK Investment Banking at JP Morgan.

Mr Fernández is rector and a member of the board of trustees of Instituto Tecnológico Autónomo de México and a member of the board of Grupo Financiero BBVA México S.A. de C.V.

Key strengths and experience

- Insurance and related financial services in Mexico.
- Broad board-level commercial experience in Mexico.

As President of Grupo BAL and former Chief Executive Officer of Grupo Nacional Provincial (a leading insurance company in Mexico), Mr Baillères brings knowledge and experience of Mexican and international business to his role.

- Board and governance experience.
- Rare combination of legal and investment banking experience with a focus on capital markets, mining and metals.

Mr Jacobs' background as the former Chairman of global law firm Linklaters and head of their mining sector, along with his previous Non-Executive Directorships at Investec and the Shanghai International Financial Advisory Council, means he brings his 30 years of global experience in governance, mining, corporate finance, and legal and regulatory matters to the boardroom.

- International economics and public policy.
- Directorships of several Mexican companies.

Mr Fernández' career brings together a solid academic economics background, many years' experience within the Mexican public policy arena and broad commercial experience (through board directorships of leading businesses in a number of sectors in Mexico).

1 Alejandro Baillères and Charles Jacobs were unable to attend a meeting which was convened at short notice to deal with a transactional matter.

FERNANDO RUIZ
Non-Executive Director

Appointed: 15 April 2008

B	N	A	H	R
7/7	–	–	4/4	–

EDUARDO CEPEDA
Non-Executive Director

Appointed: 24 June 2021

B	N	A	H	R
7/7	–	–	–	–

Fernando Ruiz

Kimberly Clark de México S.A.B. de C.V. (Alternate Director), Grupo Mexico S.A.B. de C.V. and two BAL Listed Entities (Grupo Nacional Provincial S.A.B., and Grupo Palacio de Hierro S.A.B. de C.V.).

Mr Ruiz is a Non-Executive Director of Rassini S.A.P.I de C.V. ArcelorMittal Mexico S.A. de C.V. and Cuatro B Materiales de Construcción, S.A.P.I. de C.V.

- Mexican tax and accounting experience.
- International board and audit committee experience.

Mr Ruiz was, until 2006, managing partner of Chevez, Ruiz, Zamarripa y Cia., S.C., tax advisers and consultants in Mexico and now serves on the board and audit committees of several Mexican and international companies. He has extensive knowledge of Mexican tax and accounting issues.

Eduardo Cepeda

All four of the BAL Listed Entities, Bolsa Mexicana de Valores, S.A.B. de C.V. and RLH Properties, S.A.B. de C.V.

Mr Cepeda is a Director of Profuturo Pensiones, S.A. de C.V., Profuturo Afore, S.A. de C.V., Valores Mexicanos Casa de Bolsa, S.A. de C.V. and EnerAB, S. de R.L. de C.V.

- Finance, international markets and banking in the public and private sectors.

Mr Cepeda was President and Senior Country Officer for Mexico at JP Morgan from 1993 to 2019 and Chief Executive Officer of JP Morgan Wealth Management Latin America, also based in Mexico City from 2009 to 2012. Mr Cepeda has served as Vice President of the Mexican Bank Association and has also been a board member of the Woodrow Wilson International Center for Scholars and a counsellor in several organisations related to culture, education and health.

Committee membership key

- B Board
- N Nominations Committee
- A Audit Committee
- H Health, Safety, Environment and Community Relations (HSECR) Committee
- R Remuneration Committee
- ◯ Chairman

NOTE Some Directors hold directorships of some, or all of the following, listed companies. These are all part of the consortium known as Grupo BAL (along with Fresnillo plc, see also page 182: Industrias Peñoles S.A.B. de C.V., Grupo Palacio de Hierro S.A.B. de C.V., Grupo Nacional Provincial S.A.B. and Grupo Profuturo S.A.B. de C.V. In this section, these companies are jointly or individually referred to as the BAL Listed Entities.

BOARD OF DIRECTORS
INDEPENDENT NON-EXECUTIVE DIRECTORS

DAME JUDITH MACGREGOR
Senior Independent Non-Executive Director

Appointed: 23 May 2017

B	N	A	H	R
7/7	–	–	4/4	–

ALBERTO TIBURCIO
Independent Non-Executive Director

Appointed: 4 May 2016

B	N	A	H	R
7/7	–	5/5	–	4/4

GEORGINA KESSEL
Independent Non-Executive Director

Appointed: 30 May 2018

B	N	A	H	R
7/7	1/1	5/5	4/4	–

GUADALUPE DE LA VEGA
Independent Non-Executive Director

Appointed: 29 May 2020

B	N	A	H	R
7/7	0/1[2]	–	–	4/4

Current external listed company directorships

Dame Judith MacGregor: None.

Alberto Tiburcio: Mr Tiburcio is an Independent Non-Executive Director of Fomento Económico Mexicano, S.A.B. de C.V., Coca-Cola FEMSA, S.A.B. de C.V. and two BAL Listed Entities (Grupo Nacional Provincial S.A.B. and Grupo Palacio de Hierro S.A.B. de C.V.).

Georgina Kessel: None.

Guadalupe de la Vega: Ms de la Vega is a director of Sitios Latinoamérica, S.A.B. de C.V.

Other key current appointments

Dame Judith MacGregor: Dame Judith is Vice Chair of the University of Southampton's Governing Council, Chair of the International Strategic Advisory Group to UK Research and Innovation, and Member of the UK Arts and Humanities Research Council. She continues being a Board member, and was previous Chair of the British Tourist Authority, and Member of the Board of Trustees of the University of Cape Town Foundation, and the Caradon Lecture Trusts.

Alberto Tiburcio: Mr Tiburcio is an Independent Non-Executive Director of Grupo Financiero Scotiabank Inverlat, S.A. de C.V. (a Mexican subsidiary of The Bank of Nova Scotia), Profuturo Afore S.A. de C.V., Transparencia Mexicana, and a member of the Board of Trustees of Instituto Tecnológico Autónomo de México and a non-independent Board Member of Tankroom S.A.P.I. de C.V.

Georgina Kessel: Ms Kessel is a Non-Executive Director of Grupo Financiero Scotiabank Inverlat, S.A. de C.V. serving as Chair of the Board and member of the Risk, Audit, Human Resources and Corporate governance Committees. Ms Kessel is also a member of the Board of Trustees of Instituto Tecnológico Autónomo de México.

Guadalupe de la Vega: Ms de la Vega is a Director of a number of non-listed companies including Almacenes Distribuidores de la Frontera, S.A. de C.V., Maximus Inmobiliaria, S. de R.L. de C.V., Citibanamex, Coparmex, and Altec Purificación, S.A. de C.V. She is also a Director of ITESM (Tec de Monterrey) and EISAC.

Key strengths and experience

Dame Judith MacGregor:

- International diplomatic experience.
- Government relations in resource-rich countries.
- International research collaboration.
- Wide-ranging managerial and equity, diversity and inclusion (EDI) experience.

Dame Judith's distinguished career as a British diplomat brings a range of international experience to her role. She has worked closely with, and promoted the interests and profiles of, UK companies across a wide range of sectors, including the mining sector, in a number of countries including Mexico.

As Senior Independent Director, Judith is available to shareholders if they have concerns that have not been resolved through the normal channels of Chairman, Chief Executive Officer, Chief Financial Officer or Head of Investor Relations.

Alberto Tiburcio:

- International and Mexican audit and accountancy and Mexican tax experience.
- Mexican and international board and audit committee experience.

Mr Tiburcio was the Chairman and CEO of Mancera S.C. (the Mexican firm of Ernst & Young LLP) from January 2001 until his retirement in June 2013, having been a partner for more than 30 years. He has served as auditor and advisor to many prestigious Mexican companies and now sits on the boards and audit committees of important Mexican companies and institutions, thus bringing Mexican tax and corporate governance knowledge as well as Mexican and international audit and accounting experience to the Board.

Georgina Kessel:

- Ministerial experience within Mexican government.
- Knowledge of Mexican energy sector.

Ms Kessel has broadened the Board's energy and climate change expertise having served as Minister of Energy from 2006 to 2011 and chaired the board of trustees of the Federal Electricity Commission. She also chaired the Board of Directors of Petróleos Mexicanos. She has previously held senior board positions at Iberdrola, S.A., Nacional Financiera and the National Bank of Foreign Trade. Ms Kessel also served as CEO of the National Bank of Works and Public Services. She was previously adviser to the Chairman of the Federal Competition Commission and Head of the Investment Unit at the Ministry of Finance and Public Credit of Mexico.

Guadalupe de la Vega:

- Broad business leadership experience within Mexico and internationally.
- Community and economic development programme leadership within Mexico.

Ms de la Vega has held senior executive roles in a variety of Mexican businesses spanning a range of sectors and she has also been an investor in a number of those companies. She also serves on the boards of educational and cultural institutions and has a strong commitment to small enterprises working in health, economic and community development.

2 Guadalupe de la Vega was unable to attend a meeting of the Nomination Committee meeting that had been scheduled prior to her appointment to the Committee.

HÉCTOR RANGEL
Independent Non-Executive Director

Appointed: 24 June 2021

B	N	A	H	R
7/7	–	5/5	–	–

Mr Rangel is an Independent Non-Executive Director of a BAL Listed Entity (Grupo Nacional Provincial, S.A.B.).

Mr Rangel is the President of BCP Securities Mexico, a joint venture with BCP Securities LLC, and presently serves on the board of Canadian Utilities Limited (an ATCO company), Polyforum Cultural Siqueiros, as well as the Board of Trustees of the Museum Franz Mayer. He is an Independent Non-Executive Director of Profuturo Afore, S.A. de C.V.

- Finance, international markets and banking.

Mr Rangel was the Chief Executive Officer of Nacional Financiera S.N.C. and Banco Nacional de Comercio Exterior and a member of Mexico's cabinet under President Felipe Calderon. Mr Rangel held various executive positions with the Grupo Financiero Bancomer from 1991 until 2008, including Chairman of the Board. Mr Rangel has also been President of the Mexico Bank Association and President of the Mexican Business Council. Mr Rangel served on the Company's Board as an Independent Non-Executive Director from April 2008 to January 2009.

LUZ ADRIANA RAMÍREZ
Independent Non-Executive Director

Appointed: 21 May 2024

B	N	A	H	R
2/2	–	–	–	–

Ms Ramírez has served as an Independent Director on the board of Directors of Fibra Mty S.A.P.I. de C.V. (FMTY14) since 2020 and is a member of its Audit and Corporate Practices committees.

Ms Ramírez is a Non-Executive Director of Scotiabank Inverlat, S.A. de C.V. (a subsidiary of The Bank of Nova Scotia), and is a member of its Audit and Human Resources committees.

She is also Vice President for the Mexican Association of Executive Women (AMME).

- Commercial, consumer and industrial finance and business.

Ms Ramírez served as Managing Director/Country Manager of VISA in Mexico for almost 11 years.

Ms Ramírez has served as Vice President in the Committee of the Executive Council of Global Companies (CEEG) for six consecutive years. She worked for 18 years at General Electric, within various businesses in the industrial, corporate and financial areas. Ms Ramírez is a dynamic senior executive who will bring a successful career across multiple industries. She is a strong leader, motivating teams to deliver on strategy and objectives.

ROSA VÁZQUEZ
Independent Non-Executive Director

Appointed: 21 May 2024

B	N	A	H	R
2/2	–	–	–	–

None.

Ms Vázquez is an active member of the Risk & Audit Committee and chairs the Sustainability Committee at Bocar Group. Additionally, she serves as an independent Director of Insignia Life, S.A. de C.V., where she chairs the Investment Committee and serves on the Audit Committee.

- Environmental, Social, Governance and Regulatory.
- Sustainability.
- Risk and Audit.

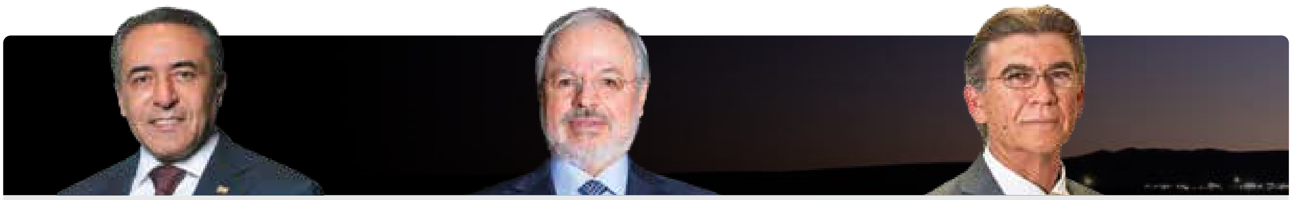
Ms Vázquez 30-year professional career began with in DuPont. She also served as President and Country Manager of The Chemours Company between 2015 and 2023.

Ms Vázquez was a board member of the ICC International Chamber of Commerce, ANIQ and DuPont-Duwest. She is a strong people leader with a track record of developing talent, motivating teams, and driving engagement. Ms Vázquez will bring the experience and technical knowledge to add value to the Board, particularly an orientation to best practices and governance. She holds a degree in Public Accounting from Tec de Monterrey (ITESM), a diploma in Finance from ITAM, as well as a Board Member Diploma from IPADE.

Committee membership key

- B Board
- N Nominations Committee
- A Audit Committee
- H Health, Safety, Environment and Community Relations (HSECR) Committee
- R Remuneration Committee
- ○ Chairman

BOARD OF DIRECTORS EXECUTIVE COMMITTEE



OCTAVIO ALVÍDREZ
Chief Executive Officer

Appointed: 15 August 2012

Committee membership
Mr Alvídrez is invited to attend Board, Audit Committee, HSECR Committee and Remuneration Committee meetings.

Key strengths and experience
- Mine management within Mexico.
- UK investor relations.

Mr Alvídrez has extensive experience within the mining industry having previously held the position of General Manager of the Madero mine operated by Peñoles, which is one of Mexico's largest mines. Mr Alvídrez joined the Peñoles Group in August 1988, since then he has held a number of senior operational and financial positions across Peñoles and Fresnillo.

Mr Alvídrez is a former Director of the Lowell Institute for Mineral Resources of the University of Arizona. Mr Alvídrez continues being a Board member, and was previous President of The Silver Institute. He is a member of the Mexican Mining Chamber and a Vice-president of the Advisory Board of the School of Mines of the University of Guanajuato, Mexico.

MARIO ARREGUÍN
Chief Financial Officer

Appointed: 15 April 2008

Committee membership
Mr Arreguín is invited to attend Board and Audit Committee meetings.

Key strengths and experience
- Accountancy and treasury.
- Investment banking.

Mr Arreguín was previously employed by Peñoles where he held the position of Chief Financial Officer for 11 years and Group Treasurer for six years prior to this. Mr Arreguín has a background in investment banking and project management.

GUILLERMO GASTÉLUM
Vice President of Exploration

Appointed: 1 January 2021

Committee membership
Mr Gastélum is invited to attend Board meetings.

Key strengths and experience
- Senior mining exploration experience in Mexico.
- Geological engineering background.

Mr Gastélum has extensive experience in the Mexican mining sector, most recently as Deputy Director of Northern Exploration at Fresnillo. Prior to this, Mr Gastélum was Regional Manager of Exploration at Peñoles. He started his career with Peñoles 34 years ago. He was appointed as Vice President of Exploration of Peñoles in 2007, having previously served as Subdirector of Exploration for northern Mexico and Chile and Regional Exploration Manager.

TOMÁS ITURRIAGA
Chief Operating Officer Central

Appointed: 19 November 2020

Committee membership
Mr Iturriaga is invited to attend Board meetings and on occasions the Audit Committee and HSECR Committee.

Key strengths and experience
- Senior operational experience in Mexico and North America.
- Strong mining background.

Mr Iturriaga brings more than 20 years of professional experience and a significant track record in the mining sector. In May 2018, Mr Iturriaga became Director of Health, Safety, Environment and Community Relations at Peñoles. Prior to joining Peñoles, Mr Iturriaga held several positions at Goldcorp, such as General Manager of Los Filos mine, Chief Operating Officer Mexico and Regional Vice-President and General Manager Mexico. He also held the position of Vice President North American Operations at Capstone Mining Corp in Canada and Vice President of Operations and Country Manager for Mexico of Endeavour Silver Corp.

DANIEL DIEZ
Chief Operating Officer North

Appointed: 1 December 2023

Committee membership
Mr Diez is invited to attend Board meetings and on occasions the Audit Committee and HSECR Committee.

Key strengths and experience
- Senior operational experience in South America, Australia and Pakistan.
- Strong mining background.

Mr Diez brings more than 25 years of sector experience and a broad understanding of the mining industry, acquired through significant corporate, operational and project development roles in Chile, Australia, Pakistan and Brazil. He joined from Gold Fields where he led its Chile operations overseeing the development of the Salares Norte project, a high-grade, gold-silver, open pit deposit situated in the High Andes of northern Chile. Previously he held several senior leadership positions at Yamana Gold. He has also served as Mining Expert (LATAM) at McKinsey & Company and development roles at both Xstrata and Antofagasta. He was a Board member of Minera Alumbrera Ltd. and has also been Chairman of the Board of Directors of MARA a (joint venture between Yamana, Glencore and Newmont) and Minera Alumbrera Limited.

MARCELO RAMOS
Vice President of Business Development

Appointed: 30 July 2024

Committee membership
Mr Ramos is invited to attend Board meetings and on occasions the Audit Committee and HSECR Committee.

Key strengths and experience
- Senior business development experience in North and South America, Australia and Asia.
- Strong mining background.

Mr Ramos was appointed in 2024 having previously held the role of Vice President of Business Development at Baluarte Minero (part of Peñoles), to Fresnillo plc in 2024. Mr Ramos has more than 20 years of international metals and mining sector experience across different commodities such as gold and base metals, primarily leading M&A across different regions including North America, South America, Australia and Asia. Prior to working in Peñoles, he was Vice President of Business Development of Oceana Gold Corporation in Colorado US. Mr Ramos has a Bachelor degree of Industrial Engineering from the Universidade Federal do Rio de Janeiro, and an MBA from the Alliance Manchester Business School.

UK CORPORATE GOVERNANCE CODE COMPLIANCE STATEMENT

As a commercial company listed on the London Stock Exchange, Fresnillo is required under the FCA UK Listing Rules to comply with the Provisions of the Financial Reporting Council's UK Corporate Governance Code (the Code – a copy of which can be found on the website of the Financial Reporting Council www.frc.org.uk) or otherwise explain its reasons for non-compliance. The following statement is therefore made in respect of the year ended 31 December 2024.

For the financial year ended 31 December 2024 the Company has complied with the provisions of the Code other than as set out below:

- Code Provision 9 provides that 'the chair should be independent on appointment'. Mr Alejandro Baillères, who was appointed as Chairman on 29 April 2021, was appointed to the Board by Peñoles pursuant to the Relationship Agreement (see page 158); thus, at the time of his appointment, he was not independent. Mr Alejandro Baillères is beneficially interested in more than 50% of the share capital of the Company through his interest in Industrias Peñoles S.A.B. de C.V., the Company's controlling shareholder. Having served as Deputy Chairman for more than three years – and having received guidance for many years from Mr Alberto Baillères, the previous Chairman – the Board considers that Mr Alejandro Baillères possesses significant knowledge and experience of the Company to carry out the role of the Chairman. The Board considers that the continued oversight of the Company's strategic and operational integrity through its membership of the Peñoles Group enhances the quality of its corporate governance rather than detracts from it. Especially as related-party transactions are reviewed and approved by Independent Directors and the Audit Committee. The Board therefore believes that Mr Alejandro Baillères' involvement is a governance strength since it assures the Chairman's alignment with all shareholders' interests. Given Mr Alejandro Baillères' experience and understanding of Mexican business and its regulatory context, this assessment gains further validity in the continuing political and social environment in Mexico. Notwithstanding the expectations of the Code, the Board values and endorses Mr Alejandro Baillères' chairmanship of the Company. The size, composition and balance of skills on the Board, including its independence and diversity as well as the existence of a Senior Independent Director and the adequacy of the succession plans, were assessed as part of the Board performance evaluation exercise during the year, and were considered to be highly satisfactory.
- Code Provision 32, which provides that the Board should establish a Remuneration Committee of Independent Non-Executive Directors with a minimum membership of three. In addition, the Chair of the Board can only be a member if they were independent on appointment. The Chairman of the Company, Alejandro Baillères, who was not independent at the time of his appointment, is a member of the Remuneration Committee. The Board believes that Mr Alejandro Baillères' experience and knowledge of both the Group and the Mexican market – and his considerable contribution to the Remuneration Committee's deliberations – justifies his membership of the Remuneration Committee. Mr Alejandro Baillères is not involved in matters concerning his own remuneration. The other members of the Remuneration Committee are Alberto Tiburcio and Guadalupe de la Vega, who are both Independent Non-Executive Directors.
- Code Provision 36, which provides that remuneration schemes should promote long-term shareholdings by Executive Directors that support alignment with long-term shareholder interests. The Company's approach to executive remuneration is explained in the Directors' Remuneration Report on pages 178-188. The Company does not use share-based forms of remuneration because it has not been a common form of remuneration in Mexico. The annual bonus scheme sets targets which are aligned to the long-term strategic objectives so that these priorities are embedded within the day-to-day activities of the Company's business.

Information about how the Principles of the Code were applied and compliance, or otherwise, with the Code's Provisions may be found in the following sections of this report, which also provide cross-references to other sections of the report and/or the Company's website (www.fresnilloplc.com) where more detailed descriptions are available.

The following documents are available on the Company's website:

- Schedule of Matters reserved for the Board.
- Statement of Responsibilities of the Chairman, Chief Executive Officer and Senior Independent Director.
- Terms of Reference: Audit Committee, HSECR Committee, Nominations Committee and Remuneration Committee.
- Directors' Remuneration Policy.

BOARD LEADERSHIP AND COMPANY PURPOSE

Effective board

The Board consists entirely of Non-Executive Directors and its role is therefore essentially supervisory. The leadership and management of the Company's day-to-day operations is the responsibility of the Executive Committee (comprising the Chief Executive Officer, Chief Financial Officer, Vice President of Exploration, the Vice President of Business Development, the Chief Operating Officer Central and the Chief Operating Officer North). The Non-Independent Non-executive members of the Board maintain regular contact with the Executive Committee to challenge and/or support as appropriate.

This structure creates two levels of oversight for the Executive Management, initially from the Non-Independent Non-Executive Directors, and then from the Board as a whole, including the Independent Non-Executive Directors.

The independent members of the Board engage with Management through their participation in the Board Committees, particularly the Audit Committee and the HSECR Committee. Committee meetings provide most of the NEDs with an opportunity to discuss operational and financial matters in detail with management before they are presented to the Board as a whole. During 2024, examples of such detailed engagement through the Committees have included the oversight of financial reporting, risks and internal controls, reviews of plans to improve the safety culture across the Group and diversity and inclusion initiatives.

BOARD ACTIVITIES DURING 2024

Strategic direction

The Board supervises the implementation of both the Group's long-term plans and commercial strategy. The strategy itself – to explore, develop, operate and sustain – has been largely unchanged for many years. Further information on the strategy is set out in the Strategic Report on pages 14-19. Regular management reports to the Board focus on these four strategic priorities.

The challenge for the Board has been less about the strategy itself and more about the context within which the Company seeks to pursue its strategy. This was an important driver for the Working Meeting in July which enabled Board members to take time to consider in detail some of the key political, legislative (particularly new mining laws), technological and competitive factors which impinge on the Company's ability to deliver the strategy. For more information on the Working Meeting see page 157.

The primary focus of the Board in respect of exploration has been on progress with the Rodeo and Orisyvo developments and potential acquisition opportunities both within Mexico and further afield.

On behalf of the Board, the HSECR Committee reviews many of the factors which enable the Company's activities to be sustainable. However, the Board itself monitored the Company's sustainability performance in relation to energy efficiency, tailings dams, water consumption and climate change.

Approval of business plan and budget – principal decision

Each year the Board reviews the Business Plan and Budget for the following year. This is usually at the October Board meeting with follow-up reviews early in the following year. This is an important annual decision for the Board which aligns with the longer-term Strategic Plan and Company Purpose; it considers site-specific priorities and challenges, sets the annual production targets and the resources necessary to achieve them, whilst responsibly managing the impacts of the Group's activities. Even though approving the business plan and budget is a recurring decision year-on-year, the relevant context and circumstances may change annually; the Board therefore considers strategies and actions that might affect stakeholders differently each year. In October 2024, the Board approved the 2025 Business Plan and Budget.

The Executive Committee presents the Business Plan and Budget for the Board's discussion and approval. The discussion and decision-making of the Board is complemented by a pro forma template, distributed within the Board papers, that identifies relevant stakeholder considerations that are required to be taken into account, with a focus on:

- Generating long-term value for all stakeholders in a challenging and changing environment characterised by increasing demands and expectations.
- Prioritising social and environmental performance to maintain the trust of stakeholders, providing essential support for our business model.

The biographies of the Board members and the Executive Committee, detailed on pages 148-152, outline the wide range of experience and skills available to the Company. The Board members continue to ensure that the business model and strategy, described on pages 12-19 and agreed by the Board, is delivered for the benefit of the Company's stakeholders. The section 172 Statement on page 29 examines how those different categories of stakeholders are considered.

The factors, as set out in section 172 of the Companies Act 2006, that the Board considered in approving the 2025 Business Plan and Budget were as follows:

Employees and Unions	• Enhance critical risk control protocols and safety culture. • Embed zero-tolerance for fatal accidents and evolution of the 'I Care, We Care' programme. • Continue deploying the Group's health and safety strategies, including industrial hygiene and ergonomics, the prevention of psychosocial risks, as well as wellbeing and mental health programmes. • Pursue joint strategy with the Union in order to increase safety & labour productivity. • Promote wellness programmes.
Local communities	• Strengthen community relations and licence to operate. • Continue community programs aligned to the United Nations Sustainable Development Goals (SDGs): health and wellbeing, quality education, decent work and economic growth, water and sanitation, and life of terrestrial ecosystems. • Promote engagement on the challenges and benefits of the mining industry.
Government and regulators	• Continue to maintain high standards of corporate governance and adherence to regulations.
Contractors and suppliers	• Improve contractor management. • Align health and safety practices of contractors; reinforce safety protocols. • Strive and continue to be the first choice for Fresnillo's contractors and suppliers. • Ensure the involvement of contractor representatives in accident or incident investigations.
Minority shareholders	• Ensure that the dividend payment policy is applied in line with the financial and operational performance of the Company.
Environmental considerations	• Maintain continuous implementation of best practices regarding environmental, hazardous waste and mineral waste management (including tailings storage facilities). • Continue to explore and implement clean and renewable energy alternatives, as well as less carbon-intensive fuels, including natural gas. • Continue making progress on the TCFD (Task Force for Climate Related Financial Disclosures) objectives.
Customers	• Ensure greater certainty in specifications of concentrate supply to improve accuracy of assay sampling. Deliver the best product quality for efficient treatment processes.

Monitoring performance

At each Board meeting in 2024, the members of the Executive Committee reported on the quarterly performance of the business, focusing specifically on operations, exploration, HSECR and culture and ethics. The CEO and Chief Operating Officers presented updates on mining activities while the VP of Exploration provided updates on exploration initiatives. The CFO also presented a summary of the quarterly financial performance with particular emphasis on the performance of the business compared to the previous years and to the approved budget.

BOARD LEADERSHIP AND COMPANY PURPOSE CONTINUED

The performance of members of the Executive Committee was assessed by the Remuneration Committee by reference to previously agreed performance metrics when determining the bonus awards for the year. Further details of these outcomes for 2024 are set out in the Directors' Remuneration Report on pages 178 to 193.

Purpose, values and culture

The Board sets the corporate values and standards by which the Group will continue to operate. During the year, the Board received and reviewed reports on the culture and ethics initiatives as well as reports on the operation of the Company's anti-bribery and corruption, and whistleblowing procedures. Prior to review by the Board, many of these reports are considered by the relevant Board Committees, providing the Independent NEDs who are members of those Committees with the opportunity to engage with the executives on specific aspects of the programmes and outcomes being presented. Particular aspects of culture discussed with management during the year included the following:

- Discussion at the HSECR Committee about the role of safety leadership in setting the right safety culture for the organisation.
- Reviews at the Audit Committee of the whistleblowing reports and the Honour Commission's responses and actions to ensure that the whistleblowing policy is operating equitably.
- Reviews at the HSECR Committee of management's responses to community grievances and wider engagement.

In addition, the Working Meeting in July enabled Board members to see for themselves some of these programmes and initiatives in operation.

Overseeing stakeholder relationships

The Executive Committee is responsible for the day-to-day stewardship of all stakeholder relationships and its members report to the Board on the key metrics and initiatives. The Board, either directly or through its Committees, primarily the HSECR Committee, engages or oversees engagement with the Company's stakeholders through a number of governance activities. These are described in more detail, along with further information about the Company's engagement with key stakeholders, in the Stakeholder section on pages 22-28).

During the year, the Board received reports on community and employee initiatives. The Working Meeting in July 2024 provided the Directors with an opportunity to see some of these initiatives for themselves (see below).

Specific stakeholder activity considered by the Board during the year included updates on:

- The safety performance and 'I Care, We Care' programme (particularly the specific actions taken in response to the fatalities that occurred during the year).
- Community relations initiatives.
- The Diversity, Equity and Inclusion programme.
- The Prevention of Harassment programme.
- Workforce engagement events.

The Board received quarterly updates at each of its meetings on management's engagement with independent investors. During 2024 these were supplemented by meetings between Dame Judith Macgregor (as Senior Independent Director) and some institutional investors (see page 159). The 2024 Annual General Meeting also provided an opportunity for the Chairman and some Directors to meet with independent shareholders. Feedback from those discussions has informed some of the reporting in this Governance Report.

Risk and controls governance

The primary responsibility for the governance of risk and internal controls lies with the Audit Committee, which reviewed the detail of the risk matrix and changes proposed by management during the year along with regular reviews of the emerging risks. The Chair of the Audit Committee reported to the Board on the outcome of these discussions. In addition, at its meetings in March and July 2024, the Board received reports from management on the process used by management in assessing the Company's risk matrix and the proposed changes in the executives' assessment of the likelihood and impact of the Principal Risks and Uncertainties. The Board also reviewed the changes in the executives' assessment of the emerging risks compared to the previous year. These analyses formed the basis on which the Board reviewed and approved the Principal Risks and Uncertainties during the year.

On a quarterly basis, the Board reviews reports prepared by Internal Audit on the internal controls environment (which were reviewed in more detail by the Audit Committee prior to being submitted to the Board). During 2024, the Board accepted the assessments set out in each quarterly report.

At its meeting in February 2025, the Board, through the Executive Committee and the Audit Committee, reviewed the effectiveness of the Group's system of internal controls. Following this review, the Board considers that the measures that have been or are planned to be implemented, particularly those specifically highlighted in this report, complement Fresnillo's risk management framework and are appropriate to the Group's circumstances. The Board is committed to the continued development of its internal control regime with a view to achieving and maintaining best practice levels of risk management and internal control for international mining companies listed on the London Stock Exchange.

The Board also received reports from the Audit Committee on the effectiveness of the Whistleblowing Hotline based on its half-yearly reviews of the work of the Honour Commission in assessing its responses to individual cases. It also received regular updates on the operation of the Company's external anti-bribery and corruption plan and the procedures being developed to further enhance the Company's anti-fraud procedures.

The Board has been briefed on and, through the Audit Committee, has monitored the steps being taken by Management to meet the new requirements of the UK Corporate Governance Code on internal controls (further information is set out in the Audit Committee Report on pages 175 and 176).

The Board was informed about the cybersecurity incident suffered by Peñoles during the year which had some indirect impacts on the Company's systems. Along with the Audit Committee, it has received regular reports from Management on the steps being taken to further enhance the security of the Company's data and systems as a result of that incident.

The Audit Committee Report on pages 165-177 provides further details on the governance of the Company's risk management processes and internal controls. Information about the Company's Risk Management and Internal Controls Framework can be found on pages 116-120.

CASE STUDY

JULY 2024 WORKING MEETING

The Board held a Working Meeting in July 2024, with members accompanied by the members of the Executive Committee. Sessions were held over a three-day period during which the Company's wider strategic issues were discussed in detail.

The meeting began with a visit to the Company's Saucito and Juanicipio mines where Board members were briefed on the operation of the mine, including production scope and the mine infrastructure.

Key topics covered during later sessions included the Company's strategic plan, opportunities and challenges in delivering that plan, as well as mining industry trends.

The Board considered how the Company is responding to these trends, including how they could evolve in the future. The meeting also included a session dedicated to the Company's risk management framework, enabling Board members to consider market, technology and mining risks in a more focused and detailed way.

BOARD ROLES AND RESPONSIBILITIES

Roles
The composition of the Board is structured to ensure that no one individual can dominate its decision-making processes.

Chairman's independence
Mr Alejandro Baillères, was appointed as the Chairman of the Company in April 2021, when his father Alberto Baillères stepped down from that role. Mr Alejandro Baillères is beneficially interested in more than 50% of the share capital of the Company through his interest in Industrias Peñoles S.A.B. de C.V., the Company's controlling shareholder. Mr Alejandro Baillères is the Chairman of Peñoles and other companies within the BAL Group, thus at the time of his appointment, he was not independent. With Peñoles having a significant stake in the Company, the Board believes that the Chairman's non-independence is not a hindrance for his involvement on the Board but an asset to other shareholders especially as related-party transactions are reviewed and approved by Independent Directors and the Audit Committee.

Relationship Agreement
Peñoles has entered into a relationship agreement with the Company (the 'Relationship Agreement') to ensure that relationships between the Fresnillo Group and the Peñoles Group are conducted at arm's length and on normal commercial terms. Messrs Alejandro Baillères and Arturo Fernández have been appointed to the Board by Peñoles pursuant to the Relationship Agreement. Following changes to the Listing Rules in 2024, the Board has determined that the Relationship Agreement should continue to provide a basis for the relationship between the Company and the Peñoles Group.

The Relationship Agreement provides a constitutional basis for ensuring that the Company is able to carry on its business independently from the Peñoles Group and thus comply with UK Listing Rule 5.3.1. The Independent Non-Executive Directors annually review the good standing of the Relationship Agreement (with the most recent review being undertaken in July 2024). They are satisfied that the Company has complied with the independence provisions included in the Relationship Agreement during the financial year ended 31 December 2024. As far as the Company is aware, such provisions have been complied with during the financial year ended 31 December 2024 by Peñoles and/or any of its associates.

The Relationship Agreement continues to provide a foundation for a transparent governance system, which ensures that the Company benefits from Mr Alejandro Baillères' leadership and experience whilst being able to demonstrate to other shareholders that the Fresnillo Group is capable of carrying on its business independently of any companies with which he is connected.

Directors' independence
Throughout 2024, the Board considered the following Directors to be independent: Georgina Kessel, Dame Judith Macgregor, Héctor Rangel, Alberto Tiburcio and Guadalupe de la Vega. Charles Jacobs and Bárbara Garza Lagüera were considered to be independent Directors from the beginning of the year until the 2024 AGM. Luz Adriana Ramírez and Rosa Vázquez were appointed as independent Non-Executive Directors, with effect from the May 2024 AGM.

Further information on the consideration of Directors' independence can be found on page 163 of the Nominations Committee Report.

Senior Independent Director
Charles Jacobs stepped down as Senior Independent Director at the 2024 AGM in May. He was succeeded by Dame Judith Macgregor.

Time commitment
All Directors pre-clear any proposed appointments to listed company boards with the Chairman, prior to committing to them, and such appointments are ratified by the Board at the next possible meeting. None of the Directors took on any significant new additional external appointments in the year.

The Non-Executive Directors are required, by their letters of appointment, to spend 14 days per annum on Company business. More information on time commitment can be found in the Nominations Report on page 164.

The other listed company directorships of the Fresnillo plc Directors are set out on pages 148-151 of this report. The Board and Committee attendance record of each of the Directors during 2024 is set out in their biographies on pages 148-151 of this report.

Conflicts of interest
The Group requires that Directors complete a Directors' list which sets out details of situations where each Director's interest may conflict with those of the Company (situational conflicts). Each Director re-submitted their Directors' list as at 31 December 2024 for the Board to consider and authorise any new situational conflicts identified in the resubmitted lists. In addition, at the beginning of each Board meeting, the Company Secretary reminds the Directors of their duties under sections 175, 177 and 182 of the Companies Act which relate to the disclosure of any conflicts of interest prior to any matter that may be discussed by the Board. Further information about related-party matters considered by the Board during the year is set out in the Audit Committee Report on pages 169 and 176.

Director concerns
Directors have the right to raise concerns at Board meetings and can ask for those concerns to be recorded in the Board minutes. The Board has also established a procedure which enables Directors, in relevant circumstances, to obtain independent professional advice at the Company's expense.

Board development and induction
Induction

Following their appointment to the Board at the 2024 AGM, Luz Adriana Ramírez and Rosa Vázquez received a thorough induction which included meetings with the Chairman, other Directors, the CEO and Executive Committee members; briefings on the Group's strategy, UK corporate governance, operations, projects and exploration activities; and visits to the Group's operations. The visits to the Group's operations primarily took place during the Working Meeting in July 2024. They were also briefed on their responsibilities and duties as directors of a UK listed plc by the Company's external UK legal counsel.

Continuing personal development

The Working Meeting also provided an opportunity for the existing Directors to receive strategic, stakeholder and operational updates on the Company's business. At the regular Board meetings, the Directors were briefed on governance, legal, regulatory and market developments that are relevant to Directors of UK-listed companies.

INTERVIEW WITH

DAME JUDITH MACGREGOR

SENIOR INDEPENDENT DIRECTOR

Dame Judith Macgregor was appointed Fresnillo's Senior Independent Director (SID) at the Company's AGM in May 2024. Reflecting on her first few months in the role, she explains how the independent directors seek to bring independent judgement and challenge to the work of the Board.

What do you see as the key responsibilities of the SID?

I see my main duty as supporting the role and work of the independent members on the Fresnillo Board. In this capacity, I provide a channel of communication (if required) with the Chairman and the senior executives, helping to ensure that any concerns or uncertainties are understood and addressed. I also see an important aspect of my role as being available for investors if there are corporate questions or concerns that I can usefully discuss with them.

Since being appointed in May, what activities related to the role have you been engaged in?

Since the AGM, I have been actively in contact with my fellow independent Board members to consider the performance of the Chairman and our interaction with the Executive Committee members. During the second half of 2024, I also met with investors to see if they would like to raise any questions about corporate governance and performance.

In what ways do the independent directors challenge the performance of the executives, both within and without Board and committee meetings?

In many ways! Primarily through our regular Board meetings and the three-day working meeting in July, which included visits to Fresnillo mines and having discussions with external stakeholders and advisers. This year, in particular, we have been pressing the executives on the growth trajectory, especially in the older mines. We have also challenged them hard on their cost management and efficiency plans. One clear result of this engagement was the revision to the Shared Services Agreement during 2024, which yielded useful cost savings for the Company.

Independent directors make up most of the Board Committees' membership and I think it is fair to say that we are encouraged as Committee members to ask probing questions on issues of concern and to add suggestions on other issues of interest. And we do. I, myself, have served on the HSECR Committee now for some five years. We continue to press management on the Company's safety record in recent years and have seen first-hand the management response in stepping up training, communications and disciplinary measures to reinforce the right health and safety culture. It is improving but not yet where it should be.

Our visits to mines also offer us the chance to talk directly to miners, site managers and local communities which enables us to get different but related perspectives first-hand. I have now visited the majority of our mines and some more than once. I have found these visits – particularly for a Board member living outside Mexico – really invaluable.

When the independent directors meet without management or non-independent directors present, what do you talk about?

Our talks naturally turn to issues that are live or currently on our agenda. These can range from the length or format of board papers to more strategic subjects: risks and opportunities. It is also a chance to consider how our interactions and discussions could be improved and to share insights reflecting our different backgrounds and professional experience. This is particularly valuable as the range of issues and challenges facing mining companies worldwide are so wide-ranging. As the majority of our independent members are women, the promotion of greater diversity and bringing more women into mining is certainly of considerable interest to us as a group.

What discussions do you have with the Chairman in your capacity as SID?

Following the meeting of the independent Directors, I briefed the Chairman on the points we had discussed. Beyond that, notwithstanding that he is in contact with all of the Directors, I think he particularly looks to the SID to help him keep abreast of any concerns or questions that independent Directors might have, or areas that we feel the Board and committees should explore. Equally, he is keen to assure himself that the independent NEDs are able to have good interaction with the executives and receive timely information to carry out our duties. I see that the Chairman respects and values the role of the independent Directors on the Board. It is a responsibility we all take seriously.

BOARD PERFORMANCE EVALUATION

Board performance evaluation

The Board conducts an annual review of the effectiveness of the performance of the Board and its Committees. A combination of externally-facilitated and internally-run evaluations is carried out over a three-year cycle and forms the Board Development Programme. The Board recognises that a continuous and constructive review of its performance is an important factor in achieving its objectives and realising its full potential.

In carrying out these reviews, performance, composition, diversity and how effectively members work together to achieve objectives forms the basis of the focus topics to be covered.

The cycle of the Board performance evaluation is summarised as follows:

YEAR 1	YEAR 2	YEAR 3
2023 Externally-facilitated Board evaluation using questionnaires and interviews.	**2024** Follow-up on action plan prepared in response to Year 1 evaluation using questionnaires.	**2025** Focus on outstanding and emerging issues arising from the action plan using questionnaires.

In 2024, Ceradas assisted the Board in conducting its annual review of its performance and that of the Committees. The review was conducted by way of an online questionnaire.

MID-AUGUST 2024	END-AUGUST 2024	OCTOBER 2024	NOVEMBER/DECEMBER 2024
Preparation and Scope • Scope agreed. • Question set prepared. • Questionnaires circulated to Directors.	**Complete and Analyse** • Questionnaires completed by Directors. • Results analysed and results report prepared.	**Review and Discuss** • Results report reviewed by Chairman and distributed to the Board. • Results report discussed at Board meeting. • Progress against previous actions discussed.	**Action and looking ahead** • Actions and priorities for change agreed.

At its meeting in October 2024, the Board discussed the results. The overall conclusion from the Board performance evaluation process was that the performance of the Fresnillo Board continues to be rated very highly, highlighting the excellent work culture established both in the Board and in the Committees. The recommendations were therefore characterised as points of potential further improvement rather than material changes of approach. Particular areas of Board governance which were commended in the report included: Board composition and, in particular, the more recent Board and Executive changes and introduction of more experience, knowledge and diversity; stakeholder engagement, oversight of strategy, Board support and the expansion of the July working meeting.

The Chairman's Letter on Governance 2024, set out on pages 144 and 145, provides further details on the outcomes of the 2023 Board performance review and the priorities and actions arising from that review.

Committee evaluation

The reports on each of the Board Committees prepared as part of the Board effectiveness review were circulated to the members of each of the Committees in October 2024 and discussed by the Audit, HSECR and Remuneration Committees at their meetings in October 2024 and by the Nominations Committee at its meeting in February 2025. Overall, the reviews of the effectiveness of all of the Committees were very positive.

Director performance review

The Independent Non-Executive Directors meet annually in order to evaluate the performance of the Chairman. A review meeting was held in July 2024 to consider the Chairman's performance over the prior year and Dame Judith Macgregor, a Senior Independent Director, subsequently discussed the key points from that discussion with the Chairman.

NOMINATIONS COMMITTEE REPORT

"The Committee continues to support the Directors of Fresnillo to ensure that its Board is diverse and able to continue to provide high-quality debate and decision-making as the Company develops."

Members	Meetings attended
Alejandro Baillères	2/2
Georgina Kessel	1/1
Guadalupe de la Vega	0/1

Dear shareholder,

I am pleased to introduce the Nominations Committee Report for the year ended 31 December 2024.

Key appointments

As part of the succession planning for the independent members of the Board, the Committee undertook a search. I am pleased to say resulted in shareholders at the 2024 AGM agreeing to the Board's recommendation that Ms Luz Adriana Ramírez and Ms Rosa Vázquez be elected as Directors of Fresnillo. The Nominations Committee made the decision to recommend Luz Adriana and Rosa for appointment to the Board, having engaged Korn-Ferry, an external search consultancy to assist it in identifying and short-listing suitable candidates. The search focused mainly on Mexico and the UK. Korn-Ferry does not have any formal business connection with the Company or any of its Directors.

In support of the Company's strategic focus on business development and growth, during 2024 the Committee recommended to the Board the creation of a new Executive Committee position to broaden the focus on the development and growth of the business and, at the same time, the appointment of Marcelo Ramos as Vice President of Business Development. This strategic expansion of the Executive Committee was approved by the Board at its July meeting.

Board diversity

We continue to recognise and embrace the benefits of having a diverse Board, particularly the value that different perspectives and experience bring to the quality of the Board's debate and decision-making. We hold fast to the importance of making Board appointments on the basis of merit, including considerations such as background and experience, age, gender and shareholder perspectives in our reviews of the composition of the Board. Following the appointment of Luz Adriana Ramírez and Rosa Vázquez, and Dame Judith Macgregor's appointment as Senior Independent Director, at the 2024 AGM, our Board composition also meets the requirements of UK Listing Rule 6.6.6R. Additionally, we meet the FTSE Women Leaders targets, to have at least 40% of Board positions held by female Directors by the end of 2025.

Since February 2020, the Board has benefited from seven Independent Non-Executive Directors out of 12, the largest number of Independent Directors the Company has ever had on the Board. This adds diversity of thought and input into our Board discussions. Since our IPO in 2008, the Board has consisted predominantly of Mexican Directors, alongside at least two British Directors, which enables the Board to benefit from a sound understanding of both the UK and Mexican cultural, regulatory and market contexts of the Company in its decision-making.

Board evaluation

In 2024, Ceradas assisted the Board in conducting its annual review of its performance and that of the Committees. The review was conducted by way of an online questionnaire.

A summary of the overall approach adopted and findings arising from this review is set out on page 160 of the Corporate Governance Report. We were pleased that the overall conclusion from the reviews was that the performance of the Fresnillo Board of Directors and, indeed, the Nominations Committee, both continue to be rated very highly.

I would be happy to speak with any shareholders who have questions about the work of the Committee.

Yours faithfully,

Mr Alejandro Baillères
Chairman of the Nominations Committee

NOMINATIONS COMMITTEE REPORT CONTINUED

Role

The Nominations Committee is responsible for making recommendations to the Board on the structure, size and composition of the Board and its Committees and succession planning for the Directors and other senior executives. Before making appointments of new Directors and members of the Executive Committee, the Nominations Committee is responsible for evaluating the balance of skills, knowledge and experience on the Board and identifying and nominating suitable candidates for approval by the Board. Prior to making such recommendations, the Nominations Committee considers the other time commitments and significant external interests of such candidates to ensure that they are able to contribute effectively.

The Board has approved Board Appointments and Diversity policies which provide the framework for the Nominations Committee and the Board's approach to appointments. The Board has also approved a Group Diversity policy. (Full versions of these policies may be found on the Company's website – www.fresnilloplc.com). A further explanation of the steps that the Company is taking to promote diversity across its businesses is set out in the Sustainability Report on pages 60-113.

Board appointments policy

The Nominations Committee and Board are strongly committed to the principle of equality of opportunity when making new appointments to the Board and its Committees, including the Executive Committee, whilst ensuring that appointments are based on merit. The Committee believes that setting targets for the number of people from a particular socio-economic, professional or educational background, sex or gender identity, ethnicity, sexual orientation or disability is not an effective approach and therefore it has no specific quotas or targets. The Nominations Committee continues to consider the composition of the Board and its Committees with this commitment in mind.

The criteria for determining the composition of the Board and future Board and Committee appointments continue to be based on:

- Relationship Agreement requirements and guidelines for appointments to the Board by Peñoles.
- The Company's leading position as a precious metals miner in Mexico.
- The Company's inclusion in the FTSE 100 Index.
- The specific functions on Board Committees which independent Directors will be required to fulfil.
- The provisions set out in the current terms of reference of the Nominations Committee and the Board Diversity policy.

Diversity Tables

Sex

As at 31 December 2024	No of Board members	% of the Board	No of senior positions	No in executive management (Note 2)	% of executive management
Men	7	58.3%	3	7	100.0%
Women	5	41.7%	1	0	0

Ethnicity[1]

As at 31 December 2024	No of Board members	% of the Board	No of senior positions	No in executive management	% of executive management
Mixed or Multiple ethnic group: Mexican	9	75.0%	3	5	72.0%
White: British	2	16.7%	1	0	0
White: Spanish	1	8.3%	0	0	0
Mixed or Multiple ethnic group: Brazilian	0	0	0	1	14.0%
Mixed or Multiple ethnic group: Chilean	0	0	0	1	14.0%

Notes:
1 Data based on the 2024 Ethnic Diversity Voluntary Census return to the UK Department of Business and Trade
2 Executive management includes the six members of the Executive Committee and the Company Secretary

Directors' length of tenure

As at 31 December 2024	0 to 3 years	3 to 6 years	6 to 9 years	Over 9 years
Independent Directors	2	2	3	–
Non-independent Directors	–	1	–	4

Directors' independence

The Board, through the Nominations Committee, has assessed each of these Directors by reference to the criteria set out in Provision 10 of the Code and the Nominations Committee remains satisfied that they are each independent in character and judgement. Mr Tiburcio is an Independent Non-Executive Director of Grupo Nacional Provincial, S.A.B. and Grupo Palacio de Hierro, S.A.B. de C.V., which are companies within the BAL Group. He is not involved in executive duties in any of those companies and has a similar obligation to be independent for those two companies as for Fresnillo. The Committee does not consider that Mr Tiburcio's position as an Independent Non-Executive Director of the Company is adversely impacted by those two appointments.

Executive succession planning

In February 2024, in line with its usual practice, the Nominations Committee reviewed a schedule of possible successors for all the positions on the Executive Committee. This review considered both short-term emergency and long-term planning scenarios.

The Company is committed to creating long-term value by maximising the potential of its operations and delivering profitable growth, whilst ensuring the wellbeing of its stakeholders. Recognising that the Company has a strong development pipeline and balance sheet, the Committee considered the need to further strengthen the oversight of the development and growth of the business, and therefore recommended to the Board the expansion of the Executive Committee to include a new position of Vice President Business Development and, at the same time, the appointment of Marcelo Ramos into that role.

Non-Executive Director's succession planning

Each year, the Committee reviews the tenure of the Company's Independent Non-Executive Directors to ensure that there are appropriate plans in place to ensure that the balance of independent to non-independent Directors. This complies with the Provision 11 of the UK Corporate Governance Code (the Code). As a result of the Committee's succession planning activities in 2023 and early 2024, two new Independent Non-Executive Directors were appointed to preserve that balance of independent and non-independent Directors. The changes are summarised in the Chairman's Letter on page 145.

During the year, the Nominations Committee's succession planning has specifically focused on Mr Tiburcio's status as an Independent Non-Executive Director bearing in mind that he will have served as an Independent Non-Executive Director for nine years at the Company's 2025 AGM. The Committee has been particularly mindful that Mr Tiburcio is currently Chairman of both the Audit Committee and Remuneration Committee.

As indicated earlier in this report, the Committee continues to consider that Mr Tiburcio approaches his duties and role on the Board in a manner that demonstrates his independence both in character and judgement. On this basis, the Committee has decided that it will be beneficial for Mr Tiburcio to continue to chair both the Audit Committee and Remuneration Committee for a further year to enable smooth succession planning for both Committees. The Board will therefore be recommending that Mr Tiburcio is re-elected at the 2025 annual general meeting for a tenth year, as an Independent Non-Executive Director. During 2025, the Committee will be considering the options for appointing a new Independent Non-Executive Director to the Board and potential successors to Mr Tiburcio in his roles as a member and Chairman of the Audit Committee and the Remuneration Committee.

Committee Membership

In February 2025, the Committee reviewed the membership of the Board Committees and recommended certain changes to the Board which were approved to take effect from 4 March 2025 as follows:

- Ms Rosa Vázquez to be appointed as an additional member of the Audit Committee.
- Ms Georgina Kessel to be appointed as an additional member of the Remuneration Committee.
- Ms Kessel to step down as a member of the Health, Safety, Environment and Community Relations (HSECR) Committee.

Other Committee activity during 2024

The Nominations Committee also considered the following matters as part of its usual programme of activity:

- **Committee report:** Approval of the 2023 Nominations Committee report prior to publication.
- **Committee evaluation:** In February 2025, the Nominations Committee reviewed the outcome of the independent performance evaluation undertaken in 2024, which concluded that the Committee is performing very well.

NOMINATIONS COMMITTEE REPORT CONTINUED

Board skills and experience

Skill/Experience	Description	% of Board members
Commercial leadership	Sustainable commercial success in business at a senior executive level.	83
Strategy	Experience in enterprise-wide strategy development. Implementation in industries with long cycles. Developing and leading business transformation strategies.	83
Mexican business experience	Relevant experience and understanding of the Mexican political, cultural, regulatory and business environments.	92
Capital allocation and cost-efficiency	Extensive direct experience in environments requiring capital allocation, cost-efficiency and cash flow management disciplines, with proven long-term performance.	92
Health, safety, environment and community	Extensive experience with complex workplace health, safety, environmental and community risks, frameworks and issues.	75
Capital markets	Relevant experience and understanding of capital markets, institutional investor engagement and regulatory/governance expectations.	92
Mining and natural resources	Board-level experience and/or long-term knowledge gained through working with companies operating in the mining or natural resources sector.	67
Financial expertise	Relevant experience in financial regulation and the capability to evaluate financial statements, financial controls and risk.	83
Public policy expertise	Extensive experience of public policy or regulatory matters, including fiscal and economic, ESG (in particular climate change) and community issues, social responsibility and transformation issues.	75
Workforce wellbeing	Workforce learning and skills development, diversity and wellbeing.	92

Time commitment and overboarding

The Nominations Committee undertook a review of the time commitment required from each Director and their other external appointments, prior to making a recommendation to the Board supporting that all of the continuing Directors be proposed for re-election at the 2025 AGM.

In making this assessment, the Committee noted that the Non-Executive Directors are required, by their letters of appointment, to spend 14 days per annum on Company business. More importantly, it also reviewed the time commitments of each Director to ensure that all Board members continue to be able to devote sufficient time and attention to the Company's business. Its philosophy in doing so, is to consider the total workload of each Non-Executive Director and the particular value that each Director brings to the Board. In particular, the Nominations Committee took into account the following factors:

1. With operations primarily in just one country, and because of the relative commonality of the Company's activities, the Board does not consider that it needs more than four scheduled Board meetings with an additional Working Meeting each year; a factor which is reflected in the relatively modest fees that the Company pays its Non-Executive Directors. Further information regarding fees paid to Non-Executive Directors can be found on page 181.
2. The calendar for Board and Committee meetings being aligned with the meetings of other companies, including listed companies, within the BAL Group ownership structure. This ensures that Directors who are appointed to the boards of other companies within the BAL Group will not have any time conflicts with their other commitments to Fresnillo plc.

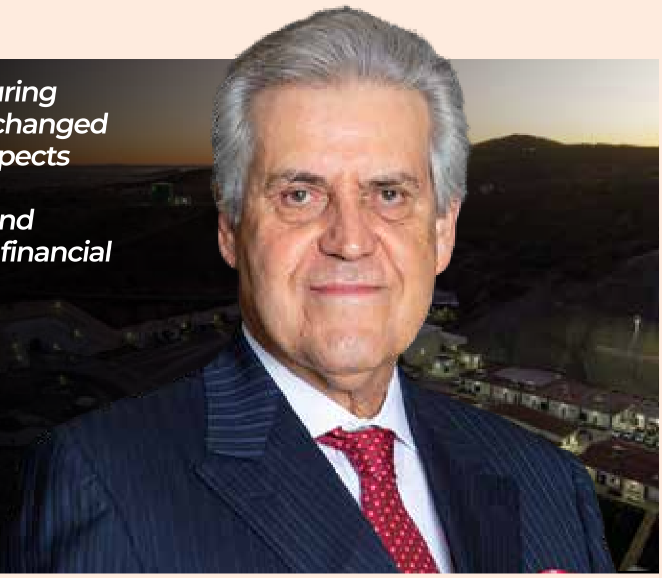
The Nominations Committee notes that the time commitment required of the Directors during 2024 increased as a result of: (i) the inclusion of a three-day Working Meeting in July into the Board calendar (see page 157) and; (ii) an increase in the number of Board meetings during the year compared to 2023 in order to consider additional Board business. All of the Directors were able to fulfil these additional time commitments during 2024.

The Nominations Committee is therefore satisfied that all of the Directors, but particularly the non-Independent Non-Executive Directors, spend considerably more than this amount of time on Board and committee activity than they are required to by their letters of appointment.

AUDIT COMMITTEE REPORT

"Notwithstanding the challenges presented during the year, the Committee's focus remained unchanged and it has continued to closely monitor key aspects of Fresnillo's financial reporting and controls environment, including: areas of judgement and estimation in the financial statements, critical financial processes, material risks and internal control."

Members	Meetings attended
Alberto Tiburcio	5/5
Georgina Kessel	5/5
Héctor Rangel	5/5



Dear shareholder,

It gives me great pleasure to introduce the Audit Committee Report for the year ended 31 December 2024.

Although the financial performance of the Company has benefitted from the devaluation of the Mexican peso against the US dollar and high precious metals prices, the continuing complex geopolitical environment both worldwide and in Mexico and high interest and inflation rates have made 2024 another difficult year for the management team to navigate. These factors have set the context for the Audit Committee's work during the year in assessing the Company's risk environment and financial reporting.

Notwithstanding the challenges presented during the year, the Committee's focus remained unchanged and it has continued to closely monitor key aspects of Fresnillo's financial reporting and controls environment, including: areas of judgement and estimation in the financial statements, critical financial processes, material risks and internal control. The Committee has continued to consider the impact on the Company of changes arising from the new Mexican Mining Law (see page 5 of the Strategic Report). With the support of Internal Audit, Internal Control and Risk Management, the Committee concluded that the internal controls and processes were functioning appropriately, and no significant weaknesses have been identified. Close consultation and interaction by the Committee with management and the external auditor has also been maintained during the year.

The items of particular focus for the Committee during the year are detailed below:

- **Soledad-Dipolos assets:** During 2024 the Committee continued to monitor the progress of the discussions the Company held with the local, State and Federal authorities to regain access to the assets at the Soledad & Dipolos mine. Although there have been no changes in the legal position since last year, Management has informed the Committee that positive progress has been made during the discussions with these authorities, which gives reason to believe that the Company's position of not reserving any amount for these assets in the 2024 financial statements remains appropriate.
- **Silverstream:** Following the Company's announcement in November 2024 that operational difficulties might impact the Silverstream Agreement – which would require significant adjustments to be made to that Agreement – the Committee has been monitoring the work being done by the Fresnillo and Peñoles management teams to determine the different alternatives for the future operation of the Sabinas mine and the implications of these changes for the financial statements. This assessment is being undertaken by a joint technical team that will review the mine plans and reserves and resources estimations used in the models and this is expected to take some time to complete. However, taking into consideration the current status of these discussions, management has made a fair value assessment of the asset (as disclosed in more detail on page 169), and reduced the value of the Silverstream asset shown in the balance sheet by approximately US$ 230 million, which was charged to income for the year.
- **Cybersecurity:** IT (Information Technology) security and data protection were reviewed by the Committee throughout the year to ensure that the upgrade programme agreed in previous years continued to be implemented on schedule. In July 2024, Peñoles, which hosts some of the Company's systems, was the subject of a cybersecurity incident which resulted in unauthorised access to certain IT systems and data. Following the attack, the Committee reviewed the assessments made by Peñoles management, with the support of independent third-party specialists, of the impact and mitigating actions noting that the Company's cybersecurity technology had worked well and had protected the Company's IT infrastructure, with no material data losses, and the mine systems (which are hosted separately) had not been affected. The Committee has continued, and will continue, monitoring the timely implementation of the different initiatives that the Company has identified to improve the controls in cybersecurity both after the incident and throughout 2025. Further information about the Group's approach to IT is set out on pages 126 and 173-175 of the Strategic Report.

AUDIT COMMITTEE REPORT CONTINUED

- **Tax contingencies:** The Committee has continued to closely monitor tax contingencies, in particular the differences generated from prior years regarding payments related to the Silverstream contract, which are considered by the Company for tax purposes as a financial derivative transaction and are being challenged by the Servicio de Administration Tributaria (SAT), the Mexican Tax Authority. During 2024, the Committee has received regular reports from management on their discussions with the SAT concerning this matter, and advice received from external counsel. Taking into consideration the Company's view and the view of its external advisers that its assessment will prevail, the Company did not record any reserve in addition to the deferred tax liability already booked, as these are considered temporary differences in its computation. The Company has also been challenged recently by the SAT with respect to the deductibility of certain categories of payment made to the Union. In the Company's and its external advisers' view, the Company's position has been appropriate, as such payments are included in the Collective Bargain Agreements (CBAs). It will therefore challenge the SAT's position and not record any reserve for this contingency. Based on the current evidence, the Committee endorsed management's position and will continue closely monitoring this matter in 2025.
- **Climate-related financial disclosures:** This Annual Report includes disclosures consistent with the guidelines set out by the Taskforce on Climate-related Financial Disclosures (TCFD). The HSECR Committee takes primary Board-level responsibility for the Company's progress towards compliance with the TCFD recommendations. However, the Company's reporting against these disclosure requirements was reviewed by the Committee and we are satisfied that the disclosures are a fair reflection of the Company's current position. Further details of the progress made during the year and actions to be taken during 2025 are set out in the letter from the Chairman of the HSECR Committee on pages 58-59 and in the Sustainability Report on pages 60-113.
- **Reserves and resources:** The Committee has noted that there were some delays in the finalisation of the computation of the Company's reserves and resources. While ultimately it did not compromise the reporting date, it did impact on the reporting process but did not prevent us from reporting on time. The Company has been improving the internal control procedures in this area over the past few years and the Committee will continue monitoring planned improvements in the process next year.
- **Anti-bribery and corruption (ABAC):** During the year, the Committee continued to closely monitor implementation of the recommendations accepted following the externally facilitated audit carried out in 2022 to assess the conformity of the Company's ABAC programme with ISO 37001 (in line with the UK Ministry of Justice Guidance). It also reviewed, on a six-monthly basis, a summary of the whistleblowing reports and presented this summary to the Board. Further information about the Company's approach to bribery and corruption is set out on pages 65-67 of the Strategic Report.
- **Fraud detection:** The Committee has continued to work closely with Internal Control, Risk Management and the internal audit teams following the review of the Company's fraud risk assessment process undertaken in line with guidelines published by the Association of Certified Fraud Examiners (ACFE) during 2024. The Committee has been monitoring the steps that management is taking to prepare for the implementation of the new corporate criminal offence of failure to prevent fraud which will take effect in September 2025. More information on risk management systems can be found on pages 116-120.
- **Proposed changes to regulations:** The Committee has continued to evaluate the Company's response to proposed changes to the UK Corporate Governance Code in relation to internal controls and plan for meeting the new requirements in 2026 (see section on Internal Controls below).

In the second half of the year, an evaluation of the performance of the Board and its committees was carried out. With respect to the Audit Committee, I am pleased to report that the results of the evaluation were very positive. Nevertheless, we continue to look for ways to improve the efficiency of the meetings making sure that we remain well-briefed on the subjects of interest to the Committee.

At the end of the year, the Committee undertook a questionnaire-based evaluation of the performance of the internal audit function and was satisfied with the outcome.

In closing, I would like to acknowledge the effort and valuable contributions made by the members of the Committee, and by the Company executives who work closely with it; as well as the invaluable support and trust that the Committee continues to receive from the Board.

I would be happy to speak with any shareholders who have questions about the work of the Committee.

Yours faithfully,

Alberto Tiburcio
Chairman of the Audit Committee

The Audit Committee

Membership

The members of the Audit Committee and their relevant financial and auditing experience is summarised as follows:

Committee members	Financial and auditing experience
Alberto Tiburcio (appointed to the Committee on 4 May 2016 and appointed Chairman of the Committee on 30 May 2018)	Previously Chairman and CEO of EY (Mexico). Experience in national and international accounting and audit practice and corporate governance.
Georgina Kessel (appointed to the Committee on 1 March 2021)	Public finance experience from her career in government. Has served on the Audit and Risk Committees of major companies in Mexico and Spain.
Héctor Rangel (appointed to the Committee on 24 June 2021)	Extensive corporate and investment banking expertise.

All of the members of the Audit Committee are Independent Non-Executive Directors.

Audit Committee activity in 2024 and early 2025

This report sets out the key activities of the Committee in discharging its duties during 2024, and those undertaken in 2025 in respect of the audit and publication of the financial statements for 2024. The Committee met five times during 2024 and once more in February 2025 with all the meetings being either hybrid or virtual via video conference. Notwithstanding this, the Committee was able to operate in accordance with its terms of reference and it was able to follow its usual pattern of work which is reported under the following headings:

REPORTING

- **Financial reporting:** Overseeing the Company's financial and narrative reporting to shareholders (including considering whether it was fair, balanced and understandable).
- **Stakeholder relationships and reporting:** Overseeing the Company's reporting on certain stakeholder issues.
- **Whistleblowing:** Overseeing on behalf of the Board, the cases reported through the whistleblower line and the work of the Honour Commission.

ASSURANCE

- **External audit:** Overseeing the work of and the Company's relationship with the external auditor.
- **Internal audit:** Overseeing the work and findings of internal audit.

RISK AND CONTROLS

- **Risk:** Overseeing the operation of the Company's risk management framework.
- **Internal control:** Monitoring the Company's internal control environment.
- **Related parties:** Overseeing the financial aspects of the Company's commercial relationships with related parties.

Details of the membership of the Committee and the Committee's effectiveness review are set out on **pages 150-151 and page 160** respectively of the Governance section

REPORTING

Financial reporting

The Company reports to shareholders on its financial performance twice a year.

The principal steps taken by the Committee during the period from 1 January 2024 to the date of this report in relation to its review of the published financial statements were:

- Review of the financial statements and Annual Report for the year ending 31 December 2023 and consideration of EY's comments on these documents.
- Review of the 2024 interim financial statements and 2024 interim announcement and consideration of EY's comments on the drafts of these documents.
- Review of plan for preparing the financial statements and Annual Report for the year ending 31 December 2024.
- Review of the significant judgements and estimates that impact the financial statements (see below).
- Review of the financial statements and Annual Report for the year ending 31 December 2024 and consideration of EY's comments on these documents.

To aid the Committee members' understanding of the reported financial results during the year, the Chief Financial Officer updated the Committee on the Group's financial performance at each of its meetings in February, April, July and October.

Significant judgement areas

The Committee considered the principal areas of financial statement risk and judgements made in relation to both the interim and full-year financial statements, prior to recommending those financial statements to the Board for approval. In many cases, these significant judgement areas were the same as those considered in previous years; however, as the mining cycle progresses these areas of judgement or estimation evolve, and new ones may need to be considered while others may become less important.

Process for the review of significant judgements

The significant judgement process may be summarised in the following way:

Significant areas of judgement in 2024

The significant judgement areas considered by the Committee in 2024 are set out below. In each case, the Audit Committee concluded that the accounting treatment and disclosure in the financial statements are appropriate.

Soledad & Dipolos (see Note 2 to the financial statements)

Assessment of risk:	Minera Penmont lost access to the leaching pads at Soledad-Dipolos in 2013 due to opposition by local agrarian group members from a community known as ejido (i.e., agrarian community) 'El Bajio', members of which have also presented several claims over land in the proximity of the operations of Minera Penmont. Nevertheless, Minera Penmont continues to own the land and mining assets and is seeking to regain access. The litigation has been protracted and management has had to consider whether it remains likely that access to the land and assets will be regained.
Variables considered:	In 2013, the Company re-assessed and wrote-off the carrying value of certain property, plant and equipment that could not be utilised or re-assigned to other mine units or remains at the site and was no longer considered to have a future economic benefit to the Company. The Company has subsequently prepared an operating plan to re-commence mining operations considering that access is recovered. The plan is reviewed annually to consider the future investments for restarting such operations, as well as the timing of recovery of inventory and associated processing costs. Based on the current reserves and existing inventory, the Company has estimated a seven-year period for the foregoing, once the access to the land is regained. The Company has a reasonable expectation that it will regain access, and thus has considered that the assets held as property plant, and equipment and inventories – as at 31 December 2024 – will produce economic benefits once the Company has regained access to them.
Sources of assurance:	In making this judgement, the Committee has relied on information provided by management concerning their discussions with the relevant authorities supported by advice received from the Company's internal and external legal counsel.

Related-party transactions including revenue recognition (see Note 27 to the financial statements)

Assessment of risk:	Fresnillo has a controlling shareholder and as a result has very strong ties both to Peñoles and the broader BAL group. There is a risk that related-party relationships could be taken advantage of to manipulate earnings or otherwise distort the Company's financial position and/or transfer value to Peñoles or another BAL company inappropriately. Furthermore, related-party transaction disclosure requirements allow investors to understand the nature and extent of the Company's transactions with related parties and there is a risk that disclosures in the financial statements could be inaccurate or incomplete.
Variables considered:	Every year, the Committee scrutinises the probity of all major related-party transactions to ensure that they are entered into transparently and fairly to all shareholders.
Sources of assurance:	The Committee considered management reports on the transactions with related parties during the year. In particular, it received confirmation from the Chief Executive Officer on the trading relationship with Met-Mex and the basis on which pricing is determined (using a methodology which was adopted in 2019) (see the 'Related parties' section on pages 176 -177). The Committee discussed EY's procedures to ensure that related-party transactions are recognised accurately and correctly reported in the relevant disclosures in the Annual Report, as well as their related conclusions. Internal audit routinely review agreements between the Company and Peñoles, the results of which are reported to the Committee as part of its annual Internal Audit programme updates. In addition, PricewaterhouseCoopers (PWC) conducts annual reviews of the intercompany transactions each year (including related-party transactions). In previous years, these reviews have not resulted in any adverse comments thus providing a degree of assurance that the Company's usual approach to the pricing of such transactions is reasonable.

Silverstream contract (see Note 14 to the financial statements)

Assessment of risk:	The Silverstream contract represents a large asset on the balance sheet which can, as a result of movements in variables discussed below, give rise to significant albeit non-cash, movements in the income statement. Following the Company's announcement in November 2024 that operational difficulties at the Sabinas mine, owned and operated by Peñoles, might impact the Silverstream Agreement in a way which would require significant adjustments to be made, the Committee has been monitoring progress in discussions between Fresnillo and Peñoles management (which might take a few more months to conclude) to determine the different alternatives for the future operation of the Sabinas mine.
Variables considered:	The Silverstream contract is a derivative financial instrument which must be reflected at fair value at each balance sheet date. The fair value is most sensitive to the timing and volume of forecast production derived from the reserves and resources and production profile of the Sabinas mine, estimated future silver price and the discount rate applied in the valuation. In light of the operational difficulties at the Sabinas Mine, the Company has recalculated the value of the asset based on an increased discount rate and a revised production profile for the Sabinas mine. As a result of that review, the asset was reduced by US$ 231.6 million which was charged to operations. The effect of this amount in the income statement was partially compensated by the reduction of deferred taxes in the amount of US$ 69.5 million.
Sources of assurance:	Based on the significant amount of detailed analysis undertaken by the joint Peñoles and Fresnillo teams at an operational level to identify the likely production profile for the Sabinas mine, the Committee discussed with Management and EY the inputs into the valuation at the balance sheet date and associated sensitivity analysis. It also reviewed Management's suggested disclosures relating to the Silverstream contract. It discussed with EY their procedures and conclusions for their audit of the valuation.

AUDIT COMMITTEE REPORT CONTINUED

REPORTING

Recoverable amount of long-term non-financial mining assets (see Note 13 to the financial statements)

Assessment of risk:	The recoverable amount of long-term non-financial assets is influenced by the level of reserves and resources for each mine at any moment in time, the likelihood that the resources can be economically mined and the expected phasing of planned production (mine plan). Other key variables considered include the expected metals prices, costs and discount rates. The estimated valuation of the recoverable amount of long-term mining assets will change year-on-year in response to changes in these inputs. If the financial statements are not adjusted accordingly there is a risk of significant financial misstatement.
Variables considered:	The estimation of reserves and resources, prices, costs, discount rates and related mine plans for each business unit, along with management's assessment of impairment indicators were considered.
Sources of assurance:	The Committee noted that the specialist third-party reports on estimates of reserves and resources and estimates of recoverable value had been prepared by Management and then reviewed by EY, using specialists where necessary. The Committee also noted the reports from SRK and AMC on reserves and resources and scrutinised the process by which they were prepared to ensure that improvements made during the year had been properly implemented. Internal audit also followed up on steps taken by management during the year. The Committee further evaluated EY's assessment of management's position on the mines most at risk and sensitivities performed by EY for alternative metals prices and discount rate scenarios.

Mineral reserves and resources (see pages 284-285)

Assessment of risk:	Reserves and resources are a primary driver of Fresnillo's market valuation and a significant input into calculations of depreciation and assessments of impairment. Such calculations are dependent on significant amounts of geological data provided by the Company's business units and the ability of the exploration and operational teams to find new reserves and replenish resources that have been mined during the financial period.
Variables considered:	The estimation of mineral reserves and resources requires significant judgement, not only in respect of mineral physically in place but also metals prices and cost assumptions used to determine the cut-off grade for identifying economically viable ore bodies. There is also judgement in developing and maintaining the mine plans which estimate the timing and quantities of related production.
Sources of assurance:	During 2024, the Committee continued monitoring the process and has observed improvements to align more closely to International Practices. Due to delays in the Company providing the related information to SRK and AMC, their reports were delivered two months later than previously. However, the Committee noted that the Group has made improvements in terms of enhancing the reconciliation process along with changes to the bases for estimating costs and prices. The Committee was satisfied as to the completeness of the reports and thus was able to make an informed assessment of the position as at 31 December 2024.

Taxation and PTU (see Note 11 to the financial statements)

Assessment of risk:	The taxation of mining companies in Mexico has been the subject of much attention as reflected by a number of tax inspections that are ongoing, or have been initiated by the tax authorities. Some aspects of Mexican tax legislation are open to interpretation. During the year, the Committee has continued to closely monitor tax contingencies, in particular, the differences generated from prior years regarding the Silverstream contract and received reports from management on ongoing discussions with the tax authorities. In relation to the Silverstream contract, the Company has assessed and continues to challenge the SAT position of not accepting the tax deductibility of the amortisation of the original premium on the Silverstream agreement. Certain tax assets and liabilities are denominated in Mexican pesos and are revalued in US dollars during the period, resulting in foreign exchange gains or losses which need to be taken into account when assessing the tax charge for the period and the deferred taxes computation. In accordance with the Mexican legislation, local companies also pay employee profit sharing (PTU) in accordance with the legally applicable formulas.
Variables considered:	The Committee reviewed the status and potential outcomes of tax audits commenced during the year and ongoing dialogue with the SAT. Further information is set out in the Stakeholder Reporting (Government/Tax Authorities) section below. The Company has considered and challenged the SAT position of not accepting the deductibility of some payments to the Union.
Sources of assurance:	Throughout the year the Committee received updates on the status of tax inspections. Reviews of tax related matters were also undertaken by internal audit. The Committee reviewed management's supporting memoranda on the consolidation of tax and PTU and sought EY's views on the same. It ascertained the degree to which judgements and adjustments are supported by internal and/or external subject matter experts and ensured that they corresponded with information presented during the year prior to approving the relevant disclosures in the Annual Report.

Financial Reporting Council Enquiry

During October 2024, the Company was advised by the Financial Reporting Council (FRC) that it had undertaken a limited scope review of the Company's Annual Report and Accounts for the year ended 31 December 2023. The extent of the limited scope review was to consider whether the Company had satisfied the relevant reporting requirements in respect of the recoverability of assets at Soledad & Dipolos; and claims from the El Bajio community. Further information requested by the FRC in relation to these matters was provided during November 2024 and, in January 2025, the FRC confirmed that it had closed its enquiries.

Stakeholder reporting

The Committee plays a role in overseeing, on behalf of the Board, some key aspects of the Company's reporting concerning its relationships with key stakeholder groups.

- **Employees:** The Committee reviewed the work of the Honour Commission in relation to matters raised via the whistleblower line (see following section).
- **Government/Tax authorities:** The Committee closely monitors the Company's relationship with the SAT, with the status of any outstanding tax audits reviewed at most meetings. The Committee receives regular reports from the Head of Tax on her interactions with the SAT concerning current tax audits.
- **The Environment:** The oversight of the Company's approach to managing environmental and climate-related risks is primarily the responsibility of the HSECR Committee who regularly review Fresnillo's response to the operational implications of such risks. The Audit Committee reviews the Company's reporting on such risks and initiatives, particularly through the TCFD Report to ensure that such disclosures are consistent with the Company's financial reporting.

During 2024, the Committee reviewed the Company's Payments to Governments data, published in June; and the Company's UK Tax Strategy Statement, published in November.

Whistleblowing

The Línea Correcta Whistleblower Hotline allows stakeholders to anonymously report (via an independent third party) violations of the Company's Code of Conduct. The hotline is reviewed by the Committee twice a year (February and July meetings) and the Chairman of the Committee gives a report to the Board every six months on the key trends and steps taken as a result of these reviews.

The effectiveness of the Linea Correcta is routinely reviewed twice a year. In addition, the results of a more detailed review of its effectiveness were considered in February 2024. Actions taken following the review included: (i) a communication campaign to improve awareness of the hotline; (ii) targeted training linked to levels of involvement in the whistleblowing arrangements; (iii) steps to reinforce confidentiality throughout the investigation process; and (iv) strengthening the role of the Labour Commission in the mines.

In 2024, there were a total of 161 reports (compared to 163 in 2023). Further details about the operation of the whistleblowing arrangements and the reports made in 2024 is set out in the Sustainability report on pages 60-113. During the year, the Committee was satisfied that all matters had been or continue to be properly investigated with appropriate action taken.

AUDIT COMMITTEE REPORT CONTINUED

ASSURANCE

External audit

Relationship with EY

EY was re-appointed as the Company's auditor at the 2024 AGM. EY was originally appointed in 2008 and their appointment was re-confirmed in 2016 (for the financial year ending 31 December 2017) following a rigorous external audit tender process in 2016. The next tender process, to select the external auditor for the year-ending 31 December 2027 is expected to be held in 2026. Initial planning for that tender process is expected to commence during 2025.

The current lead partner, Steve Dobson, has been in place since 2020 and will be rotating off the Company's audit in 2025. His successor has been identified and agreed with the Committee. During the year, the members of the Committee met twice with representatives from EY without management present and once with management without representatives of EY present, to ensure that there are no issues in the relationship between management and the external auditor which it should address. There were none noted as a result of such discussions.

The Company complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Processes and Audit Committee Responsibilities) Order 2014 during the year.

External audit process

The key steps in the Committee's interactions with EY during the period from 1 January 2024 to the date of this report were:

- The review of a report from EY providing their observations arising from the 2023 audit process and management responses to those observations in April 2024.
- Discussion with EY of the findings from their review of the interim results for the period ended 30 June 2024.
- The review of the 2024 half-year representation letter given to EY.
- The review and approval of the external audit plan, fees and terms of audit engagement.
- The review of the results of the 'hard close audit' for the ten months to 31 October 2024.
- The review of the representation letter given to EY for the 2024 full-year audit.
- The review of EY's report following completion of the audit for the year ended 31 December 2024.

Quality, objectiveness and independence of the external auditor: The Committee is mindful of its responsibility to ensure that the external auditor maintains its independence and objectivity and is appropriately qualified with sufficient resources and expertise to fulfil the role. The Committee specifically reviewed, and is satisfied with, the independence of EY as the external auditor based on disclosures provided by EY in accordance with UK Ethical Standards for the audit profession. The Committee discussed the quality, objectiveness and independence of the EY team with the Management Team and was satisfied that there were no concerns in this regard.

Non-audit services policy: The Committee has adopted a policy for the provision of non-audit services to the Fresnillo Group by the external auditor (the Policy). The Committee has maintained an ongoing dialogue with EY during the year concerning the services that it provides to the Company and the wider Peñoles Group. That ensures that where such services are provided, they are in line with the Policy or discussed with the Committee on a timely basis.

The current Policy permits the engagement of the external auditor to provide a narrow range of permitted services which are closely related to the audit and/or required by law or regulation. Any engagement of the external auditor to provide permitted services above US$5,000 is subject to the specific approval of the Committee. During 2024, EY provided audit-related assurance services in connection with the review of the interim financial statements (US$587,000), the climate related non-audit service (US$102,400) and Mexican tax opinion (US$160,000). The ratio of fees paid for non-audit work in relation to audit work during the year was 0.31:1.00 (2023: 0.34:1.00).

Details of the fees paid to EY during the year are shown in Note 28 to the financial statements.

Evaluation of the effectiveness of the external audit and the auditor

The Committee assesses the effectiveness of EY as its external auditor from two perspectives:

- Reviews of the work of EY's UK practice, as a firm, undertaken by the Financial Reporting Council's Audit Quality Review Team.
- Its own assessment of the effectiveness of the external audit process and the role played by both EY's UK and Mexican teams in the performance of the annual audit.

Audit quality review: The Committee reviewed the report of the Financial Reporting Council (FRC) on its Audit Quality Review on EY as a firm and discussed with the EY Audit Partner whether any of the FRC's findings were relevant to the firm's audit of the Fresnillo financial statements. The conclusion from this review was that there were no major matters of concern to consider.

Audit Committee assessment of EY: Following the completion of the 2024 Annual Report, the Committee undertook a review of the performance and effectiveness of EY at its April 2024 meeting. As part of this process, the Chief Financial Officer and Finance Team were invited to provide their insights into their interaction with the EY teams during that process. The Committee concluded that EY was performing well with an overall consensus being that the working relationship was good.

Re-appointment of the external auditor

In February 2025, taking account of the reviews of the effectiveness of the external auditor, the Committee recommended to the Board the re-appointment of EY as external auditor at the Company's 2025 Annual General Meeting.

Internal audit

The 2024 Internal Audit annual plan was approved by the Audit Committee in October 2023, incorporating audits across all of Fresnillo's business units with a focus on strategic priorities and key risks. Internal audit continued to deploy technology and apply data analytics to achieve a satisfactory depth of audit coverage and gain deeper insights into Fresnillo's risk and control profile. Internal audit completed a number of risk reviews along with process and controls assessments focusing on efficiency, productivity, cost management and regulatory compliance. In addition, Internal Audit carried out its annual process of verifying the validity and accuracy of the non-financial information included in the 2024 Annual Report and reported the results to the Audit Committee at the beginning of 2025.

Due to the continued importance of cybersecurity and the evolving technology landscape, internal audit is continuing its assessments aimed at validating the design and effectiveness of Fresnillo's cybersecurity, IT (Information Technology) processes and controls. The Audit Committee continues to review progress made in raising the level of cybersecurity maturity and actions taken by management to ensure compliance with laws and regulations.

Towards the end of each year, internal audit presents the proposed annual internal audit plan and resourcing requirements for the following year. The 2025 internal audit plan was presented to the Committee and approved in October 2024. The plan was developed according to the International Standards for the Professional Practice of Internal Auditing, and considered the following:

The internal audit plan includes planned audits relating to strategic priorities and higher-risk areas such as exploration, ongoing capital projects, compliance with laws and regulations (e.g. environmental laws, labour law, permitting requirements), reserves and resources procedures, Tailings Dam management, health and safety, taxes, cybersecurity and IT/OT processes and multi-risk operational compliance processes at mines.

The Head of Internal Audit attended all Audit Committee meetings during the year. Members of the Audit Committee meet with the Head of internal audit twice a year without management present.

At each meeting, the Audit Committee also monitored progress made by management in addressing 'red flag' items (i.e. relevant control observations) identified through internal audit work. The Audit Committee's focus is on ensuring that the management responses to remediation are appropriate, and that timely progress is made in reducing the number of red flags over time.

In addition, the Audit Committee monitored the quality of the dialogue between Internal Audit and the Executive Committee in reviewing internal audit findings and agreeing action plans with appropriate levels of operational buy-in to address the points raised. The Audit Committee met with the Chief Executive Officer and Chief Operating Officers several times during the year to review the outstanding internal audit points and is satisfied with the progress achieved through this dialogue.

At the end of the year, the Audit Committee carried out an evaluation of the performance of the internal audit function, based on a focused questionnaire, and was satisfied with the outcome.

RISK AND CONTROLS

Risk

The Committee monitors how the Company's risk management framework is operating. Operational responsibility for risk lies with line management (details of the Risk Management System are set out on pages 116-120). The Audit Committee discusses potential changes to the Group's risk profile through its regular reviews of the Risk Matrix and its consideration of any associated recommendations from management proposing changes to the Risk Matrix to take account of changing and emerging risk. The Company defines emerging risk as: 'A new manifestation of risk that cannot yet be fully assessed, risks that are known to some degree but are not likely to materialise or have an impact for several years, or a risk that the Company is not aware of but that could, due to emerging macro trends in the mid or long-term future, have significant implications to achieve the organisation's strategic plan.'

The emerging risks were evaluated and reviewed by the Committee during the year. The Committee also specifically reviewed the two new emerging risk areas identified during 2023 and added to the Principal Risks and Uncertainties during 2024: (i) the impact on the Company's operations of water stress and drought; and (ii) geopolitical instability. No new risk categories were identified during 2024.

The Principal Risks and Uncertainties are reviewed every six months prior to the publication of both the interim and full-year reports. The Committee assessed the increased risk of potential actions by the government arising from the new Mining Law and the Labour Law, which contain relevant implications for mining operations and projects.

Finally, the planned developments in UK regulatory matters relating to corporate governance and FRC Guidance on audit were considered, as were the Company's initiatives to prevent fraud with updated internal controls.

Ethical risk

The Committee monitors the Company's Ethics and Compliance programme through regular reviews of progress on the Group's ABAC programme (including consideration of reports received through the Whistleblowing Hotline as well as the online training programme). This demonstrates that the Group's corporate values and elements of the control culture in relation to ethics remain embedded throughout the organisation. To this end, during the year the Committee received reports on: the roll out of training in relation to the disclosure of conflicts of interest; the Code of Conduct; Step-Up culture and harassment. The Committee also reviewed progress on the implementation of recommendations made following an external evaluation of the ABAC programme in 2022. For the past two years, the main area of focus was on the Procurement, Controllership and Finance departments, whose processes include most of the recommended anti-bribery controls. The recommendations have required each of these processes to be redesigned, and whilst this has taken time the changes were completed during 2024; the recommendations have therefore now all been implemented .

In recent years, the Company has widened the evaluation of its Fraud Risk Assessment Process to reinforce the controls to prevent and detect material fraud. Although the Company has always maintained a firm commitment to prevent and detect fraud through well-established practices and procedures, the Committee has been working closely with internal control and internal audit areas to identify any perceived weaknesses. During the year, a review of the Company's Fraud Risk Assessment Process was undertaken in line with guidelines published by the Association of Certified Fraud Examiners (ACFE). Although the review concluded that the Company's process fully complies with the standard recommended by the ACFE; some process areas were identified where the risk exposure is high and steps have been taken to run workshops in those process areas to further assess the risks and improve the control processes.

The external auditors also expanded their procedures in this area.

Further information about the Company's approach to bribery and corruption is set out on pages 65-68 of the Strategic Report.

Financial risk management

The Company's objectives and policies on financial risk management – including information on the Company's exposures to market risk, such as foreign currency, commodity price, interest rate, inflation rate and equity price risks, credit risk and liquidity risk – can be found in Note 31 to the financial statements. During the year, the Committee reviewed the Company's Treasury Policy and concluded that no further changes were required.

Non-financial risk areas

The Committee regularly reviews and receives management updates on current issues and developments that could have potential to give rise to specific risks. It is guided by regular updates from management on specific issues that it considers should be kept under review. During 2024, regular reports were received on legal matters (including changes to regulation and litigation) and a review of the Group's compliance with mining licence conditions at each of its business units. Where new potential areas of risk are identified by Management during regular reviews of the Risk Matrix, the Committee may request further bespoke updates from Management to supplement its general review of risk and internal controls. No new areas of non-financial risk were identified during 2024.

Information technology and cyber risk

Throughout 2024, the Committee continued to receive updates on the Group's IT strategy, its linkage to the Group's overall business strategy and the financial implications of that strategy for the business plan. It also monitored the progress of the Peñoles and Fresnillo Management Teams in developing the cybersecurity framework for the Group. Further information about the Group's approach to IT is set out on pages 126 and 173-175 of the Strategic Report.

Following a cyberattack on Peñoles' IT infrastructure (which supports some of the Company's IT systems) detected on 18 July 2024, the Committee reviewed the Company and Peñoles' assessment of the impact and mitigating actions. The Committee noted that the Company's cybersecurity technology had worked well and had protected the Company's IT infrastructure and the mine systems (which are hosted separately). The attack resulted in a minor impact that was identified and corrected in a short period of time with no material data loss or damage to the Company's IT infrastructure. In particular, the functionality and integrity of Company's financial systems was not affected and management's ability to prepare and disclose financial information was not impacted. Nevertheless, the Committee continues to rigorously monitor the steps being taken to further improve the Company's cybersecurity maturity level. The Committee also noted that the Company's financial systems had not been compromised by the cyberattack and had not resulted in any delays in the Company's financial reporting timetable or process.

Going concern

The Directors must satisfy themselves as to the Group's ability to continue as a going concern for a minimum of 12 months from the approval of the financial statements. The Committee supported the Board in this assessment by considering whether the Company has adequate liquid resources to meet its obligations as they fall due. In February 2025, the Committee reviewed the Group's budget and cash flow forecasts for the period to 31 December 2026, taking into account the Company's anticipated production profiles at each mine, budgeted capital and exploration expenditure and the sensitivity of the cash flow forecasts to movements in metals prices. This includes stress testing those forecasts to identify the levels to which metals prices must fall to put pressure on working capital levels.

The Committee also considered EY's report on this assessment and on the reasonableness of assumptions therein, including their consistency with assumptions and estimates used elsewhere in the preparation of the financial statements. The Committee also challenged management on the feasibility of the mitigating actions and the potential speed of their implementation. Following this assessment, the Committee satisfied itself that the going concern basis of preparation is appropriate and the financial statements appropriately reflect the conclusions on going concern. The going concern statement is set out in the Strategic Report on page 141.

Viability assessment

The Executive Team has developed a comprehensive approach to the viability assessment which is then reported in the Viability Statement. The key steps of this approach are explained within the Viability Statement, which is set out in the Strategic Report on pages 139-140. In December 2024, the Committee received an update on the approach the Executive Team proposed to take in preparing the Viability Statement and confirmed that the scenarios presented in the previous year, together with a new scenario related to a possible strike at the Herradura mine (in light of the events of May 2023), should be maintained for the purposes of the Viability Statement.

In February 2025, it reviewed the proposed Viability Statement. It also considered the potential steps that could be taken to mitigate the cash flow impacts arising from the most negative scenarios (including delaying project capex or reducing exploration expenditure).

Monitoring and strengthening Internal controls during the year

The Committee assists the Board in monitoring the effectiveness of the Company's internal control environment. This monitoring includes oversight of all material controls including financial, operational, regulatory and compliance. To accomplish this, there is a governance and organisational structure in place where internal control is secured by three lines of defence: process owners (1st line); committees, controllers, risk management and other oversight bodies (2nd line); and internal audit (3rd line).

During 2024, the Committee continued to review at its regular meetings each of the quarterly internal controls reports which were prepared by Internal Audit and subsequently submitted to the Board. These documents specifically report on developments in the Key Risk Indicators and the key internal control issues arising from the quarterly internal audit reports. From time to time, the Committee has proposed changes to those reports based on its own discussion of Internal Audit's findings. Remediation actions arising from the control exceptions identified throughout the year were those related to: (i) enhancing operative discipline and training for safety, environment, and fortification procedures; (ii) improving some information security controls and, (iii) strengthening the supervision controls and documentation of services on safety and tailings dam management.

During 2023, the Company engaged PWC to assist Management in undertaking a gap analysis to identify areas where improvements were needed to the internal control framework for financial processes to bring it into line with the COSO Framework. The Audit Committee received an initial report from PWC in April outlining the controls it proposed to strengthen the Internal Control System. Following a tender process, Deloitte was engaged to assist management in reinforcing the opportunity areas identified in the gap analysis. They also documented, implemented and tested the Company's internal control framework during 2024 and 2025 in order to be prepared for compliance with the new UK Corporate Governance Code requirements. The scope of the implementation included financial, operational, reporting, compliance and IT processes based on the COSO framework. The Committee received an update on the implementation workstreams at its meeting in December 2024 and will be monitoring the implementation plan, particularly for non-financial reporting controls, during 2025 ahead of the effective implementation date for the new Provision 29 of the UK Corporate Governance Code on 1 January 2026.

Financial reporting controls

Fresnillo management has adopted a series of policies, practices and controls in relation to the financial reporting and consolidation process, designed to address key financial reporting risks, including risks arising from changes in the business or accounting standards and to provide assurance of the completeness and accuracy of financial statements and the Annual Report. These policies and procedures set out the Group's accounting policies, its treatment of transactions and its internal reporting requirements.

The internal reporting of financial information to prepare the Group's annual and half-year financial statements is signed off by the Chief Financial Officer and the Group Financial Controller. The Chief Financial Officer and the Accounting Information Manager must also confirm annually that all information relevant to the Group audit has been provided and that reasonable steps have been taken to ensure full disclosure in response to requests for information from the external auditors. The Committee Chair, Chief Financial Officer and Group Financial Controller have all participated in the drafting and review processes for the Annual Report and the Head of Internal Audit also reviews information disclosed in the Annual Report.

AUDIT COMMITTEE REPORT CONTINUED

RISK AND CONTROLS

Annual review of the system of internal controls
The Committee undertakes an annual review of the Group's system of internal controls in accordance with Provision 29 of the Code. In this task, the Committee is directly supported by the independent work of the internal audit team. This review aims to improve the understanding of how the various sources of assurance (through the three lines of defence) interact in the review and execution of material controls by identifying and addressing any gaps in the control framework. Consequently, once a year, the Committee oversees the review of the Group's system of internal controls through an assessment, conducted by management of the various sources of assurance over the execution of material internal controls. This is a comprehensive review incorporating operational management, financial management and Executive Management, complementing the independent assessment of material risks and internal controls by internal audit within the third line of defence.

The Chief Executive Officer, Chief Operating Officers and other senior managers were invited to meet with the Audit Committee to discuss their action plans and progress for remediating the issues identified.

This work underpins the Board's statement on the annual review of the system of internal controls (see statement on page 156).

Related parties
With the Company's Parent Company, Peñoles, owning just under 75% of the issued share capital of the Company (see page 196), it has, and will continue to have, a significant level of influence over the affairs and operations of Fresnillo. Being part of the same Group provides an opportunity to achieve synergistic operational, financial and administrative improvements by combining the resourcing of common services that can be shared between Peñoles and Fresnillo. Although these arrangements are beneficial to Fresnillo, the Committee performs a role in overseeing these arrangements to ensure that they continue to operate impartially.

The principal arrangements entered into between the Company and related parties and reviewed by the Committee during the year were:

The Met-Mex agreement	As it does every year, the Audit Committee considered the reasonableness of proposed treatment and refining charges in respect of the Met-Mex arrangements for 2024, as disclosed in Notes 27 and 31 to the consolidated financial statements. Management circulated a paper setting out the methodology to determine the charges, which takes industry benchmark charges and adjusts to reflect ore composition and transport costs. The methodology used in 2024 was the same as that used in the previous three years. The Committee reviewed this paper and recommended approval of the proposed charges by the Independent Directors at the Board meeting in October 2024. As part of its review of the Met-Mex arrangements, the Committee also confirmed with management that the transfer pricing assessments in respect of prior year transactions (which are undertaken for tax reasons by the Group's external adviser, PWC), had been completed with no issues noted. A similar assessment in respect of the 2024 transactions will be received in due course.
Other agreements	There are other dealings with related parties in the ordinary course of business (e.g. insurance brokerage) which, although not requiring approval by Independent Directors, will from time-to-time be reviewed by the Committee to ensure that the arrangements are on a reasonable arm's-length basis. During the year, the Audit Committee reviewed the annual insurance renewal for which Grupo Nacional Provincial, S.A.B., a related-party, acted as broker.

The Shared Services Agreement is an agreement between the Company and Peñoles which sets out, on an arm's-length basis, the terms under which several categories of services are provided to the Company by Peñoles. The Shared Services Agreement was renewed with effect from 1 January 2023 and must be renewed every five years. Internal audit conducts reviews of approximately one-third of main services provided each year to ensure that these services are provided in accordance with the agreed KPIs. As a result, all services are reviewed by internal audit over a three-year cycle. Internal audit reports to the Committee on its review of the Shared Services Agreement.

During the year, Management reviewed the scope of the current Shared Services Agreement with Peñoles which resulted in some services previously within the scope of the Shared Services Agreement being transferred back to the Company. This change coincided with a reorganisation of the Baluarte business unit within Peñoles which no longer operates as a separate function and, as a result, the fees payable to Peñoles were reduced accordingly. The Audit Committee monitored the progress of these discussions and concurred with the agreed outcome.

The following table summarises the approach taken to identify and manage related-party transactions under the Relationship Agreement.

Process	Process	Responsibility
Monitoring of Directors' interests	If a Director has an interest in a company that could potentially enter into transactions with a Fresnillo Group Company, the Board will normally consider that interest under its arrangements for authorising conflicts of interest under s175, Companies Act 2006.	Directors
Contract negotiation and verification	The best possible commercial terms are negotiated by management and, where possible, they will seek to verify them against international benchmarking reports and/or independent valuation or assessment.	Fresnillo Executive Committee and management
Financial scrutiny	Review of the key financial terms of any major transaction which are verified where possible as to price and quality by external consultants or independent benchmarking.	Audit Committee
Independent Director approval	Under the Relationship Agreement and the Listing Rules, the Independent Non-Executive Directors must approve any transaction with the Peñoles Group or its associates without the Non-independent Directors voting.	Independent Non-Executive Directors

Ensuring that the Annual Report is fair, balanced and understandable

In relation to the Annual Report and Financial Statements for the year ended 31 December 2024, there are a number of steps that the Board, supported by the Audit Committee, undertook to ensure that the Annual Report is fair, balanced and understandable. An explanation of the process adopted in preparing the Annual Report and analysis of the basis upon which each requirement for it to be 'fair', 'balanced' and 'understandable' had been met was summarised in a paper which the Board reviewed at its meeting on 27 February 2025. The key features of this process were:

- The narrative sections of the Annual Report were drafted by the members of the team with specific responsibility for the areas referred to in the sections that they prepare. The individuals involved included the Head of Investor Relations, the Head of Risk, the Head of Sustainability, the General Counsel and Compliance Officer, Company Secretary and Mine Managers.
- As narrative sections of the Annual Report were prepared, copies were circulated to Board members for review and comment. Such comments were incorporated into updated versions of the Annual Report.
- About a month prior to the Annual Report being approved by the Board, members of the Audit Committee and other Directors reviewed a current draft enabling them to assess whether the information was consistent with their understanding of the Company's business and the nature and content of discussions at the Board during the year. Comments were received from the Directors on most areas of the Annual Report, and these were incorporated into subsequent drafts of the Annual Report. The sections of the Annual Report which were particularly commented on included: the Review of Operations, the Sustainability Report and climate-related disclosures in particular, the presentation of information on diversity and inclusion and the presentation of health and safety information.
- Suggested changes put forward by the Directors, based on knowledge obtained through Board and Audit Committee papers and discussion and other interactions with management were considered by Management in preparing the final version of the Annual Report.
- The disclosures relating to climate change, in particular the TCFD statements, were reviewed by members of the Board to ensure that they were consistent with the approach and discussions relating to climate-related change at Board and Committee (particularly the Audit Committee and HSECR Committee) levels.
- At the same time, internal audit undertook a review exercise of the principal non-financial information in the Annual Report which are extracted from the Company's operational records and their findings were appropriately reflected.
- The Audit Committee also reviewed the Annual Report and financial statements, taking into account comments made and reports issued by EY and decided to recommend them to the Board for approval.

As a result of the above procedures, the Board considers that, taken as a whole, the Annual Report is fair, balanced and understandable.

The Corporate Governance report which is set out on pages 144-198 has been approved by the Board of Directors of Fresnillo plc.

Signed on behalf of the Board.

Alberto Tiburcio
Independent Non-Executive Director
3 March 2025

DIRECTORS' REMUNERATION REPORT

REMUNERATION AT A GLANCE

Remuneration Policy in summary

The Company currently has no Executive Directors; however, the Remuneration Committee treats the Chief Executive Officer as if he were an Executive Director for the purposes of the Remuneration Policy and for reporting on his remuneration.

WHAT DOES THE POLICY SEEK TO ACHIEVE?

The Group's Remuneration policy seeks to ensure that the Company is able to attract, retain and motivate its Executive Directors and members of the Executive Committee. The retention of key management and the alignment of management incentives to the Group's purpose are essential objectives of this Policy.

Components of Directors' remuneration structure

HOW IS EXECUTIVE REMUNERATION STRUCTURED?

Component	SALARY	BONUS	BENEFITS	PENSION
Rationale	Setting base salary levels for Executive Directors and members of the Executive Committee at an appropriate level is key to managerial retention in Mexico. Salaries are positioned within a range of possible salaries according to experience and length of service. Ordinarily, subject to performance, the same percentage will be applied to salary increases across the Company for senior management and other employees alike.	The annual bonus rewards the achievement of financial and strategic business targets and the delivery of personal objectives. Annual bonus is capped at six months' salary and is paid on the basis of metrics set out in the Remuneration policy.	Benefits are provided in line with the Group's policy on employee benefits.	The Group operates a defined contribution scheme for all employees. Executive Directors and key management are entitled to membership of the defined contribution scheme.

Component	LONG-TERM INCENTIVES	SHARE-BASED REMUNERATION
Rationale	The annual bonus scheme sets targets which are aligned to the Company's long-term strategic objectives so that these priorities are embedded within the day-to-day activities of our business. The Company does not operate a long-term incentive plan.	The Company does not use share-based forms of remuneration because the Remuneration Committee does not currently consider them to be a common form of executive remuneration in Mexico.

Additional features of Fresnillo's Remuneration Policy

	SHAREHOLDING GUIDELINES	RECOVERY OF BONUS
Rationale	In the absence of share-based incentive schemes, the Company does not adopt shareholding guidelines for executives.	The absence of long-term incentives and the operation of Mexican law makes it difficult to adopt clawback and malus arrangements. There is, however, scope within the bonus scheme for bonus awards to be adjusted downwards at the discretion of the Remuneration Committee.

Objective of the Remuneration policy

WHAT DOES THE POLICY SEEK TO ACHIEVE?

The annual bonus is set for, and based on, performance over a single-year period but the KPIs and targets are also designed to ensure that both short-term objectives and the long-term development of the Fresnillo Group are given broadly equal priority within variable remuneration.

ALIGNMENT OF THE REMUNERATION POLICY TO PURPOSE AND STRATEGY

Our Purpose is to contribute to the wellbeing of people, through the sustainable mining of gold and silver

STRATEGIC PRIORITIES

1 EXPLORE	2 DEVELOP	3 OPERATE	4 SUSTAIN
Extend and maintain a robust growth pipeline.	Deliver profitable growth, optimise cash flows and returns.	Maximise the potential of our operations.	Advance and enhance the sustainability of our business.

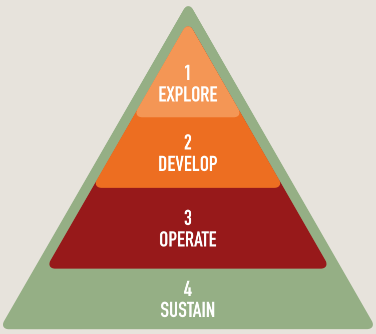
RELEVANT BONUS METRICS

1 EXPLORE	2 DEVELOP	3 OPERATE	4 SUSTAIN
• Replenishment and expansion of reserves and resources. • Exploration projects progress.	• Development projects progress. • Contractors' performance. • EBITDA	• Production – increase in ounces produced. • Synergies and teamwork. • Management of contractors.	**Employees/Contractors** • Safety (various metrics). • Labour relations. **Communities** • Project-based metrics. **Environment** • Environmental risk management. **Shareholders** • EBITDA.

Key components of the annual bonus in 2024

WHAT WAS ACHIEVED?

Performance



		2024	2023	Change (%)
Performance	**Total silver reserves** (moz)	**331.3**	356.6	(7.1%)
	Total gold reserves (moz)	**7.2**	7.1	2.5%
	EBITDA (US$m)	**1,547.3**	655.7	(136.0%)
	Profit for the year (US$m)	**187.2**	288.3	(35.1%)
	Silver production (moz)	**56.3**	56.3	0%
	Gold production (koz)	**631.6**	610.6	(3.4%)
	Total relevant environmental incidents	**0**	0	0%
	Fatalities	**2**	4	(50%)
CEO's remuneration	**Total salary** (US$000)	**1,277**	1,111	14.94%
	Bonus (US$000)	**458**	0	n/a

DIRECTORS' REMUNERATION REPORT CONTINUED
CHAIRMAN'S ANNUAL STATEMENT

"The Remuneration Committee considers that its approach to executive remuneration incentivises the right priorities for our Executive Team for the benefit of stakeholders."

Members	Meetings attended
Alejandro Baillères	4/4
Alberto Tiburcio	4/4
Guadalupe de la Vega	4/4

Dear shareholder,

I am delighted to introduce the Directors' Remuneration Report.

This year has been a year of reflection for the Remuneration Committee. We continue to welcome the support of our shareholders for our remuneration arrangements, and I was pleased to see that this support was again strongly demonstrated at our 2024 AGM.

The Remuneration Committee recognises the need to ensure that executive remuneration rewards excellent performance whilst also incentivising executives in a way that is consistent with the expectations of the Company's shareholders. In this regard, the Committee continues to monitor the annual bonus arrangements for our senior management team to ensure that they are aligned to our strategy and the business context within which the Company operates. In 2024 we introduced minor changes to the KPIs to calculate the annual bonus to Executive Committee members and we are planning to review them again in 2025.

The 2025 targets, performance against those targets and the basis of calculation of bonus points awarded will be disclosed in next year's report.

In our Remuneration Report, we continue to publish remuneration information in respect of our Chief Executive Officer as if he were a member of the Board, even though that is not the case. As ever, I am always interested to hear the views of shareholders on our approach to executive remuneration.

During the year, we have applied the Remuneration Policy to executive remuneration without needing to exercise any form of discretion other than those elements of the executive bonus plan which require an element of judgement in determining outcomes for the year.

Salaries, bonus and our application of the Remuneration policy in 2024

Levels of salary increase for the members of the Executive Committee, with the exception of the CEO, continued to be aligned to the level of increase for all employees (at around 6%). The CEO's pay was increased by 15%, which was supported by evidence from Willis Towers Watson, showing that the CEO's remuneration has fallen behind the levels seen across the peer group used to benchmark any Executive Committee member's remuneration (the Peer Group) under the terms of the Company's Directors Remuneration Policy (which shareholders approved in 2023).

For 2024, the Committee has agreed to award bonuses to the members of the Executive Committee to reflect their performance against the targets set out in the annual bonus plan. The Chief Executive Officer was awarded 127.8 points under the plan and therefore has been awarded a bonus equivalent to six months' salary.

Historically, it has been the Committee's view that it is not appropriate, as a Mexican mining company, to include long-term share-based remuneration as a component of the executive remuneration arrangements. The Committee reviews this subject from time to time and during 2024 discussed whether it was now appropriate to introduce this element into the remuneration framework. The Committee decided not to change its position in the short-term. However, it will continue to assess the role of long-term incentives in the Company's approach to executive remuneration during 2025 as part of the review of the Directors Remuneration Policy, which it will need to undertake prior to the 2026 AGM.

Committee discussions during 2024

In the last 12 months, the Remuneration Committee met four times and its discussions and decisions included the following:

- Review of the performance of the Chief Executive Officer and members of the Executive Committee compared to the KPIs set for 2023 and 2024.
- Review of KPI targets for the Chief Executive Officer and members of the Executive Committee for 2024 and 2025.
- Review of the Non-Executive Directors' fees. Due to the fact that there had not been a general increase in the Non-Executive Directors' fees for the past few years, a general increase of 20% in the fees paid to Non-Executive Directors was approved effective on 26 July 2024. No fees increase is considered for 2025.
- Discussion of the results of the effectiveness review of the Committee undertaken as part of the wider Board effectiveness review, which were considered to be satisfactory.
- Review and revision of the terms of reference of the Committee in response to UK regulatory developments.

I am always happy to discuss our approach to remuneration with shareholders and will attend the 2025 AGM to answer any questions prompted by this report. I would be happy to speak with any shareholders who have questions about the work of the Committee.

Yours faithfully,

Alberto Tiburcio
Chairman of the Remuneration Committee

ANNUAL REPORT ON REMUNERATION 2024

Introduction

This report sets out information about the remuneration of the Directors and Chief Executive Officer of the Company for the year ended 31 December 2024. In accordance with the regulations, the information provided in the section entitled Directors' remuneration – 1 January 2024 to 31 December 2024 and accompanying notes, has been audited by Ernst & Young LLP.

The Remuneration Committee has responsibility for making recommendations to the Board on the Group's Remuneration Policy for Executive Directors and the Chief Executive Officer and other members of the Executive Committee, and for determining specific remuneration packages for senior management, including pension arrangements and any compensation packages, as well as remuneration of the Chairman within agreed terms of reference.

Audited information – Directors' remuneration – 1 January 2024 to 31 December 2024

Single total figure of remuneration

The detailed emoluments received by the Executive and Non-Executive Directors and the Chief Executive Officer during the year ended 31 December 2024 are detailed below:

	2024							2023						
US$ thousands	Salary/ Fees	Benefits	Bonus	Pension	Total fixed pay	Total variable pay	Total	Salary/ Fees	Benefits	Bonus	Pension	Total fixed pay	Total variable pay	Total
Chairman														
Alejandro Baillères	54	0	0	0	**54**	**0**	**54**	47	0	0	0	**47**	**0**	**47**
Non-Executive Directors														
Juan Bordes[2]	20	0	0	0	**20**	**0**	**20**	47	0	0	0	**47**	**0**	**47**
Arturo Fernández	54	0	0	0	**54**	**0**	**54**	47	0	0	0	**47**	**0**	**47**
Bárbara Garza Lagüera[2]	20	0	0	0	**20**	**0**	**20**	47	0	0	0	**47**	**0**	**47**
Charles Jacobs	138	0	0	0	**138**	**0**	**138**	122	0	0	0	**122**	**0**	**122**
Georgina Kessel	61	0	0	0	**61**	**0**	**61**	54	0	0	0	**54**	**0**	**54**
Judith Macgregor	138	0	0	0	**138**	**0**	**138**	122	0	0	0	**122**	**0**	**122**
Fernando Ruiz	54	0	0	0	**54**	**0**	**54**	47	0	0	0	**47**	**0**	**47**
Alberto Tiburcio	77	0	0	0	**77**	**0**	**77**	68	0	0	0	**68**	**0**	**68**
Guadalupe de la Vega	54	0	0	0	**54**	**0**	**54**	47	0	0	0	**47**	**0**	**47**
Eduardo Cepeda	54	0	0	0	**54**	**0**	**54**	47	0	0	0	**47**	**0**	**47**
Héctor Rangel	61	0	0	0	**61**	**0**	**61**	47	0	0	0	**47**	**0**	**47**
Luz Adriana Ramírez[2]	33	0	0	0	**33**	**0**	**33**	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Rosa Vázquez[2]	33	0	0	0	**33**	**0**	**33**	n/a	n/a	n/a	n/a	**n/a**	**n/a**	**n/a**
Total	851	0	0	0	**851**	**0**	**851**	749	0	0	0	**749**	**0**	**749**
Chief Executive Officer														
Octavio Alvídrez[1]	1,277	160	458	148	**1,585**	**458**	**2,043**	1,111	157	0	102	**1,370**	**0**	**1,370**
Grand total[3]	2,128	160	458	148	**2,436**	**458**	**2,894**	1,860	157	0	102	**2,119**	**0**	**2,119**

1 Details of benefits and the bonus paid to Mr Alvídrez are set out in the tables below.
2 Luz Adriana Ramírez and Rosa Vázquez were elected to the Board on 21 May 2024. Bárbara Garza Lagüera and Juan Bordes retired from the Board on the same date.
3 The Company does not operate a long-term incentive plan or any share-based incentives.

Benefits

The Chief Executive Officer participates in the Company-wide benefits scheme. The benefits provided to Mr Alvídrez during the year consisted of:

US$	2024	2023		2024	2023
Life insurance premiums	**71,563**	65,023	Medical insurance premiums	**4,642**	9,373
Chauffeur	**37,637**	61,561	Club memberships	**2,412**	3,498
Subsistence/meal benefits	**9,299**	3,306	Social security	**1,475**	1,444
Car	**32,792**	12,928			

DIRECTORS' REMUNERATION REPORT CONTINUED
ANNUAL REPORT ON REMUNERATION 2024

Pension

The pension entitlement of the Chief Executive Officer is as follows and is explained further on pages 182 and 185:

US$'000	Defined Contribution Scheme (DCS)	Defined Benefit Scheme (DBS)
Rights as at 31 December 2024	1,651	983
Additional benefit in the event that the Chief Executive Officer retires early.	In the event of early retirement, Mr Alvídrez is entitled to receive his accumulated contributions (both member and Company) to the DCS.	Mr Alvídrez is not currently entitled to any additional benefit on early retirement in the DBS.

	Accumulated accrued benefits (as at 31 December)		Increase (decrease) in accrued benefits during the year (see note)		Increase (decrease), before inflation and the effect of foreign exchange, in accrued benefits during the year	
US$ thousands	**2024**	2023	**2024**	2023	**2024**	2023
Octavio Alvídrez[1]	**2,474**	2,129	**679**	334	**358**	12

Note: The increase in accrued benefits during the year includes a revaluation effect of +US$272k (2023: +US$256k) and inflation of +US$49k (2023: +US$56k).

Shares held by Directors

The number of Ordinary Shares of the Company in which the Directors were beneficially interested at 1 January 2024 and at 31 December 2024 was:

	1 January 2024	31 December 2024
Alejandro Baillères[1]	552,595,191	552,595,191
Juan Bordes	15,000	n/a
Arturo Fernández	–	–
Bárbara Garza Lagüera	–	n/a
Charles Jacobs	1,600	1,600
Georgina Kessel	–	–
Dame Judith Macgregor	–	–
Fernando Ruiz	30,000	30,000
Alberto Tiburcio	–	–
Guadalupe de la Vega	–	–
Eduardo Cepeda	–	–
Héctor Rangel	–	–
Luz Adriana Ramírez	n/a	–
Rosa Vázquez	n/a	–
Chief Executive Officer	–	–
Octavio Alvídrez	–	–

1 Mr Alejandro Baillères is beneficially interested in more than 50% of the share capital of the Company through his interest in Industrias Peñoles S.A.B. de C.V. ('Peñoles'). The Company and Peñoles are part of the consortium known as Grupo BAL which is now controlled and directly or indirectly majority-owned by a Baillères Family Trust, Mr Alejandro Baillères being the major beneficiary. Mr Alejandro Baillères and companies controlled by him hold, in aggregate 68.9% of the issued share capital (and voting rights) of Peñoles. Peñoles holds 552,595,191 Ordinary Shares (74.99%) of the issued share capital in the Company.

Our stakeholders and remuneration

- The Committee seeks to ensure that its approach to executive remuneration matters is aligned with the interests of all of its key stakeholders. In particular, the current Policy seeks to take account of the interests of our key stakeholders in the following ways:

Shareholders

- Feedback from major shareholders and proxy voting agencies provided prior to the AGM is considered by the Remuneration Committee in the course of its discussions during the following year.

Workforce

- Salary reviews for the members of the Executive Committee are decided after taking account of the average salary increases discussed and agreed with the Unions.
- Metrics that promote good employment practices, e.g. appropriate management of health and safety and the relations with unionised employees and contractors, are included in the targets for the Annual Bonus Plan.

Communities and environment

- Metrics that promote good community relations and sound environmental stewardship are included in the targets for the Annual Bonus Plan.

Salary

Policy on the consideration of wider employment conditions and remuneration
When setting pay and benefits for Executive Directors and members of the Executive Committee, the Remuneration Committee takes account of pay and conditions across the Group. It will consider the overall pay increase percentage negotiated each year with employee representatives as its starting point taking account of inflation and other information supporting the annual pay award for employees.

Factors considered in setting salary and workforce engagement on remuneration

Benchmarking information on pay and employment conditions provided by Mercer, Hay Group and Data Compensation was used across the Group in determining salaries for all employee grades including Senior Management. These reports benchmarked salaries by reference to peer groups in mining, large companies in Mexico and internationally.

The Company negotiates salary increases with the Unions annually, to take effect from 1 April each year. The agreed rates may also be used as the point of reference in setting the annual salary review for the Chief Executive Officer, members of the Executive Committee and non-unionised employees. In 2024, it was agreed that the Chief Executive Officer would receive a salary increase of 15.0% in 2024 following a benchmarking review undertaken by WillisTowersWatson. Consequently, the salary payable under Mr Alvídrez' service agreement is MX$1,396,678 (US$76,311) per month, which excludes payments for holidays, Company-paid savings contributions and other cash benefits.

Policy on the alignment of executive remuneration and the market
Reviews of the Executive Director and Executive Committee members' remuneration is conducted by Willis Towers Watson, from time to time, at the request of the Remuneration Committee. These enable the Remuneration Committee to validate the Company's policy towards remuneration and ensure that it is globally, as well as locally, competitive. The analysis evaluates the elements of base salary, short-term compensation (guaranteed payments and short-term bonus) and long-term compensation (primarily stock programmes) separately. With assistance from Willis Towers Watson, the Remuneration Committee has established a peer group which will be used to benchmark any Executive Director's and any Executive Committee member's remuneration (the Peer Group) to ensure that it remains within the parameters set out in the policy.

The Peer Group will be updated where necessary, to ensure that it remains an appropriate comparator group of companies.

Benchmarking

The Remuneration Committee has agreed that the Chief Executive's salary should be set within a range of 25-75% of the Peer Group for base salary. This was reviewed in October 2024. The Peer Group consists of the following companies.

Policy benchmarking Peer Group

Region	Peer group companies
Mexico	• Southern Copper (Peru) • Alamos Gold
US/Canada	• Agnico Eagle Mines Ltd • Centerra Gold • Hecla Mining Co. • IAM Gold • Newmont Goldcorp • Pan American Silver Corp. • Capstone Copper Corp.
Europe	• Hochschild Mining • Antofagasta

Variable remuneration

Policy on Annual Bonus Plan and variable remuneration
It is the Company's policy not to use its equity to incentivise long-term performance. The Company's core strategy is one of long-term sustainable growth. Sustainable growth in mining requires the steady and safe expansion of the Group's operations through the discovery of new resources and construction, maintenance and/or expansion of new mines. No distinction is therefore made between short and long-term incentives.

Factors considered in setting the bonus

The Annual Bonus Plan includes metrics and targets which are aligned to at least one of the four main themes of the Group's strategy (see Remuneration at a Glance section on pages 178-179).

The Remuneration Committee has set a cap on each of the KPIs (other than the Safety KPI) such that the points awarded on any KPI (other than Safety) cannot exceed 135% of the target set for that KPI at the beginning of the year.

DIRECTORS' REMUNERATION REPORT CONTINUED
ANNUAL REPORT ON REMUNERATION 2024

Annual bonus

Mr Alvídrez achieved 127.2 points under the bonus scheme for the year ended 31 December 2024 (2023: 56.8 points) and therefore has received a bonus for 2024 of US$457,867 (2023: nil).

The objectives, the measures associated with each objective, and the relative weighting between objectives, as applied to Mr Alvídrez' annual bonus payment, are detailed in the following table:

Objective[1]	Measure	Weighting points[1]	2024 Target	2024 Results	Points awarded
Financial[2]	(Adjusted EBITDA for the year/Budgeted EBITDA) x 100	20	**645**	**783**	41.4
Production[3]	Increase in silver equivalent ounces produced compared to the prior year production level	20	**116.3**	**119.0**	22.3
Exploration	Increase of total resources[4] (total resources for the year – total resources prior year) x 100	4	**0.5**	**.75**	6.0
	Upgrade from inferred to measured and indicated (MI) resources (MI resources for the year – MI resources prior year) x 100[5]	5	**0.5**	**-1.12**	0.0
	Reserves replenishment (Reserves at year end/Reserves prior year) x100	5	**100%**	**100%**	5.0
Compliance with cost control vs budget	Corporate + Admin. expenses + Adjusted production cost Note: Staying in budget: 11 points 1 points for each additional 1% reduction 1 point less for each 1% increase	11	**0%**	**-1%**	12.1
Exploration projects' progress[6]	Progress compared to project plan for three key development projects (to be reviewed each year)	2	**90%**	**106%**	2.4
	(maximum 20% increase reaching 100% of the programme)	2	**90%**	**90%**	2.0
	Proportional decrease to 0 points below 90% progress	1	**90%**	**148%**	1.2
Projects	Progress according to programme (Real vs Plan) (to be reviewed each year)	3	**90%**	**98%**	4.9
	3 points at 95% programme – Proportional to 6 points at 100%	4	**100%**	**103%**	5.3
	Unionised labour relations (discretionary award) (Score: 100 – Best relationships ...to... 0 – Worst relationships)	2	**90.0**	**90.0**	2.0
Safety	Fatal accidents[7]	0	**0**	**2**	0.0
	Sustainability area plan progress in implementing the safety plan for the year[8] (Target = 95% progress: Maximum = 100% progress, proportional decrease to nil points from 95% to 0%)	3	**95%**	**95%**	3.0
	Reduction in the Lost Time Incidence Ratio[9] compared to previous year (Including contractors)	3.5	**7.4**	**4.8**	4.8
	Reduction in the Incidence Frequency Rate[9] compared to previous year (Including contractors)	3.5	**12.1**	**7.6**	4.8
ESG[9]	Determined by Fresnillo coordinator and Chairman HSECR Committee according to annual programme.	5.0	**5.0**	**5.0**	5.0
	Water consumption (m^3/Tonne)[9]	2.5	**0.390**	**0.436**	2.2
	CO_2 emissions (CO_2/Tonne)[9]	2.5	**0.025**	**0.018**	3.2
Synergies and teamwork	Increase collective teamwork[10] Discretionary target as agreed by the Chairman	1	**95**	**95**	1.0
Total		100			128.5
Adjustments	Safety[7]	0	**0**	**2**	-1.3
	Environmental[11]	0	**0**	**0**	0.0
	Other: Special adjustment due to special/extraordinary events, determined by the Remuneration Committee (maximum 15 points)	0	**0**	**0**	0.0
Total		100			127.2

1 The performance evaluation's items, weights and targets (Budget) will be determined on a yearly basis according to the Strategic Plan.
2 Metals prices, Silverstream and Devaluation effects will be eliminated.
Budgeted metals prices: Gold – 1,950 US$/oz; Silver – 23.0 US$/oz; Lead – 0.95 US$/lb; Zinc – 1.15 US$/lb Budgeted exchange rate: 17.00 MX$/US$
Increase of 1.0 point per each 1% increase in EBITDA. Decrease of 1 point in case of a 1% decline in EBITDA.
3 Total production in silver equivalent ounces. Silver production + (Gold production X 70) + Lead and Zinc production (converted into silver equivalent ounces at prevailing price and NSR terms). Same conversion rate will be used for real production and target.
Total production = 57.3 moz silver + (0.605 moz gold X 70) + (57,604 lead tonnes X .000099) + (107,219 zinc tonnes X .000102) 116.3 moz AgEq = 57.3 moz silver + 42.3 moz AgEq from gold + 5.7 moz AgEq from lead + 10-.9 moz AgEq from Zinc.
Increase of 1.0 point per each 1% increase. Decrease of 1 point in case of a 1% decline.
4 Proportional increase in points per increase in Resources above target. A proportional decrease in points will be applied in case of an increase in Resources below the target. Weighted Average Resources according to Quality.
5 Increase of 2.0 points per each 1% of Resources increase above target. A decrease of 2 point per each 1% below target will be applied. Weighted Average Resources according to Quality.
6 Relevant ongoing projects which progress will be measured compared to plan.
7 10 points in case of zero fatal accidents (premium of 10 points over the weight). 0 points in case of one accident. The total score will be reduced by 1% in the case of two fatal accidents. From the remaining total score, an additional 2% will be reduced in the case of three fatal accidents. In the case of four fatal accidents, an additional 3% will be reduced from the remaining total score and so on consecutively. Includes own workers and contractors.
8 Progress of the programme set by the Sustainable team. Chairman and coordinator will set the score.
9 Decrease of the previous year corresponding rate.
10 Foster teamwork and relationship improvement with Group companies. Chairman and coordinator will set the score.
11 The total score is reduced by 2% in the case of an environmental incident. From the remaining total score, an additional 3% will be reduced in the case of two incidents. In the case of three incidents, an additional 4% will be reduced from the remaining total score and so on consecutively.

Reconciliation of adjusted net profit targets and outcomes to the financial statements

US$ million	2024	2023
Profit for year as shown in financial statements	**226.7**	288.3
Interest, tax, depreciation and amortisation	**1,138.4**	375.1
Adjustments:		
Changes due to currency fluctuations	**(68.3)**	100.6
Changes due to year-on-year movements in metals prices (including the effects of metals hedging)	**(696.3)**	183.7
Changes due to the movement in the valuation of the Silverstream contract	**182.3**	7.7
Adjusted EBITDA total for bonus purposes	**782.7**	572.5

The Chief Executive Officer is prohibited from participating in the PTU scheme and may receive a bonus not greater than six months' pay. All other Mexican employees are eligible for PTU payments annually. The PTU payable in respect of 2024, payments are capped at the higher of three months' salary or the average PTU received in the last three years.

2025 Bonus targets

The Remuneration Committee agreed that 2025 indicators, weightings and measures should be similar as in 2024. In 2024, the Committee introduced minor changes to the KPIs to calculate the annual bonus to Executive Committee members and it is planning to review them again in 2024 to complete the alignment of these with the Company's strategy.

The 2025 targets, performance against those targets and the basis of calculation of bonus points awarded will be disclosed in next year's Directors' Remuneration Report.

Pension entitlement

Policy on pensions
The Group operates two pension schemes: (i) a defined benefit scheme which was closed to new members on 1 July 2007 with benefits frozen at this date for existing members – subject to indexation with reference to the Mexican National Consumer Price Index; and (ii) a defined contribution scheme (which was introduced on 1 July 2007). Membership of the latter scheme is voluntary; members earning a salary of no more than 25 times the minimum wage in force from time to time may make contributions of 5% to the scheme.

On behalf of members earning a salary of no more than 25 times the minimum wage in force at the time the employing company may make contributions of 5% to the scheme. The employing company may also make additional contributions between 5-8% of salary to this plan. Members may elect to match percentages between 5-8% of salary. Executive Directors may participate in the Group's pension schemes on the same basis as any other employee.

Mr Alvídrez is a member of the defined benefit scheme in relation to services with the Company prior to 1 July 2007. He is also a member of the defined contribution scheme. He is expected to retire at his normal retirement age of 60 years.

Chairman and Non-Executive Directors

Policy on Chairman and Non-Executive Directors
The remuneration of the Chairman of the Company and the Non-Executive Directors consists of fees that are paid quarterly in arrears. The Chairman and Non-Executive Directors do not participate in any long-term incentive or annual bonus schemes, nor do they accrue any pension entitlement. The Chairman of the Company does not receive any fees for acting as Chairman other than his fees as a Non-Executive Director.

The fees payable to Non-Executive Directors are calculated on the following bases:

- A base fee of £42,000 per annum is paid to each non-UK-based Non-Executive Director to reflect the time commitment and level of involvement they are required to make in the activities of the Board as a whole.
- There are no set fees for membership of any Board committees or for the chairmanship of the Board, other than as follows:
  - The UK-based Non-Executive Directors receive a higher fee, currently £108,000 per annum, to reflect the additional time commitment that they make in order to travel to Board meetings in Mexico and for responsibilities as committee members and, where appropriate, as Senior Independent Director and/or Chairman of any committee.
  - The Chairman of the Audit Committee will receive an additional fee of £18,000 per annum.
  - Members of the Audit Committee will receive an additional fee of £6,000 per annum.

DIRECTORS' REMUNERATION REPORT CONTINUED
ANNUAL REPORT ON REMUNERATION 2024

The key terms of the Non-Executive Directors' letters of appointment for the Directors serving at the end of the year are as follows:

Director	Date of original letter of appointment[1]	Notice period from Director to the Company	Duration of term[2]	Fees p.a.
Alejandro Baillères	16 April 2012	3 months	1 year	£42,000
Arturo Fernández	15 April 2008	3 months	1 year	£42,000
Fernando Ruiz	15 April 2008	3 months	1 year	£42,000
Charles Jacobs	11 April 2014	3 months	1 year	£108,000
Alberto Tiburcio	4 May 2016	3 months	1 year	£60,000
Dame Judith Macgregor	22 May 2017	3 months	1 year	£108,000
Georgina Kessel	7 May 2018	3 months	1 year	£48,000
Guadalupe de la Vega	30 May 2020	3 months	1 year	£42,000
Eduardo Cepeda	24 June 2021	3 months	1 year	£42,000
Héctor Rangel	28 June 2021	3 months	1 year	£48,000
Luz Adriana Ramírez	21 May 2024	3 months	1 year	£42,000
Rosa Vázquez	17 May 2024	3 months	1 year	£42,000

1 Copies of the Directors' letters of appointment and service agreements are available for inspection at the Company's registered office.
2 Unexpired term: the Non-Executive Directors all have rolling contracts which are subject to the annual re-election at the Annual General Meeting. The current term expires on the date of the next Annual General Meeting, but the appointment will continue after that date provided that each Director is re-elected at the AGM.

Shareholders and remuneration

Policy on engagement with shareholders on remuneration

The composition of the Remuneration Committee has been designed to ensure that the views of the controlling shareholder (through the membership of the Chairman of the Board on the Committee) and the independent shareholders can be represented. The Remuneration Committee has considered the views of organisations such as Institutional Shareholder Services (ISS) and the Investment Association both generally and as reported to the Company in relation to its own executive remuneration practices prior to each Annual General Meeting, when considering the Remuneration Policy and its application.

AGM voting on the Remuneration Report

The Remuneration Committee's approach to executive remuneration has received strong support from shareholders at every Annual General Meeting since the Company's listing on the London Stock Exchange in 2008. More than 65% of independent share votes cast on the advisory vote at each AGM have been in favour of the Directors' Remuneration Report.

	All shares voted		Independent shares voted		No. of votes withheld
Year	For	Against	For	Against	
2022: Remuneration policy	97.94%	1.76%	89.21%	10.79%	32,689
2022: Remuneration Report	98.24%	2.6%	90.77%	9.23%	34,737
2023: Remuneration policy	94.15%	5.85%	68.15%	31.85%	752,104
2023: Remuneration Report	98.47%	1.53%	91.74%	8.26%	17,493
2024: Remuneration Report	98.72%	1.28%	94.07%	5.93%	10,250

Advisers to the Remuneration Committee

Remuneration consultants (Mercer, Hay Group and Data Compensation) are engaged by Group companies to provide benchmarking information on remuneration across the Fresnillo Group, but not to provide guidance on the structure of remuneration. Such information is taken into account when considering Executive Committee remuneration. Willis Towers Watson advises the Remuneration Committee on executive remuneration matters from time to time. During 2024 the Group paid Willis Towers Watson US$5k (2023: US$nil). All of the consultants that the Group uses are independent of the Company and each of the Directors. No remuneration consultants are directly engaged by the Remuneration Committee itself.

The Company Secretary ensures that the Remuneration Committee fulfils its duties under its terms of reference and arranges regular updates to the Remuneration Committee on relevant regulatory developments in the UK. The Group Human Resources department provides information on Mexican market trends and compensation structures for the broader employee population in the Fresnillo Group.

Additional information on remuneration

Share price performance

As required by the Regulations, the following graph sets out the performance of the Company's share price since its listing compared to the FTSE 100 Index. As the Company was a constituent of the FTSE 100 Index for most of the year, this is deemed to be the most appropriate index for comparative purposes for the year ended 31 December 2024.

Chief Executive Officer's service agreement

During the year, Mr Alvídrez served as Chief Executive Officer but was not a member of the Board. Mr Alvídrez is employed under a contract of employment with Servicios Administrativos Fresnillo S.A. de C.V., a subsidiary of Fresnillo plc. Mr Alvídrez' contract commenced on 15 August 2012 and is governed by Mexican Federal Labour Law. Mr Alvídrez' service agreement does not have a fixed term and may be terminated in writing by either party. There is no provision in Mr Alvídrez' service agreement entitling him to additional compensation for termination other than those required by Mexican labour laws for termination without cause. No benefits are payable on termination.

Under his service agreement, Mr Alvídrez is entitled to 26 working days' paid holiday per year. He is not entitled to profit-sharing (PTU). Mr Alvídrez is also entitled to life insurance, the use of a chauffeur and company car, the payment of medical insurance premiums covering limited expenses and check-ups, meals and subsistence payments and club subscriptions.

Total remuneration of the Chief Executive Officer

The total remuneration of the Chief Executive Officer for the past ten years, in US dollars, has been as follows

Year ending 31 December	2015	2016	2017	2018	2019	2020	2021	2022	2023	**2024**
Total remuneration US$'000s										
Octavio Alvídrez	1,166	1,111	1,072	886	1,164	939	975	916	1,370	**2,043**
Percentage change on previous year	(4.2%)	(4.7%)	(3.5%)	(10.7%)	31.4%	(19.3%)	3.8%	6.1%	49.6%	**49.1%**
Proportion of maximum bonus paid to CEO in year										
Octavio Alvídrez	33.33%	66.66%	33.33%	Nil%	Nil%	20.83%	Nil%	Nil%	Nil%	**100.00%**

DIRECTORS' REMUNERATION REPORT CONTINUED
ANNUAL REPORT ON REMUNERATION 2024

Changes in Directors' remuneration 2020-2024

The changes in Directors total remuneration between 2020 and 2024 and a comparison with changes in average employee remuneration over that period are as follows:

	2024			2023			2022			2021			2020		
Year-on-year change (%)[3]	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits	Salary	Bonus	Benefits
Directors[4]															
Alejandro Baillères	**13.1 %**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Juan Bordes	**(57 %)**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Arturo Fernández	**13.1 %**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Bárbara Garza Lagüera	**(57%)**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Charles Jacobs	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	(14.66%)	n/a	n/a	(11.53%)	n/a	n/a	(14.65%)	n/a	n/a
Georgina Kessel	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	(11.33%)	n/a	n/a	2.27%	n/a	n/a	(14.65%)	n/a	n/a
Judith Macgregor	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Fernando Ruiz	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Alberto Tiburcio	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	(8.26%)	n/a	n/a	(14.65%)	n/a	n/a
Guadalupe de la Vega	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	(13.12%)	n/a	n/a	67.51%	n/a	n/a	n/a	n/a	n/a
Eduardo Cepeda	13.1%	n/a	n/a	11.09%	n/a	n/a	66.02%	n/a	n/a	(8.26%)	n/a	n/a	n/a	n/a	n/a
Héctor Rangel	**13.1%**	n/a	**n/a**	11.09%	**n/a**	n/a	66.02%	n/a	n/a	(8.26%)	n/a	n/a	n/a	n/a	n/a
Chief Executive Officer[2]															
Octavio Alvídrez	15.0%	n/a[6]	45.1%	20.63%	0%	30.83%	5.98%	0%	25.0%	18.07%	n/a[5]	9.09%	(15.44%)	n/a[5]	(8.30%)
Average employee remuneration[1]	**0.1%**	6.8%	**9.2%**	35.95%	**87.34%**	29.65%	11.06%	11.49%	6.26%	7.06%	2.78%	6.82%	(3.76%)	(10.18%)	(7.28%)

1 Average employee remuneration is calculated by dividing the relevant personnel costs (as disclosed in Note 8 to the consolidated financial statements on page 286) by the average number of employees (as disclosed in Note 8 (b) to the consolidated financial statements on page 235). PTU is excluded in order to make a like-for-like comparison with the Chief Executive Officer who does not receive PTU.
2 The Chief Executive Officer's salary, bonus and benefit amounts are excluded from the calculation of average employee remuneration. A bonus of 2.5 months was paid to the Chief Executive Officer for 2020, and no bonus was paid to the Chief Executive Officer for 2021, 2022 and 2023.
3 Calculated using the data from the single figure table in the Annual Report on Remuneration (page 181) in US dollars. The Non-Executive Directors are paid fees in UK sterling and therefore will be subject to year-on-year changes in exchange rates.
4 The Non-Executive Directors do not receive bonuses or benefits from the Company.
5 The Chief Executive Officer's salary, bonus and benefit amounts were excluded from the calculation of Average Employee Remuneration in 2019 and 2020. No bonus was paid to the Chief Executive Officer for 2019 but a bonus of 2.5 months was paid for 2020, and no bonus was paid to the Chief Executive Officer for 2021, thus it is not possible to present the change as a meaningful percentage.
6 No bonus was paid to the Chief Executive Officer for 2023 but a bonus of 6 months was paid for 2024, thus it is not possible to present the change as a meaningful percentage.

Relative importance of the spend on pay

	2024	2023	% change
Staff costs (US$000s)[1]	**253,849**	247,669	2.5%
Distributions to shareholders (US$000s)	**78,111**	108,323	(27.9%)
Income tax mining rights and profit sharing paid	**97,062**	244,043	(60.2%)
Purchases of property, plant and equipment	**370,542**	483,409	(23.3%)

1 Staff costs are taken without PTU in order to make a like-for-like comparison with the Chief Executive Officer who does not receive PTU.

Payments to new or departing Directors

During the year, the Company has not recruited any Executive Directors; nor has it made any payments to past Directors or made any payments to Directors for loss of office.

This report has been approved by the Board of Directors of Fresnillo plc.

Signed on behalf of the Board.

Alberto Tiburcio
Chairman of the Remuneration Committee
3 March 2025

APPENDIX: DIRECTORS' REMUNERATION POLICY

Introduction

The current Remuneration Policy of the Company has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 (the Regulations). The Remuneration Committee has assessed the criteria recommended by provision 40 of the 2018 UK Corporate Governance Code and believes that the Policy has always been inherently clear, simple, designed to avoid excessive rewards, predictable and proportionate. The effective date of the Policy is 23 May 2023. The full text of the current Remuneration Policy can be found on pages 206 to 210 of the Fresnillo plc 2022 Annual Report and Accounts, which can be found on the Company's website (www.fresnilloplc.com).

As required by English law, the Company's approved Remuneration Policy is binding in relation to Directors. The Company currently has no Executive Directors who would be bound by the Remuneration Policy. However, the Company will (as it has previously done) treat the Chief Executive Officer as if he were an Executive Director for the purposes of the Remuneration Policy and for reporting on his remuneration.

Details of the remuneration paid to the Chief Executive Officer for the year ended 31 December 2024 can be found in this year's Annual Report on Remuneration at page 181.

Remuneration policy

The Group's Remuneration Policy seeks to ensure that the Company is able to attract, retain and motivate its Executive Directors and members of the Executive Committee. The retention of key management and the alignment of management incentives and the creation of shareholder value being key objectives of this policy.

Setting base salaries for Executive Directors and members of the Executive Committee at an appropriate level is a key to managerial retention in Mexico. Therefore, the Remuneration Committee seeks to ensure that salaries are market competitive both within the Mexican context and internationally for comparable companies. Total compensation is set within a range around the median level for the Company's peer group within Mexico and internationally, total remuneration is benchmarked triennially to ensure that the whole remuneration package is maintained at this level over the long term. Salaries are positioned within the range according to experience and service.

The table below sets out the key elements of Executive Directors' pay set out in the Remuneration Policy (the policy table):

Base salary	
Provides the core reward for the role.	
Operation	Normally reviewed annually and fixed for 12 months starting on 1 April each year. Each review will take into account: • Role, experience and performance. • Average workforce salary adjustments. • Mexican economic factors. • Comparison with the Company's peer group in Mexico and internationally. • The effect an increase will have on the overall levels of the Executive Director's remuneration. When benchmarking salaries, the Remuneration Committee will normally benchmark by reference to companies of similar size and complexity to the Company in Mexico and internationally. Details of the peer group used will be disclosed in the Annual Report on remuneration.
Maximum value	Subject to the review process described above, the maximum value of an Executive Director's base salary will be determined by the Remuneration Committee in its absolute discretion and ordinarily it will be increased in line with increases applied across the whole workforce. In exceptional circumstances, an Executive Director's salary may be increased by up to, but never more than, 10% above the average pay increase for the whole workforce of the Company in any financial year. The rationale for any such increase will be fully explained in the Annual Report on Remuneration.
Performance metric	The Remuneration Committee considers individual salaries at the appropriate review meeting each year by reference to the factors noted under the Operation heading in this Policy Table.
Discretion	The Remuneration Committee established the Company's comparator peer group in Mexico and internationally as part of a triennial review which it undertook in October 2023 and will be reviewed again in April 2026, if not before. The Committee will report on the outcome of these reviews within the relevant Annual Report on Remuneration.

DIRECTORS' REMUNERATION REPORT CONTINUED
APPENDIX: DIRECTORS' REMUNERATION POLICY

Annual bonus

Rewards the achievement of both short and long-term financial and strategic business targets and delivery of personal objectives.

Operation

Targets are renewed annually and relate to the strategic aims of the business as a whole. A scoring system is used for the plan. Each objective set for the executive at the beginning of the year is allocated a points-rating which represents a median performance target for that objective. Upper and lower thresholds are set to allow for outstanding performance and to ensure that underperformance is not rewarded. For each member of the Executive Committee (including the Chief Executive Officer, the Chief Financial Officer, the Vice President of Exploration and the Chief Operating Officer), a bonus is only payable if the aggregate performance equals or exceeds 100 points. Bonus payments are paid for aggregate performance against target at or above 100 points on a prorated basis between two months' salary paid for the achievement of 100 points and six months' salary paid for the achievement of 115 points or more, as follows:

Number of points:	Months' salary paid
100.00	Two months' salary
100.01-115.00	Prorated on a linear basis between two months' salary and six months' salary
115.01+	Six months' salary

Maximum value

The maximum percentage of salary payable as an annual bonus to an Executive Director is 50% (six months' salary) and is paid where the Executive Director achieves 115.01 points or more under the Annual Bonus Plan (the target is 100 points).

Performance metric

The KPI targets set out in the previous table will apply and are intended to focus on risks that are within the control and influence of management. Thus, the management of safety, security, project, human resource, exploration teamwork, synergies, community and environmental risks are all currently implicitly covered within the KPIs. The KPIs and targets, which are set by reference to the reserves and resources and financial metrics at the previous year end and/or set in the budget for the forthcoming financial year, are also designed to ensure that both short-term objectives and the long-term development of the Fresnillo Group are given equal priority. The achievement of project milestones will be used to measure project management performance and the Committee's discretion will be applied for subjective metrics such as teamwork.

Details of the measures, targets and performance which are tested on an annual basis will be provided in the relevant Annual Report on Remuneration.

The Remuneration Committee considers that the KPIs, upon which bonuses are based, may need to evolve from year-to-year in line with the strategy and therefore it retains the discretion to make appropriate adjustments to the KPIs themselves, the bonus bands within the overall maximum and the individual KPI weightings from year-to-year.

Discretion

The Remuneration Committee retains the discretion to adjust bonus payments in the following circumstances:

(i) A downward adjustment where the KPI outcomes would result, in the opinion of the Remuneration Committee, in a bonus payment which cannot be justified by the Company's financial or operational performance during the year (or in respect of previous years).

(ii) A modest upward adjustment may be considered either: (i) where factors outside the control of Executive Directors (e.g. force majeure circumstances) have significantly depressed the level of points awarded (and in deciding whether and to what extent an adjustment is merited, the Remuneration Committee will consider the appropriateness of the response to those circumstances); and/or (ii) when the Executive Directors, individually or collectively, have demonstrated a level of performance which has resulted in significant benefits to the Company which, in the opinion of the Remuneration Committee, merits an increase in the number of points awarded.

(iii) Poor executive response to adverse health, safety or environmental performance during the year, in which case a downward adjustment would be considered.

(iv) Where the bonus payment is not, in the opinion of the Remuneration Committee, commensurate with the wider stakeholder experience (especially those of employees in relation to remuneration outcomes for the year and/or shareholders in relation to dividend payments), a downward adjustment may be considered.

The use of any such discretions will be fully explained in the relevant Annual Report on Remuneration.

Note: Any adjustment in individual KPI weightings will not result in their achievement being any less difficult to satisfy.

Benefits	
Help recruit and retain employees.	
Operation	Executive Directors may (at the Company's discretion) be offered life insurance, meal and subsistence benefits, the payment of premiums for medical insurance covering expenses and check-ups (for themselves and their family members) death in service benefits and remote working expenses (as applicable). Benefits may be changed if the Company's policy on benefits changes.
Maximum value	The maximum value of any benefits provided will be determined by the Company policy on benefits that is applicable from time to time.
Performance metric	None.
Discretion	The Remuneration Committee may consider changes to the benefits made available to Executive Directors in line with any changes in the Company's policy for benefits provided to all employees.

Pension	
Rewards continued employment and sustained contribution.	
Operation	The Group operates a defined contribution scheme. Executive Directors are entitled to membership of the defined contribution scheme.
Maximum value	The maximum Company contribution for any employee (including Executive Directors) may not exceed 13% of salary. Company contributions made for Executive Directors will be aligned with Company contributions provided to the majority of the workforce from time to time.
Performance metric	None.
Discretion	The Remuneration Committee may consider changes to the pension contributions made for Executive Directors, including increases, in line with any changes in the Company's policy for pension contributions provided to all employees.

Alignment of executive remuneration and the market

In setting the fixed remuneration of Executive Directors and the members of the Executive Committee, information relating to the mining company comparators is provided by various consultants. Information relating to the Mexican economic metrics is collated by management for the Remuneration Committee to consider.

Reviews of the Executive Directors' and Executive Committee members' remuneration are conducted by Willis Towers Watson, from time to time, at the request of the Remuneration Committee. These enable the Remuneration Committee to validate the Company's policy towards remuneration and ensure that it is globally as well as locally competitive. The analysis evaluates the elements of base salary, short-term compensation (guaranteed payments and short-term bonus) and long-term compensation (primarily stock programmes) separately. With assistance from Willis Towers Watson, the Remuneration Committee has established a peer group which will be used to benchmark any Executive Director's and any Executive Committee member's remuneration (the Peer Group) to ensure that it remains within the parameters set out in this Policy (see page 183 of the Annual Report on Remuneration). The Peer Group will be updated where necessary, to ensure that it remains an appropriate comparator group of companies.

The consideration of wider employment conditions and remuneration

When setting pay and benefits for Executive Directors and members of the Executive Committee, the Remuneration Committee takes account of pay and conditions across the Group. It will consider the overall pay increase percentage negotiated each year, with employee representatives as its starting point taking account of inflation and other information supporting the annual pay award for employees.

Subject to the 10% limit in the Policy Table, the Remuneration Committee may agree pay increases above or below the agreed percentage in exceptional circumstances, where in its discretion it considers such variance to the norm to be justified. Other than the Willis Towers Watson report specifically commissioned by the Remuneration Committee, the same benchmark reports are used in the evaluation of executive and employee remuneration, thus providing a common approach to both.

Below Board level, a statutory profit-sharing arrangement (PTU) is operated which in some years has enabled employees to receive significant levels of bonus in line with the increased profitability of the relevant employing company. The Chief Executive Officer does not participate in a PTU scheme within the Fresnillo Group. Members of the senior management group below Board-level are employed by Servicios Administrativos Fresnillo S.A. de C.V. or Operaciones Fresnillo, S.A. de C.V., which pay annual PTU payments. However, such payments are modest.

The Group operates two pension schemes: (i) a defined benefit scheme which was closed to new members on 1 July 2007 with benefits frozen at this date for existing members, subject to indexation with reference to the Mexican National Consumer Price Index; and (ii) a defined contribution scheme (which was introduced on 1 July 2007). Membership of the latter scheme is voluntary, members earning a salary of no more than 25 times the minimum wage in force from time to time may make contributions of 5% to the scheme.

On behalf of members earning a salary of no more than 25 times the minimum wage in force at the time, the employing company may make contributions of 5% to the scheme. The employing company may also make additional contributions between 5-8% of salary to this plan. Members may elect to match percentages between 5-8% of salary.

DIRECTORS' REMUNERATION REPORT CONTINUED
APPENDIX: DIRECTORS' REMUNERATION POLICY

Executive Directors may participate in the Group's pension schemes on the same basis as any other employee.

The Remuneration Committee does not consult with employees in setting Directors' remuneration. Engagement with employees as a stakeholder group is primarily the responsibility of the Board; however, where appropriate, the Remuneration Committee will consider any relevant feedback from employees to the Board in relation to remuneration matters when discharging its responsibilities under this Policy.

Engagement with shareholders on remuneration

The composition of the Remuneration Committee has been designed to ensure that the views of the controlling shareholder (through the membership of the Chairman of the Board on the Committee) and the independent shareholders can be represented. The Remuneration Committee has considered the views of organisations such as Institutional Shareholder Services (ISS) and the Investment Association both generally and as reported to the Company in relation to its own executive remuneration practices prior to each Annual General Meeting, when considering the Remuneration policy and its application. Following the Company's AGM in 2024, details of votes cast for and against the resolutions to approve the proposed Remuneration policy and Annual Report on Remuneration for the year ended 31 December 2024, will be announced to the market.

Policy on recruitment

The Remuneration Committee will consider the remuneration of new Executive Directors by reference to the Policy Table set out above. The Remuneration Committee will not, as a matter of standard practice, pay sign-on payments or compensate new Directors for any variable remuneration forfeited from any employment prior to joining the Board. However, it may choose to do so in exceptional circumstances, when it considers this to be in the best interests of the Company (and therefore shareholders), in which case any buy-out payments will not exceed the remuneration relinquished and will mirror (as far as possible) the delivery mechanism, time horizons and performance requirements attached to that remuneration. Where possible this will be facilitated through the Company's existing Annual Bonus Plan, as set out in the Policy Table above, but if not, the Remuneration Committee may fulfil this requirement in line with the provisions of 9.3.2 of the UK Listing Rules.

For the avoidance of doubt, the value of any 'sign-on' and/or 'buy-out' payments will not count towards the limits on annual bonus in the Policy Table above. Any such payments will be fully explained in the next Annual Report on Remuneration both as to the reason for payment and the rationale for the quantum.

Salary will be set so as to be market competitive both within the Mexican context and internationally for comparable companies and taking account of the experience and seniority of the appointee coming into the new role. The Remuneration Committee is likely to set base salaries below median on appointment, whilst retaining discretion to award increases during the first and, possibly, subsequent years to bring salaries into the normal range expected for Executive Directors, in line with the Company's stated Policy. Such increases will not exceed the maximum level set out in the Policy Table. New Executive Directors will receive benefits and pensions in line with the Company's existing Policy and will be able to participate in the Annual Bonus Plan on a pro-rated basis for the portion of the financial year for which they are in post. The maximum level of variable pay for new recruits will be the same as that set out in the Policy Table for existing employees (pro-rated as necessary).

In the case of an internal appointment or promotion, any variable pay element awarded in respect of the prior role will be allowed to pay out according to its original terms stipulated on grant or adjusted as considered desirable to reflect the new role.

Where appropriate, to recruit, promote or transfer individuals to a different location of residence, the Remuneration Committee may also, to the extent it considers reasonable, approve the payment of one-off relocation and repatriation related expenses. It may also pay or make a contribution towards any legal fees appropriately incurred by the individual in connection with their employment by the Group.

Policy on loss of office

Other than in circumstances of gross misconduct, Executive Directors and members of the Executive Committee, including the Chief Executive Officer, leaving employment from the Group, will be entitled to receive salary and pro-rated annual bonus based on performance to the date of leaving. Statutory entitlements are payable according to Mexican labour law, based on length of service. Employee and Company pension contributions are payable in accordance with the applicable pension plan rules. Mexican labour law does not make any provision for employers and employees to give or receive notice of termination of employment. Therefore, the Committee will not generally make payments in lieu of notice to departing executives. However, the Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation), or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment or by way of contribution to legal fees appropriately incurred by the individual in connection with the termination of their employment by the Group. No contractual commitments concerning loss of office were entered into with any Director prior to 27 June 2012.

Annual Bonus Plan and policy on variable remuneration

It is the Company's policy not to use its equity to incentivise long-term performance. The Company's core strategy is one of long-term sustainable growth. Sustainable growth in mining requires the steady and safe expansion of the Group's operations through the discovery of new resources and construction, maintenance and/or expansion of new mines. No distinction is therefore made between short and long-term incentives.

The Company operates a single cash-based Annual Bonus Plan for Executive Directors and the members of the Executive Committee, including the Chief Executive Officer as described in the Policy Table above. In the event of a change of control, the Remuneration Committee shall, in accordance with the Annual Bonus Plan rules, as amended from time to time, and in its absolute discretion, determine whether and to what extent the annual bonus will vest and be paid early. The Committee may also decide that the bonus award will vest, to a greater or lesser, extent having regard to the Director's or the Group's performance or such other factors it may consider appropriate. The Remuneration Committee may decide that bonus awards will vest pro-rata to take account of early vesting or in full.

Recovery of bonus

The absence of long-term incentives and the operation of Mexican law makes it difficult to adopt clawback arrangements in order to recover bonuses that have already been paid. The Remuneration Committee has considered whether clawback provisions should be incorporated into the service agreement for the Chief Executive Officer. Given that the Company does not operate any remuneration plans with a timeframe of more than one year, the Remuneration Committee does not consider that there is much value in introducing clawback provisions into the contractual arrangements with the Chief Executive Officer at this stage. However, within this Remuneration Policy, the Remuneration Committee reserves the right to apply malus to bonuses before they are paid where the KPI outcomes would result, in the opinion of the Remuneration Committee, in a bonus payment which cannot be justified by the Company's financial performance or the Executive Director's personal performance during the year (or previous years). In this case a downward adjustment to the bonus payment would be applied.

Illustrations of the application of the Remuneration Policy for the Chief Executive Officer

The following table sets out the fixed and variable remuneration of the Chief Executive Officer in the different scenarios where he receives, minimum, target and maximum variable pay (based on 31 December 2024 remuneration).

Component	Maximum value US$ thousands		Minimum	Target	Maximum
Share incentives[1]					US$1,766k
Annual bonus	US$396k	Annual variable pay[2, 4]		US$1,502k	22.4%
			US$1,370k	8.8%	
Pension benefits	102	Fixed pay[3]	100%	91.2%	77.6%
Other benefits	157				
Base salary	1,111				

1 Fresnillo plc does not operate any share option or share-based long-term incentive plans.
2 Variable pay consists only of remuneration where performance measures or targets relate only to one financial year.
3 Fixed pay includes salary, benefits and pension.
4 The Company does not operate any equity-based long-term incentives, consequently, the Company's share price does not have any impact on the variable remuneration paid to Executive Directors and members of the Executive Committee who do not sit on the Board.

External appointments

It is the Board's policy to allow Executive Directors to accept directorships of other quoted and non-quoted companies and retain any fees or other remuneration for doing so, provided that they have obtained the consent of the Chairman of the Company. Any such directorships must be formally notified to the Board.

Chairman and Non-Executive Directors

The remuneration of the Chairman of the Company and the Non-Executive Directors consists of fees that are paid quarterly in arrears. The Chairman and Non-Executive Directors do not participate in any long-term incentive or annual bonus schemes, nor do they accrue any pension entitlement. Neither the Chairman nor any of the Non-Executive Directors has a service contract with the Company; however, each has entered into a letter of appointment with the Company.

Non-Executive Directors' letters of appointment

On their initial appointment, each of the Non-Executive Directors sign a letter of appointment with the Company. The letters of appointment of serving Non-Executive Directors are drafted in accordance with Provision 18 of the UK Corporate Governance Code, thus obliging them to retire at each Annual General Meeting and be subject to annual re-election by shareholders to serve for a further term of one year. The amendments have been drafted such that renewed appointment will not necessitate a new letter of appointment.

The Chairman of the Company shall not receive any fees for acting as Chairman other than his fees as a Non-Executive Director. Each Non-Executive Director is expected to commit a minimum of 14 days per year in fulfilling their duties as a Director of the Company.

The total fees for Non-Executive Directors, including the Chairman, will not exceed the maximum stated in the Company's Articles of Association.

The level of fees is reviewed periodically and takes into account the time commitment, responsibilities, market levels and the skills and experience required. Non-Executive Directors normally receive a basic fee and an additional fee for specific Board responsibilities, including chairmanship or membership of Board committees or acting as the Senior Independent Director. Additional fees may be paid to Non-Executive Directors on a per diem basis to reflect increased time commitment in certain limited circumstances.

Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid for directly by the Company, as appropriate, including any tax and social security due on the expenses.

Non-Executive Directors may be provided with benefits to enable them to undertake their duties.

Shareholding guidelines

Fresnillo has not introduced share ownership guidelines. The Company does not operate share-based incentive arrangements given that the culture for incentives in the Mexican market does not favour share-based incentives. Consequently, there would be neither opportunity nor appetite for executives to build a shareholding in the Company and therefore the Remuneration Committee has not adopted any shareholding guidelines.

Payments under previous policies

Any remuneration payment or benefit, or any payment for loss of office which a Director received, or became entitled to under a previous Remuneration Policy or before the person became a Director (unless the payment was in consideration of becoming a director) shall lawfully be paid out under this policy, even though it may not be consistent with, or otherwise provided for under, the Policy Table set out above.

FRESNILLO PLC DIRECTORS' REPORT 2024

In accordance with Section 415 of the Companies Act 2006, the Directors of Fresnillo plc present their report for the year ended 31 December 2024.

The Directors believe that the requisite components of this report are set out elsewhere in this Annual Report and/or on the Company's website www.fresnilloplc.com. The table below sets out where the necessary disclosures can be found.

Business performance	
Results	Results for the year ended 31 December 2024 are set out in the Financial Review on pages 51-57 and the consolidated income statement on page 212.
Dividends	Information regarding the proposed dividend can be found in the Financial review on page 57. Information regarding dividend payments can be found in the notes to the financial statements on page 245.
Strategic Report	The Strategic Report can be found on pages 1-143.
Corporate Governance statement	The Company's statement on Corporate Governance can be found on page 153.
Directors' Remuneration Report	The Directors' Remuneration Report can be found on pages 178-193.
Activities in research and development	The Company does not have any research and development activities.
Future developments	Details about the Company's future developments can be found in the Strategic Report on pages 14-19.
Post-balance sheet events	There were no post-balance sheet events.
Directors	
Directors	Directors that have served during the year and summaries of the current Directors' key skills and experience are set out in the Corporate Governance report on pages 148-151 and 164.
Directors' Interests	Details of the Directors' beneficial interests are set out in the Directors' Remuneration Report on page 182.
Directors' indemnities	The Company has given indemnities to each of the Directors in respect of any liability arising against them in connection with the Company's (and any associated company's) activities in the conduct of their duties. These indemnities are subject to the conditions set out in the Companies Act 2006 and remain in place at the date of this report.
Directors' and Officers' Liability Insurance	Directors' and Officers' Liability Insurance cover is in place at the date of this report. Cover is reviewed annually.
Constitution	
Articles of Association	Any amendments made to the Articles of Association may be made by a special resolution of shareholders. The following is a summary of the structure, rights and restrictions of the Company's share capital: The Company has two classes of share capital: 736,893,589 Ordinary Shares of US$0.50 ('Ordinary Shares') and 50,000 deferred shares of £1.00 each (Sterling Deferred Shares). The Ordinary Shares are listed on the London Stock Exchange and the Mexican Stock Exchange. The rights and obligations attaching to these shares are governed by UK law and the Company's Articles of Association. Ordinary shareholders are entitled to receive notice and to attend and speak at any general meeting of the Company. On a show of hands every shareholder present in person or by proxy (or being a corporation represented by a duly authorised representative) shall have one vote, and on a poll every shareholder who is present in person or by proxy shall have one vote for every share held. The Notice of Annual General Meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies. There are no restrictions on the transfer of the Ordinary Shares other than: • The standard restrictions for a UK-quoted company set out in article 32 of the Articles of Association; • Where, from time to time, certain restrictions may become imposed by laws and regulations (for example, insider trading laws); and • Pursuant to the Listing Rules of the Financial Conduct Authority whereby certain Directors, officers and employees of the Company require the approval of the Company to deal in the Ordinary Shares.

Constitution	
	The appointment and replacement of Directors is governed by the Company's Articles of Association, the UK Corporate Governance Code, the Companies Act 2006 and related legislation. The Articles of Association provide that a Director may be elected by ordinary resolution of the shareholders or appointed by the existing Directors either to fill a casual vacancy or as an additional Director, but so that the total number of Directors shall not thereby exceed the maximum in accordance with the Company's Articles of Association. At every Annual General Meeting, all Directors must automatically retire. A retiring Director is eligible for election or re-election, as applicable. Subject to the Articles of Association, the Companies Act 2006 and related legislation, and any regulations as may be prescribed by special resolution of the Company, the Directors may exercise all the powers of the Company. No shareholder holds securities carrying special rights as to the control of the Company. There are no limitations on the holding of securities. There are no restrictions on voting rights or any arrangements by which, with the Company's cooperation, financial rights carried by securities are held by a person other than the holder of the securities. There are no agreements between holders of securities that are known to the Company which may result in restrictions on the transfer of voting rights. The Sterling Deferred Shares only entitle the shareholder to payment of the amount paid up after repayment to ordinary shareholders on winding up or on a return of capital. The Sterling Deferred Shares do not entitle the holder to payment of any dividend, or to receive notice or to attend and speak at any general meeting of the Company. The Company may also at its option redeem the Sterling Deferred Shares at a price of £1.00 or, as custodian, purchase or cancel the Sterling Deferred Shares or require the holder to transfer the Sterling Deferred Shares. Except at the option of the Company, the Sterling Deferred Shares are not transferable.
Branches outside the UK	The Company's operations are outside the UK. The Company, through various subsidiaries, has established branches in a number of jurisdictions in which it operates (mainly in Mexico).
Change of control	The following represents the likely effect on significant agreements with the Company were it to be subject to a change of control: • The Shared Services Agreement contains a discretionary provision for Servicios Administrativos Peñoles, S.A. de C.V., to terminate the agreement should they so wish if there is a change of control of Fresnillo plc. • There are no formal 'change of control' provisions within the Silverstream contract or Met-Mex arrangements. • The Group's mining concessions are held by several of its Mexican subsidiary companies. As long as the companies holding the mining concessions remain Mexican resident companies, there are no provisions within the concession agreements which would be triggered by a change of control of the Company. The Company does not have any agreements with any Non-Executive Director, Executive Director or employee that would provide compensation for loss of office or employment resulting from a change of control.

FRESNILLO PLC DIRECTORS' REPORT 2024 CONTINUED

Stakeholders and policies	
Section 172 Statement	The Company's Section 172 Statement can be found in the Strategic Report on page 29.
Workforce engagement	Details of how the Company engages with its workforce can be found in the Strategic Report on page 30.
Principal decisions	Overview of the key decisions and discussions of the Board during the year and the main stakeholder inputs into those decisions are set out in the Corporate Governance Report on pages 154-155.
Stakeholder engagement	Details of the Company's relevant stakeholders and how it engages with them are set out in the Strategic Report on pages 22-28.
Payments to governments	In July 2024, the Company approved and published a report disclosing payments made to governments. The report can be found on the Company's website. https://www.fresnilloplc.com/investors/regulatory-announcements/
Modern Slavery Statement	The Company has approved and published on its website its Modern Slavery Statement in accordance with the Modern Slavery Act 2015. https://www.fresnilloplc.com/responsibility/our-approach/modern-slavery/
Diversity policy	In February 2018 the Company approved and published on its website its policy on diversity and inclusion. https://www.fresnilloplc.com/media/nnwj11vk/fres-plc-diversity-and-inclusion-policy.pdf The Company has also approved a policy on labour equality and non-discrimination. https://www.fresnilloplc.com/responsibility/our-approach/code-of-conduct/
UK tax strategy	The Company's UK tax strategy for the financial year ending 31 December 2024 is published on its website. https://www.fresnilloplc.com/media/wscmwkgl/091221-52-tax-strategy.pdf
Greenhouse gas emissions	Details of the Company's greenhouse gas emissions can be found on page 81 in the Sustainability section of the Strategic Report.
Political contributions	The Company did not make any donations to political organisations during the year.
Financial risk	Details of the Company's policies on financial risk management and the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk are outlined in Note 31 to the financial statements.
Shareholders and share capital	
Share capital	Details of the Company's share capital are set out in Note 18 to the Financial Statements on pages 244-245.
Authority to purchase own shares	The Company was authorised by a shareholders' resolution passed at the Annual General Meeting held in May 2024 to purchase up to 10% of its issued Ordinary Share capital. Any shares which have been bought back may be held as treasury shares or, if not so held, must be cancelled immediately upon completion of the purchase, thereby reducing the amount of the Company's issued and authorised share capital. This authority will expire at the forthcoming Annual General Meeting and a resolution to renew the authority for a further year will be proposed. No shares were purchased by the Company during the year.
Major interests in shares	As at 31 December 2024, in accordance with DTR 5, the Company had been advised of the following notifiable interests (whether directly or indirectly held) in its voting rights: Industrias Peñoles, S.A.B. de C.V. holds 552,595,191 shares (74.99%). As at 3 March 2025, the Company has not been advised of any changes to those notifiable interests.
2024 Annual General Meeting	At the 2024 Annual General Meeting, all resolutions put to shareholders were passed by a majority. In accordance with UK Listing Rules applicable to companies with a controlling shareholder, the resolutions relating to the re-election of the Independent Non-Executive Directors required approval by a majority of votes cast by independent shareholders as well as all the shareholders of the Company. Further to the Code provisions, details of proxy voting are presented at the AGM and final figures are announced to the London Stock Exchange and uploaded to the Company's website as soon as practicable after the AGM.
2025 Annual General Meeting	The Company's 17th Annual General Meeting will be held in May 2025 and the Notice of Meeting will be issued to all shareholders 20 business days before the meeting date. In planning the business of each AGM, the Board takes account of institutional shareholder guidelines on pre-emption rights, share buy-backs, and shareholder rights in relation to general meetings when drafting the usual resolutions dealing with those matters. In each case, resolutions are presented to the AGM to give the Board flexibility to respond to market developments.

Auditors and audit	
Auditor reappointment	A resolution to re-appoint Ernst & Young LLP as auditor will be proposed at the 2025 AGM.
Audit information	Each of the Directors, as at the date of the approval of this report, confirms that: • So far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware. • He/she has taken all the reasonable steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of the information. • The confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.
UK Listing rules disclosures	
UK Listing Rule (UKLR) 6.6.4	Disclosure requirements under UKLR 6.6.4, where applicable to the Company, are identified below along with cross-references indicating where the relevant information is set out in the Annual Report: • Capitalised interest for the year ended 31 December 2024 can be found on page 241. • Details of significant contracts with controlling shareholders can be found on page 176. • Details pertaining to services provided to the Company by Peñoles are set out on pages 252-253. • A statement in relation to the agreement that the Company has entered into with the controlling shareholder can be found in the Corporate Governance report on page 158.

The Directors' report has been approved by the Board of Directors of Fresnillo plc.

Signed on behalf of the Board.

Alberto Tiburcio
Independent Non-Executive Director
3 March 2025

Fresnillo plc
Registered Office:
21 Upper Brook Street
London, W1K 7PY
United Kingdom
Company Number: 6344120

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual report and the Group and Parent Company financial statements in accordance with applicable United Kingdom law and regulations.

The Directors are required to prepare financial statements for each financial year which present a true and fair view of the financial position of the Company and of the Group and the financial performance and cash flows of the Company and of the Group for that period. The Directors have elected to prepare the Group and Parent Company financial statements in accordance with UK-adopted International Accounting Standards.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8: 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company and of the Group's financial position and financial performance;
- State whether UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the accounts on a going concern basis unless, having assessed the ability of the Company and the Group to continue as a going concern unless it is appropriate to presume that the Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable UK law and regulations, the Directors are responsible for the preparation of a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance statement that comply with that law and regulations. In addition, the Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Neither the Company nor the Directors accept any liability to any person in relation to the annual financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

Directors' responsibility statement under the UK Corporate Governance Code

In accordance with Provision 27 of the 2018 UK Corporate Governance Code, the Directors consider that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides information necessary to enable shareholders to assess the Company's position, performance, business model and strategy.

Responsibility statement of the Directors in respect of the Annual Report and Accounts

Each of the Directors whose names are listed on pages 148-151 confirm that to the best of their knowledge:

a) the consolidated financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit and loss of the Company and the undertakings included in the consolidation taken as a whole; and
b) the Annual Report (including the Strategic Report encompassed within the 'Overview', 'Strategic Report', 'Performance' and 'Governance' sections) includes a fair review of the development and performance of the business, and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

For and on behalf of the Board.

Alberto Tiburcio
Independent Non-Executive Director
3 March 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC

Opinion

In our opinion:

- Fresnillo plc's Group Financial Statements and Parent Company Financial Statements (the Financial Statements) give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- The Group Financial Statements have been properly prepared in accordance with UK adopted international accounting standards;
- The Parent Company Financial Statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- The Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the Financial Statements of Fresnillo plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise:

Group	Parent Company
Consolidated balance sheet as at 31 December 2024	Balance sheet as at 31 December 2024
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related Notes 1 to 16 to the Financial Statements including material accounting policy information
Consolidated statement of cash flows for the year then ended	
Related Notes 1 to 31 to the Financial Statements, material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company Financial Statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and parent in accordance with the ethical requirements that are relevant to our audit of the Financial Statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

Conclusions relating to going concern

In auditing the Financial Statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate. Our evaluation of the directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included the following procedures:

- We walked through the process to confirm our understanding of management's going concern assessment process;
- During January 2024, the Group entered into a US$350 million revolving credit facility that contains financial covenants. We confirmed through inquiries of management, review of bank statements and subsequent event procedures that, as of the date of our audit opinion, no amounts have been drawn. As a result, the Group is not subject to covenant compliance criteria nor is it expected to be throughout the going concern period, as none of the scenarios forecast a requirement to draw down;
- We verified the terms, maturity, interest rates, and any restrictions or covenants that are relevant to the senior notes and revolving credit facility held by the Group at the date of approving of the Financial Statements against the original contracts;
- We assessed Management's forecasting accuracy by comparing forecasts to actuals for the year ended 31 December 2024 and assessed the reasons for differences, including the effect of market-driven factors;
- We assessed the completeness of the factors included in the going concern assessment by verifying the consistency of key assumptions with our understanding of the business and the environment within which it operates, including consideration of climate related impacts;
- We obtained Management's going concern assessment, including cash forecast for the going concern period which extends to 31 December 2026. The Group has modelled plausible adverse changes and applied reverse stress testing in respect of prices to assess the impact on the forecast liquidity of the Group (before considering the facility entered into in January 2024);

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC

CONTINUED

- We tested the factors and assumptions included in the base case and most severe adverse scenario for the cash forecast, in particular comparing forecast metals prices to analyst forecasts and comparing production forecasts to 2024 production, plant capacity and our understanding of the business and its future plans;
- We considered the mitigating actions available to management and challenged whether these are within Management's control, although no additional mitigating actions have been modelled due to the level of headroom in the plausible adverse cases;
- We have challenged and concluded that Management's downside scenarios modelled are appropriately severe and the price reduction required to exhaust liquidity in the reverse stress test is remote; and
- We reviewed the Group's going concern disclosures included in Note 2 of the Financial Statements, in order to evaluate whether the disclosures were appropriate.

Our key observations:

- The Directors' assessment forecasts that the Group will maintain sufficient liquidity and will comply with the financial covenants throughout the going concern assessment period in all reasonably plausible scenarios, prior to the consideration of any mitigating actions available at their discretion. Considering the short-term nature of the cash forecasts, we do not consider climate change to impact the going concern forecast estimations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for the period which extends to 31 December 2026.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the Financial Statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities, and the responsibilities of the Directors with respect to going concern, are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• Out of 12 components in scope, we performed an audit of the complete financial information of eight components being the six operating mining units (Fresnillo, Penmont, Saucito, Juanicipio, San Julián and Ciénega), the Parent Company and Comercializadora de Metales Fresnillo (CMF), the entity which holds the Silverstream contract. These eight components represented 100% of revenues, 100% of the Silverstream revaluation effects and 97% of Total assets. • We performed specified procedures on certain balances at a further four components. These components represented 3% of total assets.
Key audit matters	• Recognition of related party transactions, including revenue recognition. • Valuation of the Silverstream contract. • Recoverable amount of mining assets. • Recoverable amount of investments in subsidiaries (Parent Company only).
Materiality	• Overall Group materiality was set at US$24.0 million which represents 5% of the five-year average of profit before tax prior to Silverstream revaluation effects and material non-recurring items (Adjusted Normalised Profit).

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures with input from our component auditors, to identify and assess risks of material misstatement of the Group Financial Statements, and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group Financial Statements, we considered our understanding of the Group and its business environment, the potential impact of climate change, the applicable financial framework, the Group's system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures could be performed for eight components in the following audit areas:

Key audit area on which procedures were performed centrally	Component subject to central procedures
Valuation of the Silverstream Contract	Comercializadora de Metales Fresnillo
Recoverable amount of mining assets	Fresnillo, Penmont, Saucito, Juanicipio, San Julián and Ciénega
Recoverable amount of investments in subsidiaries (Parent Company only)	Parent Company

We then identified eight components as individually relevant to the Group due to significant risks and areas of higher assessed risk of material misstatement, including higher risk estimates, of the Group Financial Statements being associated with the components. Seven of these eight are individually relevant due to materiality or financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component's account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group Financial Statements. We selected four components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 12 components selected, we designed and performed audit procedures on the entire financial information of eight components (full scope components). For the remaining four components, we performed specified audit procedures to obtain evidence for one or more relevant account assertions.

We noted that some entities presented financial losses in 2024, which, consistent with 2023, distorted the coverage assessment over the Group's Adjusted Normalised Profit. Therefore, when calculating their overall contribution, this shows a coverage exceeding 100% of the Group's Adjusted Normalised Profit.

Our scoping to address the risk of material misstatement for each key audit matter is set out in the Key audit matters section of our report.

Involvement with component teams
In establishing our overall approach to the Group Audit, we determined the type of work that needed to be undertaken at each of the components by us, as the Group Audit engagement team, or by component auditors operating under our instruction.

All of the Group's significant operations are in Mexico and are audited by local teams under our direct supervision.

	Work performed by	
	Primary team	Component team under our direct supervision
Full scope components	●●*	●●●●●●
Components on which specified audit procedures are performed		●●●●

* The two full scope components relate to the Parent Company and CMF. For CMF, the primary team performs the main procedures relating to the valuation of the Silverstream contract with the testing of cash receipts performed by the component team. In addition to these, the auditor of Peñoles performs certain supporting procedures on the estimation of reserve and resource quantities and the related mine plan at the Sabinas mine.

Senior members of the component teams attended our virtual global planning meetings during the planning phase of the audit, and we discussed the results of interim procedures and interacted regularly with the local teams in Mexico. The primary engagement team is predominantly composed of Spanish speakers to further enhance our interactions with both the component team and management.

The primary team, including the Senior Statutory Auditor, visited Mexico during both the planning and execution phases, with members of the team working with and supervising the component team in Mexico for a number of weeks over two visits. These visits involved discussion and oversight of the component team audit approach, consideration of significant accounting and auditing issues arising from their work, reviewing key audit working papers, meeting with management and attending closing meetings.

The primary team was responsible for the scope and direction of the audit process. For certain procedures, in particular areas involving significant judgement and heightened audit risk, we performed work ourselves with support where required from the component team. In other cases, we reviewed key working papers including, but not limited to, the risk areas described below.

Based upon the above approach we are satisfied that we have been able to perform sufficient and appropriate oversight of our component team and the work performed by the auditor of Peñoles relevant to our audit. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group Financial Statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC

CONTINUED

Climate change

Stakeholders are increasingly interested in how climate change will impact Fresnillo plc. The Group has determined that the most significant future impacts from climate change on its operations are likely to be from water stress and drought, transition to a low-carbon future and increasing societal and investor expectations. These are explained on pages 82-94 in the Task Force On Climate Related Financial Disclosures and on page 136 in the principal risks and uncertainties, which form part of the 'Other information', rather than the audited Financial Statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its Financial Statements. As explained in Note 2(c) to the Group and Parent Company Financial Statements, governmental and societal responses to climate change risks are still developing, and are interdependent upon each other, and consequently Financial Statements cannot capture all possible future outcomes as these are not yet known. The degree of certainty of these changes may also mean that they cannot be taken into account when determining asset and liability valuations and the timing of future cash flows under the requirements of UK adopted international accounting standards and in accordance with the provisions of the Companies Act 2006. Significant judgements and estimates relating to climate change have been described in Note 2(c).

Our audit effort in considering the impact of climate change on the Financial Statements was focused on evaluating Management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on page 136 and whether these have been appropriately considered in the assessment of indicators of impairment of long-term non-financial assets and the timing and quantum of future cash flows underpinning the provision of mine closure costs and associated disclosures. We also considered whether other assets and liabilities were susceptible to material changes in measurement as a result of climate risks and opportunities. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the Financial Statements from climate change which needed to be considered in our audit. Details of our procedures and findings on the assessment of impairment indicators are included in our key audit matters below where relevant.

We also challenged the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the Financial Statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter: Recognition of related party transactions, including revenue recognition ❶

- 99.6% of the Group's current year revenue from the sale of goods being concentrates, doré, activated carbon, slag and precipitates (2024: US$3,481.8 million; 2023: US$2,704.7 million), and a significant amount of its expenses incurred (2024: US$251.7 million; 2023: US$240.4 million), arise from transactions with related parties. The Silverstream contract is also with a related party. These related parties are all subsidiaries of the Group's direct parent, Industrias Peñoles, S.A.B. de C.V. (Peñoles).
- Principal transactions include the sale of goods to the Met-Mex Peñoles refinery, administrative services received and the Silverstream contract.
- There is a risk that, if not at arm's length or not reflecting the goods or services provided in the period, such transactions could be used to manipulate earnings or to distribute profits to the Group's parent.
- There is also a risk that revenues are inappropriately recognised as a result of incorrect cut-off or inappropriate measurement of product sold.
- There is an ongoing focus by the Mexican tax authorities on transfer pricing as reflected by recently concluded and ongoing tax inspections. There is therefore the potential risk of tax exposures arising from related party transactions.

➡ Our judgement is that the level of risk in this area remains consistent with the prior year.

Related party transactions are disclosed in Note 27 to the consolidated Financial Statements, revenues in Note 5 and relevant accounting policies in Note 2.

Our audit response	
We performed full scope audit procedures over this risk area in eight components, which covered 100% of the aggregate risk amount relating to revenue, 100% of the risk related to the Silverstream contract and 96% relating to related party expenses. In addition, we performed specified procedures in components which covered 4% of related party expenses.	
Identification of related parties and related party transactions	• We read new and amended contracts and agreements with related parties, including Met-Mex Peñoles, to understand the nature of the transactions. • We evaluated the appropriateness of management's process for identifying, recording and reporting related party transactions. For this purpose, we have performed a walkthrough of Management's process, we inquired of management and tested the design and implementation of relevant controls. • As part of our procedures on completeness of related party transactions, we reviewed those transactions that have been identified, monitored, reviewed and approved by the Audit Committee. • We made inquiries of management at various levels and inspected board minutes and confirmation letters to assess the completeness of related parties. • We performed a consistency check with our other audit procedures in order to identify any related party transactions not already identified by management or that are outside the normal course of business.
Revenue recognition	• In order to test completeness of revenue transactions, we obtained confirmations totalling 100% of sales to Peñoles (which represents 99.6% of total revenue), including quantities delivered, the period-end receivable balance, and subsequent cash settlement where applicable. • We evaluated the risk of material misstatement due to assay adjustments at 31 December 2024 by performing a retrospective review of the quantum of previous adjustments made during the year and determining the maximum plausible adverse effect on period-end provisional sales. • We performed revenue cut-off testing, by reference to shipment dates. • On a sample basis, we performed testing to verify physical deliveries of product in the year and related party expenses against the underlying contract terms. Since this is a significant risk, our testing threshold was lower, and our sample sizes are larger than they would otherwise have been. • We obtained an understanding of the basis of the treatment and refining charges (T&RCs) negotiated between the Group and Peñoles for the current year, these being deducted from revenue. • We compared principal inputs to external benchmarks or other external evidence. We recalculated T&RCs based on actual production and contractual terms. • We performed overall analytical procedures which consisted of comparing actual revenues on a disaggregated basis to detailed expectations developed based on production in the year and market prices for relevant metals and obtained explanations for any material variances.
Silverstream contract	• We tested a sample of cash receipts in respect of silver that was payable to Fresnillo under the contract in the year. • The valuation of the Silverstream contract is described separately as a key audit matter below.
Other transactions with related parties	• On a sample basis, we tested related party expenses against underlying contractual terms. • We compared actual results against detailed expectations of income statement line items impacted by related party transactions to determine whether there was any evidence of manipulation.
Accuracy of disclosures	• We verified that related party disclosures in the Financial Statements are consistent with the results of our audit procedures.
Transfer pricing considerations	• We read new and amended contracts and agreements with related parties, including Met-Mex Peñoles to understand the nature and accounting impacts of related transactions. • With the involvement of our transfer pricing specialist, we obtained and reviewed the most recent transfer pricing studies provided to management by its transfer pricing specialist. • Assisted by our internal transfer pricing specialists, we reviewed the updated letter provided by the external specialist for the year ended 31 December 2024 (providing an update since the final 2023 studies). We met with the specialist to further understand the content of the update letter and review any changes made. • We assessed the competence, capabilities and objectivity of management's specialist. • We confirmed the principal inputs to external benchmarks used to determine transfer pricing ranges. In respect of T&RCs, these include confirmations from the auditor of Peñoles in respect of T&RCs charged to other customers.
Management override	• We compared actual revenues on a disaggregated basis to detailed expectations developed based on production in the year and market prices for relevant metals to identify and understand variances for further investigation. • We utilised data analysis tools to test revenue and search entire data sets for potential related party transactions. • We compared actual results against detailed expectations of income statement line items impacted by related party transactions to determine whether there is evidence of manipulation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC
CONTINUED

Key observations communicated to the Audit Committee

- Our procedures did not identify issues with the identification, recording or reporting of related party transactions.
- We concluded that revenue recognition in the year is appropriate, including the treatment of related provisional pricing terms.
- As a result of our consistency check with other audit procedures, we did not identify any additional or undisclosed related party transactions.
- In respect of transfer pricing in transactions with related parties, we confirmed that the methodology for determining transfer pricing in respect of the transactions with other Peñoles companies has not changed during the year and remains reasonable.

Key audit matter: Valuation of the Silverstream contract ❷

- The valuation of the Silverstream contract is a derivative financial instrument, which is estimated by management using a discounted cash flow model. The asset value decreased to US$258.6 million at 31 December 2024 (2023: US$482.3 million); with the total pre-tax loss revaluation effect of US$182.3 million in 2024 (2023: US$7.7 million pre-tax gain).
- Key assumptions are the estimation of the reserves and resources and the related production profile of the Sabinas mine (owned and operated by Peñoles), future silver prices and the discount rate applied. These assumptions require management judgement and estimation.
- The resulting valuation is sensitive to changes in future silver prices, total volume of production and the discount rate applied which may result in material revaluation effects in the Financial Statements.

Our judgement is that the level of risk in this area has increased compared to prior year due to the operational issues identified in the Sabinas mine. These have resulted in a reduction in the forecast production volume underpinning the Silverstream contract and an increase in the discount rate.

As a result, we have performed additional procedures in response to the increased risk.

The nature of the Silverstream contract and related valuation considerations are disclosed in Note 14 to the consolidated Financial Statements and the relevant accounting policies in Note 2.

Our audit response

We performed full scope audit procedures over the valuation of the Silverstream contract at 31 December 2024 and related income statement revaluation effects. Consistent with 2023, these procedures covered 100% of the risk amount.

Valuation model	• In conjunction with our valuation specialists, we evaluated the appropriateness of the valuation approach and integrity of the model used by the Company to determine the fair value of the Silverstream contract under IFRS 9 'Financial instruments' by ensuring consistency in the methodology applied and review of formulas used in the model, corroborating key inputs to internal and external sources of evidence, as applicable. • We assessed whether any of the key inputs to the valuation model required changes related to climate-related risks through our inquiries of management and our understanding of the Sabinas mine.

Reserves and resources and production profile of the Sabinas mine	• With the assistance of our external specialist geologist, we made inquiries of the Sabinas mine geologist and the mine planning team, in order to understand the assumptions used in the estimation of reserves and resources and movements in the estimation in the year. We challenged the changes to the reserves and resources estimations and assessed the resulting impact on the mine plan and longer-term forecasts. • We made inquiries of management in financial and operational areas in respect of their review of the Sabinas mine plan prepared by Peñoles, focusing on the comparisons between the following: – 2024 plan and the 2023 plan; – 2024 plan and the 2024 actuals; – 2025 plan and the 2024 actuals. • We confirmed that the members of the Sabinas mine planning team involved in the preparation of the mine plan underpinning the Silverstream valuation have the appropriate experience. • The reserves and resources estimate, as well as the mine plan, are some of the key inputs to the valuation. We therefore issued instructions to the auditor of Peñoles to perform procedures and report to us in respect of the reserves and resources estimate and the mine plan of the Sabinas mine. These procedures detailed in the instructions included: – Conducting walkthroughs to confirm our understanding of Peñoles management's processes to estimate quantities of reserves (as included in the Sabinas mine plan) and resources and how those were included in the valuation model; – Gaining an understanding of reasons for changes in estimates of reserves and resources in the year; – Assessing the professional competence, capabilities and objectivity of the Sabinas mine geologist involved in the estimation of reserves and resources quantities; and – Evaluating the reasonableness and appropriateness of inputs to the reserves and resources estimates and Sabinas mine plan that were used in the valuation of the contract as at 31 December 2024. • We discussed the results of the above procedures with the auditor of Peñoles and reviewed their key working papers. • In response to the increase in risk identified, we performed additional procedures to evaluate the reasonableness and appropriateness of changes to the mine plan underpinning the Silverstream contract. This included inquiries of both Fresnillo and Peñoles management and assessing the reasonability of the changes made to the mine plan with the support of our external specialist geologist.
Key economic assumptions in the valuation	• With assistance from our valuation specialists, we challenged key economic assumptions in the valuation, including future silver prices and the discount rate applied. • This challenge included comparison to market data to consider the appropriateness of silver price and discount rate assumptions when considered together in the valuation model and analysis of the consistency of assumptions with other accounting estimates, such as recoverable amounts of mining assets. • We performed sensitivity analysis on the combination of silver price assumptions, total production and discount rate.
Appropriateness and completeness of disclosures	• We assessed the appropriateness and completeness of disclosures included in the notes to the Financial Statements and their consistency with the disclosures made in the front half of the Annual Report.

Key observations communicated to the Audit Committee

- Management has continued to use a consistent valuation methodology in order to estimate the fair value of the Silverstream contract as a long-term derivative financial instrument. Although we have noted changes some key inputs to the valuation, notably the exclusion of resources from the valuation in light of the mine's operational challenges, the model used remains appropriate and in line with prior year. We also tested the model's integrity noting no exceptions.
- Considering the additional challenges raised in respect of the production profile at Sabinas, based on our procedures performed, we concluded that the reserves volumes, as well as the updated mine plan underpinning the valuation were appropriately estimated.
- We have noted an increase in the discount rate applied to the Silverstream contract related to the uncertainty in the future production profile of the Sabinas mine, and assessed the reasonability thereof together with our valuation specialists.
- We concluded that the overall valuation of the contract is reasonable.
- We confirmed the appropriateness and completeness of relevant disclosures in the Financial Statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC

CONTINUED

Key audit matter: Recoverable amount of mining assets ❸

- The identification of indicators of impairment requires management judgement, as changes in key economic assumptions are subject to risk and uncertainty that may be beyond the control of the Group.
- The key assumptions underpinning Management's assessment of the recoverable amount of mining assets are reserves and those resources with a high likelihood of being converted into reserves, related mine plans and production profiles, estimated future operating and capital expenditure, future commodity prices, exchange rates and the discount rates applied.
- The estimation of mineral reserves and resources quantities of the Group's mines requires significant judgment and estimation.
- The Group's estimates of mineral reserves and resources are audited by third party specialists engaged by management (Reserves and Resources Specialists).
- Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of property plant and equipment with a net book value of US$2,557.6 million (2023: US$2,860.9 million). There is no impairment recorded in prior years that may be reversed.

Our judgement is that the level of risk in this area has decreased from prior year as no impairment triggers were identified in any of the mining units.

We have considered the possible effect of climate change in the impairment trigger assessment, in line with the prior year.

Management's assessment of the judgement and estimation required is set out in Note 2 to the consolidated Financial Statements, with the results of management's impairment assessment in Note 13. The reserves and resources tables are presented after the Parent Company notes to the Financial Statements as unaudited information.

Our audit response

We performed full scope audit procedures over this risk area in six components and specified procedures over this risk in one component, which covered 100% of the risk amount.

Indicators of impairment and methodology used to estimate recoverable values	• We evaluated Management's identification of indicators of impairment under IAS 36 'Impairment of assets', and considered whether climate risks could represent indicators. • We challenged Management's assessment with particular emphasis on whether operational issues, cost increases and decreases in estimations of reserves and resources would result in an impairment trigger by performing our own independent assessment based on inputs calculated by our valuation specialists. • We verified information from our procedures in respect of reserves and resources (as described below) to Management's indicator assessment to ensure that the most recent reserves information was used. • We considered the results of our other procedures, including in respect of the mine closure provision and our analytical review procedures over production to evaluate whether there were any unidentified indicators of impairment.
Estimation process for reserves and resources including external specialists engaged by management	• We performed substantive procedures over the estimation of reserves and resources to evaluate the extent to which we can rely on those estimates when concluding whether an indicator of impairment existed. • We walked through the process of the estimation of the reserves and resources quantities and identified relevant controls. • We walked through the process of determining mine plans from estimated reserves and resources quantities. • We assessed the competence of the Reserves and Resources Specialists, as well as capabilities and objectivity as specialists engaged by management to audit the Group's estimates of reserves and resources and confirmed the scope of their work was appropriate for the purpose of financial reporting. • We assessed the potential impact of climate related matters on the estimates. • We read the reports prepared by the Reserves and Resources Specialists, gained an understanding of the changes in reserves and resources estimates in the year and considered their observations on the Group's reserve and resource estimation process insofar as they affect the Financial Statements. • We engaged our own specialist (geologist) to evaluate the information provided by the Reserves and Resources specialists. • We discussed directly with the Reserves and Resources specialists the results of their reports.
Sensitivity disclosures	• We assessed the appropriateness of sensitivity disclosures included in the Financial Statements in light of our other audit procedures.

Key observations communicated to the Audit Committee
• We assessed the Reserves and Resources Specialists as appropriate specialists engaged by Management for the purposes of auditing the reserves and resources of the Group. • We concluded that no impairment indicators were identified in any of the mining units.

Key audit matter: Recoverable amount of investment in subsidiaries (Parent Company only)	
• Investments in subsidiaries (US$4,189.7 million, 2023: US$3,320.7 million) are more sensitive to changes in recoverable value than the Group's underlying mining assets because these investments were measured at fair value in 2008 when the Group was established ahead of its Initial Public Offering and have been subject to previous impairment charges, including in the prior year. • The principal driver of the recoverable amount of investments in subsidiaries is the estimated value of underlying mining assets held by the Group's subsidiaries. Refer to related considerations in the key audit matter above. • In addition, management estimates the recoverable value of exploration projects in considering the recoverable value of subsidiaries. • Increases in prices and revisions of the reserves and resources estimates in the underlying assets could lead to material changes in estimated recoverable amounts, resulting in reversals of impairment charges recognised in prior years (2024 aggregate net impairment reversal of US$855.7 million, 2023: net impairment of US$730.8 million).	
Our judgement is that the level of risk in this area, overall, remains consistent with the prior year. As with the recoverable amount of mining assets, in the current year we have also considered the possible effect of climate change in the impairment trigger assessment.	Management's assessment of the judgement and estimation required is set out in Note 2 to the Parent Company Financial Statements, with the required disclosures around the recoverability of investments in subsidiaries included in Note 5.

Our audit response

We performed full scope audit procedures over this risk area in one component, which covered 100% of the risk amount.	
Indicators of impairment and methodology used to estimate recoverable values	• We assessed the methodology used by management to determine whether there were any indicators of impairment or reversals of previously recognised impairment charges for each investment in subsidiaries to ensure that this is consistent with accounting standards. Refer to the 'our audit response' section of the key audit matter above with respect to procedures performed relating to the recoverable value of mining assets. • We evaluated management's approach to valuing exploration prospects.
Key assumptions used in management's estimate of the recoverable values of investments in subsidiaries	As the assessment of impairment of investments in subsidiaries is directly linked to the recoverable value of mining units underlying each investment, we have performed the following procedures in respect of the mine operations: • We compared related production profiles to the current mine plans for each mine and considered their consistency with our understanding of future plans at the mines obtained through enquiries with both operating and senior management. • We assessed operating and capital costs included in the cash flow forecasts to ensure consistency with current operating costs, forecast mine production and other forecast information, by reviewing the cost assumptions and understanding the methodology applied by management in their budgeting process. We considered the possible effect of climate change on cost estimates. • With the assistance of our valuation specialists, we assessed management's assumptions relating to future metals prices and discount rates by comparing these to market data and also for consistency with other estimates used in the Financial Statements. • We performed sensitivity analysis on management's calculated recoverable values for alternative assumptions for metals prices, costs and the discount rate applied.
Sensitivity disclosures	• We assessed the appropriateness of sensitivity disclosures included in the Parent Company Financial Statements considering our other audit procedures.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC
CONTINUED

Key observations communicated to the Audit Committee

- We confirmed that our observations with respect to reserves and resources set out in the key audit matter in respect of the recoverable amount of mining assets above are also relevant for the recoverable amounts of investments in subsidiaries.
- We considered the approach to determining the recoverable value of investments in subsidiaries, including the valuation of exploration assets, to be appropriate.
- Our procedures confirmed that the estimates of production, operating and capital costs are consistent with the production profiles of respective mines and related mine plans. We considered those to be reasonable.
- We concluded gold and silver prices used by management fall within our range of acceptable values calculated independently by our engaged specialists.
- We consider that management's discount rates applied are within the range of acceptable values for most mining units, except for Herradura and Juanicipio where the rate applied is below our independently calculated range. Consequently, we assessed the impact of using discount rates within our range and concluded that no material adjustments were required.
- We concluded that the impairment and sensitivity disclosures reflected in the Parent Company Financial Statements is appropriate.

In the prior year, our auditor's report included a key audit matter in relation to the re-estimation of quantities held in leaching pads at Herradura. For this year's audit, we no longer consider this to be a key audit matter as the risk and extent of our related audit procedures have decreased following the reduced degree of estimation uncertainty in light of the lack of significant variations between actual and expected recovery rates since the last re-estimation.

Materiality

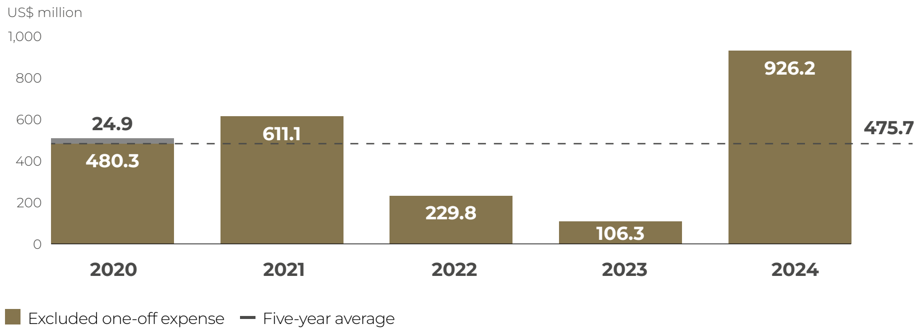
We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the Financial Statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be US$24.0 million (2023: US$17.0 million), which is 5% (2023: 5%) of the five-year average profit before tax prior to Silverstream revaluation effects, adjusted for any material one-off transactions (Adjusted Normalised Profit). We believe this measure of profit represents one of the main considerations for members of the Group, particularly as the Silverstream revaluation effects are principally non-cash in nature and one-off transactions are not reflective of the ongoing operations of the business.

We have concluded that, solely for the purposes of determining materiality, there are sufficient indicators to normalise the basis for determining materiality using the five-year average, which is in line with the directors' viability assessment period. An illustration of our approach to Adjusted Normalised Profit is set out below, with profit before tax prior to Silverstream revaluation effects as the starting point.



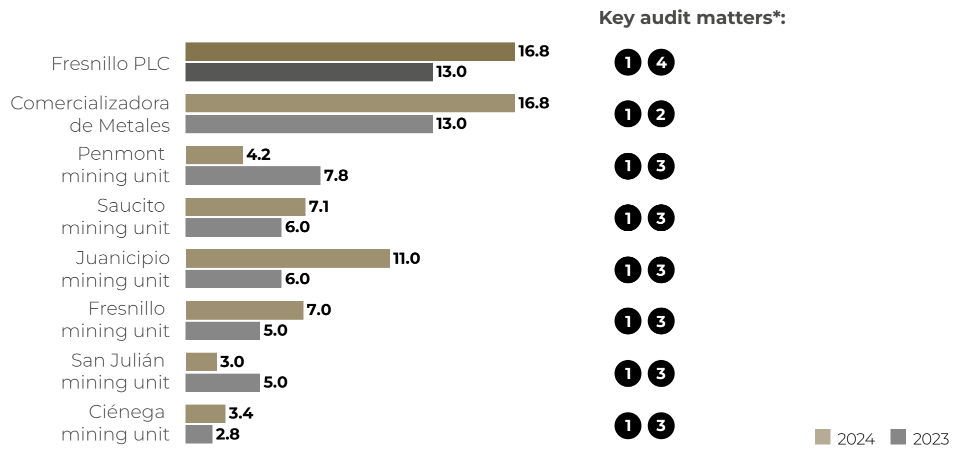
We determined materiality for the Parent Company to be US$49.9 million (2023: US$42.4 million), which is 1% (2023: 1%) of equity. The materiality of the Parent Company is higher than that of the Group, reflective of the Parent Company's primary role being that of a holding company.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely US$18.0 million (2023: US$13.0 million). We have set performance materiality at this percentage due to the level of historical misstatements, our ability to assess the likelihood of misstatements and the effectiveness of the internal control environment.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group Financial Statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. Assigned performance materiality decreased in all components, reflecting the overall performance of the Group. Where assigned performance materiality decreased, this represents the changes in the relative contribution of profit of that component. The allocation of performance materiality to full scope components is as follows:



* The icons correspond to the key audit matters set out above. Audit procedures in respect of the recoverable amount of investments in subsidiaries are performed at the performance materiality of the standalone parent company Financial Statements.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of US$1.2 million (2023: US$0.85 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report other than the Financial Statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report.

Our opinion on the Financial Statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Financial Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRESNILLO PLC

CONTINUED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements and those reports have been prepared in accordance with applicable legal requirements;
- The information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the Financial Statements and has been prepared in accordance with applicable legal requirements; and
- Information about the company's corporate governance statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- The Strategic Report or the Directors' report; or
- The information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company Financial Statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- Certain disclosures of Directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit; or
- A Corporate Governance Statement has not been prepared by the company

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the Financial Statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 141;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on pages 139-140;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 141;
- Directors' statement on fair, balanced and understandable set out on page 177;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 120;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 174-177; and
- The section describing the work of the audit committee set out on pages 165-177.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 198, the Directors are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Directors are responsible for assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those related to the reporting framework (UK adopted international accounting standards and Companies Act 2006 and UK Corporate Governance Code), regulations impacting mining operations including mining laws, environmental and labour regulations and tax and employee profit-sharing requirements in Mexico.
- With the assistance of our forensics specialists, we understood how Fresnillo plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee.
- We have involved our forensic specialists in obtaining an understanding of the process established by management to identify, evaluate and respond to fraud risks, who have placed specific focus on bribery and corruption risks.
- We assessed the susceptibility of the Group's Financial Statements to material misstatement, including how fraud might occur by meeting with management from various parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by Management to manage earnings. We considered the programmes and controls that the Group has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included using data analytics to test manual journals and were designed to provide reasonable assurance that the Financial Statements were free of fraud or error. In the current year, forensic specialists reviewed our fraud risk assessment and assisted on our journal entry testing procedures.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of Group management and those charged with governance, legal counsel, internal audit, and the risk and compliance departments; journal entry testing, with a focus on manual journals and those indicating large or unusual journals based on our understanding of the business; and challenging the assumptions and judgements made by management in respect of significant accounting estimates. Where observations are raised about management's process or controls surrounding compliance with laws and regulations by us or others, we consider the potential effect of those observations.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were appointed by the company in May 2008 to audit the Financial Statements for the year ending 31 December 2008 and subsequent financial periods. Following a competitive tender process, we were reappointed as auditor of the Company for the period ending 31 December 2017 and subsequent financial periods. Our total uninterrupted period of engagement is 17 years, covering periods from our initial appointment through to the period ended 31 December 2024.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Steven Dobson
(Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
4 March 2025

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

		Year ended 31 December 2024			Year ended 31 December 2023		
		US$ thousands			US$ thousands		
	Notes	Pre-Silverstream revaluation effect	Silverstream revaluation effect	Total	Pre-Silverstream revaluation effect	Silverstream revaluation effect	Total
Revenues	5	**3,496,385**		**3,496,385**	2,705,086		2,705,086
Cost of sales	6	**(2,250,112)**		**(2,250,112)**	(2,201,848)		(2,201,848)
Gross profit		**1,246,273**		**1,246,273**	503,238		503,238
Administrative expenses		**(109,514)**		**(109,514)**	(128,428)		(128,428)
Exploration expenses	7	**(163,048)**		**(163,048)**	(182,447)		(182,447)
Selling expenses		**(46,154)**		**(46,154)**	(34,023)		(34,023)
Other operating income	9	**39,559**		**39,559**	35,324		35,324
Other operating expenses	9	**(21,296)**		**(21,296)**	(51,169)		(51,169)
Profit before net finance costs and income tax		**945,820**		**945,820**	142,495		142,495
Finance income	10	**46,936**		**46,936**	50,623		50,623
Finance costs	10	**(73,571)**		**(73,571)**	(88,846)		(88,846)
Revaluation effects of Silverstream contract	14	**–**	**(182,276)**	**(182,276)**	–	7,732	7,732
Foreign exchange gain		**6,993**		**6,993**	2,014		2,014
Profit before income tax		**926,178**	**(182,276)**	**743,902**	106,286	7,732	114,018
Corporate income tax	11	**(444,870)**	**54,683**	**(390,187)**	207,367	(2,320)	205,047
Special mining right	11	**(127,024)**		**(127,024)**	(30,765)		(30,765)
Income tax	11	**(571,894)**	**54,683**	**(517,211)**	176,602	(2,320)	174,282
Profit for the year		**354,284**	**(127,593)**	**226,691**	282,888	5,412	288,300
Attributable to:							
Equity shareholders of the Company		**268,513**	**(127,593)**	**140,920**	228,497	5,412	233,909
Non-controlling interest		**85,771**		**85,771**	54,391		54,391
		354,284	**(127,593)**	**226,691**	282,888	5,412	288,300
Earnings per share: (US$)							
Basic and diluted earnings per Ordinary Share	12			**0.191**			0.317
Adjusted earnings per share: (US$)							
Adjusted basic and diluted earnings per Ordinary Share	12	**0.364**			0.310		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 US$ thousands	2023 US$ thousands
Profit for the year		**226,691**	288,300
Other comprehensive income/(expense)			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		**(3,366)**	(2,318)
Net other comprehensive loss that may be reclassified subsequently to profit or loss:		**(3,366)**	(2,318)
Items that will not be reclassified to profit or loss:			
Changes in the fair value of cash flow hedges		**(201)**	452
Total effect of cash flow hedges		**(201)**	452
Changes in the fair value of equity investments at fair value through other comprehensive income (FVOCI)		**35,309**	(53,136)
Remeasurement loss on defined benefit plans	22	**(199)**	(126)
Income tax effect on items that will not be reclassified to profit or loss	11	**(10,502)**	15,826
Net other comprehensive income/(loss) that will not be reclassified to profit or loss		**24,407**	(36,984)
Other comprehensive income/(loss), net of tax		**21,041**	(39,302)
Total comprehensive income for the year, net of tax		**247,732**	248,998
Attributable to:			
Equity shareholders of the Company		**162,022**	194,476
Non-controlling interests		**85,710**	54,522
		247,732	248,998

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2024

	Notes	As at 31 December 2024 US$ thousands	As at 31 December 2023 US$ thousands
ASSETS			
Non-current assets			
Property, plant and equipment (PPE)	13	**2,538,665**	2,860,916
Equity instruments at FVOCI	30 (b)	**139,968**	107,991
Silverstream contract	14	**214,437**	446,538
Deferred tax asset	11	**466,734**	665,302
Inventories	15	**69,760**	69,760
Other receivables	16	**5,264**	43,528
Other assets		**3,101**	4,553
		3,437,929	4,198,588
Current assets			
Inventories	15	**412,417**	462,973
Trade and other receivables	16	**674,211**	419,666
Prepayments		**13,881**	23,178
Income tax recoverable		**–**	62,740
Derivative financial instruments	30	**–**	79
Silverstream contract	14	**44,204**	35,802
Short-term investments	17	**187,403**	–
Cash and cash equivalents	17	**1,110,413**	534,580
		2,442,529	1,539,018
Total assets		**5,880,458**	5,737,606
EQUITY AND LIABILITIES			
Capital and reserves attributable to shareholders of the Company			
Share capital	18	**368,546**	368,546
Share premium	18	**1,153,817**	1,153,817
Capital reserve	18	**(526,910)**	(526,910)
Hedging reserve	18	**(92)**	50
Fair value reserve of financial assets at FVOCI	18	**66,594**	42,591
Foreign currency translation reserve	18	**(7,570)**	(4,204)
Retained earnings	18	**2,800,956**	2,737,962
		3,855,341	3,771,852
Non-controlling interests		**355,029**	295,345
Total equity		**4,210,370**	4,067,197
Non-current liabilities			
Interest-bearing loans	20	**839,507**	839,002
Notes payable	30 (a)	**–**	22,726
Lease liabilities	25	**7,581**	9,777
Provision for mine closure cost	21	**233,748**	280,467
Pensions and other post-employment benefit plans	22	**11,454**	13,211
Deferred tax liability	11	**209,213**	133,202
		1,301,503	1,298,385
Current liabilities			
Trade and other payables	23	**223,779**	258,105
Notes payable	30 (a)	**2,055**	72,634
Income tax payable		**113,221**	21,779
Derivative financial instruments	30	**189**	–
Lease liabilities	25	**4,312**	4,813
Provision for mine closure cost	21	**11,781**	11,849
Employee profit sharing		**13,248**	2,844
		368,585	372,024
Total liabilities		**1,670,088**	1,670,409
Total equity and liabilities		**5,880,458**	5,737,606

These Financial Statements were approved by the Board of Directors on 3 March 2025 and signed on its behalf by:

Dr Arturo Fernández
Non-Executive Director
3 March 2025

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 US$ thousands	2023 US$ thousands
		Year ended 31 December	
Net cash from operating activities	29	**1,299,802**	425,922
Cash flows from investing activities			
Purchase of property, plant and equipment	3	**(370,542)**	(483,409)
Proceeds from the sale of property, plant and equipment and other assets		**2,563**	1,592
Proceeds from the sale of mining concessions	9	**10,000**	–
Proceeds from Silverstream contract	14	**29,957**	40,158
Proceeds from the Layback Agreement[1]	2 (c)	**–**	22,800
Purchase of equity instruments at FVOCI	30 (b)	**(1,466)**	(2,313)
Disposal of equity instruments at FVOCI	30 (b)	**5,098**	–
Short-term investments	17	**(187,403)**	–
Interest received		**46,333**	51,641
Net cash used in investing activities		**(465,460)**	(369,531)
Cash flows from financing activities			
Proceeds from notes payable	30(a)	**–**	22,726
Payment of notes payable	30(a)	**(92,361)**	(32,965)
Repayment of interest-bearing loans	20	**–**	(317,879)
Principal element of lease payments	25 (a)	**(5,443)**	(6,068)
Dividends paid to shareholders of the Company[2]	19	**(78,156)**	(108,351)
Dividends paid to non-controlling interests in subsidiaries	4 (a)	**(26,400)**	–
Capital contribution[3]		**–**	9,667
Interest paid[4,5]		**(45,917)**	(62,964)
Net cash used in financing activities		**(248,277)**	(495,834)
Net decrease in cash and cash equivalents during the year		**586,065**	(439,443)
Effect of exchange rate on cash and cash equivalents		**(10,232)**	4,963
Cash and cash equivalents at 1 January		**534,580**	969,060
Cash and cash equivalents at 31 December	17	**1,110,413**	534,580

1 Corresponds to the last payment of the Layback Agreement entered with Orla Mining Ltd in December 2020 for the right to expand the Camino Rojo oxide pit onto Fresnillo mineral concession.
2 Includes the effect of hedging of dividend payments made in currencies other than US dollar (Note 19).
3 Corresponds to capital contributions provided by Minera los Lagartos, S.A. de C.V.
4 During the year ended 31 December 2024 there were no amounts capitalised. Total interest during the year ended 31 December 2023 less amounts capitalised totalling US$2.1 million which is included within the caption Purchase of property, plant and equipment.
5 As of 31 December 2024 includes US$1.2 million related to a commitment fee in respect of undrawn amounts of the syndicated revolving credit facility entered by the Group. No amounts have been drawdown from the credit facility as of 31 December 2024.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

		Attributable to the equity holders of the Company									
	Notes	Share capital	Share premium	Capital reserve	Hedging reserve	Fair value reserve of financial assets at FVOCI	Foreign currency translation reserve	Retained earnings	Total	Non-controlling interests	Total equity
											US$ thousands
Balance at 1 January 2023		368,546	1,153,817	(526,910)	(91)	79,786	(1,886)	2,612,469	3,685,731	231,206	3,916,937
Profit for the year		–	–	–	–	–	–	233,909	233,909	54,391	288,300
Other comprehensive income, net of tax		–	–	–	173	(37,195)	(2,318)	(93)	(39,433)	131	(39,302)
Total comprehensive income for the year		–	–	–	173	(37,195)	(2,318)	233,816	194,476	54,522	248,998
Hedging loss transferred to the carrying value of PPE purchased during the year		–	–	–	(32)	–	–	–	(32)	(50)	(82)
Capital contribution		–	–	–	–	–	–	–	–	9,667	9,667
Dividends declared and paid	19	–	–	–	–	–	–	(108,323)	(108,323)	–	(108,323)
Balance at 31 December 2023		368,546	1,153,817	(526,910)	50	42,591	(4,204)	2,737,962	3,771,852	295,345	4,067,197
Profit for the year		**–**	**–**	**–**	**–**	**–**	**–**	**140,920**	**140,920**	**85,771**	**226,691**
Other comprehensive income, net of tax		**–**	**–**	**–**	**(95)**	**24,716**	**(3,366)**	**(153)**	**21,102**	**(61)**	**21,041**
Total comprehensive income for the year		**–**	**–**	**–**	**(95)**	**24,716**	**(3,366)**	**140,767**	**162,022**	**85,710**	**247,732**
Hedging loss transferred to the carrying value of PPE purchased during the year		**–**	**–**	**–**	**(47)**	**–**	**–**	**–**	**(47)**	**(1)**	**(48)**
Transfer of gain on disposal of equity investments at FVOCI to retained earnings (net of tax)	30(b)	**–**	**–**	**–**	**–**	**(713)**	**–**	**713**	**–**	**–**	**–**
Recognition of non-controlling interest	4(a)	**–**	**–**	**–**	**–**	**–**	**–**	**(375)**	**(375)**	**375**	**–**
Dividends declared and paid	19	**–**	**–**	**–**	**–**	**–**	**–**	**(78,111)**	**(78,111)**	**(26,400)**	**(104,511)**
Balance at 31 December 2024		**368,546**	**1,153,817**	**(526,910)**	**(92)**	**66,594**	**(7,570)**	**2,800,956**	**3,855,341**	**355,029**	**4,210,370**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Fresnillo plc. (the Company) is a public limited company and registered in England and Wales with registered number 6344120 and is the holding company for the Fresnillo subsidiaries detailed in Note 5 of the Parent Company accounts ('the Group').

Industrias Peñoles S.A.B. de C.V. ('Peñoles') currently owns 75 percent of the shares of the Company and the ultimate controlling party of the Company is the Baillères family, whose beneficial interest is held through Peñoles. The registered address of Peñoles is Calzada Legaria 549, Mexico City 11250. Copies of Peñoles' accounts can be obtained from www.penoles.com.mx. Further information on related party balances and transactions with Peñoles' group companies is disclosed in Note 27.

The consolidated Financial Statements of the Group for the year ended 31 December 2024 were authorised for issue by the Board of Directors of Fresnillo plc on 3 March 2025.

The Group's principal business is the mining and beneficiation of non-ferrous minerals, and the sale of related production. The primary contents of this production are silver, gold, lead and zinc. During 2024 99.6% of the production were sold to Peñoles' metallurgical complex, Met-Mex (2023: 99.9% of the production), for smelting and refining. Further information about the Group operating mines and its principal activities is disclosed in Note 3.

2. Significant accounting policies

(a) Basis of preparation and consolidation, and statement of compliance

Basis of preparation and statement of compliance

The Group consolidated Financial Statements have been prepared in accordance with UK-adopted international accounting standards in accordance with the provisions of the Companies Act 2006.

The consolidated Financial Statements have been prepared on a historical cost basis, except for trade receivables, derivative financial instruments, equity securities and defined benefit pension scheme assets which have been measured at fair value.

The consolidated Financial Statements are presented in dollars of the United States of America (US dollars or US$) and all values are rounded to the nearest thousand ($000) except when otherwise indicated.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out above in the Strategic Report on pages 1-143. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review in pages 51-57. In addition, Note 31 to the Financial Statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

In making their assessment of the Group's ability to manage its future cash requirements, the Directors have considered the Company and Group budgets and the cash flow forecasts for the period to 31 December 2026. In addition, they reviewed a more conservative cash flow scenario with reduced silver and gold prices of US$12.8 and US$1,057 respectively throughout this period, while maintaining current budgeted expenditure and only considering projects approved by the Executive Committee. This resulted in our current cash balances reducing over time but maintaining sufficient liquidity throughout the period.

The Directors have further calculated prices (US$16.1 and US$1,325 for silver and gold respectively), which should they prevail to the end of 2026 would result in cash balances decreasing to minimal levels by the end of 2026, without applying mitigations.

Should metals prices remain below the stressed prices above for an extended period, management have identified specific elements of capital and exploration expenditures which could be deferred without adversely affecting production profiles throughout the period. On the other hand, management could amend the mining plans to concentrate on production with a higher margin in order to accelerate cash generation without affecting the integrity of the mine plans. Finally, to maintain a strong liquidity, in January 2024 management acquired a committed revolving credit facility of US$350 million, which could be used if needed.

After reviewing all of the above considerations, the Directors have a reasonable expectation that management have sufficient flexibility in adverse circumstances to maintain adequate resources to continue in operational existence for the foreseeable future The Directors, therefore, continue to adopt the going concern basis of accounting in preparing the annual Financial Statements.

Basis of consolidation

The consolidated Financial Statements set out the Group's financial position as of 31 December 2024 and 2023, and the results of operations and cash flows for the years then ended.

Entities that constitute the Group are those enterprises controlled by the Group regardless of the number of shares owned by the Group. The Group controls an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Entities are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group applies the acquisition method to account for business combinations in accordance with IFRS 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

All intra-group balances, transactions, income and expenses and profits and losses, including unrealised profits arising from intra-group transactions, have been eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains except that they are only eliminated to the extent that there is no evidence of impairment.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition by-acquisition basis. Subsequent to acquisition, non-controlling interests consist of the amount attributed to such interests at initial recognition and the non-controlling interest's share of changes in equity since the date of the combination. Any losses of a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, a transaction with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interest are also recorded in equity.

(b) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the consolidated Financial Statements are consistent with those applied in the preparation of the consolidated Financial Statements for the year ended 31 December 2023.

New standards, interpretations and amendments (new standards) adopted by the Group

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

The Group has evaluated the applicability of Pillar II rules considering that the Parent Company and the main subsidiaries of the Group are tax resident in Mexico, management also assessed the status of the Pillar II legislation in the country, however no laws or regulations have been enacted to the date of this report.

Standards, interpretations and amendments issued but not yet effective

The International Accounting Standards Board (IASB) has issued new standards, interpretation and other amendments resulting from improvements to IFRSs that management considers do not have any impact on the accounting policies, financial position or performance of the Group except for the new standard IFRS 18-Presentation and Disclosure in Financial Statements; this new standard replaces IAS 1-Presentation of Financial Statements, with a focus on updates to the statement of profit or loss. This new standard is applicable for periods commencing 1 January 2027, early adoption is permitted. The Group is currently assessing the impact of IFRS 18 and plans to adopt the new standard on the required effective date.

The Group has not early adopted any standard, interpretation or amendment that was issued but is not yet effective.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated Financial Statements and reported amounts of revenues and expenses during the reporting period. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, with regard to prior experience, but actual results may differ from the amounts included in the consolidated Financial Statements. Information about such judgements and estimates is contained in the accounting policies and/or the notes to the consolidated Financial Statements.

Judgements

Areas of judgement, apart from those involving estimations, that have the most significant effect on the amounts recognised in the consolidated Financial Statements for the year ended 31 December 2024 are:

Recoverability of Soledad and Dipolos assets:

In 2009, five members of the El Bajio agrarian community in the state of Sonora, who claimed rights over certain surface land in the proximity of the operations of Minera Penmont ('Penmont'), submitted a legal claim before the Unitarian Agrarian Court (Tribunal Unitario Agrario) of Hermosillo, Sonora, to have Penmont vacate an area of this surface land. The land in dispute encompassed a portion of surface area where part of the operations of the Soledad & Dipolos mine are located. The litigation resulted in a definitive court order, with which Penmont complied by vacating 1,824 hectares of land in 2013, resulting in the suspension of operations at Soledad & Dipolos. Whilst the claim and the definitive court order did not affect the Group's legal title over the mining concession or the ore currently held in leaching pads near the mine site, land access at the mine site is required to further exploit the concession at Soledad & Dipolos.

Penmont is the legal and registered owner of the land where the leaching pads are located but has not yet been able to gain physical access to these pads due to opposition by certain local individuals. This land was purchased by Penmont from the Federal Government of Mexico in accordance with legal procedures. The Group has a reasonable expectation that Penmont will eventually regain access to the Soledad & Dipolos assets and process the ore content in the Soledad & Dipolos leaching pads. This expectation considers different scenarios, including but not limited to the different legal proceedings that Minera Penmont has presented in order to regain access to the land, and other proceedings that members of the El Bajío agrarian community have presented seeking the cancellation of Penmont's property deed over this area, which proceedings are pending final resolution. Therefore, the Group continues to recognise property, plant & equipment and inventory related to Soledad & Dipolos, as disclosed in Note 13 and Note 15, respectively. Due to the fact that it is not yet certain when access may be granted so that the inventory can be processed, this inventory is classified as a non-current asset.

In regard to the inventory, during the first half of the year 2023 the Company identified certain suspected illegal extraction of gold content at its Soledad-Dipolos leaching pads. The Company estimates a loss of approximately 20,000 ounces of gold content and consequently recognised a write off of US$21.9 million regarding the Soledad-Dipolos gold contents in inventory, which has been presented as other expenses in the Consolidated Income Statement. The Company took relevant actions with the support of diverse authorities to stop the illegal extraction. During the second half of the year, a procedural visit by authorities took place. During the visit of the authorities to the mine site it was confirmed there were no personnel carrying out any illegal mining activities at Soledad & Dipolos leaching pads. The inventory write-off considered both the estimation of recoverable amount of gold existing at the leaching pad, and potential volume of solution being irrigated on the area that is believed to have been leached to date. However, the nature of estimation means that actual outcome may differ from those estimates. During 2024 the Group has not identified further losses of this inventory.

Furthermore, claimants from the El Bajío community also presented claims against occupation agreements they entered into with Penmont, covering land parcels other than the surface land where Soledad & Dipolos is located. Penmont has had no significant mining operations or specific geological interest in the affected parcels and these lands are therefore not considered strategic for Penmont. The Agrarian Court has issued rulings declaring such occupation agreements over those land parcels to be null and void, and that Penmont must remediate such lands to the state that they were in before Penmont's occupation as well as returning any minerals extracted from this area. The case relating to the claims over these land parcels remains subject to final conclusion, as appeals are progressing as expected. However, given that Penmont has not conducted significant mining operations or had specific geological interest in these land parcels, any contingencies (including environmental remediation) relating to such land parcels are not considered material by the Group. There are no material assets recognised in respect of these land parcels at 31 December 2024.

Climate change:
In the climate disclosure in the Strategic Report, the Group set out its assessment of climate risks and opportunities (CROs). The Group recognises that there may be potential financial statement implications in the future in respect of the mitigation and adaptation measures to the physical and transition risks. The potential effect of climate change would be in respect of assets and liabilities that are measured based on an estimate of future cash flows. The Group specifically considered the effect of climate change on the valuation of property, plant and equipment, deferred tax assets, the Silverstream contract, and the provision for mine closure cost. The Group does not have any assets or liabilities for which measurement is directly linked to climate change performance (for example: Sustainability-Linked Bonds).

The main ways in which climate has affected the preparation of the Financial Statements are:

- The Group has already made certain climate-related strategic decisions, such as to focus on decarbonisation and to increase the use of wind energy. Where decisions have been approved by the Board, the effects were considered in the preparation of these Financial Statements by way of inclusion in future cash flow projections underpinning the estimation of the recoverable amount of property, plant and equipment and deferred tax assets, as relevant.
- As described in Note 14, the costs inherent in the Silverstream contract are determined based on the provisions of that contract. This reduces the exposure of the valuation of the asset to the effect of any cost implications related to CROs.
- Further information about the potential effect of CROs on the provision for mine closure cost is set out in Note 21.

The Group's strategy consists of mitigation and adaptation measures. To mitigate the impacts by and on climate change the Company relies on renewable electricity, fuel replacement and efficiency opportunities to reduce the carbon footprint. The approach to adaptation measures is based on climate models to produce actionable information for the design, construction, operation and closure of its mining assets, considering climate change. In addition, societal expectations are driving government action that may impose further requirements and cost on companies in the future. Future changes to the Group's climate change strategy, global decarbonisation signposts and regulation may impact the Group's significant judgements and key estimates and result in material changes to financial results and the carrying values of certain assets and liabilities in future reporting periods. However, as at the balance sheet date the Group believes there is no material impact on balance sheet carrying values of assets or liabilities. Although this is an estimate, it is not considered a critical estimate.

Uncertain tax positions:
The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and it considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances based on either the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

Estimates and assumptions

Significant areas of estimation uncertainty considered by management in preparing the consolidated Financial Statements include:

Estimated recoverable ore reserves and mineral resources, Note 2(e):
Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. Mineral resources are an identified mineral occurrence with reasonable prospects for eventual economic extraction. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological and technical data on the size, depth, shape and grade of the ore body and suitable production techniques and recovery rates, in conformity with the Joint Ore Reserves Committee (JORC) code 2012. Such an analysis requires complex geological judgements to interpret the data. The estimation of recoverable ore reserves and mineral resources is based upon factors such as geological assumptions and judgements made in estimating the size and grade of the ore body, estimates of commodity prices, foreign exchange rates, future capital requirements and production costs.

As additional geological information is produced during the operation of a mine, the economic assumptions used and the estimates of ore reserves and mineral resources may change. Such changes may impact the Group's reported balance sheet and income statement including:

- The carrying value of property, plant and equipment and mining properties may be affected due to changes in the recoverable amount, which consider both ore reserves and mineral resources, refer to Note 13;
- Depreciation and amortisation charges in the income statement may change where such charges are determined using the unit-of-production method based on ore reserves, refer to Note 13;
- Stripping costs capitalised in the balance sheet, either as part of mine properties or inventory, or charged to profit or loss may change due to changes in stripping ratios, refer to Note 13;
- Provisions for mine closure costs may change where changes to the ore reserve and resources estimates affect expectations about when such activities will occur, refer to Note 21;
- The recognition and carrying value of deferred income tax assets may change due to changes regarding the existence of such assets and in estimates of the likely recovery of such assets, refer to Note 11.

Estimate of recoverable ore on leaching pads, Note 15:
In the Group's open pit mines, certain mined ore is placed on leaching pads where a solution is applied to the surface of the heap to dissolve the gold and enable extraction. The determination of the amount of recoverable gold requires estimation with consideration of the quantities of ore placed on the pads, the grade of the ore (based on assay data) and the estimated recovery percentage (based on metallurgical studies and current technology).

The grades of ore placed on pads are regularly compared to the quantities of metal recovered through the leaching process to evaluate the appropriateness of the estimated recovery (metallurgical balancing). The Group monitors the results of the metallurgical balancing process and recovery estimates are refined based on actual results over time and when new information becomes available. Any potential future adjustment would be applicable from the point of re-estimation and would not by itself change the value of inventory and as such no sensitivity included.

Silverstream, Note 14:
The valuation of the Silverstream contract as a derivative financial instrument requires estimation by management. The term of the derivative is based on the Sabinas life of mine and the value of this derivative is determined using a number of estimates, including the estimated future silver production which is based on the ore Management considers is possible to extract on the same basis a market participant would consider. For the year ended 31 December 2024, and following consideration of the mine's operational difficulties notified by Peñoles in November 2024, Management has re-evaluated the estimation considering only recoverable ore reserves (31 December 2023: ore reserves and a portion of mineral resources considering the expected rate of conversion to reserves). Additionally, in the valuation of the contract Management considers other estimates including future production profile of the Sabinas mine, the estimated recoveries of silver from ore mined, estimates of the future price of silver and the discount rate used to discount future cash flows. Further detail on the inputs that have a significant effect on the fair value of this derivative, and the impact of changes in key assumptions are included in Note 14.

Income tax, Notes 2 (r) and 11:
The recognition of deferred tax assets, including those arising from un-utilised tax losses, requires Management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. Estimated cash flows are not significantly sensitive to reasonable possible changes to key assumptions on which management bases the recoverable value calculations. The carrying value of deferred tax assets is disclosed in Note 11.

(d) Foreign currency translation

The Group's consolidated Financial Statements are presented in US dollars, which is the Parent Company's functional currency. The functional currency for each entity in the Group is determined by the currency of the primary economic environment in which it operates. The determination of functional currency requires Management judgement, particularly where there may be more than one currency in which transactions are undertaken and which impact the economic environment in which the entity operates. For all operating entities, this is US dollars.

Transactions denominated in currencies other than the functional currency of the entity are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences that arise are recorded in the Income Statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated into US dollars using the exchange rate at the date when the fair value is determined.

For entities with functional currencies other than US dollars as at the reporting date, assets and liabilities are translated into the reporting currency of the Group by applying the exchange rate at the balance sheet date and the income statement is translated at the average exchange rate for the year. The resulting difference on exchange is included as a cumulative translation adjustment in other comprehensive income. On disposal of an entity, the deferred cumulative amount recognised in other comprehensive income relating to that operation is recognised in the income statement.

(e) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment, if any. Cost comprises the purchase price and any costs directly attributable to bringing the asset into working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour and an appropriate proportion of production overheads.

The cost less, the residual value of each item of property, plant and equipment, is depreciated over its useful life. Each item is estimated useful life has been assessed with regard to both its own physical life limitations and the present assessment of economically recoverable reserves of the mine property at which the item is located. Estimates of remaining useful lives are made on a regular basis for all mine buildings, machinery and equipment, with annual reassessments for major items. Depreciation is charged to cost of sales on a unit-of-production (UOP) basis for mine buildings and installations, plant and equipment used in the mine production process (except mobile equipment) or on a straight-line basis over the estimated useful life of the individual asset that are not related to the mine production process. Changes in estimates, which mainly affect unit-of-production calculations, are accounted for prospectively. Depreciation commences when assets are available for use. Land is not depreciated.

The average expected useful lives based on actual life of mines are as follows:

	Years
Buildings	6
Plant and equipment	10
Mining properties and development costs[1]	10
Other assets	5

1 Depreciation of mining properties and development cost are determined using the unit-of-production method.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising at derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year that the asset is derecognised.

Non-current assets or disposal groups are classified as held for sale when it is expected that the carrying amount of the asset will be recovered principally through sale rather than through continuing use. Assets are not depreciated when classified as held for sale.

Disposal of assets

Gains or losses from the disposal of assets are recognised in the income statement when all significant risks and rewards of ownership are transferred to the customer, usually when title has been passed.

Mining properties and development costs

Payments for mining concessions are expensed during the exploration phase of a prospect and capitalised during the development of the project when incurred.

Purchased rights to ore reserves and mineral resources are recognised as assets at their cost of acquisition or at fair value if purchased as part of a business combination.

Mining concessions, when capitalised, are amortised on a straight-line basis over the period of time in which benefits are expected to be obtained from that specific concession.

Mine development costs are capitalised as part of property, plant and equipment. Mine development activities commence once a feasibility study has been performed for the specific project. When an exploration prospect has entered into the advanced exploration phase, and sufficient evidence of the probability of the existence of economically recoverable minerals has been obtained, pre-operative expenses relating to mine preparation works are also capitalised as a mine development cost.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

The initial cost of a mining property comprises its construction cost, any costs directly attributable to bringing the mining property into operation, the initial estimate of the provision for mine closure cost, and, for qualifying assets, borrowing costs. The Group cease the capitalisation of borrowing cost when the physical construction of the asset is complete and is ready for its intended use.

Ore generated as part of the development stage may be processed and sold, giving rise to revenue before the commencement of commercial production. Where such processing is necessary to bring mining assets into the condition required for their intended use (for example, in testing the plants at the mining unit in development), revenues from metals recovered from such activities are recognised in profit or loss.

Upon commencement of production, capitalised expenditure is depreciated using the unit-of-production method based on the estimated economically proven and probable reserves to which they relate.

Mining properties and mine development are stated at cost, less accumulated depreciation and impairment in value, if any.

Construction in progress

Assets in the course of construction are capitalised as a separate component of property, plant and equipment. On completion, the cost of construction is transferred to the appropriate category of property, plant and equipment. The cost of construction in progress is not depreciated.

Subsequent expenditures

All subsequent expenditure on property, plant and equipment is capitalised if it meets the recognition criteria, and the carrying amount of those parts that are replaced, is de-recognised. All other expenditure including repairs and maintenance expenditure is recognised in the income statement as incurred.

Stripping costs

In a surface mine operation, it is necessary to remove overburden and other waste material in order to gain access to the ore bodies (stripping activity). During development and pre-production phases, the stripping activity costs are capitalised as part of the initial cost of development and construction of the mine (the stripping activity asset) and charged as depreciation or depletion to cost of sales, in the income statement, based on the mine's units of production once commercial operations begin.

Removal of waste material normally continues throughout the life of a surface mine. At the time that saleable material begins to be extracted from the surface mine the activity is referred to as production stripping.

Production stripping cost is capitalised only if the following criteria are met:

- It is probable that the future economic benefits (improved access to an ore body) associated with the stripping activity will flow to the Group;
- The Group can identify the component of an ore body for which access has been improved; and
- The costs relating to the improved access to that component can be measured reliably.

If not all of the criteria are met, the production stripping costs are charged to the income statement as operating costs as they are incurred.

Stripping activity costs associated with such development activities are capitalised into existing mining development assets as mining properties and development cost, within property, plant and equipment, using a measure that considers the volume of waste extracted compared with expected volume, for a given volume of ore production. This measure is known as 'component stripping ratio', which is revised annually in accordance with the mine plan. The amount capitalised is subsequently depreciated over the expected useful life of the identified component of the ore body related to the stripping activity asset, by using the units of production method. The identification of components and the expected useful lives of those components are evaluated as new information of reserves and resources is available.

The capitalised stripping activity asset is carried at cost less accumulated depletion/depreciation, less impairment, if any. Cost includes the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. The costs associated with incidental operations are excluded from the cost of the stripping activity asset.

(f) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. At each reporting date, an assessment is made to determine whether there are any indicators of impairment. If there are indicators of impairment, an exercise is undertaken to determine whether carrying values are in excess of their recoverable amount. Such reviews are undertaken on an asset by asset basis, except where such assets do not generate cash flows independent of those from other assets or groups of assets, and then the review is undertaken at the cash generating unit level.

If the carrying amount of an asset or its cash generating unit exceeds the recoverable amount, a provision is recorded to reflect the asset at the recoverable amount in the balance sheet. Impairment losses are recognised in the income statement.

The recoverable amount of an asset

The recoverable amount of an asset is the greater of its value in use and fair value less costs of disposal. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time, value of money, and the risks specific to the asset. The cash flows used to determine the recoverable amount of mining assets are based on the mine plan for each mine. The mine plan is determined based on the estimated and economically proven and probable reserves, as well as certain other resources that are assessed as highly likely to be converted into reserves. Fair value less cost of disposal is based on an estimate of the amount that the Group may obtain in an orderly sale transaction between market participants. For an asset that does not generate cash, inflows largely independently of those from other assets, or groups of assets, the recoverable amount is determined for the cash generating unit to which the asset belongs. The Group's cash generating units are the smallest identifiable groups of assets that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Reversal of impairment

An assessment is made each reporting date as to whether there is any indication that previously recognised impairment losses may no longer, exist or may have decreased. If such an indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in estimates used to determine the asset's recoverable amount since the impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to the recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised in previous years. Such impairment loss reversal is recognised in the income statement.

(g) Financial assets and liabilities

Financial assets

The Group classifies its financial assets in the following measurement categories:

- Those to be measured at amortised cost.
- Those to be measured subsequently at FVOCI, and.
- Those to be measured subsequently at fair value through profit or loss.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

Classification

The Group holds the following financial assets:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include receivables (other than trade receivables which are measured at fair value through profit and loss).

Equity instruments designated as fair value through other comprehensive income

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Fair value through profit or loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable.

The Group's trade receivables and derivative financial instruments, including the Silverstream contract, are classified as fair value through profit or loss.

De-recognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For receivables (other than trade receivables which are measured at FVPL), the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

The Group classifies its financial liabilities as follows:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Measurement

For purposes of subsequent measurement, financial liabilities held by the Group are classified as financial liabilities as amortised cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(h) Inventories

Finished goods, work in progress and ore stockpile inventories are measured at the lower of cost and net realisable value. Cost is determined using the weighted average cost method based on cost of production which excludes borrowing costs.

For this purpose, the costs of production include:

- Personnel expenses, which include employee profit sharing;
- Materials and contractor expenses which are directly attributable to the extraction and processing of ore;
- The depreciation of property, plant and equipment used in the extraction and processing of ore; and
- Related production overheads (based on normal operating capacity).

Work in progress inventory comprises ore in leaching pads as processing is required to extract benefit from the ore. The recovery of gold is achieved through the heap leaching process. The leaching process may take months to obtain the expected metal recovery and mainly depends on the continuity of the leaching process. When the ore in leaching pads is in active leaching, it is classified as current. When the leaching process has stopped and not expected to restart within twelve months, ore in the leaching pads affected is classified as non-current.

Operating materials and spare parts are valued at the lower of cost or net realisable value. An allowance for obsolete and slow-moving inventories is determined by reference to specific items of stock. A regular review is undertaken by management to determine the extent of such an allowance.

Net realisable value is the estimated selling price in the ordinary course of business less any further costs expected to be incurred to completion and disposal.

(i) Short-term investments

Where the Group invests in short-term instruments with a maturity higher than three months, and which are either not readily convertible into known amounts of cash or are subject to risk of changes in value that are not insignificant, these instruments are classified as short-term investments.

(j) Cash and cash equivalents

For the purposes of the balance sheet, cash and cash equivalents comprise cash at bank, cash on hand and short-term deposits held with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short-term deposits earn interest at the respective short-term deposit rates between one day and three months.

(k) Provisions

Mine closure cost

A provision for mine closure cost is made in respect of the estimated future costs of closure, restoration and for environmental rehabilitation costs (which include the dismantling and demolition of infrastructure, removal of residual materials and remediation of disturbed areas) based on a mine closure plan, in the accounting period when the related environmental disturbance occurs. The provision is discounted and the unwinding of the discount is included within finance costs. At the time of establishing the provision, a corresponding asset is capitalised where it gives rise to a future economic benefit, and is depreciated over future production considering proven and probable reserves from the mine to which it relates. The provision is reviewed on an annual basis by the Group for changes in cost estimates, discount rates or life of operations based on the estimated mine production which includes ore reserves and a certain amount of mineral resources. Changes to estimated future costs are recognised in the balance sheet by adjusting the mine closure cost liability and the related asset originally recognised. If, for mature mines, the revised mine assets net of mine closure cost provisions exceed the recoverable value, the portion of the increase is charged directly as an expense. For closed sites, changes to estimated costs are recognised immediately in profit or loss.

(l) Employee benefits

The Group operates the following plans for its employees based on Mexico:

Defined benefit pension plan

This funded plan is based on each employee's earnings and years of service. This plan was open to all employees in Mexico until it was closed to new entrants on 1 July 2007. The plan is denominated in Mexican Pesos. For members as at 30 June 2007, benefits were frozen at that date subject to indexation with reference to the Mexican National Consumer Price Index (NCPI).

The present value of defined benefit obligations under the plan is determined using the projected unit credit actuarial valuation method and prepared by an external actuarial firm as at each year-end balance sheet date. The discount rate is the yield on bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid. Actuarial gains or losses are recognised in OCI and permanently excluded from profit or loss.

Past service costs are recognised when the plan amendment or curtailment occurs and when the entity recognises related restructuring costs or termination benefits.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The value of any asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

Net interest cost is recognised within finance cost and return on plan assets (other than amounts reflected in net interest cost) is recognised in OCI and permanently excluded from profit or loss.

Defined contribution pension plan

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss when they are due. The contributions are based on the employee's salary.

This plan started on 1 July 2007 and it is voluntary for all employees to join this scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

Seniority premium for voluntary separation

This unfunded plan corresponds to an additional payment over the legal seniority premium equivalent to approximately 12 days of salary per year for those unionised workers who have more than 15 years of service. Non-unionised employees with more than 15 years of service have the right to a payment equivalent to 12 days for each year of service. For both cases, the payment is based on the legal current minimum salary.

The cost of providing benefits for the seniority premium for voluntary separation is determined using the projected unit credit actuarial valuation method and prepared by an external actuarial firm as at each year-end balance sheet date. Actuarial gains or losses are recognised as income or expense in the period in which they occur.

Other

Benefits for death and disability are covered through insurance policies.

Termination payments for involuntary retirement (dismissals) are charged to the income statement, when incurred.

(m) Employee profit sharing

In accordance with the Mexican legislation, companies in Mexico are subject to pay for employee profit sharing (PTU) equivalent to ten percent of the taxable income of each fiscal year, capped to three months of salary or average of the profit sharing paid in the last three years.

PTU is calculated based on the services rendered by employees during the year, considering their most recent salaries. The liability is recognised as it accrues and is charged to the income statement as personnel expenses. PTU paid in each fiscal year is deductible for income tax purposes.

(n) Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments that are not linked to price changes due to changes in a market rate or the value of an index and are linked to future performance or use of an underlying asset are not included in the measurement of the lease liability. Such costs are recognised in profit and loss as incurred.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment.

(o) Revenue from contracts with customers

Revenue is recognised when control of goods or services transfers to the customers based on the performance obligations settle in the contracts with customers.

Sale of goods

Revenue associated with the sale of concentrates, doré, slag, precipitates and activated carbon (the products) is recognised when control of the asset sold is transferred to the customers. Indicators of control transferring include an unconditional obligation to pay, legal title, physical possession, transfer of risk and rewards and customers' acceptance. This generally occurs when the goods are delivered to the customer's smelter or refinery agreed with the buyer; at which point the buyer controls the goods.

The revenue is measured at the amount to which the Group expects to be entitled, being the estimate of the price expected to be received in the expected month of settlement and the Group's estimate of metal quantities based on assay data, and a corresponding trade receivable is recognised. Any future changes that occur before settlement are embedded within the provisionally priced trade receivables and are, therefore, within the scope of IFRS 9 and not within the scope of IFRS 15.

Given the exposure to the commodity price, these provisionally priced trade receivables will fail the cash flow characteristics test within IFRS 9 and will be required to be measured at fair value through profit or loss up from initial recognition and until the date of settlement. These subsequent changes in fair value are recognised in revenue but separately from revenue from contracts with customers.

Invoiced revenues to our customers for products other than refined silver and gold, are derived from the value of metal content which is determined by commodity market prices and adjusted for the treatment and refining charges to be incurred by the metallurgical complex of our customers. Refining and treatment charges represent an element of the cost that will be incurred by our customers in processing the products further to extract the metal content for onward sale to its customers (See Note 5(c)).

(p) Exploration expenses

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

Exploration expenses are charged to the income statement as incurred and are recorded in the following captions:

Cost of sales: costs relating to in-mine exploration, that ensure continuous extraction quality and extend mine life, and

Exploration expenses:

- Costs incurred in geographical proximity to existing mines in order to replenish or increase reserves.
- Costs incurred in regional exploration with the objective of locating new ore deposits, which are identified by project, in areas where the Group carriers out exploration activity. Currently the Group carries out exploration activities in Mexico and Latin America.
- Costs incurred are charged to the income statement until there is sufficient probability of the existence of economically recoverable minerals, and a feasibility study has been performed for the specific project from which time further expenses are capitalised as exploration costs on balance sheet as Property, plant and equipment.

(q) Selling expenses

The Group recognises in selling expenses a levy in respect of the Extraordinary Mining Right as sales of gold and silver are recognised. The Extraordinary Mining Right consists of a 0.5% rate, applicable to the owners of mining titles. The payment must be calculated over the total sales of all mining concessions. The payment of this mining right must be remitted no later than the last business day of March of the following year and can be credited against corporate income tax. In November 2024 the Mexican Federal Executive proposed a change in the Federal Rights Law increasing the rate of the Extraordinary Mining Right from 0.5% to 1.0%. This amendment was enacted in December 2024 and applies for the fiscal year commencing 1 January 2025 onwards.

The Group also recognises in selling expenses a discovery premium royalty equivalent to 1% of the value of the mineral extracted and sold during the year from certain mining titles granted by the Mexican Geological Survey (SGM) in the San Julián mine. The premium is settled to SGM on a quarterly basis.

(r) Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country in which the Group operates.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in other comprehensive income is recognised in equity and not in the income statement.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities, and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Mining Rights

The Special Mining Right is considered an income tax under IFRS and states that the owners of mining titles and concessions are subject to pay an annual mining right of 7.5% of the profit derived from the extractive activities (Note 11 (e)). The Group recognises deferred tax assets and liabilities on temporary differences arising in the determination of the Special Mining Right (See Note 11).

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except when the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item. The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(s) Derivative financial instruments and hedging

The Group uses derivatives to reduce certain market risks derived from changes in foreign exchange which impact its financial and business transactions.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The full fair value of a derivative is classified as non-current asset or liability if the remaining maturity of the item is more than 12 months.

Any gains or losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the income statement as finance income or finance cost respectively.

Derivatives are valued using valuation approaches and methodologies (such as Black Scholes and Net Present Value) applicable to the specific type of derivative instrument. The fair value of forward currency and commodity contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles, European foreign exchange and commodity options are valued using the Black Scholes model. The Silverstream contract is valued using a Net Present Value valuation approach.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges which meet the criteria for hedge accounting are accounted for as cash flow hedges.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of derivative instruments is recorded as in other comprehensive income and are transferred to the income statement when the hedged transaction affects profit or loss, such as when a forecast sale or purchase occurs. For gains or losses related to the hedging of foreign exchange risk these are included, in the line item in which the hedged costs are reflected. Where the hedged item is the cost of a non-financial asset or liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability. This is not a reclassification adjustment and will not be recognised in OCI for the period. The ineffective portion of changes in the fair value of cash flow hedges is recognised directly as finance costs, in the income statement of the related period.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss recognised directly in other comprehensive income from the period that the hedge was effective remains separately in other comprehensive income until the forecast transaction occurs, when it is recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the income statement.

When hedging with options, the Group designates only the intrinsic value movement of the hedging option within the hedge relationship. The time value of the option contracts is therefore excluded from the hedge designation. In such cases, changes in the time value of options are initially recognised in OCI as a cost of hedging. Where the hedged item is transaction related, amounts initially recognised in OCI related to the change in the time value of options are reclassified to profit or loss or as a basis adjustment to non-financial assets or liabilities upon maturity of the hedged item, or, in the case of a hedged item that realises over time, the amounts initially recognised in OCI are amortised to profit or loss on a systematic and rational basis over the life of the hedged item.

When hedging with forward contracts, the forward element is included in the designation of the financial instrument. Therefore, there is no cost of hedging in relation to forward contracts.

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes 12 or more months to get ready for its intended use or sale (a qualifying asset) are capitalised as part of the cost of the respective asset. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available for a short term from funds borrowed specifically to finance a project, the income generated from the temporary investment of such amounts is also capitalised and deducted from the total capitalised borrowing cost. Where the funds used to finance a project form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to relevant general borrowings of the Group during the period.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

(u) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date. Fair values of financial instruments measured at amortised cost are disclosed in Note 30(b).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or;

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Further information on fair values is described in Note 30.

(v) Dividend distribution

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's Annual General Meeting.

3. Segment reporting

For management purposes, the Group is organised into operating segments based on producing mines.

At 31 December 2024, the Group has seven reportable operating segments as follows:

The Fresnillo mine, located in the state of Zacatecas, an underground silver mine;

The Saucito mine, located in the state of Zacatecas, an underground silver mine;

The Ciénega mine, located in the state of Durango, an underground silver-gold mine;

The Herradura mine, located in the state of Sonora, a surface gold mine;

The Noche Buena mine, located in state of Sonora, a surface gold mine;

The San Julián mine, located on the border of Chihuahua/Durango states, an underground silver-gold mine, and

The Juanicipio mine, in the State of Zacatecas, an underground silver mine.

The operating performance and financial results for each of these mines are reviewed by management. As the Group's chief operating decision maker (CODM) does not review segment assets and liabilities, the Group has not disclosed this information.

Management monitors the results of its operating segments separately for the purpose of performance assessment and making decisions about resource allocation. Segment performance is evaluated without taking into account certain adjustments included in Revenue as reported in the consolidated income statement, and certain costs included within Cost of sales and Gross profit which are considered to be outside of the control of the operating management of the mines. The table below provides a reconciliation from segment profit to Gross profit as per the consolidated income statement. Administrative expenses, Exploration expenses, Selling expenses, and Other income and expenses not related to production activities included in the consolidated income statement are not allocated to operating segments. Also, the Group's financing (including finance cost and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments. Transactions between reportable segments are accounted for on an arm's length basis similar to transactions with third parties.

In 2024 99.6% of revenue was derived from customers based in Mexico (2023: 99.9% of revenue was derived from customers based in Mexico).

Operating segments

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2024 and 2023, respectively. Revenues for the year ended 31 December 2024 and 2023 include those derived from contracts with customers and other revenues, as shown in Note 5.

										Year ended 31 December 2024 US$ thousands
	Fresnillo	**Herradura**	**Ciénega**	**Saucito**	**Noche Buena**	**San Julián**	**Juanicipio**	**Other[4]**	**Adjustments and eliminations**	**Total**
Revenues:										
Third party[1]	**499,519**	**883,571**	**222,455**	**764,708**	**42,923**	**455,995**	**627,214**	**–**	**–**	**3,496,385**
Inter-segment	**36,409**	**–**	**–**	**–**	**–**	**–**	**152**	**50,839**	**(87,400)**	**–**
Segment revenues	**535,928**	**883,571**	**222,455**	**764,708**	**42,923**	**455,995**	**627,366**	**50,839**	**(87,400)**	**3,496,385**
Segment profit[2]	**277,333**	**323,696**	**92,898**	**405,077**	**4,348**	**253,494**	**475,113**	**49,102**	**(2,662)**	**1,878,399**
Depreciation and amortisation in cost of sales										**(619,779)**
Employee profit sharing in cost of sales										**(12,347)**
Gross profit as per the income statement										**1,246,273**
Capital expenditure[3]	**90,335**	**55,049**	**17,111**	**97,270**	**–**	**49,429**	**59,263**	**2,085**		**370,542**

1 During 2024 all segment revenues were derived from Met-Mex, except in Juanicipio which includes sales of iron concentrate to another external customers of US$14.7 million.
2 The Group's CODM primarily uses this measure to monitor the operating results directly related to the production of its business units separately to make decisions about resource allocation and performance assessment. Segment profit excluding foreign exchange hedging gains, depreciation and amortisation and employee profit sharing.
3 Capital expenditure represents the cash outflow in respect of additions to property, plant and equipment, excluding additions relating to changes in the mine closure provision. Significant additions include expansions of tailings damn at Saucito, Fresnillo, Juanicipio and San Julián, mining works at San Julián, Fresnillo and Saucito and stripping cost and construction of leaching pads at Herradura mine.
4 Other inter-segment revenue corresponds to leasing services provided by Minera Bermejal, S.A. de C.V; capital expenditure mainly corresponds to Minera Bermejal, S. de R.L. de C.V.

										Year ended 31 December 2023 US$ thousands
	Fresnillo	Herradura	Ciénega	Saucito	Noche Buena	San Julián	Juanicipio[4]	Other[5]	Adjustments and eliminations	Total
Revenues:										
Third party[1]	422,963	708,242	162,013	590,269	84,210	385,469	351,920	–	–	2,705,086
Inter-segment	4,254	–	–	–	–	–	90,368	52,287	(146,909)	–
Segment revenues	427,217	708,242	162,013	590,269	84,210	385,469	442,288	52,287	(146,909)	2,705,086
Segment profit[2]	156,849	157,233	18,926	185,995	5,632	158,663	271,558	33,602	14,312	1,002,770
Depreciation and amortisation in cost of sales										(497,303)
Employee profit sharing in cost of sales										(2,229)
Gross profit as per the income statement										503,238
Capital expenditure[3]	97,809	56,923	43,841	125,052	52	74,824	82,167	2,741	–	483,409

1 During 2023 all segment revenues were derived from Met-Mex, except in Juanicipio which includes sales to another external customer of US$0.6 million.
2 The Group's CODM primarily uses this measure to monitor the operating results directly related to the production of its business units separately to make decisions about resource allocation and performance assessment. Segment profit excluding foreign exchange hedging gains, depreciation and amortisation and employee profit sharing. Segment profit for Fresnillo and Saucito considers the sales and the corresponding processing cost of the ore from Juanicipio.
3 Capital expenditure represents the cash outflow including interest capitalised in respect of additions to property, plant and equipment, excluding additions relating to changes in the mine closure provision. Significant additions include stripping cost at Herradura mine and the construction of tailing damns at San Julián and Saucito mines.
4 Some of the ore production of Juanicipio mine has been processed through Fresnillo and Saucito facilities.
5 Other inter-segment revenue corresponds to leasing services provided by Minera Bermejal, S.A. de C.V; capital expenditure mainly corresponds to Minera Bermejal, S. de R.L. de C.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4. Group information

The list of the Company's subsidiaries included in the consolidated Financial Statements and its principal activities are shown in Note 5 on the Parent Company's separate Financial Statements. The country of incorporation or registration is also their principal place of business.

(a) Material partly-owned subsidiaries

The table below shows the detail of non-wholly owned subsidiaries of the Group that have non-controlling interests:

	Portion of ownership interest held by non-controlling interest		Profit (loss) allocated to non-controlling interest		Accumulated non-controlling interest	
	31-Dec-24	31-Dec-23	**31-Dec-24**	31-Dec-23	**31-Dec-24**	31-Dec-23
Minera Juanicipio, S.A. de C.V.	**44%**	44%	**90,616**	35,853	**266,153**	195,991
Equipos Chaparral, S.A. de C.V.	**44%**	44%	**(10,891)**	18,311	**86,443**	97,377
Other subsidiaries with non-controlling interests not considered to be material[1]	**–**	–	**6,046**	227	**2,433**	1,977

1 In October 2024 the Group entered into an exploration joint venture in Chile through its subsidiary Minera Capricorno, SCM (Capricornio) and Sociedad Quimica y Minera de Chile, S.A. de C.V. (SQM), a Chilean mining company. The agreement considers a transfer of 25% ownership which represent a net share of US$0.4 million.

Set out below is the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. Figures are presented in thousands of US dollars unless otherwise indicated.

Summarised income statement for the year ended 31 December 2024 and 2023

	Minera Juanicipio, S.A. de C.V.		Equipos Chaparral, S.A. de C.V.	
	31–Dec–24	31–Dec–23	**31–Dec–24**	31–Dec–23
Revenue	**627,366**	442,288	**–**	–
Profit/(loss) before income tax	**366,541**	102,447	**(21,698)**	45,412
Income tax charge	**160,595**	20,962	**3,054**	3,797
Profit/(loss) for the year	**205,946**	81,485	**(24,752)**	41,615
Other comprehensive (loss)/gain	**(30)**	31	**90**	8
Total comprehensive income/(loss)	**205,946**	81,516	**(24,842)**	41,623
Attributable to non-controlling interests	**90,629**	35,867	**(10,930)**	18,314
Dividends paid to non-controlling interests	**(26,400)**	–	**–**	–

Summarised statement of financial position as at 31 December 2024 and 2023

	Minera Juanicipio, S.A. de C.V.		Equipos Chaparral, S.A. de C.V.	
	31-Dec-24	31-Dec-23	**31-Dec-24**	31-Dec-23
Current				
Assets	**161,736**	120,396	**29,462**	34,990
Liabilities	**(82,572)**	(197,260)	**(7,919)**	(35,708)
Total current net assets/(liabilities)	**79,164**	(76,864)	**21,596**	(718)
Non-current				
Assets	**730,074**	776,156	**174,871**	222,030
Liabilities	**(204,266)**	(253,858)	**(6)**	–
Total non-current net assets	**525,808**	522,298	**174,865**	222,030
Net assets	**604,972**	445,434	**196,461**	221,312
Attributable to:				
Equity holders of parent	**338,819**	249,443	**110,018**	123,935
Non-controlling interest	**266,153**	195,991	**86,443**	97,377

Summarised cash flow information for the year ended 31 December 2024 and 2023

	Minera Juanicipio, S.A. de C.V.		Equipos Chaparral, S.A. de C.V.	
	31-Dec-24	31-Dec-23	**31-Dec-24**	31-Dec-23
Operating	**354,895**	133,299	**17,521**	(33,126)
Investing	**(40,104)**	(48,936)	**692**	340
Financing	**(297,489)**	(57,448)	**(24,485)**	509
Net increase/(decrease) in cash and cash equivalents	**17,302**	26,915	**(6,272)**	(32,277)

5. Revenues

Revenues reflect the sale of goods, being concentrates, doré, slag, precipitates and activated carbon of which the primary contents are silver, gold lead and zinc.

(a) Revenues by source

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Revenues from contracts with customers	**3,503,662**	2,706,292
Revenues from other sources:		
Provisional pricing adjustment on products sold	**(7,277)**	(1,206)
	3,496,385	2,705,086

(b) Revenues by product sold

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Lead concentrates (containing silver, gold, lead and by-products)	**1,652,909**	1,320,155
Doré and slag (containing gold, silver and by-products)	**753,747**	708,036
Zinc concentrates (containing zinc, silver and by-products)	**380,169**	290,138
Precipitates (containing gold and silver)	**522,077**	301,707
Activated carbon (containing gold, silver and by-products)	**172,747**	84,416
Iron concentrates (containing silver, gold, lead and by-products)	**14,736**	634
	3,496,385	2,705,086

(c) Value of metal content in products sold

Invoiced revenues are derived from the value of metal content which is determined by commodity market prices and adjusted for the treatment and refining charges to be incurred by the metallurgical complex of our customer. The value of the metal content of the products sold, before treatment and refining charges is considered as an alternative performance measure for the Group. The Group considers this a useful additional measure to help understand underlying factors driving revenue in terms of volumes sold and realised prices. The value of production sold by metal is as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Silver	**1,673,901**	1,319,423
Gold	**1,514,702**	1,177,386
Zinc	**311,557**	250,782
Lead	**139,789**	121,483
Value of metal content in products sold	**3,639,949**	2,869,074
Refining and treatment charges[1]	**(143,564)**	(163,988)
Total revenues[2]	**3,496,385**	2,705,086

1 The methodology to determine the refining and treatment charges takes into account industry benchmark charges and adjustments to reflect ore composition and transport costs (refer to Note 27(b).
2 Includes provisional price adjustments which represent changes in the fair value of trade receivables resulting in a loss of US$7.2 million (2023: loss of US$1.2 million). For further detail, refer to Note 2(o).

The average realised prices for the gold and silver content of products sold, prior to the deduction of treatment and refining charges, were:

	Year ended 31 December	
	2024 US$ per ounce	2023 US$ per ounce
Gold	**2,453.58**	1,957.72
Silver	**28.78**	23.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

6. Cost of sales

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Depreciation and amortisation	**619,779**	497,303
Contractors	**351,474**	393,997
Operating materials	**304,946**	292,450
Maintenance and repairs	**289,475**	299,924
Energy	**249,517**	256,507
Personnel expenses (Note 8(a))	**230,312**	210,583
Mine equipment leased[1]	**59,156**	69,754
Mining concession rights and contributions	**27,192**	23,045
Surveillance	**21,705**	23,983
Insurance	**12,727**	12,056
IT services	**10,785**	11,464
Freight	**7,607**	9,365
Other	**29,672**	23,154
Cost of production	**2,214,347**	2,123,585
Unabsorbed production costs[2]	**–**	25,920
Gain on foreign currency hedges	**–**	(232)
Change in work in progress and finished goods (ore inventories)	**35,765**	52,575
	2,250,112	2,201,848

1 Corresponds to mine equipment leased to contractors, the lease payments are based on a variable rate linked to the usage of the assets.
2 During 2023 corresponds to fixed cost at Juanicipio and pyrites plant of US$3.9 million and US$1.7 million respectively, non-productive cost for the temporary stoppage of activities in Penmont US$11.9 million and non-productive fixed mine cost incurred in Noche Buena resulting from finalisation of mining activities US$4.0 million. During 2024 there were no unabsorbed productions cost.

7. Exploration expenses

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Contractors	**101,514**	122,973
Mining concession rights and contributions	**30,437**	28,777
Personnel expenses (Note 8(a))	**15,461**	13,315
Assays	**5,746**	8,950
Administrative services	**1,406**	2,057
Rentals	**869**	570
Other	**7,615**	5,805
	163,048	182,447

These exploration expenses were mainly incurred in the operating mines located in Mexico; the Guanajuato and Orisyvo projects; and the Tajitos prospect. Exploration expenses of US$17.6 million (2023: US$14.1 million) were incurred in the year on projects located in Peru and Chile.

Cash flows relating to exploration activities are as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Operating cash outflows related to exploration activities	**162,837**	182,359

8. Personnel expenses

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Salaries and wages	**108,800**	109,470
Statutory healthcare and housing contributions	**48,214**	42,393
Bonuses	**36,547**	34,099
Other benefits	**29,704**	28,414
Employees' profit sharing	**13,609**	2,390
Post-employment benefits	**9,684**	12,799
Vacations and vacations bonus	**8,727**	6,541
Legal contributions	**5,625**	6,104
Training	**1,923**	2,532
Other	**4,625**	5,313
	267,458	250,055

(a) Personnel expenses are reflected in the following line items:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Cost of sales (Note 6)[1]	**230,312**	215,952
Administrative expenses	**21,685**	20,788
Exploration expenses (Note 7)	**15,461**	13,315
	267,458	250,055

1 During 2023 includes amounts recognised as unabsorbed production cost amounting to US$5.4 million. During 2024 there were no unabsorbed productions cost.

(b) The monthly average number of employees during the year was as follows:

	Year ended 31 December	
	2024 No.	2023 No.
Mining	**3,572**	3,497
Plant	**1,040**	1,091
Exploration	**101**	270
Maintenance	**1,261**	1,327
Administration and other	**1,266**	1,118
Total	**7,240**	7,303

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

9. Other operating income and expenses

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Other income:		
Gain on sale of mining concessions[1]	**24,149**	–
Reversal of accruals[2]	**–**	25,793
Recovery of personnel expenses	**–**	4,156
Insurance claims recovered	**6,302**	–
Gain on sale of property, plant and equipment and other assets	**1,004**	882
Selling of sundry materials and scrap	**1,549**	–
Change in mine closure cost provision[3]	**1,222**	–
Indemnities from suppliers	**599**	–
Rentals	**543**	35
Other	**4,191**	4,458
	39,559	35,324

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Other expenses:		
Write-off of inventories (Note 2 (c))	**–**	21,861
Cost subject to insurance claims	**–**	8,349
Allowance for obsolete and slow-moving inventories	**6,165**	1,221
Donations	**4,517**	1,685
Maintenance[4]	**3,554**	3,477
Indemnities to suppliers	**2,151**	–
Write-off of PPE assets[5]	**1,704**	1,920
Change in mine closure cost provision[3]	**1,214**	3,226
Environmental activities[6]	**599**	3,963
Consumption tax expensed	**709**	943
Other	**683**	4,524
	21,296	51,169

1 In July 2024, the Group entered into a contract to assign the rights and obligations of certain mining concessions to Coeur Mexicana, S.A. de C.V., subsidiary of Coeur Mining Inc. The total consideration amounted US$25 million. The settlement considers three payments: US$10.0 million that was paid upon ratification of the contract, US$10.0 million that will be paid no later than 30 June 2025, US$5.0 million that will be paid no later than 30 June 2026.
2 The Group has reversed the accrued energy costs recognised since July 2020, following the favourable ruling in favour of its related parties Termóelectrica Peñoles, S.A. de C.V. and Eólica de Coahuila, S.A. de C.V, filed against the Mexican Government regarding an increase of energy supply costs required to be recharged to its customers.
3 Relates to changes in estimates after the completion of mining activities.
4 Costs relating to the rehabilitation of the facilities of Compañía Minera las Torres, S.A. de C.V. (a closed mine).
5 In 2024 and 2023 mainly correspond to mobile equipment damaged.
6 Main activities were related to improvement in tailing dams in Ciénega (2023: Main activities were related to improvement in tailing dams in Fresnillo and Ciénega).

10. Finance income and finance costs

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Finance income:		
Interest on short-term deposits and investments	**42,210**	47,592
Interest on tax receivables	**3,117**	2,479
Other	**1,609**	552
	46,936	50,623

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Finance costs:		
Interest on interest-bearing loans and notes payables	**43,845**	60,741
Unwinding of discount on provisions (Note 21)	**24,997**	22,578
Interest on lease liabilities (Note 25(a))	**1,574**	1,220
Other	**3,155**	4,307
	73,571	88,846

11. Income tax expense

a) Major components of income tax expense:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Consolidated income statement:		
Corporate income tax		
Current:		
Income tax charge	**187,027**	80,769
Amounts (over)/under provided in previous years	**(158)**	4,235
	186,869	85,004
Deferred:		
Origination and reversal of temporary differences	**258,001**	(292,371)
Revaluation effects of Silverstream contract	**(54,683)**	2,320
	203,318	(290,051)
Corporate income tax	**390,187**	(205,047)
Special mining right		
Current:		
Special mining right charge (Note 11 (e))	**66,469**	22,708
Amounts (over)/under provided in previous years	**(238)**	1,686
	66,231	24,394
Deferred:		
Origination and reversal of temporary differences	**60,793**	6,371
Special mining right	**127,024**	30,765
Income tax expense reported in the income statement	**517,211**	(174,282)

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Consolidated statement of comprehensive income:		
Deferred income tax (charge)/credit related to items recognised directly in other comprehensive income:		
Changes in fair value of cash flow hedges	**60**	(135)
Changes in fair value of equity investments at FVOCI	**(10,593)**	15,941
Remeasurement losses on defined benefit plans	**31**	20
Income tax effect reported in other comprehensive income	**(10,502)**	15,826

(b) Reconciliation of the income tax expense at the Group's statutory income rate to income tax expense at the Group's effective income tax rate:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Accounting profit before income tax	**743,902**	114,018
Tax at the Group's statutory corporate income tax rate 30.0%	**223,170**	34,205
Exchange rate effect on tax value of assets and liabilities[1]	**300,243**	(214,521)
Expenses not deductible for tax purposes	**7,122**	14,277
Inflationary uplift of the tax base of assets and liabilities	**(55,170)**	(54,763)
Special mining right deductible for corporate income tax	**(38,107)**	(9,230)
Non-taxable/non-deductible foreign exchange effects	**(18,601)**	16,689
Update of tax values[2]	**(13,468)**	–
Incentive for Northern Border Zone	**(12,921)**	1,760
Deferred tax asset not recognised	**6,392**	11,688
Inflationary uplift of tax losses	**(4,701)**	(5,361)
Current income tax (over)/underprovided in previous years	**(1,977)**	2,137
Inflationary uplift on tax refunds	**(935)**	(744)
Other	**(861)**	(1,184)
Corporate income tax at the effective tax rate of 52.5% (2023: (179.8%))	**390,187**	(205,047)
Special mining right	**127,024**	30,765
Tax at the effective income tax rate of 69.5% (2023: (152.9%))	**517,211**	(174,282)

1 Mainly derived from the tax value of property, plant and equipment.
2 Correspond to the update of tax values of Juanicipio's property, plant and equipment for assets expensed during 2021 to 2023.

11. Income tax expense continued

The most significant item increasing the effect of effective tax rate is the exchange rate effect on the tax value of assets and liabilities partially offset by the inflationary uplift of the tax base of assets and liabilities and the deduction of the Special Mining Right. The future effects of inflation and exchange rate will depend on future market conditions.

(c) Movements in deferred income tax liabilities and assets:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Opening net asset/(liability)	**532,100**	232,568
Income statement (charge)/credit arising on corporate income tax	**(203,318)**	290,051
Income statement charge arising on special mining right	**(60,793)**	(6,371)
Exchange difference	**34**	26
Net charge related to items directly charged to other comprehensive income	**(10,502)**	15,826
Closing net asset	**257,521**	532,100

The amounts of deferred income tax assets and liabilities as at 31 December 2024 and 2023, considering the nature of the related temporary differences, are as follows:

	Consolidated balance sheet		Consolidated income statement	
	2024 US$ thousands	2023 US$ thousands	**2024 US$ thousands**	2023 US$ thousands
Related party receivables	**(352,650)**	(181,236)	**171,414**	22,439
Other receivables	**(11,656)**	(6,233)	**5,423**	2,259
Inventories	**148,629**	152,378	**3,749**	(36,995)
Prepayments	**(2,939)**	(3,499)	**(560)**	1,076
Derivative financial instruments including Silverstream contract	**(71,833)**	(138,171)	**(66,278)**	(9,852)
Property, plant and equipment arising from corporate income tax	**300,222**	366,694	**66,472**	(224,453)
Exploration expenses and operating liabilities	**90,201**	107,711	**17,510**	(16,446)
Other payables and provisions	**73,659**	87,705	**14,046**	(13,543)
Losses carried forward	**90,124**	141,091	**50,999**	(23,402)
Post-employment benefits	**1,821**	2,100	**310**	(576)
Deductible profit sharing	**3,974**	852	**(3,121)**	2,243
Special mining right deductible for corporate income tax	**39,886**	7,445	**(32,441)**	3,293
Equity investments at FVOCI	**(10,017)**	1,368	**792**	(2,364)
Other	**7,580**	(17,416)	**(24,996)**	6,270
Net deferred tax asset related to corporate income tax	**307,001**	520,789		
Deferred tax credit related to corporate income tax			**203,319**	(290,051)
Related party receivables arising from special mining right	**(99,487)**	(44,963)	**54,524**	5,422
Inventories arising from special mining right	**41,664**	37,124	**(4,540)**	(8,439)
Property plant and equipment arising from special mining right	**(22,444)**	(11,689)	**10,756**	19,576
Other	**30,787**	30,839	**52**	(10,188)
Net deferred tax liability related to special mining rights	**(49,480)**	11,311		
Deferred tax credit			**264,111**	(283,680)
Reflected in the statement of financial position as follows:				
Deferred tax assets	**466,734**	665,302	**–**	–
Deferred tax liabilities	**(209,213)**	(133,202)	**–**	–
Net deferred tax asset	**257,521**	532,100	**–**	–

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to the same fiscal authority. Under Mexican tax legislation, tax losses cannot be offset against taxable profits from other legal entities within the same group.

Based on management's internal forecast, a deferred tax asset of US$79.6 million (2023: US$141.1 million) has been recognised in respect of tax losses amounting to US$265.3 million (2023: US$470.3 million). If not utilised, US$7.8 million (2023: US$7.1 million) will expire within five years and US$292.6 million (2023: US$463.2 million) will expire between six and ten years. Of the total deferred tax asset related to losses, US$21.7 million (2023: US$69.4 million) is covered by the existence of taxable temporary differences, the remaining US$57.9 million (2023: US$71.7 million) corresponds to Fresnillo plc which maintained a deferred net asset position. Management has considered the taxable profit generated in the current year of US$15.8 million and based on a consideration of this, combined with future financial and tax projections, Management considers that there is evidence that sufficient taxable profits will be available against which these unused tax losses can be utilised. Management has performed a sensitivity assessment on key inputs of the deferred tax asset assessment, such as interest income or finance expense. Management concluded that there are no reasonably possible changes to these key inputs that could result in the deferred tax asset recognised in respect of tax losses not being recoverable.

The Group has also performed an assessment of the recoverability of tax losses from mining entities based on financial projections that are consistent with the Group's impairment assessment (refer to Note 13), together with relevant tax projections which consider the amount and timing of certain tax deductions. Based on those assumptions, the Group expects to fully utilise its recognised losses.

The Group has further tax losses and other similar attributes carried forward for companies out of Mexico of US$119.7 million (2023: US$112.3 million) on which no deferred tax is recognised due to insufficient certainty regarding the availability of appropriate future taxable profits. Based on the applicable tax legislation the tax losses are not subject to expiry.

(d) Unrecognised deferred tax on investments in subsidiaries
The Group has not recognised all of the deferred tax liability in respect of distributable reserves of its subsidiaries because it controls them and only part of the temporary differences is expected to reverse in the foreseeable future. The temporary differences for which a deferred tax liability has not been recognised aggregate to US$1,139.3 million (2023: US$1,015.0 million).

(e) Corporate Income Tax ('Impuesto Sobre la Renta' or 'ISR') and Special Mining Right ('SMR')
The Group's principal operating subsidiaries are Mexican residents for taxation purposes. The rate of current corporate income tax is 30%.

On 30 December 2018, the Decree of tax incentives for the northern border region of Mexico was published in the Official Gazette, which provided a reduction of income tax by a third and also a reduction of 50% of the value added tax rate, for taxpayers that produce income from business activities carried out within the northern border region. The tax incentives were applicable since 1 January 2019 and remained in force until 31 December 2020. On 30 December 2020 an extension of the Decree was published in the Official Gazette which remains in force until 31 December 2024. On 24 December 2024 a further extension of the Decree was published in the Official Gazette which remains in force until 31 December 2025. Some of the Group companies which produce income from business activities carried out within Caborca, Sonora, which is considered for purposes of the Decree as northern border region, applied for this Decree tax incentives before the Mexican tax authorities, and were granted authorisation for income tax and value added tax purposes.

The special mining right (SMR) states that the owners of mining titles and concessions are subject to pay an annual mining right of 7.5% of the profit derived from the extractive activities and is considered as income tax under IFRS. The 7.5% tax applies to a base of income before interest, annual inflation adjustment, taxes paid on the regular activity, depreciation and amortisation, as defined by the new ISR. This SMR can be credited against the corporate income tax of the same fiscal year and its payment must be remitted no later than the last business day of March of the following year.

In November 2024 the Mexican Federal Executive proposed a change in the Federal Rights Law increasing the rate of the SMR from 7.5% to 8.5%. This amendment was enacted in December 2024 and applies for the fiscal year commencing 1 January 2025 onwards. The change in rate resulted in an increase in the deferred tax liability of US$13.6 million.

12. Earnings per share

Earnings per share (EPS) is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period.

The Company has no dilutive potential Ordinary Shares.

As of 31 December 2024 and 2023, earnings per share have been calculated as follows:

	Year ended 31 December	
	2024 US$ thousands	**2023 US$ thousands**
Earnings:		
Profit attributable to equity holders of the Company	**140,920**	233,909
Adjusted profit attributable to equity holders of the Company	**268,513**	228,497

Adjusted profit is profit as disclosed in the Consolidated Income Statement adjusted to exclude revaluation effects of the Silverstream contract of US$240.3 million loss (US$168.2 million net of tax) (2023: US$7.7 million gain (US$5.4 million net of tax)).

Adjusted earnings per share have been provided in order to provide a measure of the underlying performance of the Group, prior to the revaluation effects of the Silverstream contract, a derivative financial instrument.

	2024 thousands	2023 thousands
Number of shares:		
Weighted average number of Ordinary Shares in issue	**736,894**	736,894

	2024 US$	2023 US$
Earnings per share:		
Basic and diluted earnings per share	**0.191**	0.317
Adjusted basic and diluted earnings per Ordinary Share	**0.364**	0.310

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13. Property, plant and equipment

	Land and buildings	Plant and equipment[2]	Mining properties and development costs	Other assets[3]	Construction in progress	Total
						Year ended 31 December 2024[1]
						US$ thousands
Cost						
At 1 January 2024	**435,884**	**3,132,445**	**3,240,706**	**453,048**	**285,473**	**7,547,556**
Additions	**40,627**	**32,215**	**144,041**	**(51,426)**	**136,565**	**302,022**
Disposals[4]	**(70)**	**(27,069)**	**(4,148)**	**(6,318)**	**–**	**(37,605)**
Transfers and other movements	**2,154**	**100,488**	**50,058**	**(275)**	**(152,425)**	**–**
At 31 December 2024	**478,595**	**3,238,079**	**3,430,657**	**395,029**	**269,613**	**7,811,973**
Accumulated depreciation						
At 1 January 2024	**(246,713)**	**(1,991,095)**	**(2,185,700)**	**(263,132)**	**–**	**(4,686,640)**
Depreciation for the year[5]	**(35,483)**	**(265,219)**	**(281,539)**	**(40,119)**	**–**	**(622,360)**
Disposals[5]	**68**	**25,513**	**4,082**	**6,029**	**–**	**35,692**
At 31 December 2024	**(282,128)**	**(2,230,801)**	**(2,463,157)**	**(297,222)**	**–**	**(5,273,308)**
Net book amount at 31 December 2024	**196,467**	**1,007,278**	**967,500**	**97,807**	**269,613**	**2,538,665**

1 Amounts include Right-of-use assets as described in Note 25.
2 The amount of Property, plant and equipment related to Soledad & Dipolos at 31 December 2024 is US$30.4 million and reflects capitalised mining works and the amount recognised in the cost of Property plant and equipment related to estimated remediation and closure activities.
3 From the additions in 'other assets' category US($42.7) million corresponds to the reassessment of mine closure rehabilitations costs, see Note 21.
4 From the total net amount of disposals, US$1.4 million correspond to a write off of assets as disclosed in Note 9.
5 Depreciation for the year includes US$620.9 million recognised as an expense in the income statement and US$1.2 million capitalised as part of construction in progress.

	Land and buildings	Plant and equipment[4]	Mining properties and development costs	Other assets[2]	Construction in progress	Total
						Year ended 31 December 2023[3]
						US$ thousands
Cost						
At 1 January 2023	412,984	2,828,920	3,001,661	377,813	461,490	7,082,868
Additions	903	103,835	5,428	37,839	358,579	506,584
Disposals[5]	(308)	(26,480)	(2,763)	(12,345)	–	(41,896)
Transfers and other movements	22,305	226,170	236,380	49,741	(534,596)	–
At 31 December 2023	435,884	3,132,445	3,240,706	453,048	285,473	7,547,556
Accumulated depreciation						
At 1 January 2023	(222,166)	(1,810,484)	(1,947,868)	(239,786)	–	(4,220,304)
Depreciation for the year[1]	(24,837)	(205,238)	(240,595)	(30,276)	–	(500,946)
Disposals[5]	290	24,627	2,763	6,930	–	34,610
At 31 December 2023	(246,713)	(1,991,095)	(2,185,700)	(263,132)	–	(4,686,640)
Net book amount at 31 December 2023	189,171	1,141,350	1,055,006	189,916	285,473	2,860,916

1 Amounts include Right-of-use assets as described in Note 25.
2 The amount of Property, plant and equipment related to Soledad & Dipolos at 31 December 2023 is US$37.2 million and reflects capitalised mining works and the amount recognised in the cost of Property plant and equipment related to estimated remediation and closure activities.
3 From the additions in 'other assets' category US$28.1 million corresponds to the reassessment of mine closure rehabilitations costs, see Note 21.
4 From the total net amount of disposals, US$1.9 million correspond to a write off of assets as disclosed in Note 9.
5 Depreciation for the year includes US$498.5 million recognised as an expense in the income statement and US$2.5 million capitalised as part of construction in progress.

The table below details construction in progress by operating mine and development projects

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Fresnillo	**60,674**	73,761
Saucito	**81,712**	94,092
Juanicipio	**48,846**	29,028
Ciénega	**13,843**	13,432
San Julián	**15,820**	56,938
Herradura	**48,422**	13,307
Other[1]	**296**	4,915
	269,613	285,473

1 Mainly corresponds to Minera Bermejal, S.A. de C.V. (2023: Minera Bermejal, S.A. de C.V.).

During the year ended 31 December 2024 there were no capitalised borrowing costs. During the year ended 31 December 2023, the Group capitalised US$2.1 million of borrowing costs paid within construction in progress. Borrowing costs were capitalised at the rate of 5.02%.

Sensitivity analysis
As disclosed in Note 2(f) management performs at each reporting date an assessment to determine whether there are any indicators of impairment. As at 31 December 2024, the carrying amounts of mining assets is supported by their recoverable values.

The key assumptions on which Management bases the recoverable value calculations of the mining assets are commodity prices, future capital requirements, production costs, reserves and resources volumes (reflected in production volumes) and discount rate.

The models are most sensitive to changes in commodity price assumptions, operating costs and production volumes.

Other than as disclosed below, Management has considered no reasonably possible change in any other key assumption above would cause the carrying value of any of its mining assets to exceed its recoverable amount.

In the absence of any changes to any of the other key assumptions, a change in the below assumptions would have the following impact as at 31 December 2024:

- A decrease of 10% in gold and 15 % silver prices would result in an impairment charge of US$54.3 million.
- An increase of 10% in operating costs would result in an impairment charge of US$8.1 million.
- A decrease of 5% in the forecasted volume of gold and silver produced would result in an impairment charge of US$8.0 million.

14. Silverstream contract

On 31 December 2007, the Group entered into an agreement with Peñoles through which the Group is entitled to receive the proceeds received by the Peñoles Group in respect of the refined silver sold from the Sabinas Mine (Sabinas), a base-metals mine owned and operated by the Peñoles Group. The agreement required an upfront payment of US$350 million by Fresnillo. In addition, a per ounce cash payment of US$2.00 in years one to five and US$5.00 thereafter (subject to an inflationary adjustment that commenced from 31 December 2013) is payable to Peñoles. The cash payment to Peñoles per ounce of silver for the year ended 31 December 2024 was US$5.74 per ounce (2023: $5.65 per ounce). Under the contract, the Group has the option to receive a net cash settlement from Peñoles attributable to the silver produced and sold from Sabinas, to take delivery of an equivalent amount of refined silver or to receive settlement in the form of both cash and silver. If, by 31 December 2032, the amount of silver produced by Sabinas is less than 60 million ounces, a further payment is due from Peñoles to the Group of US$1 per ounce of shortfall.

In November 2024, the Group received notification from Peñoles, that its Sabinas mine is experiencing operational difficulties impacting silver production. The Group has started evaluating the implications of the operational difficulties in the Silverstream contract and has updated its estimates of future mine production and the risks attached. The main changes have been applied in the expected future silver production and adjusting the discount rate to capture a higher operational risk. The expected Sabinas' life of mine has been significantly reduced as a result on the change in estimation of the ore to be mined, which now represents only reserves and no longer includes a portion of resources.

The Silverstream contract represents a derivative financial instrument which has been recorded at FVPL and classified within non-current and current assets as appropriate. The term of the derivative is based on Sabinas' life of mine which is currently 10 years considering ore reserves Changes in the contract's fair value, other than those represented by the realisation of the asset through the receipt of either cash or refined silver, are charged or credited to the income statement. In the year ended 31 December 2024, total proceeds received in cash were US$30.0 million (2023: US$40.2 million) of which, US$5.0 million was in respect of proceeds receivable as at 31 December 2023 (2023: US$8.3 million in respect of proceeds receivable as at 31 December 2022). Cash received in respect of the year of US$24.9 million (2023: US$31.8 million) corresponds to 1.4 million ounces of payable silver (2023: 2.29 million ounces). As at 31 December 2024, a further US$16.5 million (2023: US$5.1 million) of cash receivable corresponding to 713,061 ounces of silver is due (2023: 278,342 ounces).

A reconciliation of the beginning balance to the ending balance is shown below:

	2024 US$ thousands	2023 US$ thousands
Balance at 1 January	**482,340**	511,474
Cash received in respect of the year	**(24,907)**	(31,816)
Cash receivable	**(16,515)**	(5,050)
Remeasurement gains recognised in profit and loss	**(182,276)**	7,732
Balance at 31 December	**258,641**	482,340
Less – Current portion	**44,204**	35,802
Non-current portion	**214,437**	446,538

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

14. Silverstream contract continued

The US$182.3 million unrealised loss recorded in the income statement (31 December 2023: US$7.7 million gain) resulted mainly from the change in the criteria of not consider remaining resources, to an update in the reserves production plan and an increase in the spread applied to the discount rate, these factors were partially mitigated with an increase in the forward and long term silver prices, and the amortisation effect.

Significant assumptions used in the valuation of the Silverstream contract are as follows:

- Forecasted volumes (millions of ounces/moz)
  – Silver to be produced and sold over the life of mine 29.0 moz (2023: 82.8 moz)
  – Average annual silver to be produced and sold 2.9 moz (2023: 3.5 moz)
- Weighted average discount rate 20.1% (2023: 9.79%)
- Future silver prices (US$ per ounce)

Year ended 31 December	Year 1	Year 2	Year 3	Year 4	Year 5	Long-term
2024	**29.70**	**31.36**	**32.74**	**33.31**	**33.77**	**24.5**
2023	24.41	25.44	26.43	26.64	26.85	19.58

The fair value of the Silverstream contract is determined using a valuation model including unobservable inputs (Level 3). This derivative has a term of 10 years and the valuation model utilises several inputs that are not based on observable market data due to the nature of these inputs and/or the duration of the contract. Inputs that have a significant effect on the recorded fair value are the volume of silver that will be produced and sold from the Sabinas mine over the contract life, the future price of silver, future inflation and the discount rate used to discount future cash flows.

The estimate of the volume of silver that will be produced and sold from the Sabinas mine requires estimates of the recoverable silver reserves, the related production profile based on the Sabinas mine plan and the expected recovery of silver from ore mined. The estimation of these inputs is subject to a range of operating assumptions and may change over time. Estimates of reserves are updated annually by Peñoles, the operator and sole interest holder in the Sabinas mine and provided to the Company. The production profile and estimated payable silver that will be recovered from ore mined is based on the operational mine plan, with certain amendments to reflect a basis that a market participant would consider, that is provided to the Company by Peñoles. The inputs assume no interruption in production over the life of the Silverstream contract and production levels based on the most recent information available.

Management regularly assesses a range of reasonably possible alternatives for those significant unobservable inputs described above and determines their impact on the total fair value. The fair value of the Silverstream contract is significantly sensitive to a reasonably possible change in future silver price, the discount rate used to discount future cash flows and total recoverable reserves over the life of mine. The sensitivity of these key inputs is as follows:

	Commodity price		Discount rate		Volumes produced	
Year ended 31 December	Increase/ (decrease) in silver price	Effect on profit before tax: increase/ (decrease) US$ thousands	Basis point increase/ (decrease) in interest rate	Effect on profit before tax: increase/ (decrease) US$ thousands	Increase/ (decrease) in reserves and resources	Effect on profit before tax: increase/ (decrease) US$ thousands
2024	**15%**	**47,906**	**–**	**–**	**25%**	**64,660**
	(15%)	**(47,906)**	**(75)**	**3,677**	**(25%)**	**(64,660)**
2023	10%	63,222	–	–	10%	48,141
	(10%)	(63,222)	(75)	27,473	(10%)	(48,141)

Management considers that an appropriate sensitivity for volumes produced and sold is on the total recoverable reserve quantities over the contract term rather than annual production volumes over the mine life.

The significant unobservable inputs are not interrelated. The Sabinas mine is a polymetallic mine that contains copper, lead and zinc as well as silver, which is produced as a by-product. Therefore, changes to base metals prices (rather than the price of silver) are most relevant to the Sabinas mine production plans and the overall economic assessment of the mine.

The effects on profit before tax and equity of reasonably possible changes to the inflation rates and the US dollar exchange rate compared to the Mexican peso on the Silverstream contract are not material. The Group's exposure to reasonably possible changes in other currencies is not material.

15. Inventories

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Finished goods[1]	**36,766**	34,212
Work in progress[2]	**274,936**	314,802
Ore stockpile[3]	**6,281**	4,779
Operating materials and spare parts	**177,043**	185,624
	495,026	539,417
Allowance for obsolete and slow-moving inventories	**(12,849)**	(6,684)
Balance as 31 December	**482,177**	532,733
Less – Current portion	**412,417**	462,973
Non-current portion[4]	**69,760**	69,760

1 Finished goods include metals contained in concentrates and doré bars on hand or in transit to a smelter or refinery.
2 Work in progress includes metals contained in ores on leaching pads for an amount of US$253.5 million (2023: US$292.7 million) and in stockpiles US$21.4 million (2023: US$22.1 million) that will be processed in dynamic leaching plants (Note 2(c)).
3 Ore stockpile includes ore mineral obtained at Juanicipio.
4 Non-current inventories relate to ore in leaching pads where the leaching process has stopped and is not expected to restart within twelve months. As at 31 December 2024 and 2023 non-current inventories corresponds to Soledad & Dipolos mine unit (Note 2 (c)).

Concentrates are a product containing sulphides with variable content of precious and base metals and are sold to smelters and/or refineries. Doré is an alloy containing a variable mixture of gold and silver that is delivered in bar form to refineries. Activated carbon is a product containing variable mixture of gold and silver that is delivered in small particles.

The amount of inventories recognised as an expense in the year was US$2,254 million (2023: US$2,201.8 million). During 2024 and 2023, there was no adjustment to net realisable value allowance against work-in-progress inventory. The adjustment to the allowance for obsolete and slow-moving inventory recognised as an expense was US$6.2 million (2023: US$1.2 million).

16. Trade and other receivables

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Trade receivables from related parties (Note 27)	**548,760**	306,668
Value Added Tax receivable	**89,441**	93,010
Other receivables from related parties (Note 27a)	**17,339**	11,509
Other receivables from contractors	**–**	2,662
Other trade receivables	**2,079**	174
Other receivables	**16,885**	8,658
	674,504	422,681
Expected credit loss of Other receivables	**(293)**	(353)
Trade and other receivables classified as current assets	**674,211**	419,666
Other receivables classified as non-current assets:	**–**	–
Other receivable	**5,264**	773
Value Added Tax receivable	**–**	42,755
Trade and other receivables classified as non-current assets	**5,264**	43,528
Total trade and other receivables	**679,475**	463,194

Trade receivables are shown net of any corresponding advances, are non-interest bearing and generally have payment terms of 46 to 60 days.

The total receivables denominated in US dollars were US$584 million (2023: US$316.3 million), and in Mexican pesos US$95.4 million (2023: US$147.6 million).

Balances corresponding to Value Added Tax receivables and US$2.3 million within Other receivables (2023: US$6.2 million) are not financial assets.

As of 31 December for each year presented, except for 'other receivables' in the table above, all trade and other receivables were neither past due nor credit-impaired. The amount past due and considered as credit-impaired as of 31 December 2024 is US$0.3 million (2023: US$0.4 million). Trade receivables from related parties and other receivables from related parties (see Note 14) are classified as financial assets at FVTPL and are therefore not considered in the expected credit loss analysis. In determining the recoverability of receivables, the Group performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparty, see Note 31(b).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

17. Cash and cash equivalents and short-term investments

The Group considers cash and cash equivalents when planning its operations and in order to achieve its treasury objectives.

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Cash at bank and on hand	**2,194**	3,556
Short-term deposits	**1,108,219**	531,024
Cash and cash equivalents	**1,110,413**	534,580

Cash at bank earns interest at floating rates based on daily bank deposits. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates. Short-term deposits can be withdrawn at short notice without any penalty or loss in value.

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Short-term investments	**187,403**	–

Short-term investments are made for fixed periods longer than three months and earn interest at fixed rates without an option for early withdrawal. As at 31 December 2024 short-term investments are held in fixed-term bank deposits of US$187.4 million (31 December 2023: US$ nil).

18. Equity

Share capital and share premium

Authorised share capital of the Company is as follows:

	As at 31 December			
	2024		2023	
Class of share	**Number**	**Amount**	Number	Amount
Ordinary Shares each of US$0.50	**1,000,000,000**	**$500,000,000**	1,000,000,000	$500,000,000
Sterling Deferred Ordinary Shares each of £1.00	**50,000**	**£50,000**	50,000	£50,000

Issued share capital of the Company is as follows:

	Ordinary Shares		Sterling Deferred Ordinary Shares	
	Number	US$	Number	£
At 1 January 2023	736,893,589	$368,545,586	50,000	£50,000
At 31 December 2023	736,893,589	$368,545,586	50,000	£50,000
At 31 December 2024	**736,893,589**	**$368,545,586**	**50,000**	**£50,000**

As at 31 December 2024 and 2023, all issued shares with a par value of US$0.50 each are fully paid. The rights and obligations attached to these shares are governed by law and the Company's Articles of Association. Ordinary shareholders are entitled to receive notice and to attend and speak at any general meeting of the Company. There are no restrictions on the transfer of the Ordinary shares.

The Sterling Deferred Ordinary Shares only entitle the shareholder on winding up or on a return of capital to payment of the amount paid up after repayment to Ordinary Shareholders. The Sterling Deferred Ordinary Shares do not entitle the holder to payment of any dividend, or to receive notice or to attend and speak at any general meeting of the Company. The Company may also at its option redeem the Sterling Deferred Ordinary Shares at a price of £1.00 or, as custodian, purchase or cancel the Sterling Deferred Ordinary Shares or require the holder to transfer the Sterling Deferred Ordinary Shares. Except at the option of the Company, the Sterling Deferred Ordinary Shares are not transferrable.

Reserves

Share premium

This reserve records the consideration premium for shares issued at a value that exceeds their nominal value.

Capital reserve
The capital reserve arose as a consequence of the Pre-IPO Reorganisation as a result of using the pooling of interest method.

Hedging reserve
This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge, net of tax. When the hedged transaction occurs, the gain or the loss is transferred out of equity to the income statement or the value of other assets.

Cost of hedging reserve
The changes in the time value of option contracts are accumulated in the costs of hedging reserve. These deferred costs of hedging are either reclassified to profit or loss or recognised as a basis adjustment to non-financial assets or liabilities upon maturity of the hedged item, or, in the case of a hedge item that realises over time, amortised on a systematic and rational basis over the life of the hedged item.

Fair value reserve of financial assets at FVOCI
The Group has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in Note 2(g). These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial information of entities with a functional currency different to that of the presentational currency of the Group.

Retained earnings
This reserve records the accumulated results of the Group, less any distributions and dividends paid.

19. Dividends declared and paid
The dividends declared and paid during the years ended 31 December 2024 and 2023 are as follows:

	US cents per Ordinary Share	Amount US$ thousands
Year ended 31 December 2024		
Final dividend for 2023 declared and paid during the year[1]	**4.2**	**30,950**
Interim dividend for 2024 declared and paid during the year[2]	**6.4**	**47,161**
	10.6	**78,111**
Year ended 31 December 2023		
Final dividend for 2022 declared and paid during the year[3]	13.3	98,007
Interim dividend for 2023 declared and paid during the year[4]	1.4	10,317
	14.7	108,324

1 This dividend was approved by the Shareholders on 21 May 2024 and paid on 29 May 2024.
2 This dividend was approved by the Board of Directors on 29 July 2024 and paid on 17 September 2024.
3 This dividend was approved by the Shareholders on 23 May 2023 and paid on 26 May 2023.
4 This dividend was approved by the Board of Directors on 31 July 2023 and paid on 14 September 2023.

A reconciliation between dividend declared, dividends affected to retained earnings and dividend presented in the cash flow statements is as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Dividends declared	**78,111**	108,324
Foreign exchange effect	**–**	(1)
Dividends recognised in retained earnings	**78,111**	108,323
Foreign exchange and hedging effect	**45**	28
Dividends paid	**78,156**	108,351

The directors have proposed a final dividend of US$26.1 cents per share, which is subject to approval at the annual general meeting and is not recognised as a liability as at 31 December 2024. Dividends paid from the profits generated from 1 January 2014 to residents in Mexico and to non-resident shareholders may be subject to an additional tax of up to 10%, which will be withheld by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

20. Interest-bearing loans

Senior Notes

On 13 November 2013, the Group completed its offering of US$800 million aggregate principal amount of 5.500% Senior Notes due November 2023 (the 5.500% Notes). On 29 September 2020, the Group repurchased certain of its 5.500% Notes that had a carrying value of US$482.1 million for a consideration of US$543.0 million.

On 2 October 2020, the Group completed its offering of US$850 million aggregate principal amount of 4.250% Senior Notes due 2050 in the Euronext Dublin. The proceeds were partially used to finance the repurchase mentioned above.

On 13 November 2023, the Company paid the outstanding amount of the 5.500% Notes at its maturity date including due interest for a total of US$326.6 million.

Movements in the year in the debt recognised in the balance sheet are as follows:

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Opening balance	**839,002**	1,158,557
Payments of 5.500% Notes	**–**	(317,879)
Accrued interest	**38,093**	53,919
Interest paid[1]	**(37,986)**	(56,371)
Amortisation of discount and transaction costs	**398**	776
Closing balance	**839,507**	839,002

1 Interest was payable semi-annually on 13 May and 13 November for 5.500% senior notes and is payable semi-annually on 2 April and 2 October for 4.250% senior notes.

The Group has the following restrictions derived from the issuance of all outstanding Senior Notes:

Change of control:

Should the rating of the senior notes be downgraded as a result of a change of control (defined as the sale or transfer of 35% or more of the common shares; the transfer of all or substantially all the assets of the Group; starting a dissolution or liquidation process; or the loss of the majority in the board of directors) the Group is obligated to repurchase the notes at an equivalent price of 101% of their nominal value plus the interest earned at the repurchase date, if requested to do so by any creditor.

Pledge on assets:

The Group shall not pledge or allow a pledge on any property that may have a material impact on business performance (key assets). Nevertheless, the Group may pledge the aforementioned properties provided that the repayment of the Notes keeps the same level of priority as the pledge on those assets.

21. Provision for mine closure cost

The provision represents the discounted values of the risk-adjusted estimated cost to decommission and rehabilitate the mines at the estimated date of depletion of mine deposits. Uncertainties in estimating these costs include potential changes in regulatory requirements, decommissioning, dismantling and reclamation alternatives, timing; the effects of climate change, and the discount, foreign exchange and inflation rates applied. Closure provisions are typically based on conceptual level studies that are refreshed at least every three years. As these studies are renewed, they incorporate greater consideration of forecast climate conditions at closure.

The Group has performed separate calculations of the provision by currency, discounting at corresponding rates. As at 31 December 2024, the discount rates used in the calculation of the parts of the provision that relate to Mexican pesos range from 9.84% to 10.50% (2023: range from 9.87% to 11.19%). The range for the current year parts that relate to US dollars range from 3.69% to 4.00% (2023: range from 3.70% to 4.68%).

Mexican regulations regarding the decommissioning and rehabilitation of mines are limited and less developed in comparison to regulations in many other jurisdictions. It is the Group's intention to rehabilitate the mines beyond the requirements of Mexican law, and estimated costs reflect this level of expense. The Group intends to fully rehabilitate the affected areas at the end of the lives of the mines.

The provision is expected to become payable at the end of the production life of each mine, based on the estimation of reserves and resources, which ranges from 1 to 22 years from 31 December 2024 (2 to 21 years from 31 December 2023). As at 31 December 2024 the weighted average term of the provision is 12 years (2023: 10 years).

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Opening balance	**292,316**	247,207
Decrease to existing provision	**(4,072)**	(2,111)
Effect of changes in discount rate	**(28,736)**	1,436
Unwinding of discount rate	**24,997**	22,578
Payments	**(3,093)**	(4,376)
Foreign exchange	**(35,883)**	27,582
Closing balance	**245,529**	292,316
Less – Current portion	**11,781**	11,849
Non-current portion	**233,748**	280,467

The provision is sensitive to a reasonably possible change in discount rates, exchange rate US Dollar compared to Mexican peso, change in future costs, and change on the expected life of mine (years). The sensitivity of these key inputs is as follows:

	Discount rate		Foreign currency		Estimated costs		Change in LOM	
Year ended 31 December	**Basis point increase/ (decrease) in interest rate**	**Effect on provision: increase/ (decrease) US$ thousands**	**Strengthening/ (weakening) of US dollar**	**Effect on provision: increase/ (decrease) US$ thousands**	**Increase/ (decrease) in estimated costs**	**Effect on provision: increase/ (decrease) US$ thousands**	**Increase/ (decrease) in years**	**Effect on provision: increase/ (decrease) US$ thousands**
2024	**50**	**8,783**	**10%**	**(19,030)**	**5%**	**12,991**	**2**	**(9,751)**
	(50)	**(11,708)**	**(5%)**	**11,017**	**(5%)**	**(12,991)**	**(2)**	**11,764**
2023	50	11,710	10%	(21,990)	5%	14,616	2	(10,061)
	(50)	(24,205)	(5%)	12,731	(5%)	(14,616)	(2)	10,044

Change on the provision would be principally offset by a change to the value of the associated asset unless the asset is fully depreciated, in which case the change in estimate is recognised directly within the income statement.

22. Pensions and other post-employment benefit plans

The Group has a defined contribution plan and a defined benefit plan.

The defined contribution plan was established as from 1 July 2007 and consists of periodic contributions made by each Mexican non-unionised worker and contributions made by the Group to the fund matching workers' contributions, capped at 8% of the employee's annual salary.

The defined benefit plan provides pension benefits based on each worker's earnings and years of services provided by personnel hired up to 30 June 2007 as well as statutory seniority premiums for both unionised and non-unionised workers.

The overall investment policy and strategy for the Group's defined benefit plan is guided by the objective of achieving an investment return which, together with contributions, ensures that there will be sufficient assets to pay pension benefits and statutory seniority premiums for non-unionised workers as they fall due while also mitigating the various risks of the plan. However, the portion of the plan related to statutory seniority premiums for unionised workers is not funded. The investment strategies for the plan are generally managed under local laws and regulations. The actual asset allocation is determined by current and expected economic and market conditions and in consideration of specific asset class risk in the risk profile. Within this framework, the Group ensures that the trustees consider how the asset investment strategy correlates with the maturity profile of the plan liabilities and the respective potential impact on the funded status of the plan, including potential short-term liquidity requirements.

Death and disability benefits are covered through insurance policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

22. Pensions and other post-employment benefit plans continued

The following tables provide information relating to changes in the defined benefit obligation and the fair value of plan assets:

		Pension cost charge to income statement					**Remeasurement gains/(losses) in OCI**					
	Balance at 1 January 2024	**Service cost**	**Net interest**	**Foreign exchange**	**Sub-total recognised in the year**	**Benefits paid**	**Return on plan assets (excluding amounts included in net interest)**	**Actuarial changes arising from changes in financial assumptions**	**Sub-total included in OCI[1]**	**Contributions by employer**	**Defined benefit decrease due to personnel transfer**	**Balance at 31 December 2024**
												US$ thousands
Defined benefit obligation	**(32,671)**	**222**	**(2,664)**	**5,713**	**3,271**	**1,458**		**(672)**	**(672)**		**(496)**	**(29,110)**
Fair value of plan assets	**19,460**		**1,486**	**(3,252)**	**(1,766)**	**(1,120)**	**474**		**474**	**256**	**352**	**17,656**
Net benefit liability	**(13,211)**	**222**	**(1,178)**	**2,461**	**1,505**	**338**	**474**	**(672)**	**(198)**	**256**	**(144)**	**(11,454)**

		Pension cost charge to income statement					Remeasurement gains/(losses) in OCI					
	Balance at 1 January 2023	Service cost	Net interest	Foreign exchange	Sub-total recognised in the year	Benefits paid	Return on plan assets (excluding amounts included in net interest)	Actuarial changes arising from changes in financial assumptions	Sub-total included in OCI[1]	Contributions by employer	Defined benefit decrease due to personnel transfer	Balance at 31 December 2023
												US$ thousands
Defined benefit obligation	(26,014)	(1,797)	(2,559)	(3,952)	(8,308)	2,133		(457)	(457)		(25)	(32,671)
Fair value of plan assets	16,552		1,871	2,527	4,398	(2,133)	331		331	332	(20)	19,460
Net benefit liability	(9,462)	(1,797)	(688)	(1,425)	(3,910)	–	331	(457)	(126)	332	(45)	(13,211)

Of the total defined benefit obligation, US$12.1 million (2023: US$13.9 million) relates to statutory seniority premiums for unionised workers which are not funded. The expected contributions to the plan for the next Annual Reporting period are nil. The principal assumptions used in determining pension and other post-employment benefit obligations for the Group's plans are shown below:

	As at 31 December	
	2024 %	2023 %
Discount rate	**10.14**	10.08
Future salary increases (National Consumer Price Index)	**5.25**	5.25

The life expectancy of current and future pensioners, men and women aged 65 and older will live on average for a further 22.5 and 23.7 years respectively (2023: 23.2 years for men and 26.0 for women). The weighted average duration of the defined benefit obligation is 7.8 years (2023: 8.7 years).

The fair values of the plan assets were as follows:

	As at 31 December	
	2024 US$ thousands	2022 US$ thousands
State owned companies	**279**	337
Mutual funds (fixed rates)	**17,377**	19,123
	17,656	19,460

As at 31 December 2024 and 2023, all the funds were invested in quoted debt instruments.

The pension plan has not invested in any of the Group's own financial instruments nor in properties or assets used by the Group.

A quantitative sensitivity analysis for significant assumptions as at 31 December 2024 is as shown below:

Assumptions	Discount rate		Future salary increases (NCPI)		Life expectancy of pensioners
Sensitivity Level	0.5% Increase	0.5% Decrease	0.5% increase	0.5% decrease	+ 1 Increase
Year ended 31 December 2024					
(Decrease)/increase to the net defined benefit obligation (US$ thousands)	**(1,026)**	**1,101**	**270**	**(260)**	**167**
Year ended 31 December 2023					
(Decrease)/increase to the net defined benefit obligation (US$ thousands)	(1,152)	1,243	215	(226)	289

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The pension plan is not sensitive to future changes in salaries other than in respect of inflation.

23. Trade and other payables

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Trade payables	**110,891**	118,110
Other payables to related parties (Note 27(a))	**39,203**	56,434
Accrued expenses	**38,188**	54,749
Other taxes and contributions	**35,497**	28,812
	223,779	258,105

Trade payables are mainly for the acquisition of materials, supplies and contractor services. These payables do not accrue interest and no guarantees have been granted. The fair value of trade and other payables approximate their book values.

Balances corresponding to Accrued expenses and Other taxes and contributions are not financial liabilities.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 31.

24. Commitments

A summary of capital expenditure commitments by operating mines and development project is as follows:

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Saucito	**28,030**	30,761
Fresnillo	**20,324**	26,503
San Julián	**4,785**	14,655
Juanicipio	**21,776**	12,246
Herradura	**16,167**	6,610
Ciénega	**2,603**	2,984
Noche Buena	**–**	206
Other[1]	**657**	4,040
	94,342	98,005

1 Mainly corresponds to Minera el Bermejal, S. de R.L. de C.V.

25. Leases

(a) The Group as lessee

The Group leases various offices, buildings, plant and equipment and IT equipment. The resulting lease liability is as follows:

	As at	
	31 December 2024 US$ thousands	31 December 2023 US$ thousands
IT equipment	**5,925**	10,387
Plant and equipment	**3,123**	3,501
Buildings	**2,845**	702
Total lease liability	**11,893**	14,590
Less – Current portion	**4,312**	4,813
Non-current portion	**7,581**	9,777

The total cash outflow for leases for the year ended 31 December 2024, except short term and low value leases, amounts to US$7.0 million (2023: US$7.3 million), including finance costs of US$1.6 million (2023: US$1.2 million). The table below details right-of-use assets included as property plant and equipment in Note 13.

	Year ended 31 December 2024			
	US$ thousands			
	Buildings	**Computer equipment**	**Plant and Equipment**	**Total**
Cost				
At 1 January 2024	**5,035**	**19,279**	**4,056**	**28,370**
Additions	**942**	**1,329**	**83**	**2,354**
Disposals	**(70)**	**(4,820)**	**–**	**(4,890)**
At 31 December 2024	**5,907**	**15,788**	**4,139**	**25,834**
Accumulated depreciation				
At 1 January 2024	**(3,034)**	**(11,155)**	**(801)**	**(14,990)**
Depreciation for the year	**(763)**	**(3,926)**	**(589)**	**(5,278)**
Disposals	**68**	**4,780**	**–**	**4,848**
At 31 December 2024	**(3,729)**	**(10,301)**	**(1,390)**	**(15,420)**
Net book amount at 31 December 2024	**2,178**	**5,487**	**2,749**	**10,414**

	Year ended 31 December 2023			
	US$ thousands			
	Buildings	Computer equipment	Plant and Equipment	Total
Cost				
At 1 January 2023	4,620	21,284	3,933	29,837
Additions	723	4,286	123	5,132
Disposals	(308)	(6,291)	–	(6,599)
At 31 December 2023	5,035	19,279	4,056	28,370
Accumulated depreciation				
At 1 January 2023	(2,585)	(12,394)	(234)	(15,213)
Depreciation for the year	(739)	(4,880)	(567)	(6,186)
Disposals	290	6,119	–	6,409
At 31 December 2023	(3,034)	(11,155)	(801)	(14,990)
Net book amount at 31 December 2023	2,001	8,124	3,255	13,380

Amounts recognised in profit and loss for the year, additional to depreciation of right-of-use assets, included US$1.6 million (2023: US$1.2 million) relating to interest expense, US$62.1 million (2023: US$73.7 million) on relating variable lease payments (Note 6) of which US$2.9 million (2023: US$4.2 million) were capitalised as a part of stripping cost, US$0.3 million (2023: US$0.9 million) relating to short-term leases and US$2.7 million (2023:US$2.9 million) relating to low-value assets.

(b) The Group as a lessor

Operating leases, in which the Group is the lessor, relate to mobile equipment owned by the Group with lease terms of between 12 to 36 months. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the equipment at the expiry of the lease period. The Group's leases as a lessor are not material.

26. Contingencies

As of 31 December 2024, the Group has the following contingencies:

- The Group is subject to various laws and regulations which, if not observed, could give rise to penalties.
- Tax periods remain open to review by the Mexican tax authorities (SAT, by its Spanish acronym) in respect of income taxes for five years following the date of the filing of corporate income tax returns, during which time the authorities have the right to raise additional tax assessments including penalties and interest. Under certain circumstances, the reviews may cover longer periods. As such, there is a risk that transactions, and in particular related party transactions, that have not been challenged in the past by the authorities, may be challenged by them in the future.

  It is not practical to determine the amount of any potential claims or the likelihood of any unfavourable outcome arising from this or any future inspections that may be initiated. However, management believes that its interpretation of the relevant legislation is appropriate and that the Group has complied with all regulations and paid or accrued all taxes and withholding taxes that are applicable.
- On 8 May 2008, the Company and Peñoles entered into the Separation Agreement (the 'Separation Agreement'). This agreement relates to the separation of the Group and the Peñoles Group and governs certain aspects of the relationship between the Fresnillo Group and the Peñoles Group following the initial public offering in May 2008 ('Admission'). The Separation Agreement provides for cross-indemnities between the Company and Peñoles so that, in the case of Peñoles, it is held harmless against losses, claims and liabilities (including tax liabilities) properly attributable to the precious metals business of the Group and, in the case of the Company, it is held harmless by Peñoles against losses, claims and liabilities which are not properly attributable to the precious metals business. Save for any liability arising in connection with tax, the aggregate liability of either party under the indemnities shall not exceed US$250 million in aggregate.
- In 2011, following a flooding in the Saucito mine, Group filed an insurance claim in respect of the damage caused (and in respect of business interruption). This insurance claim was rejected by the insurance provider. In early 2018, after the matter had been taken to mutually agreed arbitration, the insurance claim was declared valid; however, there is disagreement about the appropriate amount to be paid. In October 2018 the Group received US$13.6 million in respect of the insurance claim, however this does not constitute a final settlement and management continues to pursue a higher insurance payment. Due to the fact that negotiations are on-going and there is uncertainty regarding the timing and amount involved in reaching a final settlement with the insurer, it is currently not practicable to determine the total amount expected to be recovered.
- On 4 July 2024, the SAT issued the tax assessment ruling regarding the 2016 tax audit of Comercializadora de Metales Fresnillo where it confirmed its findings on the tax treatment of the Silverstream premium payment amounting to US$16.8 million, which includes the effect of time value of the money, penalties and surcharges. The Company filed an administrative appeal on 30 August 2024 to challenge the SAT assessment.

  Regarding the 2017 tax audit of Comercializadora de Metales Fresnillo, findings were shared by the SAT on 21 March 2024, which mainly relate to the tax treatment of the Silverstream transaction. The Company responded on 19 April 2024 and began a Conclusive Agreement procedure before the Mexican tax ombudsman (PRODECON). The tax audit in respect of the Silverstream transaction for the year 2018 is ongoing, however management expects the SAT to also challenge the tax treatment of the Silverstream premium payment as in the case of the 2016 and 2017 tax audits. On 6 November 2024, the SAT initiated an audit of the income tax computation of Comercializadora de Metales Fresnillo for the year 2019. It is not practical to determine the amount of any potential claims or the likelihood of any unfavourable outcome arising from this or any future inspections that may be initiated.

  The Directors and their external tax advisors consider Management's interpretation of the relevant legislation and assessment of taxation to be appropriate, that the Group has complied with all regulations and paid or accrued all taxes and withholdings that are applicable and that it is probable that the Group's tax position will be sustained.
- It is probable that interest income will be earned on the Group's outstanding income and value added tax receivable balances; however, there is no certainty that this interest will be realised until the underlying balance is recovered. Due to that uncertainty, it is also not practicable to estimate the amount of interest income earned but not recovered to date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

27. Related party balances and transactions

The Group had the following related party transactions during the years ended 31 December 2024 and 2023 and balances as at 31 December 2024 and 2023.

Related parties are those entities owned or controlled by the ultimate controlling party, as well as those who have a minority participation in Group companies and key management personnel of the Group.

(a) Related party balances

	Accounts receivable		Accounts payable	
	As at 31 December		As at 31 December	
	2024 US$ thousands	2023 US$ thousands	**2024 US$ thousands**	2023 US$ thousands
Trade:				
Metalúrgica Met-Mex Peñoles, S.A. de C.V.	**548,760**	306,668	**6,622**	5,840
Other:				
Industrias Peñoles, S.A.B. de C.V.[1]	**16,516**	5,050	**–**	–
Metalúrgica Met-Mex Peñoles, S.A. de C.V.	**322**	261	**1,791**	739
Servicios Administrativos Peñoles, S.A. de C.V.	**–**	–	**6,420**	24,486
Servicios Especializados Peñoles, S.A. de C.V.	**–**	–	**10,374**	7,147
Fuentes de Energía Peñoles, S.A. de C.V.	**–**	–	**6,373**	6,239
Termoeléctrica Peñoles, S. de R.L. de C.V.	**–**	–	**439**	3,362
Peñoles Tecnología, S.A. de C.V.	**–**	–	**1,640**	1,261
Eólica de Coahuila S.A. de C.V.	**–**	–	**2,693**	2,986
Minera Capela, S.A. de C.V.	**–**	–	**2**	9
Grupo Nacional Provincial, S.A.B. de C.V.[2]	**357**	5,715	**–**	–
Other	**144**	483	**2,849**	4,365
Sub–total	**566,099**	318,177	**39,203**	56,434
Less–current portion	**566,099**	318,177	**39,203**	56,434
Non-current portion	**–**	–	**–**	–

1 This balance corresponds to the cash receivable related to the Silverstream contract, see Note 14.
2 This balance corresponds to excess payments to the defined contribution plan which will be refunded.

Related party accounts receivable and payable will be settled in cash.

Other balances with related parties:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Silverstream contract:		
Industrias Peñoles, S.A.B. de C.V.	**258,641**	482,340

The Silverstream contract can be settled in either silver or cash. Details of the Silverstream contract are provided in Note 14.

(b) Principal transactions with affiliates, including Industrias Peñoles S.A.B de C.V., the Company's parent, are as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Income:		
Sales:		
Metalúrgica Met-Mex Peñoles, S.A. de C.V. [1]	**3,481,650**	2,704,452
Insurance recovery		
Grupo Nacional Provincial, S.A.B. de C.V.	**8,317**	241
Other income	**4,678**	4,012
Total income	**3,494,645**	2,708,705

1 Invoiced revenues are derived from the value of metal content which is determined by commodity market prices and adjusted for the treatment and refining charges to be incurred by the metallurgical complex (refer to Note 5(c).

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Expenses:		
Administrative services:		
Servicios Administrativos Peñoles, S.A. de C.V.[1]	**52,352**	56,636
Servicios Especializados Peñoles, S.A. de C.V.[2]	**18,738**	26,626
Peñoles Tecnología, S.A. de C.V.	**4,970**	5,343
	76,060	88,605
Energy:		
Termoeléctrica Peñoles, S. de R.L. de C.V.	**7,295**	28,454
Fuentes de Energía Peñoles, S.A. de C.V.	**35,711**	15,945
Eólica de Coahuila S.A. de C.V.	**46,057**	33,563
	89,063	77,962
Operating materials and spare parts:		
Wideco Inc	**5,315**	5,383
Metalúrgica Met-Mex Peñoles, S.A. de C.V.	**55,525**	35,551
	60,840	40,934
Equipment repair and administrative services:		
Serviminas, S.A. de C.V.	**2,760**	10,068
Insurance premiums:		
Grupo Nacional Provincial, S.A.B. de C.V.	**21,068**	18,909
Other expenses:	**2,755**	3,960
Total expenses	**252,546**	240,438

1 Includes US$0.9 million (2023: US$0.6 million) corresponding to expenses reimbursed.
2 Includes US$8.5 million (2023: US$9.6 million) relating to engineering costs that were capitalised.

(c) Compensation of key management personnel of the Group

Key management personnel include the members of the Board of Directors and the Executive Committee.

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Salaries and bonuses	**6,044**	3,412
Post-employment benefits	**395**	290
Other benefits	**342**	435
Total compensation paid in respect of key management personnel	**6,781**	4,137

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Accumulated accrued defined benefit pension entitlement	**4,325**	5,035

This compensation includes amounts paid to directors disclosed in the Directors' Remuneration Report.

The accumulated accrued defined pension entitlement represents benefits accrued at the time the benefits were frozen. There are no further benefits accruing under the defined benefit scheme in respect of current services.

28. Auditor's remuneration

Fees due by the Group to its auditor during the year ended 31 December 2024 and 2023 are as follows:

	Year ended 31 December	
Class of services	**2024 US$ thousands**	2023 US$ thousands
Fees payable to the Group's auditor for the audit of the Group's annual accounts	**2,048**	1,616
Fees payable to the Group's auditor and its associates for other services as follows:		
The audit of the Company's subsidiaries pursuant to legislation	**975**	650
Audit-related assurance services[1]	**748**	773
Total	**3,771**	3,039

1 Includes US$0.6 million (2023: US$0.6 million) for the limited review of the Half Yearly financial report, US$0.2 (2023: US$0.1 million) for the Mexican tax audit opinions and US$0.1 million (2023: US$0.1 million) for the limited assurance services over certain GHG's KPIs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

29. Notes to the consolidated statement of cash flows

	Notes	2024 US$ thousands	2023 US$ thousands
Reconciliation of profit for the year to net cash generated from operating activities			
Profit for the year		**226,691**	288,300
Adjustments to reconcile profit for the period to net cash inflows from operating activities:			
Depreciation and amortisation	13	**620,867**	498,469
Employee profit sharing	8	**13,609**	2,390
Deferred income tax expense/(credit)	11	**264,111**	(283,680)
Current income tax expense	11	**253,100**	109,398
Write-off of assets	9	**1,704**	1,920
Gain on the sale of property, plant and equipment and other assets		**(1,004)**	(882)
Net finance costs		**25,131**	36,974
Foreign exchange loss/(gain)		**(2,200)**	(1,142)
Difference between pension contributions paid and amounts recognised in the income statement		**(63)**	2,061
Non-cash movement on derivatives		**(301)**	(2)
Changes in fair value of Silverstream	14	**182,276**	(7,732)
Change in mine closure cost provision	9	**8**	3,226
Gain in sale of mining concessions	9	**(24,149)**	–
Other		**–**	38
Working capital adjustments			
Increase in trade and other receivables		**(196,196)**	(45,597)
Decrease in prepayments and other assets		**10,741**	10,396
Decrease in inventories		**50,556**	54,631
(Decrease)/increase in trade and other payables		**(28,016)**	1,196
Cash generated from operations		**1,396,865**	669,964
Income tax paid[1]		**(94,957)**	(233,060)
Employee profit sharing paid		**(2,106)**	(10,982)
Net cash from operating activities		**1,299,802**	425,922

1 Income tax paid includes US$72.1 million corresponding to corporate income tax (2023: US$187.0 million) and US$22.9 million corresponding to special mining right (2023: US$46.0 million), for further information refer to Note 11.

30. Financial instruments

(a) Fair value category

As at 31 December 2024 US$ thousands				
Financial assets:	**Amortised cost**	**Fair value through OCI**	**Fair value (hedging instruments)**	**Fair value through profit or loss**
Trade and other receivables[1]	**8,542**	**–**	**–**	**565,276**
Equity instruments at FVOCI	**–**	**139,968**	**–**	**–**
Silverstream contract (Note 14)	**–**	**–**	**–**	**258,641**

Financial liabilities:	**Amortised cost**	**Fair value (hedging instruments)**	**Fair value through profit or loss**
Interest-bearing loans (Note 20)	**839,507**	**–**	**–**
Notes payable[2]	**2,055**	**–**	**–**
Trade and other payables (Note 23)	**2,150,094**	**–**	**–**
Derivative financial instruments	**–**	**189**	**–**

Financial assets:	Amortised cost	Fair value through OCI	Fair value (hedging instruments)	Fair value through profit or loss
				As at 31 December 2023
				US$ thousands
Trade and other receivables[1]	9,894	–	–	311,718
Equity instruments at FVOCI	–	107,991	–	–
Silverstream contract (Note 14)	–	–	–	482,340
Derivative financial instruments	–	–	79	–

Financial liabilities:	Amortised cost	Fair value (hedging instruments)	Fair value through profit or loss
Interest-bearing loans (Note 20)	839,002	–	–
Notes payable[2]	95,360	–	–
Trade and other payables (Note 23)	174,544	–	–

1 Trade and other receivables and embedded derivative within sales contracts are presented net in Trade and other receivables in the balance sheet.
2 Corresponds to interest-bearing notes payable received from Minera los Lagartos, S.A. de C.V. which holds a non-controlling interest in Juanicipio project. The notes are denominated in US Dollars and bear interest at a of 6.76% (2023: 6.72% to 7.36%) with a maturity of six months. (2023: nine to eighteen months US$72.6 million short-term and US$22.7 million long-term,). During the year there were no proceeds and payments from these Notes amounted to US$92.4 million (2023: proceeds amounted to US$22.7 million, and payments amounted to US$33.0 million). Interest paid amounted to US$5.0 million (2023: US$7.6 million).

(b) Fair value measurement

The value of financial assets and liabilities other than those measured at fair value are as follows:

	Carrying amount		Fair value	
				As at 31 December
	2024 US$ thousands	2023 US$ thousands	**2024 US$ thousands**	2023 US$ thousands
Financial assets:				
Trade and other receivables	**8,542**	9,894	**8,542**	9,894
Financial liabilities:				
Interest-bearing loans[1] (Note 20)	**839,507**	839,002	**605,396**	645,745
Trade and other payables	**150,094**	174,544	**150,094**	174,544
Notes payable	**2,055**	95,360	**2,055**	95,324

1 Interest-bearing loans are categorised in Level 1 of the fair value hierarchy.

The financial assets and liabilities measured at fair value are categorised into the fair value hierarchy as at 31 December as follows:

	Quoted prices in active markets Level 1 US$ thousands	**Significant observable Level 2 US$ thousands**	**Significant unobservable Level 3 US$ thousands**	**Total US$ thousands**
				As of 31 December 2024
				Fair value measure using
Financial assets:				
Trade receivables	**–**	**–**	**548,760**	**548,760**
Other receivables from related parties[1]	**–**	**–**	**16,516**	**16,516**
Derivative financial instruments:				
Option and forward foreign exchange contracts	**–**	**–**	**–**	**–**
Silverstream contract	**–**	**–**	**258,641**	**258,641**
Other financial assets:				
Equity instruments at FVOCI	**139,968**	**–**	**–**	**139,968**
	139,968	**–**	**823,917**	**963,885**

1 This balance corresponds to the cash receivable related to the Silverstream contract, see Note 14.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

30. Financial instruments continued

	As of 31 December 2023			
	Fair value measure using			
	Quoted prices in active markets Level 1 US$ thousands	Significant observable Level 2 US$ thousands	Significant unobservable Level 3 US$ thousands	Total US$ thousands
Financial assets:				
Trade receivables	–	–	306,668	306,668
Other receivables from related parties[1]	–	–	5,050	5,050
Derivative financial instruments:				
Option and forward foreign exchange contracts		79	–	79
Silverstream contract		–	482,340	482,340
Other financial assets:				
Equity instruments at FVOCI	107,991	–	–	107,991
	107,991	79	794,058	902,128

1 This balance corresponds to the cash receivable related to the Silverstream contract, see Note 14.

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy, and no transfers into and out of Level 3 fair value measurements.

A reconciliation of the opening balance to the closing balance for Level 3 financial instruments other than Silverstream (which is disclosed in Note 14) is shown below:

	2024 US$ thousands	2023 US$ thousands
Balance at 1 January:	**306,668**	275,844
Sales	**3,503,662**	2,706,292
Cash collection	**(3,254,312)**	(2,674,262)
Changes in fair value	**32,638**	27,034
Realised embedded derivatives during the year	**(39,896)**	(28,240)
Balance at 31 December	**548,760**	306,668

The fair value of financial assets and liabilities is included at reflects the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following valuation techniques were used to estimate the fair values:

Option and forward foreign exchange contracts

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The foreign currency forward (Level 2) contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies. The foreign currency option contracts are valued using the Black Scholes model, the significant inputs to which include observable spot exchange rates, interest rates and the volatility of the currency.

Silverstream contract

Further information relating to the valuation techniques used to estimate the fair value of the Silverstream contract as well as the sensitivity of the valuation to the key inputs are disclosed in Note 14.

Equity investments:

The fair value of equity investments is derived from quoted market prices in active markets (Level 1). These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature. As of 31 December 2024, approximately 90.4% of the investments correspond to 9,314,877 shares (2023: 9,314,877 shares) of Mag Silver, Corp. for an amount of US$126.5 million (2023: US$96.9 million) and 7.3% of Endeavor Silver Corp. represented by 2,800,000 (2023: 2,800,000 shares) shares for an amount of US$10.3 million (2023: US$5.5 million). These equity investments are listed on the Toronto stock Exchange. The prices per share as 31 December 2024 were US$13.58 (2023: US$10.41) and US$3.66 (2023: US$1.96), respectively.

In August 2024 the Group purchased 500,000 shares of Osisko Mining Inc., a Canadian exploration company, for a total consideration of US$1.5 million. In October 2024 the Group disposed its equity investment of 1,500,000 shares in Osisko Mining Inc. The shares sold had a fair value of US$5.1 million and the Group realised a gain of US$1.0 million which had already been included in OCI. This gain has been transferred to retained earnings, net of tax of US$0.3 million.

Interest-bearing loans
The fair value of the Group's interest-bearing loan is derived from quoted market prices in active markets (Level 1).

Trade receivables:
Sales of concentrates, precipitates doré bars and activated carbon are 'provisionally priced' and revenue is initially recognised using this provisional price and the Group's best estimate of the contained metal. Revenue is subject to final price and metal content adjustments subsequent to the date of delivery (see Note 2 (o)). This price exposure is considered to be an embedded derivative and therefore the entire related trade receivable is measured at fair value.

At each reporting date, the provisionally priced metal content is revalued based on the forward selling price for the quotational period stipulated in the relevant sales contract. The selling price of metals can be reliably measured as these metals are actively traded on international exchanges but the estimated metal content is a non-observable input to this valuation.

31. Financial risk management

Overview
The Group's principal financial assets and liabilities, other than derivatives, comprise trade and other receivables, cash, equity instruments at FVOCI, interest-bearing loans, notes payable and trade payables.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk, including foreign currency, commodity price, interest rate and equity price risks
- Credit risk
- Liquidity risk

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for assessing and managing risk. Further quantitative disclosures are included throughout the Financial Statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Fresnillo Audit Committee has responsibility for overseeing how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Market risk
Market risk is the risk that changes in market factors, such as foreign exchange rates, commodity prices or interest rates will affect the Group's income or the value of its financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

In the following tables, the effect on equity excludes the changes in retained earnings as a direct result of changes in profit before tax.

Foreign currency risk
The Group has financial instruments that are denominated in Mexican peso and other foreign currencies which are exposed to foreign currency risk. Transactions in currencies other than the US dollar include the purchase of services, fixed assets, spare parts and the payment of dividends. As a result, the Group has financial assets and liabilities denominated in currencies other than functional currency and holds cash and cash equivalents in Mexican peso.

In order to manage the Group's exposure to foreign currency risk on expenditure denominated in currencies other than the US dollar, the Group has entered into certain forward and option derivative contracts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31. Financial risk management continued

The following table demonstrates the sensitivity of cash and cash equivalents, trade and other receivables, trade and other payables and derivatives financial instruments (excluding Silverstream which impact is disclosed in Note 14) to a reasonably possible change in the US dollar exchange rate compared to the Mexican peso, reflecting the impact on the Group's profit before tax and equity, with all other variables held constant. It is assumed that the same percentage change in exchange rates is applied to all applicable periods for the purposes of calculating the sensitivity with relation to derivative financial instruments.

Year ended 31 December	Strengthening/ (weakening) of US dollar	Effect on profit before tax: increase/ (decrease) US$ thousands	Effect on equity: increase/ (decrease) US$ thousands
2024	**10%**	**955**	**(582)**
	(5%)	**(2,228)**	**582**
2023	10%	(1,504)	(275)
	(5%)	871	276

The Group's exposure to reasonably possible changes in other currencies is not material.

Commodity risk

The Group has exposure to changes in metals prices (specifically silver, gold, lead and zinc) which have a significant effect on the Group's results. These prices are subject to global economic conditions and industry-related cycles.

The table below reflects the aggregate sensitivity of financial assets and liabilities (excluding Silverstream which impact is disclosed in Note 14) to a reasonably possible change in commodities prices, reflecting the impact on the Group's profit before tax with all other variables held constant.

The sensitivity shown in the table below relates to changes in fair value of commodity derivatives financial instruments contracts (excluding Silverstream) and embedded derivatives in sales.

	Increase/(decrease) in commodity prices					
Year ended 31 December	Gold	Silver	Zinc	Lead	Effect on profit before tax: increase/ (decrease) US$ thousands	Effect on equity: increase/ (decrease) US$ thousands
2024	**10%**	**15%**	**10%**	**10%**	**38,509**	**–**
	(10%)	**(15%)**	**(10%)**	**(10%)**	**(38,509)**	**–**
2023	10%	10%	10%	10%	26,375	–
	(10%)	(10%)	(10%)	(10%)	(26,375)	–

Interest rate risk

The Group is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows or the fair values of its financial instruments, principally relating to the cash balances and the Silverstream contract held at the balance sheet date as explained in Note 14. Interest-bearing loans and notes payable are at a fixed rate, therefore the possibility of a change in interest rate only impacts its fair value but not its carrying amount. Therefore, interest-bearing loans, notes payable and loans from related parties are excluded from the table below.

The following table demonstrates the sensitivity of financial assets and financial liabilities (excluding Silverstream which impact is disclosed in Note 14) to a reasonably possible change in interest rate applied to a full year from the balance sheet date. There is no impact on the Group's equity other than the equivalent change in retained earnings.

Year ended 31 December	Basis point increase/ (decrease) in interest rate	Effect on profit before tax: increase/ (decrease) US$ thousands
2024[1]	**–**	**–**
	(50)	**(6,556)**
2023[1]	–	–
	(75)	(3,307)

The sensitivity shown in the table above primarily relates to the full year of interest on cash balances held as at the year end.

1 Based on actual market conditions management considers an increase in interest rates is likely remote.

Equity price risk

The Group has exposure to changes in the price of equity instruments that it holds as equity investments at FVOCI.

The following table demonstrates the sensitivity of equity investments at FVOCI to a reasonably possible change in market price of these equity instruments, reflecting the effect on the Group's profit before tax and equity:

Year ended 31 December	Increase/ (decrease) in equity price	Effect on profit before tax: increase/ (decrease) (US$ thousands)	Effect on equity: increase/ (decrease) US$ thousands
2024	**80%**	**–**	**111,958**
	(20%)	**–**	**(27,989)**
2023	40%	–	43,196
	(45%)	–	(48,596)

(b) Credit risk

Exposure to credit risk arises as a result of transactions in the Group's ordinary course of business and is applicable to trade and other receivables, cash and cash equivalents, the Silverstream contract and derivative financial instruments.

The Group's policies are aimed at minimising losses as a result of counterparties' failure to honour their obligations. Individual exposures are monitored with customers subject to credit limits to ensure that the Group's exposure to bad debts is not significant. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counter party. The Group's financial assets are with counterparties with what the Group considers to have an appropriate credit rating. As disclosed in Note 27, the counterparties to a significant proportion of these financial assets are related parties. At each balance sheet date, the Group's financial assets were neither credit-impaired nor past due, other than 'Other receivables' as disclosed in Note 16. The Group's policies are aimed at minimising losses from foreign currency hedging contracts. The Company's foreign currency hedging contracts are entered into with large financial institutions with strong credit ratings.

The Group has a high concentration of trade receivables with one counterparty Met-Mex Peñoles, the Group's principal customer throughout 2024 and 2023. A further concentration of credit risk arises from the Silverstream contract. Both Met-Mex and the counterparty to the Silverstream contract are subsidiaries in the Peñoles group which currently owns 75 per cent of the shares of the Company and is considered by management to be of appropriate credit rating.

The Group's surplus funds are managed by Servicios Administrativos Fresnillo, S.A. de C.V., which manages cash and cash equivalents, including short-term investments investing in several financial institutions. Accordingly, on an ongoing basis the Group deposits surplus funds with a range of financial institutions, depending on market conditions. In order to minimise exposure to credit risk, the Group only deposits surplus funds with financial institutions with a credit rating of MX-1 (Moody's) and mxA-1+ (Standard and Poor's) and above. As at 31 December 2024, the Group had concentrations of credit risk as 22 percent of surplus funds were deposited with one financial institution of which the total investment was held in short term deposits.

The maximum credit exposure at the reporting date of each category of financial asset above is the carrying value as detailed in the relevant notes. See Note 17 for the maximum credit exposure to cash and cash equivalents and short-term investments, Note 16 for other receivables and Note 27 for related party trade and other receivables. The maximum credit exposure with relation to the Silverstream contract is the value of the derivative as at 31 December 2024, being US$200.6 million (2023: US$482.3 million).

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group monitors its risk of a shortage of funds using projected cash flows from operations and by monitoring the maturity of both its financial assets and liabilities.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

					US$ thousands
	Within 1 year	2–3 years	3-5 years	> 5 years	Total
As at 31 December 2024					
Interest-bearing loans	**37,986**	**75,973**	**75,973**	**1,647,713**	**1,837,645**
Trade and other payables	**150,094**	**–**	**–**	**–**	**150,094**
Notes payable	**2,055**	**–**	**–**	**–**	**2,055**
Lease liabilities	**4,994**	**6,092**	**2,604**	**–**	**13,691**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

31. Financial risk management continued

US$ thousands

	Within 1 year	2–3 years	3-5 years	> 5 years	Total
As at 31 December 2023					
Interest-bearing loans	37,986	75,973	75,973	1,685,699	1,875,631
Trade and other payables	180,565	–	–	–	180,565
Notes payable	72,634	22,726	–	–	95,360
Lease liabilities	5,944	7,502	2,829	494	16,769

The payments for financial derivative instruments are the gross undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding estimated inflows based on the contractual terms:

US$ thousands

	Within 1 year	**2-3 years**	**3-5 years**	**> 5 years**	**Total**
As at 31 December 2024					
Inflows	**13,191**	**–**	**–**	**–**	**13,191**
Outflows	**(12,403)**	**–**	**–**	**–**	**(12,403)**
Net	**788**	**–**	**–**	**–**	**788**

US$ thousands

	Within 1 year	2-3 years	3-5 years	> 5 years	Total
As at 31 December 2023					
Inflows	5,777	–	–	–	5,777
Outflows	(5,587)	–	–	–	(5,587)
Net	190	–	–	–	190

The above liquidity tables include expected inflows and outflows from currency option contracts which the Group expects to be exercised during 2025 as at 31 December 2024 and during 2024 as at 31 December 2023, either by the Group or counterparty.

Management considers that the Group has adequate current assets and forecast cash from operations to manage liquidity risks arising from current liabilities and non-current liabilities.

Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios that support its business and maximise shareholder value. Management considers capital to consist of equity and interest-bearing loans, excluding net unrealised gains or losses on revaluation of derivatives financial instruments and equity instruments at FVOCI. Refer to Notes 18, 20 and 30 respectively for a quantitative summary of these items.

In order to ensure an appropriate return for shareholders' capital invested in the Group, Management thoroughly evaluates all material projects and potential acquisitions and approves them at its Executive Committee before submission to the Board for ultimate approval, where applicable. The Group's dividend policy is based on the profitability of the business and underlying growth in earnings of the Group, as well as its capital requirements and cash flows, including cash flows from the Silverstream.

One of the Group's metrics of capital is cash and other liquid assets which in 2024 and 2023 consisted of only cash and cash equivalents, which details are disclosed in Note 17.

In January 2024 the Group entered into a syndicated revolving credit facility (the facility) with a term from January 2024 to January 2029. The maximum amount available under the facility is US$350.0 million. The facility is unsecured and has an interest rate on drawn amounts of SOFR plus an interest margin of 1.15%. The terms of this facility include financial covenants related to leverage and interest cover ratios. No amounts have been drawn from the facility to date.

PARENT COMPANY BALANCE SHEET AS AT 31 DECEMBER 2024

	Notes	As at 31 December 2024 US$ thousands	2023 US$ thousands
ASSETS			
Non-current assets			
Investments in subsidiaries	5	**4,189,712**	3,320,703
Equity instruments at FVOCI	15	**139,968**	107,991
Deferred tax asset	4	**43,481**	68,916
Loans to subsidiaries	12	**–**	28,924
		4,373,161	3,526,534
Current assets			
Loans to subsidiaries	12	**1,026,470**	1,358,798
Income tax recoverable		**135**	24
Trade and other receivables	6	**1,149**	708
Derivative financial instruments	15	**–**	79
Cash and cash equivalents	7	**446,353**	215,894
		1,474,107	1,575,503
Total assets		**5,847,268**	5,102,037
EQUITY AND LIABILITIES			
Capital and reserves attributable to shareholders of the Company			
Share capital	8	**368,546**	368,546
Share premium	8	**1,153,817**	1,153,817
Merger reserve	8	**2,173,782**	1,318,114
Fair value reserve of financial assets at FVOCI	8	**59,712**	35,708
Retained earnings	8	**1,234,914**	1,367,044
Total equity		**4,990,771**	4,243,229
Non-current liabilities			
Interest-bearing loans	10	**839,507**	839,002
		839,507	839,002
Current liabilities			
Trade and other payables		**16,801**	19,806
Derivative financial instruments	15	**189**	–
		16,990	19,806
Total liabilities		**856,497**	858,808
Total equity and liabilities		**5,847,268**	5,102,037

The Company profit is US$800.9 million for the year ended 31 December 2024 (2023: loss of US$319.9 million). In accordance with the exemption granted under section 408 of the Companies Act 2006 a separate income statement for the Company has not been presented.

These Financial Statements were approved by the Board of Directors on 3 March 2025 and signed on its behalf by:

Dr Arturo Fernández
Non-Executive Director
3 March 2025

PARENT COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Year ended 31 December 2024 US$ thousands	2023 US$ thousands
Net cash from operating activities	14	**(71,450)**	15,736
Cash flows from investing activities			
Capital contribution to subsidiaries	5	**(13,341)**	(35,358)
Loans granted to subsidiaries		**(2,005,228)**	(2,303,026)
Proceeds from repayment of loans granted to subsidiaries		**2,251,753**	2,125,429
Interest received		**153,935**	102,920
Dividends received		**33,600**	233,610
Purchase of equity instruments at FVOCI		**(1,466)**	(2,313)
Disposal of equity instruments at FVOCI		**5,098**	–
Net cash generated from investing activities		**424,351**	121,262
Cash flows from financing activities			
Loans granted by subsidiaries		**–**	50,000
Repayment of loans granted by subsidiaries		**–**	(50,000)
Repayment of interest-bearing loans	10	**–**	(317,879)
Dividends paid[1]	9	**(78,156)**	(108,267)
Interest paid		**(37,986)**	(56,422)
Net cash used in financing activities		**(116,142)**	(482,568)
Net increase/(decrease) in cash and cash equivalents during the year		**236,759**	(345,570)
Effect of exchange rate on cash and equivalents		**(6,300)**	1,783
Cash and cash equivalents at 1 January		**215,894**	559,681
Cash and cash equivalents at 31 December	7	**446,353**	215,894

1 Includes the effect of hedging of dividend payments made in currencies other than US Dollar.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital	Share premium	Merger reserve	Fair value reserve of financial assets at FVOCI	Retained earnings	Total equity
Balance at 1 January 2023		368,546	1,153,817	2,048,880	72,903	1,064,540	4,708,686
Loss for the year		–	–	–	–	(319,939)	(319,939)
Other comprehensive loss net of tax		–	–	–	(37,195)	–	(37,195)
Total comprehensive income for the year		–	–	–	(37,195)	(319,939)	(357,134)
Transfer of reserves		–	–	(730,766)	–	730,766	–
Dividends declared and paid	9	–	–	–	–	(108,323)	(108,323)
Balance at 31 December 2023		368,546	1,153,817	1,318,114	35,708	1,367,044	4,243,229
Income for the year		**–**	**–**	**–**	**–**	**800,937**	**800,937**
Other comprehensive gain net of tax		**–**	**–**	**–**	**24,716**	**–**	**24,716**
Total comprehensive income for the year		**–**	**–**	**–**	**24,716**	**800,937**	**825,653**
Transfer of gain on disposal of equity investments at FVOCI to retained earnings (net of tax)		**–**	**–**	**–**	**(713)**	**713**	**–**
Transfer of reserves		**–**	**–**	**855,668**	**–**	**(855,668)**	**–**
Dividends declared and paid	9	**–**	**–**	**–**	**–**	**(78,111)**	**(78,111)**
Balance at 31 December 2024		**368,546**	**1,153,817**	**2,173,782**	**59,711**	**1,234,915**	**4,990,771**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

1. Corporate information

Fresnillo plc ('the Company') is a public limited company and registered in England and Wales with registered number 6344120 and is the holding company for the Fresnillo subsidiaries detailed in Note 5. The Company is a Mexican resident for taxation purposes with tax residency in Mexico City. For further information see Note 4.

Industrias Peñoles S.A.B. de C.V. (Peñoles) currently owns 75 percent of the shares of the Company and the ultimate controlling party of the Company is the Baillères family, whose beneficial interest is held through Peñoles. The country of incorporation of Peñoles is Mexico. Copies of Peñoles' accounts can be obtained from www.penoles.com.mx.

The primary activity of the Company is as a holding company for the Fresnillo Group of companies. See Note 5.

The Financial Statements of the Company for the year ended 31 December 2024 were authorised for issue by the Board of Directors of Fresnillo plc on 3 March 2025.

2. Significant accounting policies

(a) Basis of preparation and statement of compliance

The Company's separate Financial Statements have been prepared in accordance with UK adopted international accounting standards and the requirements of the Companies Act 2006.

The Financial Statements of the Company have been prepared on a historical cost basis, except for certain derivative financial instruments and equity securities which have been measured at fair value.

The Financial Statements are presented in dollars of the United States of America (US dollars or US$) and all monetary amounts are rounded to the nearest thousand (US$000) except when otherwise indicated.

The basis of preparation and accounting policies used in preparing the Financial Statements are set out below. These accounting policies have been consistently applied to all the periods presented unless otherwise stated.

Going concern

The financial position of the Company and its cash flows are set out in the balance sheet and statement of cash flows respectively. In addition, Note 16 includes the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

In making their assessment of the Company's ability to manage its future cash requirements, the Directors have considered the Company budgets and the cash flow forecasts for the period to 31 December 2025 (being the going concern assessment period). The Directors have also considered the cash position as of 31 December 2024 (US$446.3 million) and the net current asset position (US$1,474.1 million).

After reviewing all of the above considerations, the Directors have a reasonable expectation that management have sufficient flexibility in adverse circumstances to maintain adequate resources to continue in operational existence for the foreseeable future. The Directors, therefore, continue to adopt the going concern basis of accounting in preparing the Financial Statements.

(b) Changes in accounting policies

The accounting policies adopted in the preparation of the separate Financial Statements are consistent with those applied in the preparation of the separate Financial Statements for the year ended 31 December 2023.

New standards, interpretations and amendments (new standards) adopted by the Company

A number of new, or amended, standards became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Standards, interpretations and amendments issued but not yet effective

The International Accounting Standards Board (IASB) has issued other amendments resulting from improvements to IFRSs that Management considers do not have any impact on the accounting policies, financial position or performance of the Company, except for the new standard IFRS 18-Presentation and Disclosure in Financial Statements; this new standard replaces IAS 1-Presentation of Financial Statements, with a focus on updates to the statement of profit or loss. This new standard is applicable for periods commencing 1 January 2027, early adoption is permitted. The Company is currently assessing the impact of IFRS 18 and plans to adopt the new standard on the required effective date.

The Company has not early adopted any standard, interpretation or amendment that was issued but is not yet effective

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Company's Financial Statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the Financial Statements. These judgements and estimates are based on management's knowledge of the relevant facts and circumstances, with regard to prior experience, but actual results may differ from the amounts included in the Financial Statements. Information about such judgements and estimates is in the accounting policies and the Notes to the Financial Statements.

Judgements

Areas of judgement, apart from those involving estimations, that have the most significant effect on the amounts recognised in the separate Financial Statements for the year ended 31 December 2024 are:

Deferred tax asset (Note 4):
The Company has recognised a deferred tax asset of US$43.5 million (2023: US$68.9 million) mainly in respect of tax losses amounting to US$192.9 million (2023: US$239.0 million). In accordance with the tax legislation applicable, there are no tax losses expiring in a period of four years (2023: US$nil) and US$192.9 million (2023: US$239.0 million) will expire in a period between six and eight years. The Company is a Mexican resident for taxation purposes and calculate the tax payable based in its local currency that is the Mexican peso which generate difference between financial and taxable profits. The Company has performed an assessment of the recoverability of tax losses before their expiration based on financial and tax projections. Despite an accounting loss in the current and prior periods, Management has considered the taxable profit generated in the current year of US$15.8 million and based on a consideration of this, combined with future projections of taxable profit, consider that there is evidence that sufficient taxable profits will be available against which the unused tax losses can be utilised.

Climate change:
We describe how climate-related risks and opportunities (CROs) may affect, and, was considered in, the preparation of the Financial Statements in Note 2(c) to the Consolidated Financial Statements. Because the cash flows underpinning the recoverable amount of mining assets also underpin the recoverable amount of investments in subsidiaries holding those mining assets, the considerations set out in that note also apply to the Parent Company Financial Statements. The Company does not have any assets or liabilities for which measurement is directly linked to climate change performance (for example: Sustainability-Linked Bonds).

As disclosed in Note 2(c) to the Consolidated Financial Statements, future changes to the Group's Climate Change Strategy, global decarbonisation signposts and regulation may impact the Group's significant judgements and key estimates and result in material changes to financial results and the carrying values of certain of the Group's assets and liabilities in future reporting periods, which could ultimately result in material changes in the carrying value of the Company's assets and liabilities. However, as at the balance sheet date, management believes there is no material impact on the Company's balance sheet carrying values of assets or liabilities.

Estimates and assumptions

The significant area of estimation uncertainty considered by management in preparing the Financial Statements is:

- Recoverable value of investments in subsidiaries (Notes 2(e) and 5):
  The Company assesses investments in subsidiaries annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal (FVLCD) and the value in use. Due to the nature of the subsidiaries, the assessment of the recoverable amount is generally determined based on the net present value of future cash flows related to the subsidiaries requiring the use of estimates and assumptions such as long-term commodity prices, estimated and economically proven and probable reserves, as well as certain other resources that are assessed as highly likely to be converted into reserves and the associated production profiles, discount rates, future capital requirements, and production costs. Estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The determination of that rate requires certain judgements.

  Where an impairment charge has previously been recognised, the Company assesses at the end of each reporting period whether there is any indication that the impairment loss may no longer exist, or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that investment, requiring similar estimates and assumptions as those for determining an impairment charge. At 31 December 2024 the Company recognised an impairment reversal of US$800.9 million (2023: net impairment charge of US$730.8 million) resulting in a cumulative impairment relating to subsidiaries of US$3,615.8 million (2023: US$4,471.5 million).

(d) Foreign currency translation

The Company's Financial Statements are presented in US dollars, which is the functional currency of the Company. The functional currency for the Company is determined by the currency of the primary economic environment in which it operates.

Transactions denominated in currencies other than the functional currency of the Company are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the balance sheet date. All differences that arise are recorded in the income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated into US dollars using the exchange rate at the date when the fair valued is determined.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

(e) Investments in subsidiaries

Subsidiaries are entities which the Company controls due to it being exposed to, or having the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are recognised at acquisition cost less any provision for impairment. Impairment charges and reversals, up to the value of the merger reserve, are reclassified from retained earnings to the merger reserve.

When the Company increases its capital investment in or where there is a return of share capital from its subsidiaries, such movements are recognised as an addition to, or return of the original cost recognised in investment in subsidiaries. Dividends are recognised as other income in the income statement when the right of payment has been established.

At each reporting date, an assessment is made to determine whether there are any indicators of impairment. Where an indicator of impairment exists, an estimate of the recoverable amount of the investment in subsidiary is made, which is considered to be the higher of the fair value less costs of disposal and the value in use. The Company usually determines FVLCD based on the net present value of the future cash flows related to its subsidiaries. If the carrying amount of an investment exceeds the recoverable amount, a provision is recorded in the income statement to reflect the investment at the recoverable amount.

Where an impairment charge has previously been recognised, an assessment is made at the end of each reporting period whether there is any indication that the impairment loss may no longer exist or may have decreased. If any such indication exists, an estimate of the recoverable amount is made. An impairment loss is reversed to profit or loss to the extent that the increased carrying value of the investment in subsidiary does not exceed that would have been determined had no impairment loss been recognised for the asset in prior years.

(f) Financial assets and liabilities

Financial assets

The Company classifies its financial assets in the following measurement categories:

- Those to be measured at amortised cost.
- Those to be measured subsequently at FVOCI, and.
- Those to be measured subsequently at FVPL.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset.

Classification

The Company holds the following financial assets:

Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses.

The Company's financial assets at amortised cost include receivables from loans granted to subsidiaries.

Equity instruments designated as fair value through other comprehensive income

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the income statement when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Company elected to classify irrevocably its listed equity investments under this category.

Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the income statement as applicable.

The Company's derivative financial instruments are classified as fair value through profit or loss.

De-recognition of financial assets

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Impairment of financial assets

For loans granted to subsidiaries the Company evaluate the expected credit loss using a one-year probability of default corresponding to the mining industry determined by a specialised financial institution and considering an appropriate severity based on the cost of capital of the Company.

Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Classification

For purposes of subsequent measurement, financial liabilities held by the Company are classified as financial liabilities at amortised cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the income statement.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the income statement.

(g) Cash and cash equivalents

For the purposes of the balance sheet, cash and cash equivalents comprise cash at bank, cash on hand and short-term deposits held with banks that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Short-term deposits earn interest at the respective short-term deposit rates between one day and three months.

(h) Share capital

Ordinary shares issued by the Company are recorded at the net proceeds received, which is the fair value of the consideration received less costs that are incurred in connection with the share issue. The nominal par value of the shares issued is taken to the share capital account and any excess is recorded in the share premium account, including the costs that were incurred with the share issue.

(i) Dividends receivable

Dividends are recognised when the Company's right to receive payments is established. Dividends received are recorded in the income statement.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

2. Significant accounting policies continued

(j) Income tax

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting profit nor taxable profit loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled, and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the income statement.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(k) Derivative financial instruments and hedging

The Company enters into derivative contracts in order to manage certain market risks derived from changes in foreign exchange and commodity prices which impact the financial and business transactions of its subsidiaries. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

In the Group's consolidated Financial Statements certain of these derivative instruments are designated as cash flow hedges but for the purposes of the Company's stand-alone Financial Statements the related hedged items are not held by the Company, so do not qualify as cash flow hedges.

Any gains and losses arising from changes in fair value on derivatives during the year that do not qualify for hedge accounting are taken directly to the income statement.

Derivatives are valued using valuation approaches and methodologies (such as Black Scholes and Net Present Value) applicable to the specific type of derivative instrument. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

(l) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date. Fair values of financial instruments measured at amortised cost are disclosed in Note 15.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. Further information on fair values is described in Note 15.

(m) Dividend distribution

Dividends on the Company's ordinary shares are recognised when they have been appropriately authorised and are no longer at the Company's discretion. Accordingly, interim dividends are recognised when they are paid and final dividends are recognised when they are declared following approval by shareholders at the Company's Annual General Meeting.

Mexican Income Tax Law establishes a 10% withholding tax on earnings from 2014 and thereafter, for dividends paid to foreign residents and Mexican individuals.

Dividends paid are not subject to income tax if paid from the Net Tax Profit Account (CUFIN). Dividends paid that exceed CUFIN are subject to an income tax payable at a rate of 30%. The tax is payable by the Company and may be credited against the normal income tax payable by the Company in the year in which the dividends are paid or in the following two years. Dividends paid from earnings previously taxed are not subject to any withholding or additional tax payment.

3. Segment reporting

Segmental information is not presented in the Company's stand-alone Financial Statements as this is presented in the Group's consolidated Financial Statements.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

4. Income tax

(a) Movements in the deferred income tax liability and asset:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Opening net asset	**68,916**	61,689
Income tax expense	**(14,842)**	(8,714)
Net (charge)/credit related to items directly charged to other comprehensive income	**(10,593)**	15,941
Closing net asset	**43,481**	68,916

The amounts of deferred income tax assets and liabilities before offset as at 31 December considering the nature of the temporary differences are as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Prepayments and other assets	**(4,701)**	(4,405)
Provision for expected credit losses on loans granted to subsidiaries	**303**	251
Derivative financial instruments	**–**	(10)
Losses carried forward	**57,896**	71,712
Equity instruments at FVOCI	**(10,017)**	1,368
Net deferred tax asset	**43,481**	68,916

(b) Unrecognised deferred tax on investments in subsidiaries

The Company has not recognised all the deferred tax liability in respect of distributable reserves of its subsidiaries because it controls them and only part of the temporary differences is expected to reverse in the foreseeable future. The temporary differences for which a deferred tax liability has not been recognised aggregate to US$1,139.3 million (2023: US$1,015.0 million).

(c) Corporate Income Tax ('Impuesto Sobre la Renta' or 'ISR')

The Company is a Mexican resident for taxation purposes. The rate of current corporate income tax is 30%.

5. Investments in subsidiaries

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Opening balance	**3,320,703**	4,016,111
Impairment reversal/(charge)	**855,668**	(730,766)
Capital contributions	**13,341**	35,358
Closing balance	**4,189,712**	3,320,703

During 2024, the Company made an impairment assessment to determine whether the carrying value of each of its subsidiaries was recoverable as at 31 December 2024 and determine if prior year impairment could be reversed. As a result, a cumulative impairment loss of US$3,615.8 million is recognised with respect to certain of the Company's investment in subsidiaries (2023: US$4,471.5 million). The recoverable amount was estimated based on the Fair Value Less Cost of Disposal (FVLCD) model (2023: FVLCD).

The following tables provide relevant information in respect of each impaired subsidiary:

	Year ended 31 December 2024			
	Impairment loss/(reversal) in the year US$ thousand	**Cumulative Impairment US$ thousand**	**Recoverable amount US$ thousands**	**Discount rate (post-tax)**
Minera Fresnillo, S.A. de C.V.	**(358,709)**	**2,603,847**	**1,243,478**	**7.35%**
Minera Mexicana la Ciénega, S.A. de C.V.	**(10,806)**	**839,678**	**288,650**	**7.35%**
Minera Saucito, S.A. de C.V.	**(225,376)**	**–**	**1,307,706**	**7.34%**
Minera San Julián, S.A. de C.V.	**(73,360)**	**48,760**	**442,970**	**7.33%**
Minera Penmont, S. de R.L. de C.V.	**(130,920)**	**47,169**	**915,312**	**7.38%**
Exploraciones Mineras Parreña, S.A. de C.V.	**(56,497)**	**76,363**	**145,969**	**7.34%**
	(855,668)	**3,615,817**		

	Impairment loss/(reversal) in the year US$ thousand	Cumulative Impairment US$ thousand	Recoverable amount US$ thousands	Discount rate (post-tax)
	Year ended 31 December 2023			
Minera Fresnillo, S.A. de C.V.	484,667	2,962,556	916,935	5.96%
Minera Mexicana la Ciénega, S.A. de C.V.	158,723	850,484	308,907	6.07%
Minera Saucito, S.A. de C.V.	(106,844)	225,376	1,003,111	5.95%
Minera San Julián, S.A. de C.V.	120,570	122,120	501,537	5.97%
Minera Penmont, S. de R.L. de C.V.	1,071	178,089	822,812	5.99%
Exploraciones Mineras Parreña, S.A. de C.V.	72,579	132,860	89,473	5.96%
	730,766	4,471,485		

In determining FVLCD it is necessary to make a series of assumptions to estimate future cash flows including reserves and resources volumes and related production profile, price assumptions, cost estimates and discount rate. Accordingly, the fair value is categorised as Level 3 in the fair value hierarchy. The price assumptions used to calculate FVLCD are determined with reference analysts' consensus of long-term prices. As at 31 December 2024, the Company used long term price assumptions of US$2,169/ounce (2023: US$1,714/ounce) and US$27.6/ounce (2023: US$22.5/ounce) for gold and silver, respectively.

Sensitivity analysis
The key assumptions on which management bases the recoverable value calculations of the investment in subsidiaries are commodity prices, future capital requirements, production costs, reserves and resources volumes (reflected in production volumes) and discount rate.

The models are most sensitive to changes in commodity price assumptions, operating costs and production volumes.

Other than as disclosed below, management has considered that the fair value of the investments in subsidiaries are not significantly sensitive to reasonably possible change in any other key assumptions.

In the absence of any changes to any of the other key assumptions, a change in the below assumptions would have the following impact as at 31 December 2024:

- A decrease of 10% in gold and 15% in silver prices would result in an impairment charge of US$17.6 million.
- An increase of 10% in operating costs would result in a decrease of the reversal of the year of US$313.7 million.
- A decrease of 5% in the forecasted volume of gold and silver produced would result in a decrease of the reversal of the year of US$276.7 million.

The subsidiaries in which investments are directly held as at 31 December 2024 and 2023 are as follows:

Legal company	Principal activity	Country of incorporation	Equity interest % Year ended 31 December 2024	2023
Minera Fresnillo, S.A. de C.V.	Production of lead/silver and zinc concentrates	Mexico[4]	**100**	100
Minera San Julián, S.A. de C.V.	Production of lead/silver and zinc concentrates	Mexico[4]	**100**	100
Minera Penmont, S. de R.L. de C.V.[1]	Production of doré bars (gold/silver)	Mexico[4]	**56**	56
Minera Mexicana La Ciénega, S.A. de C.V.	Production of lead and zinc concentrates and silver precipitates	Mexico[4]	**100**	100
Minera Saucito, S.A. de C.V.	Production of lead and zinc concentrates	Mexico[4]	**100**	100
Equipos Mineros Nazas, S.A. de C.V.	Leasing of mining equipment	Mexico[4]	**100**	100
Proveedora de Equipos Fresne, S de R.L. de C.V.[1]	Leasing of mining equipment	Mexico[4]	**56**	56
Equipos Mineros la Hacienda, S.A. de C.V.	Leasing of mining equipment	Mexico[4]	**100**	100
Proveedora de Equipos Jerez, S.A. de C.V.	Leasing of mining equipment	Mexico[4]	**100**	100
Equipos Chaparral, S.A. de C.V.	Leasing of mining equipment	Mexico[4]	**56**	56
Minera Juanicipio, S.A. de C.V.	Production of lead/silver and zinc concentrates	Mexico[4]	**56**	56
Comercializadora de Metales Fresnillo, S.A. de C.V.	Holds rights over silver production from Peñoles' polymetallic Sabinas mine through the Silverstream contract	Mexico[4]	**100**	100
Exploraciones Mineras Parreña, S.A. de C.V.	Exploration services	Mexico[4]	**100**	100
Exploraciones y Desarrollos Mineros Coneto, S.A. P. I. de C.V.	Exploration services	Mexico[4]	**55**	55
Minera El Bermejal, S. de R.L. de C.V.	Mining equipment leasing	Mexico[4]	**56**	56
Compañía Minera Las Torres, S.A. de C.V.	Mine project	Mexico[4]	**100**	100
Servicios Administrativos Fresnillo, S.A. de C.V.	Administrative services	Mexico[4]	**100**	100

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

5. Investments in subsidiaries continued

Legal company	Principal activity	Country of incorporation	Equity interest % Year ended 31 December 2024	2023
Operaciones Fresnillo, S.A. de C.V.	Administrative services	Mexico[4]	**100**	100
Servicios de Exploración Fresnillo, S.A. de C.V.	Administrative services	Mexico[4]	**100**	100
Prestadora de Servicios Jarillas, S.A. de C.V.	Administrative services	Mexico[4]	**100**	100
Fresnillo Management Services, Ltd	Administrative services	UK[5]	**100**	100
Fresbal Investments, Ltd	Holding company for mining Investments	Canada[6]	**100**	100
Fresnillo Perú, S.A.C.	Exploration services	Peru[7]	**100**	100
Parreña Perú, S.A.C.	Exploration services	Peru[7]	**100**	100
Fresnillo Chile, SpA	Exploration services	Chile[8]	**100**	100
Minera Capricornio, SCM[2]	Exploration services	Chile[8]	**75**	100
Caja de Ahorros Fresnillo, S.C.[3]	Administrative services	Mexico[4]	**–**	–

The list of subsidiary undertakings presented in this note represents the full list of subsidiary undertakings, required to be submitted by Section 409 of the Companies Act 2006.

1 The remaining 44% interest in these companies are held by Comercializadora de Metales Fresnillo, S.A. de C.V. a wholly-owned subsidiary of the Company.
2 In October 2024 the Group entered into an exploration joint venture in Chile through its subsidiary Minera Capricorno, SCM. The agreement is between Sociedad Quimica y Minera de Chile, S.A. de C.V. (SQM), a Chilean mining company and Minera Capricorno, SCM, which considers a transfer of 25% ownership in Minera Capricornio through a capital increase from SQM.
3 Whilst Fresnillo plc holds no direct ownership in Caja de Ahorros Fresnillo, S.C. the entire share capital of the company is held through its subsidiaries.
4 The registered address for all Mexican subsidiaries is: Calzada Saltillo 400 No. 989, Torreón, Coahuila 27250.
5 Registered address is: Second Floor, 21 Upper Brook Street, London W1.
6 Registered address is: 355 Burrard Street, Suite 1800, Vancouver, BC, V6C 2G8.
7 Registered address is: República de Colombia 643, Piso 9, Distrito San Isidro, Lima 27.
8 Registered address is: Apoquindo 4775 oficina 1002 – Las Condes, Santiago de Chile.

6. Trade and other receivables

	Year ended 31 December 2024 US$ thousands	2023 US$ thousands
Other receivables from subsidiaries (Note 12)	**199**	–
Prepayments	**950**	708
	1,149	708

As of 31 December for each year presented, other receivables from related parties were neither past due nor credit-impaired. In determining the recoverability of a receivable, the Company performs a risk analysis considering the type and age of the outstanding receivable and the credit worthiness of the counterparty.

Balances corresponding to Prepayments and Other receivables are not considered as financial assets.

7. Cash and cash equivalents

	Year ended 31 December 2024 US$ thousands	2023 US$ thousands
Cash at bank and on hand	**2**	101
Short-term deposits	**446,351**	215,793
Cash and cash equivalents	**446,353**	215,894

Cash at bank earns interest at floating rates based on daily bank deposits. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. Short-term deposits can be withdrawn at call without any penalty or loss in value.

8. Equity

Share capital and share premium

Authorised share capital of the Company is as follows:

	As at 31 December			
	2024		2023	
Class of share	Number	Amount	Number	Amount
Ordinary Shares each of US$0.50	**1,000,000,000**	**$500,000,000**	1,000,000,000	$500,000,000
Sterling Deferred Ordinary Shares each of £1.00	**50,000**	**£50,000**	50,000	£50,000

Issued share capital of the Company is as follows:

	Ordinary Shares		Sterling Deferred Ordinary Shares	
	Number	US$	Number	£
At 1 January 2023	736,893,589	$368,545,586	50,000	£50,000
At 31 December 2023	736,893,589	$368,545,586	50,000	£50,000
At 31 December 2024	**736,893,589**	**$368,545,586**	**50,000**	**£50,000**

As at 31 December 2024 and 2023, all issued shares with a par value of US$0.50 each are fully paid. The rights and obligations attached to these shares are governed by law and the Company's Articles of Association. Ordinary shareholders are entitled to receive notice and to attend and speak at any general meeting of the Company. There are no restrictions on the transfer of the Ordinary shares.

The Sterling Deferred Ordinary Shares only entitle the shareholder on winding up or on a return of capital to payment of the amount paid up after repayment to Ordinary shareholders. The Sterling Deferred Ordinary Shares do not entitle the holder to payment of any dividend, or to receive notice or to attend and speak at any general meeting of the Company. The Company may also at its option redeem the Sterling Deferred Ordinary Shares at a price of £1.00 or, as custodian, purchase or cancel the Sterling Deferred Ordinary Shares or require the holder to transfer the Sterling Deferred Ordinary Shares. Except at the option of the Company the Sterling Deferred Ordinary Shares are not transferable.

Reserves

Share premium

This reserve records the consideration premium for shares issued at a value that exceeds their nominal value.

Merger reserve

The merger reserve represents the difference between the value of the net assets acquired as part of the Pre-IPO reorganisation and the nominal value of the shares issued pursuant to the Merger Agreement. Movements in this reserve during 2024 and 2023 represent the impairment losses and reversals of the carrying value of Fresnillo's investments in subsidiaries transferred from retained earnings.

Fair value reserve of financial assets at FVOCI

The Company has elected to recognise changes in the fair value of certain investments in equity securities in OCI, as explained in Note 2(f). These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

Retained earnings

This reserve records the accumulated results of the Company, less any distributions and dividends paid.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

9. Dividends declared and paid

The dividends declared and paid during the years ended 31 December 2024 and 2023 are as follows:

	US cents per Ordinary Share	Amount US$ thousands
Year ended 31 December 2024		
Final dividend for 2023 declared and paid during the year[1]	**4.2**	**30,950**
Interim dividend for 2024 declared and paid during the year[2]	**6.4**	**47,161**
	10.6	**78,111**
Year ended 31 December 2023		
Final dividend for 2022 declared and paid during the year[3]	13.3	98,007
Interim dividend for 2023 declared and paid during the year[4]	1.4	10,317
	14.7	108,324

1 This dividend was approved by the Shareholders on 21 May 2024 and paid on 29 May 2024.
2 This dividend was approved by the Board of Directors on 29 July 2024 and paid on 17 September 2024.
3 This dividend was approved by the Shareholders on 23 May 2023 and paid on 26 May 2023.
4 This dividend was approved by the Board of Directors on 31 July 2023 and paid 14 September 2023.

A reconciliation between dividend declared, dividends affected to retained earnings and dividend presented in the cash flow statements is as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Dividends declared	**78,111**	108,324
Foreign exchange effect	**–**	(1)
Dividends recognised in retained earnings	**78,111**	108,323
Foreign exchange and hedging effect	**45**	(56)
Dividends paid	**78,156**	108,267

The directors have proposed a final dividend of US$26.1 cents per share, which is subject to approval at the annual general meeting and is not recognised as a liability as at 31 December 2024. Dividends paid from the profits generated from 1 January 2014 to residents in Mexico and to non-resident shareholders may be subject to an additional tax of up to 10%, which will be withheld by the Company.

10. Interest-bearing loans

Senior Notes

On 13 November 2013, the Company completed its offering of US$800 million aggregate principal amount of 5.500% Senior Notes due November 2023 (the 5.500% Notes). On 29 September 2020, the Company repurchased certain of its 5.500% Notes that had a carrying value of US$482.1 million for a consideration of US$543.0 million.

On 2 October 2020, the Company completed its offering of US$850 million aggregate principal amount of 4.250% Senior Notes due 2050 in Euronext Dublin. The proceeds were partially used to finance the repurchase mentioned above.

On 13 November 2023, the Company paid the outstanding amount of the 5.500% Notes at its maturity date including due interest for a total of US$326.6 million.

Movements in the year in the debt recognised in the balance sheet are as follows:

	As at 31 December	
	2024 US$ thousands	2023 US$ thousands
Opening balance	**839,002**	1,158,557
Payments of 5.500% Notes	**–**	(317,879)
Accrued interest[1]	**38,093**	53,919
Interest paid	**(37,986)**	(56,371)
Amortisation of discount and transaction costs	**398**	776
Closing balance	**839,507**	839,002

1 Interest was payable semi-annually on 13 May and 13 November for 5.500% senior notes and is payable semi-annually on 2 April and 2 October for 4.250% senior notes.

The Company has the following restrictions derived from the issuance of all outstanding Senior Notes:

Change of control:
Should the rating of the Senior Notes be downgraded as a result of a change of control (defined as the sale or transfer of 35% or more of the common shares; the transfer of all or substantially all the assets of the Group; starting a dissolution or liquidation process; or the loss of the majority in the board of directors) the Company is obligated to repurchase the notes at an equivalent price of 101% of their nominal value plus the interest earned at the repurchase date, if requested to do so by any creditor.

Pledge on assets:
The Company shall not pledge or allow a pledge on any property that may have a material impact on business performance (key assets). Nevertheless, the Company may pledge the aforementioned properties provided that the repayment of the Notes keeps the same level of priority as the pledge on those assets.

11. Contingencies

The Company is subject to various laws and regulations which, if not observed, could give rise to penalties. As of 31 December 2023, the Company has the following contingencies:

- Tax periods remain open to review by the Mexican tax authorities (SAT, by its Spanish acronym) in respect of income taxes for five years following the date of the filing of corporate income tax returns, during which time the authorities have the right to raise additional tax assessments including penalties and interest. Under certain circumstances, the reviews may cover longer periods. As such, there is a risk that transactions, and in particular related party transactions, that have not been challenged in the past by the authorities, may be challenged by them in the future. It is not practical to determine the amount of any potential claims or the likelihood of any unfavourable outcome arising from these or any future inspections that may be initiated. However, management believes that its interpretation of the relevant legislation is appropriate and that the Company has complied with all regulations and paid or accrued all taxes and withholdings that are applicable.
- On 8 May 2008, the Company and Peñoles entered into the Separation Agreement (the Separation Agreement). This agreement relates to the separation of the Group and the Peñoles Group and governs certain aspects of the relationship between the Fresnillo Group and the Peñoles Group following the initial public offering in May 2008 (Admission). The Separation Agreement provides for cross-indemnities between the Company and Peñoles so that, in the case of Peñoles, it is held harmless against losses, claims and liabilities (including tax liabilities) properly attributable to the precious metals business of the Group and, in the case of the Company, it is held harmless by Peñoles against losses, claims and liabilities which are not properly attributable to the precious metals business. Save for any liability arising in connection with tax, the aggregate liability of either party under the indemnities shall not exceed US$250 million in aggregate.

12. Related party balances and transactions

Related parties are those entities owned or controlled by the ultimate controlling party and include the Company's subsidiaries disclosed in Note 5. Related party balances will be settled in cash. All the balances as at 31 December 2024 and 2023 and the transactions carried-out with related parties for the years then ended correspond to subsidiaries.

(a) Related party accounts receivable and payable

	Accounts receivable US$ thousands		Accounts payable US$ thousands	
	31 December 2024	31 December 2023	**31 December 2024**	31 December 2023
Loans[1]	**1,026,470**	1,387,722	**–**	–
Other (Note 6)	**189**	–	**1,151**	4,171
Balance as 31 December	**1,026,659**	1,387,722	**1,151**	4,171
Less – Current portion	**1,026,659**	1,358,798	**1,151**	4,171
Non-current portion	**–**	28,924	**–**	–

1 Accounts receivable derived from loans with subsidiaries are net of provision for expected credit loss of US$1.01 million (2023: US$0.8 million).

Effective interest rates on loans granted to related parties in US dollar range between 6.49% to 7.25% (2023: 7.14% to 7.49%) and in Mexican peso range from 12.42% to 13.50% (2023: 12.86% to 13.55%).

During the year the Company granted short-term loans to its subsidiaries for an amount of US$2,005 million (2023: US$2,303 million).

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

12. Related party balances and transactions continued

(b) Principal transactions with related parties (apart from dividends, additional investments and returns of capital) are as follows:

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Income:		
Interest on loans	**134,338**	129,094
Total income	**134,338**	129,094

During 2024 the Company did not receive short-term loans from its subsidiaries. During 2023 the Company received short-term loans from its subsidiaries that were fully paid for an amount of US$50 million.

	Year ended 31 December	
	2024 US$ thousands	2023 US$ thousands
Expenses:		
Administrative services	**7,217**	7,346
Interest	**–**	52
Total expenses	**7,217**	7,398

(c) Compensation of key management personnel of the Company

Key management personnel comprise Non-Executive Directors. In 2024, their compensation was US$0.8 million (2023: US$0.8 million). This compensation paid is disclosed in the Directors' Remuneration Report.

13. Auditor's remuneration

The auditor's remuneration for the Company was US$2.1 million (2023: US$1.6 million) in respect of the audit of its Financial Statements.

Fees paid to Ernst & Young LLP and its associates for non-audit services to the Company itself are not disclosed in the stand-alone Financial Statements because Group Financial Statements are prepared which include these fees on a consolidated basis.

14. Notes to the statement of cash flows

		Year ended 31 December	
	Notes	**2024 US$ thousands**	2023 US$ thousands
Reconciliation of profit for the year to net cash generated from operating activities			
Profit/loss for the year		**800,937**	(319,939)
Adjustments to reconcile profit/(loss) for the year to net cash inflows from operating activities:			
Impairment (reversal)/loss of investment in subsidiaries	5	**(855,668)**	730,766
Dividend income		**(33,600)**	(233,610)
Income tax loss		**14,842**	8,713
Net finance gain		**(111,048)**	(102,557)
Foreign exchange loss/(gain)		**115,355**	(71,383)
Other expenses		**273**	489
Working capital adjustments			
(Decrease)/increase in trade and other receivables		**(271)**	(1,147)
(Decrease)/increase in trade and other payables		**(2,167)**	4,313
Cash (used)/generated from operations		**(71,347)**	15,645
Income tax recovered		**–**	108
Income tax paid		**(103)**	(17)
Net cash (used)/generated from operating activities		**(71,450)**	15,736

15. Financial instruments
(a) Fair value category

Financial assets:	As at 31 December 2024 US$ thousands Amortised cost	Fair value through OCI	Fair value through profit or loss
Loans to related parties	**1,026,470**	**–**	**–**
Equity instruments at FVOCI	**–**	**139,968**	**–**

Financial liabilities:	At amortised Cost	Fair value through profit or loss
Interest-bearing loans	**839,507**	**–**
Derivative financial instruments		**189**
Trade and other payables	**1,151**	**–**

Financial assets:	As at 31 December 2023 US$ thousands Amortised cost	Fair value through OCI	Fair value through profit or loss
Loans to related parties	1,387,722	–	–
Equity instruments at FVOCI	–	107,991	–
Derivative financial instruments	–	–	79

Financial liabilities:	At amortised Cost	Fair value through profit or loss
Interest-bearing loans	839,002	–
Trade and other payables	4,171	–

(b) Fair values
The value of financial assets and liabilities other than those measured at fair value are as follows:

	As at 31 December			
	Carrying amount		Fair value	
	2024 US$ thousands	2023 US$ thousands	**2024 US$ thousands**	2023 US$ thousands
Financial assets:				
Loans to related parties[1]	**1,026,470**	1,387,722	**1,026,470**	1,1387,722
Financial liabilities:				
Interest-bearing loans[2]	**839,507**	839,002	**605,396**	645,745
Trade and other payables	**1,151**	4,171	**1,151**	4,171

1 Loans to related party are categorised in Level 3 of the fair value hierarchy. The carrying amount is a reasonable approximation of fair value due the short-term period of the receivable.
2 Interest-bearing loans are categorised in Level 1 of the fair value hierarchy.

The financial assets and liabilities measured at fair value are categorised into the fair value hierarchy as at 31 December as follows:

	As of 31 December 2024 US$ thousands			
	Fair value measure using			
	Quoted prices in active markets Level 1 US$ thousands	**Significant observable Level 2 US$ thousands**	**Significant unobservable Level 3 US$ thousands**	**Total US$ thousands**
Financial assets:				
Other financial assets:				
Equity investments	**139,968**			**139,968**
	139,968			**139,968**

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

15. Financial instruments continued

	As of 31 December 2023 US$ thousands			
	Fair value measure using			
	Quoted prices in active markets Level 1 US$ thousands	Significant observable Level 2 US$ thousands	Significant unobservable Level 3 US$ thousands	Total US$ thousands
Financial assets:				
Derivative financial instruments:				
Option and forward foreign exchange contracts	–	79	–	79
Other financial assets:				
Equity investments	107,991	–	–	107,991
	107,991	79	–	108,070

There have been no transfers between Level 1 and Level 2 of the fair value hierarchy, and no transfers into and out of Level 3 fair value measurements.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following valuation techniques were used to estimate the fair values:

Option and forward foreign exchange contracts

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The foreign currency forward (Level 2) contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies as well as the currency basis spreads between the respective currencies. The foreign currency option contracts are valued using the Black Scholes model, the significant inputs to which include observable spot exchange rates, interest rates and the volatility of the currency.

Option commodity contracts

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. The option commodity (Level 2) contracts are measured based on observable spot commodity prices, the yield curves of the respective commodity as well as the commodity basis spreads between the respective commodities. The option contracts are valued using the Black Scholes model, the significant inputs to which include observable spot commodities price, interest rates and the volatility of the commodity.

Equity investments:

The fair value of equity investments is derived from quoted market prices in active markets (Level 1). These investments were irrevocably designated at fair value through OCI as the Group considers these investments to be strategic in nature. As of 31 December 2024, approximately 90.4% of the investments correspond to 9,314,877 shares (2023: 9,314,877 shares) of Mag Silver, Corp. for an amount of US$126.5 million (2023: US$96.9 million) and 7.3% of Endeavor Silver Corp. represented by 2,800,000 (2023: 2,800,000 shares) shares for an amount of US$10.3 million (2023: US$5.5 million). These equity investments are listed on the Toronto Stock Exchange. The prices per share as 31 December 2024 were US$13.58 (2023: US$10.41) and US$3.66 (2023: US$1.96), respectively.

In August 2024 the Group purchased 500,000 shares of Osisko Mining Inc., a Canadian exploration company, for a total consideration of US$1.5 million. In October 2024 the Group disposed of its equity investment of 1,500,000 shares in Osisko Mining Inc. The shares sold had a fair value of US$5.1 million and the Group realised a gain of US$1.0 million which had already been included in OCI. This gain has been transferred to retained earnings, net of tax of US$0.3 million.

Interest-bearing loans

Fair value of the Company's interest-bearing loan, is derived from quoted market prices in active markets (Level 1).

Loans with related parties

Fair value of the Company's loan to related party is determined using a discounted cash flow method based on market interest rates at each reporting date.

16. Financial Risk Management

Overview

The Company's principal financial assets and liabilities, other than derivatives, are comprised of equity investment at FVOCI, cash, loans to related parties, interest-bearing loans and trade payables.

The Company enters into certain derivative transactions with the purpose of managing foreign exchange risk arising on the activity and transactions of its subsidiaries.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk, including foreign currency, interest rate and equity price risks
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for assessing and managing risk. Further quantitative disclosures are included throughout the Financial Statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company risk management framework.

The Company's risk management policies have been established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Fresnillo Audit Committee has responsibility for overseeing how Management monitors compliance with the Company risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit, which undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(a) Market risk

Market risk is the risk that changes in market factors, such as foreign exchange rates, or interest rates will affect the Company income or the value of its financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Company is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the US dollar. Transactions in foreign currencies include the purchase of services, payment or receipt of dividends and other items. As a result, the Company has financial liabilities denominated in currencies other than functional currency and holds cash and cash equivalents in Mexican peso.

In order to manage the Group's exposure to foreign currency risk on expenditure denominated in currencies other than the US dollar, the Company has entered into certain forward and option derivative contracts.

The following table demonstrates the sensitivity of financial assets and financial liabilities to a reasonably possible change in the US dollar exchange rate compared to the Mexican peso, reflecting the impact on the Company's profit before tax with all other variables held constant. It is assumed that the same percentage change in exchange rates is applied to all applicable periods. There is no impact on the Company's equity other than the equivalent change in retained earnings.

Year ended 31 December	Strengthening/ (weakening) of US dollar	Effect on profit before tax: increase/ (decrease) US$ thousands
2024	**10%**	**40**
	(5%)	**(69)**
2023	10%	426
	(5%)	(735)

The Company's exposure to reasonably possible changes in other currencies is not material.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS CONTINUED

16. Financial Risk Management continued

Commodity risk

The Company's subsidiaries have exposure to changes in metals prices (specifically gold, lead and zinc) which have a significant effect on the Group's results. These prices are subject to global economic conditions and industry-related cycles.

The Company uses derivative instruments to hedge against precious metals commodity price exposure in its subsidiaries. As the Company passes through the effect of derivatives to its subsidiaries, the Company is not sensitive to changes in commodity prices.

Interest rate risk

The Company is exposed to interest rate risk from the possibility that changes in interest rates will affect future cash flows or the fair values of its financial instruments. The Company's earnings are sensitive to changes in interest rates on any floating element of the loans with related parties and interest earned on cash balances. Interest-bearing loans are at a fixed rate, therefore the possibility of a change in interest rate only impacts its fair value but not its carrying amount. Therefore, interest-bearing loans and loans from related parties (for which exposure is not material) are excluded from the table below.

The following table demonstrates the sensitivity of all financial assets and financial liabilities to a reasonably possible change in interest rate applied to a full year from the balance sheet date. There is no impact on the Company's equity other than the equivalent change in retained earnings.

Year ended 31 December	Basis point increase/ (decrease) in interest rate	Effect on profit before tax: increase/ (decrease) US$ thousands
2024[1]	**–**	**–**
	(50)	**(7,364)**
2023[1]	–	–
	(75)	(11,810)

1 Based on actual market conditions management considers an increase in interest rates is likely remote.

Equity price risk

The Company has exposure to changes in the price of equity instruments that it holds as equity investments held at FVOCI.

The following table demonstrates the sensitivity of FVOCI assets to a reasonably possible change in market price of these equity instruments, reflecting the effect on the Company's profit before tax and equity:

Year ended 31 December	Increase/ (decrease) in equity price	Effect on profit before tax: increase/ (decrease)	Effect on equity: increase/ (decrease) US$ thousands
2024	**80%**	**–**	**111,958**
	(20%)	**–**	**(27,989)**
2023	40%	–	43,196
	(45%)	–	(48,596)

(b) Credit risk

Exposure to credit risk arises as a result of transactions in the Company's ordinary course of business and is applicable to cash and cash equivalents, intercompany loans and derivative financial instruments.

The Company's policies are aimed at minimising losses as a result of counterparties' failure to honour their obligations. Individual exposures are monitored with customers subject to credit limits to ensure that the Company's exposure to bad debts is not significant. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counter party. The Company's financial assets are with counterparties that the Company considers to have an appropriate credit rating. As disclosed in Note 12, the counterparties to a significant proportion of these financial assets are related parties. At each balance sheet date, the Company's financial assets were neither credit-impaired nor past due other than 'Related party accounts receivables as is disclosed in Note 12. The Company's policies are aimed at minimising losses from the foreign currency and commodity hedging contracts. The Company's foreign currency and commodity derivative contracts are entered into with large financial institutions with strong credit ratings.

The Company's surplus funds are managed by Servicios Administrativos Fresnillo, S.A. de C.V., which manages cash and cash equivalents investing in several financial institutions. In order to minimise exposure to credit risk, the Company only deposits cash and cash equivalents with financial institutions with a credit rating of M-1 (Moody's) and mxA-1+ (Standard and Poor's) and above, and only for periods of less than three months.

The maximum credit exposure at the reporting date of each category of financial asset above is the carrying value as detailed in the relevant notes. See Note 15 (a) for the maximum credit exposure for other financial assets, Note 7 for cash and cash equivalents and Note 12 for related party balances.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its risk of a shortage of funds using projected cash flows and by monitoring the maturity of both its financial assets and liabilities.

The table below summarises the maturity profile of the Company financial liabilities based on contractual undiscounted payments.

US$ thousands

	Within 1 year	2–3 years	4-5 years	> 5 years	Total
As at 31 December 2024					
Interest-bearing loans	**37,986**	**75,973**	**75,973**	**1,647,713**	**1,837,645**
Derivative financial instruments	**189**	**–**	**–**	**–**	**189**
Trade and other payables	**1,151**	**–**	**–**	**–**	**1,151**

US$ thousands

	Within 1 year	2–3 years	4-5 years	> 5 years	Total
As at 31 December 2023					
Interest-bearing loans	37,986	75,973	75,973	1,685,699	1,875,631
Trade and other payables	4,171	–	–	–	4,171

The disclosed financial derivative instruments in the above table are the gross undiscounted cash flows. However, those amounts may be settled gross or net. The following table shows the corresponding estimated inflows based on the contractual terms:

US$ thousands

	Within 1 year	2–3 years	4-5 years	> 5 years	Total
As at 31 December 2024					
Inflows	**13,191**	**–**	**–**	**–**	**13,191**
Outflows	**(12,403)**	**–**	**–**	**–**	**(12,403)**
Net	**788**	**–**	**–**	**–**	**788**

US$ thousands

	Within 1 year	2–3 years	4-5 years	> 5 years	Total
As at 31 December 2023					
Inflows	5,777	–	–	–	5,777
Outflows	(5,587)	–	–	–	(5,587)
Net	190	–	–	–	190

The above liquidity tables include expected inflows and outflows from currency option contracts which the Company expects to be exercised during 2025 as at 31 December 2024 and during 2024 as at 31 December 2023, either by the Company or counterparty.

Management considers that the Company has adequate current assets and forecast cash from operations to manage liquidity risks arising from current liabilities and non-current liabilities.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios that support its business and maximise shareholder value. Management considers capital to consist of equity and interest-bearing loans (Note 10), as disclosed in the balance sheet and equity investments at FVOCI (Note 15).

In order to ensure an appropriate return for shareholder's capital invested in the Company, Management thoroughly evaluates all material projects and potential acquisitions and approves them at its Executive Committee before submission to the Board for ultimate approval, where applicable. The Company's dividend policy aims to pay out 33-50% of profit after tax each year, while making certain adjustments to exclude non-cash effects in the income statement. Dividends are paid in the approximate ratio of one-third as an interim dividend and two-thirds as a final dividend. Before declaring a dividend, the Board carries out a detailed analysis of the profitability of the business, underlying earnings, capital requirements and cash flow. The Company aim is to maintain enough flexibility to be able to react to movements in precious metals prices and seize attractive business opportunities.

CONSOLIDATED AUDITED MINERAL RESOURCE STATEMENT FOR UNDERGROUND OPERATIONAL PROPERTIES, SRK CONSULTING (U.S.), INC.[1] AS AT 30 JUNE 2024

		Quantity	Grade				Contained metal			
Resource category	**Cut-off grade[2]**	**Tonnes (kt)**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Au (koz)**	**Ag (koz)**	**Pb (kt)**	**Zn (kt)**
Minera Fresnillo – Fresnillo/Proaño Mine – Underground										
Measured	192 g/t AgEq	11,480	1.00	602	1.19	2.17	369	222,297	137	249
Indicated		15,911	0.87	337	1.73	3.99	447	172,312	276	635
Measured and indicated		27,391	0.93	448	1.51	3.23	815	394,608	412	884
Inferred		25,750	0.78	358	1.09	2.17	650	296,047	280	559
Minera Saucito – Saucito Mine – Underground										
Measured	213 g/t AgEq	6,318	2.34	326	1.65	2.89	476	66,139	104	183
Indicated		15,845	1.26	273	1.54	2.70	643	139,254	244	429
Measured and indicated		22,163	1.57	288	1.57	2.76	1,118	205,394	348	611
Inferred		18,406	0.90	238	1.23	2.78	533	140,889	227	512
Minera Ciénega – Ciénega Complex – Underground										
Measured	Multiple[3]	6,844	3.43	206	1.12	1.67	755	45,333	77	114
Indicated		4,592	2.13	198	0.72	1.16	314	29,163	33	53
Measured and indicated		11,436	2.91	203	0.96	1.47	1,069	74,496	110	168
Inferred		5,794	2.09	210	0.64	1.06	389	39,187	37	61
Minera San Julián – San Julián Mine Underground: Veins										
Measured	169 g/t AgEq	2,758	2.13	231	–	–	189	20,449	–	–
Indicated		7,439	1.51	206	–	–	362	49,178	–	–
Measured and indicated		10,197	1.68	212	–	–	551	69,627	–	–
Inferred		7,509	1.38	190	–	–	332	45,781	–	–
Minera San Julián – San Julián Mine Underground: Disseminated										
Measured	109 g/t AgEq	3,038	0.09	117	0.43	1.33	9	11,465	13	40
Indicated		722	0.06	112	0.42	1.15	2	2,593	3	8
Measured and indicated		3,759	0.08	116	0.42	1.29	10	14,058	16	49
Inferred		73	0.04	97	0.54	1.40	0	227	0	1
Totals – Underground										
Measured and indicated	Multiple	74,947	1.48	315	1.18	2.28	3,563	758,183	886	1,711
Inferred		57,532	1.03	282	0.95	1.97	1,903	522,131	544	1,133

1 Mineral resources are reported inclusive of ore reserves. Mineral resources are not ore reserves and do not have demonstrated economic viability. All figures rounded to reflect the relative accuracy of the estimates. Gold, silver, lead and zinc assays were capped where appropriate.
2 Mineral resources are reported at metal equivalent cut-off grades based on metals prices assumptions*, variable metallurgical recovery assumptions (variable metallurgical recoveries as a function of grade and relative metal distribution), mining costs, processing costs, general and administrative (G&A) costs, and variable NSR factors (NSR factors include smelting and transportation costs). The AgEq variable cut-offs grades are calculated by dividing the applicable costs by a variable Ag net value factor which includes prices, recoveries, and payabilities.
3 The cut-off grade for Ciénega's mineral resources varies between 224 and 247 g/t AgEq.
- All mineral resources were estimated by Fresnillo. William Cain, B.Sc, AIPG CPG 12063 of SRK, a Competent Person reviewed and audited the resource estimates for Ciénega. Benjamin Parsons, BSc, MSc Geology, MAusIMM (CP) #222568 of SRK, a Competent Person, reviewed and audited the resource estimates for Fresnillo and Saucito. Scott Burkett, SME-RM #04229765 of SRK Consulting (U.S.), Inc., a Competent Person, reviewed and audited the resource estimates for San Julián.
- Metals prices assumptions considered for the calculation of metal equivalent grades are: Gold (US$/oz 1,750.00), Silver (US$/oz 23.00), Lead (US$/lb 0.95) and Zinc (US$/lb 1.15).
- kt: thousand tonnes; Au: gold; Ag: silver; Pb: Lead; Zn: zinc; g/t: grams per tonne; %: percent; oz: troy ounce; koz: thousand troy ounces; lb: pound; AgEq: silver equivalent.

CONSOLIDATED AUDITED MINERAL RESOURCE STATEMENT FOR SONORA PROPIERTIES, AMC MINING CONSULTANTS (CANADA) LTD.[1-3] AS AT 30 JUNE 2024

Resource category	Cut-off grade	Quantity Tonnes (kt)	Grade Au (g/t)	Contained metal Au (koz)
Minera Penmont: Herradura open pit[4,8]				
Measured	Multiple[4]	224,851	0.81	5,861
Indicated		33,795	0.85	921
Measured and indicated		**258,646**	**0.82**	**6,782**
Inferred		5	0.66	0.1
Minera Penmont: Noche Buena open pit[5,8]				
Measured	0.19 g/t Au	10,034	0.52	166
Indicated		365	0.51	6
Measured and indicated		**10,399**	**0.52**	**172**
Inferred		36	0.51	0.6
Minera Penmont: Soledad-Dipolos open pit[6-8]				
Measured	0.20 g/t Au	77,953	0.48	1,202
Indicated		5,864	0.44	82
Measured and indicated		**83,817**	**0.48**	**1,284**
Inferred		310	0.49	5
Minera Penmont: Centauro Profundo underground[9,10]				
Measured	2.30 g/t Au	455	6.53	96
Indicated		5,149	6.66	1,102
Measured and indicated		**5,603**	**6.65**	**1,197**
Inferred		8,068	6.03	1,564
Total – Open pit				
Measured and indicated	Multiple	**352,861**	**0.73**	**8,239**
Inferred		351	0.49	6
Totals – Underground				
Measured and indicated	2.30 g/t Au	**5,603**	**6.65**	**1,197**
Inferred		8,068	6.03	1,564

1 Totals may not compute exactly due to rounding.
2 Mineral Resources are reported inclusive of Ore Reserves.
3 The JORC code was using for reporting of Mineral Resources.
4 Herradura open pit Mineral Resources are reported at various cut-offs dependent on material types and grade.
   a Oxide material equal to or above 0.15 g/t Au and below 0.93 g/t Au reports to the heap leach.
   b Transitional and sulfide material equal to or above 0.31 g/t and below 0.34 g/t Au reports to the heap leach.
   c Oxide material equal to or above 0.93 g/t Au reports to the mill.
   d Transitional and sulfide material equal to or above 0.34 g/t Au reports to the mill.
5 Noche-Buena open pit Mineral Resources are reported at a cut-off grade of 0.19 g/t Au reporting to the heap leach.
6 Soledad-Dipolos open pit Mineral Resources are reported at a cut-off grade of 0.20 g/t Au reporting to the heap leach.
7 The Soledad-Dipolos mine has been subject to legal actions regarding surface access; it is assumed these actions will eventually be setted favourably and mining operations resumed.
8 Reasonable prospects for eventual economic extraction (RPEEE) criteria have been applied to open pit Mineral Resources through by reporting blocks above a cut-off grade within a constraining pit shell based on a US$1,950/oz Au price, gold recoveries ranging between 30% and 90% based on material type, and using similar inter-ramp angles used for Ore Reserve pits.
9 Centauro Profundo underground Mineral Resources are reported beneath the Herradura Mineral Resource open pit, above a cut-off grade of 2.3 g/t Au, based on a gold price of US$1,950/oz and gold recovery of 93%.
10 RPEEE have been applied to the Centauro Profundo underground Mineral Resources. Discontinuous blocks reporting above the selected cut-off grade were removed from the Mineral Resource. Sensitivity to minimum mining width was also tested on a vein-by-vein basis.
· Mineral Resources were estimated by Fresnillo. Simeon Robinson, P.Geo. (EGBC #43058, PGO #3904, MAIG #5609) of AMC reviewed and audited the Resource estimates for Herradura and Centauro Profundo. Michael O'Brien. P.Geo. (EGBC #41338, FAusIMM #206669) of Red Pennant reviewed and audited the Resource estimates for Soledad-Dipolos and Noche Buena.

CONSOLIDATED AUDITED MINERAL RESOURCE STATEMENT OF EXPLORATION PROJECTS AND PROSPECTS[1] AS AT 31 DECEMBER 2024

Deposit[1]		Quantity	Grade				Contained metal			
Fresnillo subsidiary	Cut-off grade*	Tonnes (kt)	Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (koz)	Silver (koz)	Lead (kt)	Zinc (kt)
Measured mineral resource										
Orisyvo – disseminated Au **	0.34 g/t Au	42,330	1.34	2	–	–	1,830	2,104	–	–
Candameña – disseminated Au **		–	–	–	–	–	–	–	–	–
Leones – breccia **		–	–	–	–	–	–	–	–	–
Lucerito – breccia/mantos **		–	–	–	–	–	–	–	–	–
Rodeo – disseminated Au		–	–	–	–	–	–	–	–	–
Manzanillas – veins	1.65 AuEq g/t	75	6.76	130	–	–	16	316	–	–
San Juan – veins		–	–	–	–	–	–	–	–	–
Opulencia – veins		–	–	–	–	–	–	–	–	–
Guanajuato Centro – veins	1.55 AuEq g/t	1,281	0.84	54	–	–	34	2,230	–	–
Guanajuato Sur – veins		–	–	–	–	–	–	–	–	–
Cebadillas – veins		–	–	–	–	–	–	–	–	–
La Yesca – veins		–	–	–	–	–	–	–	–	–
San Nicolas – veins		–	–	–	–	–	–	–	–	–
Pilarica – mantos		–	–	–	–	–	–	–	–	–
Total Measured		**43,686**	**1.34**	**3**	**–**	**–**	**1,881**	**4,650**	**–**	**–**
Indicated mineral resource										
Orisyvo – disseminated Au **	0.34 Au g/t	195,993	1.01	1	–	–	6,334	8,542	–	–
Candameña – disseminated Au **	0.27 AuEq g/t	70,793	0.63	15	0.03	0.06	1,435	34,478	19	40
Leones – breccia **							–	–	–	–
Lucerito – breccia/mantos **	0.56 AuEq g/t	116,154	0.39	26	0.28	0.45	1,474	96,462	324	521
Rodeo – disseminated Au	0.17 AuEq g/t	6,603	0.49	3	–	–	104	721	–	–
Manzanillas – veins	1.65 AuEq g/t	919	3.53	69	–	–	104	2,034	–	–
San Juan – veins	1.65 AuEq g/t	3,117	1.66	147	–	–	166	14,763	–	–
Opulencia – veins	1.69 AuEq g/t	2,724	3.11	138	–	–	272	12,106	–	–
Guanajuato Centro – veins	1.41 AuEq g/t	8,122	1.93	67	–	–	504	17,591	–	–
Guanajuato Sur – veins	1.65 AuEq g/t	587	5.02	757	–	–	95	14,281	–	–
Cebadillas – veins		–	–	–	–	–	–	–	–	–
La Yesca – veins		–	–	–	–	–	–	–	–	–
San Nicolas – veins		–	–	–	–	–	–	–	–	–
Pilarica – mantos	US$11.00/t	11,524		92	0.30	0.48	–	33,995	35	56
Total Indicated		**416,537**	**0.78**	**18**	**0.09**	**0.15**	**10,489**	**234,972**	**378**	**617**
Inferred mineral resource										
Orisyvo – disseminated Au **	0.34 Au g/t	68,539	0.64	1	–	–	1,410	2,103	–	–
Candameña – disseminated Au **	0.16 AuEq g/t	12,622	0.33	13	0.01	0.02	133	5,367	1	3
Leones – breccia **	49 AgEq g/t	6,169	0.00	112	1.55	1.24	–	22,169	95	76
Lucerito – breccia/mantos **	0.56 AuEq g/t	135,140	0.39	30	0.24	0.41	1,687	131,892	321	550
Rodeo – disseminated Au	0.17 AuEq g/t	102,248	0.40	4	–	–	1,309	14,577	–	–
Manzanillas – veins	1.65 AuEq g/t	318	2.03	46	–	–	21	474	–	–
San Juan – veins	1.65 AuEq g/t	8,051	1.59	145	–	–	411	37,517	–	–
Opulencia – veins	1.69 AuEq g/t	2,648	2.10	94	–	–	179	8,035	–	–
Guanajuato Centro – veins	1.56 AuEq g/t	16,268	2.03	86	–	–	1,060	44,751	–	–
Guanajuato Sur – veins	1.65 AuEq g/t	16,230	2.12	521	–	–	1,105	271,911	–	–
Cebadillas – veins	1.87 g/t AuEq	2,131	2.51	63	–	–	172	4,329	–	–
La Yesca – veins	146 AgEq g/t	1,528	0.70	131	–	–	34	6,447	–	–
San Nicolas – veins	1.55 AuEq g/t	2,674	1.44	198	–	–	124	17,023	–	–
Pilarica – mantos	US$26.27/t	7,505	0.44	89	1.40	1.44	106	21,434	105	108
Total Inferred		**382,071**	**0.63**	**48**	**0.14**	**0.19**	**7,753**	**588,029**	**523**	**737**

1 Mineral resources are not ore reserves and do not have demonstrated economic viability. All figures rounded to reflect the relative accuracy of the estimates. Composites were capped where appropriate. Mineral resources are reported at variable metal, metal equivalent or NSR cut-off grades, assuming reasonable metal recoveries. Orisyvo, Lucerito, Candameña, and Rodeo mineral resources are reported inside a conceptual pit shell based on appropriate mining and processing costs and metal recoveries for oxide and sulfide material. Equivalent metal grades are based on US$1,750 per ounce of gold, US$23.00 per ounce of silver, US$1.15 per pound of zinc, US$0.95 per pound of lead and US$3.00 per pound of copper. Conceptual pit shell optimisations considered similar prices, except for a US$1,950 per ounce gold price (other than for Orisyvo where US$1,400 per ounce was considered).

* Cut-off grade calculations assume variable metallurgical recoveries.

** Mineral Resources Statement prepared independently by SRK (Canada).

CONSOLIDATED AUDITED ORE RESERVE STATEMENT FOR UNDERGROUND OPERATIONAL PROPERTIES, SRK CONSULTING (U.S.), INC.
AS AT 30 JUNE 2024

Deposit	Cut-off grade[1]	Quantity Tonnes (kt)	Grade Au (g/t)	Grade Ag (g/t)	Grade Pb (%)	Grade Zn (%)	Contained metal Au (koz)	Contained metal Ag (koz)	Contained metal Pb (kt)	Contained metal Zn (kt)
Minera Fresnillo – Fresnillo/Proaño Mine – Underground[2]										
Proven		1,992	0.55	310	0.65	1.22	35	19,852	13	24
Probable	230 g/t AgEq	11,720	0.60	225	1.26	2.79	228	84,669	147	327
Proven and Probable		**13,712**	**0.60**	**237**	**1.17**	**2.56**	**263**	**104,520**	**161**	**351**
Minera Saucito – Saucito Mine – Underground[2]										
Proven		2,110	1.46	238	1.09	1.69	99	16,166	23	36
Probable	220 g/t AgEq	12,469	1.04	238	1.17	2.00	415	95,386	146	250
Proven and Probable		**14,579**	**1.10**	**238**	**1.16**	**1.96**	**515**	**111,553**	**169**	**286**
Minera Ciénega – Ciénega Complex – Underground[2]										
Proven		851	1.52	228	0.66	0.87	42	6,241	6	7
Probable	Multiple[3]	2,065	1.21	114	0.36	0.34	80	7,567	8	7
Proven and Probable		**2,917**	**1.30**	**147**	**0.45**	**0.49**	**122**	**13,809**	**13**	**14**
Minera San Julián – San Julián Mine Underground: Veins[2]										
Proven		507	1.28	249	–	–	21	4,053	–	–
Probable	174 g/t AgEq	2,916	1.14	251	–	–	107	23,507	–	–
Proven and Probable		**3,423**	**1.16**	**250**	**–**	**–**	**128**	**27,559**	**–**	**–**
Totals – Underground										
Proven		5,461	1.12	264	0.76	1.23	197	46,312	42	67
Probable	Multiple	29,170	0.88	225	1.03	2.00	830	211,129	301	584
Proven and Probable		**34,631**	**0.92**	**231**	**0.99**	**1.88**	**1,027**	**257,441**	**343**	**651**

1 All figures rounded to reflect the relative accuracy of the estimates. Mineral reserves are reported at metal equivalent cut-off grades based on metals prices assumptions*, variable metallurgical recovery assumptions (variable metallurgical recoveries as a function of grade and relative metal distribution), mining costs, processing costs, general and administrative (G&A) costs, sustaining capital costs, and variable NSR factors (NSR factors include smelting and transportation costs). Each AgEq cut-off is calculated by dividing the appropriate cost by the corresponding Ag net value factor which includes prices, recoveries, and payabilities. A small proportion of marginal material is included in the design.

2 Reserves include planned dilution to a minimum mining width and to minable outlines. Additionally, based on mining method, floor dilution is included, and appropriate mining recovery factors are applied.

3 The cut-off grades for the Ciénega reserve vary between 245 and 253 g/t AgEq.

- Metals prices assumptions considered for the calculation of metal equivalent grades are: Gold (US$/oz 1,750.00), Silver (US$/oz 23.00), Lead (US$/lb 0.95) and Zinc (US$/lb 1.15).
- The reserves are valid as of June 30, 2024. All topography is valid as of June 30, 2024
- The ore reserves were estimated by Fresnillo. Anton Chan, B.Eng, M.Sc., P.Eng, MMSAQP (#01546QP) of SRK, a Competent Person, reviewed and audited the reserve estimates. Fresnillo's maiden reconciliation results show a need for improving the reserves process and adjusting factors as more information becomes available. There is a risk that locally results will differ from estimates. In veins where large reconciliation differences were observed reserves material for that vein has been reclassified to probable.
- kt: thousand tonnes; Au: gold; Ag: silver; Pb: Lead; Zn: zinc; g/t: grams per tonne; %: percent; oz: troy ounce; koz: thousand troy ounces; lb: pound; AgEq: silver equivalent.

CONSOLIDATED AUDITED ORE RESERVE STATEMENT FOR SONORA PROPERTIES, AMC MINING CONSULTANTS (CANADA) LTD. AS AT 30 JUNE 2024

		Quantity	Grade	Contained metal
Reserve category	**Cut-off grade**	**Tonnes (kt)**	**Au (g/t)**	**Au (koz)**
Minera Penmont: Herradura open pit				
Proven		190,851	0.83	5,081
Probable	Multiple[1]	22,273	0.84	598
Proven and Probable		**213,124**	**0.83**	**5,680**

1 The Herradura Ore Reserves that are attributed to the heap leach are reported at cut-off grades of 0.16 g/t Au for oxide ore and 0.30 g/t Au for transition and sulfide ore. Oxide material above 1.04 g/t Au and transitional and sulfide material above 0.38 g/t Au are attributed to the mill.

- Ore Reserves and all topography are valid as of 30 June 2024.
- Ore Reserves are based on a US$1,750/oz Au price.
- Exchange rate of 18 MXP to 1 US$.
- Full mining recovery assumed. Ore Reserves have no additional dilution added to that inherent in the selective mining unit (SMU) of 15 × 15 × 8 m^3.
- Assumed metallurgical recoveries are based on operational experience and average 68% and 30% for Herradura oxide and sulfide ore, respectively, to the heap leach, and 90% for Herradura ore to the mill.
- Ore Reserves are converted from Mineral Resources through the process of pit optimisation, pit design, and production scheduling, and are supported by a cash flow model.
- All figures rounded to reflect the relative accuracy of the estimates; numbers may not compute exactly due to rounding.
- Ore Reserves were estimated by Fresnillo. David Warren, BSc, MSc, P.Eng. (EGBC #15053) of AMC, a Competent Person, reviewed and audited the Ore Reserve estimates.

AUDITED MINERAL RESOURCE FOR THE JUANICIPIO PROPERTY (100% BASIS) AS AT 30 JUNE 2024

		Quantity	Grade				Contained metal			
Resource category	**Cut-off grade**	**Tonnes (kt)**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Au (koz)**	**Ag (koz)**	**Pb (kt)**	**Zn (kt)**
Measured		2,037	1.77	662	1.90	3.59	116	43,387	39	73
Indicated	213 g/t AgE	16,826	1.93	242	2.77	5.04	1,042	130,991	466	848
Measured and indicated		**18,863**	**1.91**	**288**	**2.68**	**4.08**	**1,157**	**174,379**	**505**	**921**
Inferred		12,435	0.83	200	1.87	5.82	332	80,081	232	724

Notes:

- Totals may not compute exactly due to rounding.
- Mineral Resources are reported inclusive of Ore Reserves.
- Mineral Resources are reported above cut-off grade but some of the Mineral Resources do not meet the technical requirement for reasonable prospects of eventual economic extraction.
- Mineral Resources are reported at or above 213 g/t Ag equivalent.
- Mineral Resources are reported at values based on metal price assumptions, metallurgical recovery assumptions, mining costs, processing costs, general and administrative (G&A) costs, and variable smelting and transportation costs."
- Metal price assumptions considered for the calculation of metal equivalent values are Au (US$1,750.00/oz), Ag (US$23.00/oz), Pb (US$0.95/lb), and Zn (US$1.15/lb).
- Assumed metal recoveries of 74.64%, 91.46%, 87.64%, and 79.29% for Au, Ag, Pb, and Zn, respectively and net smelter return (NSR) factors of US$33.91/g Au, US$0.558/g Ag, US$16.60/% Pb, and US$13.64/% Zn were used.
- The Mineral Resources were estimated by Fresnillo. Justin Glanvill (SACNASP), of AMC, a Competent Person, reviewed and audited the Mineral Resources.

AUDITED ORE RESERVES FOR THE JUANICIPIO PROPERTY (100% BASIS), AMC MINING COUNSULTANTS (CANADA) LTD.
AS AT 30 JUNE 2024

		Quantity	Grade				Contained metal			
Reserve category	**Cut-off grade**	**Tonnes (kt)**	**Au (g/t)**	**Ag (g/t)**	**Pb (%)**	**Zn (%)**	**Au (koz)**	**Ag (koz)**	**Pb (kt)**	**Zn (kt)**
Proven	222 g/t AgEq	1,546	1.18	450	1.45	2.69	59	22,375	22	42
Probable		16,987	1.61	201	2.33	4.21	882	109,571	395	715
Proven and Probable		**18,533**	**1.58**	**221**	**2.25**	**4.08**	**940**	**131,946**	**417**	**757**

Notes:
- Totals may not compute exactly due to rounding.
- All figures rounded to reflect the relative accuracy of the estimates. Ore Reserves are reported at variable cut-off value based on metal price assumptions, metallurgical recovery assumptions, mining costs, processing costs, G&A costs, sustaining capital costs, and variable trucking costs.
- JORC Code was used for reporting of Ore Reserves.
- NSR values are calculated as:
  – NSR = 33.91*Au+0.558*Ag+16.60*Pb+13.64*Zn. Units: Au (g/t), Ag (g/t), Pb (%), Zn (%).
  – NSR factors are based on metal prices of $1,750/oz Au, $23.00/oz Ag, $0.95/lb Pb, and $1.15/lb Zn, and estimated recoveries of 74.64% Au, 91.46% Ag, 87.64% Pb, and 79.29% Zn.
  – Payable metal assumptions for Au are 95% for lead concentrate, 65% for zinc concentrate, and 100% for pyrite concentrate; for Ag: 95% for lead concentrate, 70% for zinc concentrate, and 100% for pyrite concentrate. Lead 95% payable and zinc 85% payable.
  – The all-inclusive operating costs, exluding variable trucking costs, for longhole stopes and cut-and-fill stopes are $115/tonne and $138/tonne respectively (222 g/t AgEq based on weighted average for mining method).
  – Estimated stope hangingwall and footwall dilution (ELOS) was included in the stope optimisation process. The dilution thickness for stope hangingwall and footwall varies by mining method.
  – An additional operational floor mucking dilution of 0.5m for longhole and cut-and-fill stopes is applied to the Ore Reserve calculation. An extra endwall dilution for longhole stope is 0.5m.
  – Mining recovery factors are 95% for longhole stopes and cut-and-fill stopes. Mining recovery factor for ore drive development is 99%. Mining recovery factor for sill pillars is 0%.
  – Exchange rate of 18 MXP to 1 US$.
  – The Ore Reserves were estimated by Fresnillo. Paul Salmenmaki, P.Eng. (EGBC #40227), a Competent Person, reviewed and audited the Ore Reserves.

OPERATING STATISTICS

	ORE PROCESSED (tonnes)							SILVER (grammes/tonne)						
	2018	2019	2020	2021	2022	2023	**2024**	2018	2019	2020	2021	2022	2023	**2024**
Fresnillo	2,443,440	2,461,785	2,336,943	2,216,467	2,462,409	2,618,509	**2,333,973**	213.8	184.5	193.9	186.2	188.7	170.2	**152.1**
Ciénega	1,323,908	1,329,134	1,318,263	1,282,367	1,114,232	1,064,543	**1,058,778**	164.4	158.9	158.6	153.4	152.4	147.5	**165.5**
Herradura	22,156,792	22,926,542	19,797,063	20,311,876	22,195,187	20,223,914	**22,742,296**	2.7	2.9	2.6	2.1	1.6	1.6	**1.2**
Saucito	2,792,057	2,752,638	2,767,432	2,434,449	2,072,812	2,163,982	**2,363,960**	257.6	227.6	205.8	182.9	201.3	195.2	**214.0**
Saucito Pyrites	131,780	167,513	172,233	159,635	135,044	109,433	**91,313**	393.4	299.4	220.1	150.5	164.0	199.6	**264.8**
Soledad-Dipolos	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Noche Buena	18,195,744	12,166,900	6,682,617	8,996,842	7,428,189	2,510,639	**–**	0.1	0.2	0.7	0.2	0.2	0.2	**–**
San Julián – Veins	1,270,781	1,265,030	1,254,970	1,202,826	1,175,764	1,142,309	**1,236,682**	144.1	115.4	108.6	119.2	134.6	165.6	**231.6**
San Julián – DOB	2,221,433	2,226,956	2,229,612	2,070,563	2,092,971	2,073,847	**1,554,108**	154.4	139.5	150.3	220.6	167.9	136.2	**80.7**
Juanicipio (Total)	–	–	71,859	251,906	646,148	1,268,757	**1,328,178**	–	–	327.8	470.2	519.8	472.4	**468.2**

	ZINC CONCENTRATE (tonnes)							SILVER (grammes/tonne)						
	2018	2019	2020	2021	2022	2023	**2024**	2018	2019	2020	2021	2022	2023	**2024**
Fresnillo	59,987	61,639	67,851	68,192	84,466	89,932	**99,740**	773	622	627	572	549	504	**351**
Ciénega	12,472	16,897	17,470	12,339	10,264	7,219	**6,646**	2,042	1,177	1,336	2,056	1,982	3,548	**4,208**
Herradura	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Saucito	60,879	62,171	86,451	76,696	56,531	65,273	**66,712**	704	692	501	397	501	532	**533**
Soledad-Dipolos	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Noche Buena	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
San Julián – DOB	43,808	45,979	39,621	38,226	34,567	29,350	**24,037**	2,590	2,188	2,959	3,765	3,443	3,227	**2,441**
Juanicipio (Total)	–	–	576	4,117	16,438	40,790	**59,332**	–	–	1,835	1,528	1,159	1,057	**1,082**

	LEAD CONCENTRATE (tonnes)							SILVER (grammes/tonne)						
	2018	2019	2020	2021	2022	2023	**2024**	2018	2019	2020	2021	2022	2023	**2024**
Fresnillo	53,930	58,679	60,157	52,035	60,094	62,548	**74,905**	7,859	6,241	6,042	6,415	6,272	5,627	**3,785**
Ciénega	12,951	13,032	14,450	9,725	8,375	6,575	**6,186**	10,689	10,797	9,292	12,465	12,519	13,125	**15,717**
Herradura	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Saucito	63,756	56,844	71,982	64,825	47,130	52,490	**60,075**	8,978	8,632	6,110	5,499	7,304	6,510	**6,903**
Soledad-Dipolos	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Noche Buena	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
San Julián – DOB	13,434	16,200	14,363	16,644	14,657	15,564	**8,441**	12,847	10,478	11,924	14,801	12,281	9,483	**5,554**
Juanicipio (Total)	–	–	894	4,457	14,440	31,157	**43,057**	–	–	20,505	20,838	17,934	15,127	**11,301**

	DORÉ AND OTHER PRODUCTS (tonnes)							SILVER (grammes/tonne)						
	2018	2019	2020	2021	2022	2023	**2024**	2018	2019	2020	2021	2022	2023	**2024**
Ciénega precipitates	70.5	56.5	58.9	54.7	46.8	49.0	**50.6**	321,707	348,315	366,889	417,407	454,399	467,989	**497,015**
Ciénega Gravimetric Concentrator	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Saucito Pyrites precipitates	87.3	83.3	60.0	39.0	37.3	26.7	**29.2**	348,123	437,279	476,801	451,681	441,459	551,136	**570,187**
Herradura doré	79.1	79.7	66.6	53.7	46.0	38.9	**32.6**	604,868	606,458	583,752	529,334	532,056	487,379	**487,184**
Herradura slag	773.4	1,284.3	1,323.7	608.9	–	34.8	**–**	1,174	1,041	1,634	1,550	–	480	**–**
Soledad-Dipolos doré	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Soledad-Dipolos slag	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Fresnillo Concentrates from Tailings Dam	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Noche Buena doré	7.7	7.8	0.4	–	–	0.7	**–**	24,479.9	98,118.4	269,785.8	–	–	254,727.9	**–**
Noche Buena slag	292.5	248.7	11.6	–	–	158.7	**–**	206.3	0.0	1,068.5	–	–	962.6	**–**
San Julián – Veins precipitates	202.1	155.6	142.8	151.1	172.2	215.7	**346.8**	836,331	862,812	877,909	869,458	837,831	801,541	**757,151**
Fresnillo precipitates	–	–	–	0.2	–	21.2	**76.7**	–	–	–	454,780	–	566,560	**569,270**
Juanicipio precipitates	–	–	–	0.4	15.5	8.4	**–**	–	–	–	625,852	623,760	642,547	**–**

	METAL PRODUCED[1] SILVER (ounces)							GOLD (ounces)						
	2018	2019	2020	2021	2022	2023	**2024**	2018	2019	2020	2021	2022	2023	**2024**
Fresnillo	15,117,156	13,007,227	13,054,481	11,986,025	13,609,019	12,771,803	**10,241,905**	42,290	52,259	38,388	33,743	34,432	36,909	**51,473**
Ciénega	5,998,987	5,796,190	5,762,384	5,446,619	4,709,216	4,334,581	**4,833,902**	66,869	65,583	64,101	48,819	37,466	35,934	**39,422**
Herradura	1,523,453	1,563,060	1,305,572	925,825	775,948	610,764	**524,461**	474,168	482,722	425,288	421,535	349,715	355,485	**360,598**
Saucito	19,780,721	17,159,627	15,532,298	12,438,843	11,977,292	12,101,782	**14,474,389**	86,092	79,539	84,878	88,440	73,497	72,763	**82,718**
Saucito Pyrites	977,414	1,171,298	920,212	567,030	529,355	473,912	**535,599**	3,556	4,045	3,452	2,294	1,959	1,228	**1,514**
Soledad-Dipolos	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
Noche Buena	51,616	57,754	39,340	31,574	19,830	10,316	**9,206**	167,208	127,166	87,998	96,835	79,668	42,537	**20,941**
San Julián – Veins	5,433,526	4,317,225	4,030,008	4,224,406	4,638,089	5,558,565	**8,442,804**	79,218	62,207	61,790	51,840	43,397	41,009	**49,633**
San Julián – DOB	9,196,272	8,691,636	9,276,125	12,547,642	9,613,719	7,790,507	**3,393,468**	3,125	2,393	3,134	4,006	3,330	3,478	**1,779**
Juanicipio (Attributable)	–	–	349,220	1,789,979	5,179,950	9,414,788	**10,400,181**	–	–	590	3,683	12,461	20,570	**21,856**
Fresnillo DLP	–	–	–	2,617	–	386,609	**1,404,055**	–	–	–	8	–	733	**1,639**
Fresnillo Total	58,079,146	51,764,018	50,269,639	49,960,562	51,052,420	53,453,626	**54,259,970**	922,527	875,913	769,618	751,203	635,926	610,646	**631,573**

1 Including production from Fresnillo's tailings dam.

	GOLD (grammes/tonne)							ZINC (%)							LEAD (%)						
	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024
	0.70	0.89	0.73	0.68	0.61	0.62	**0.92**	1.75	1.80	2.07	2.20	2.38	2.32	**2.93**	0.90	1.01	1.08	1.01	1.05	0.96	**1.35**
	1.65	1.66	1.63	1.27	1.14	1.14	**1.27**	0.83	1.13	1.18	0.90	0.86	0.63	**0.55**	0.60	0.67	0.70	0.51	0.49	0.44	**0.43**
	0.76	0.80	0.77	0.76	0.69	0.76	**0.71**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	1.25	1.19	1.24	1.46	1.40	1.34	**1.40**	1.61	1.57	2.21	2.08	1.78	1.96	**1.85**	0.94	0.90	1.22	1.18	1.01	1.06	**1.12**
	2.77	2.32	1.92	1.50	1.44	1.43	**1.87**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	0.52	0.51	0.52	0.59	0.53	0.47	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	2.01	1.61	1.61	1.42	1.21	1.17	**1.31**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	0.09	0.08	0.09	0.10	0.08	0.08	**0.06**	1.35	1.36	1.19	1.27	1.09	0.94	**1.04**	0.43	0.44	0.41	0.51	0.43	0.43	**0.33**
	–	–	0.73	1.13	1.39	1.27	**1.25**	–	–	0.60	1.20	1.72	2.06	**2.78**	–	–	0.33	0.60	0.90	1.15	**1.50**

	GOLD (grammes/tonne)							ZINC (%)							LEAD (%)						
	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024
	2.3	2.6	2.2	1.9	1.8	1.7	**1.8**	51.8	51.2	50.3	50.6	51.3	50.5	**50.8**	–	–	–	–	–	–	**–**
	13.1	7.1	7.6	10.2	9.4	16.1	**21.5**	47.2	53.2	53.0	51.6	52.5	49.2	**47.7**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	2.8	3.1	2.4	1.6	1.6	1.9	**1.6**	48.5	47.2	49.5	48.9	50.3	50.5	**51.1**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	0.8	0.6	1.0	1.2	1.2	1.3	**1.1**	50.3	49.4	51.7	52.3	50.6	49.1	**49.7**	–	–	–	–	–	–	**–**
	–	–	3.7	3.6	2.4	1.8	**1.6**	–	–	45.9	44.9	49.1	49.8	**50.4**	–	–	–	–	–	–	**–**

	GOLD (grammes/tonne)							ZINC (%)							LEAD (%)						
	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024
	21.8	25.0	17.3	17.6	15.4	15.9	**19.0**	–	–	–	–	–	–	**–**	36.4	36.6	35.4	36.1	36.2	34.2	**36.2**
	85.4	78.2	72.0	80.0	69.0	73.0	**81.8**	–	–	–	–	–	–	**–**	37.1	44.8	42.3	40.6	42.0	43.8	**47.2**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	39.3	40.2	33.8	40.5	46.6	40.8	**41.0**	–	–	–	–	–	–	**–**	35.5	36.5	39.7	38.0	37.8	37.2	**37.8**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	4.5	2.8	4.0	4.8	4.2	4.5	**3.3**	–	–	–	–	–	–	**–**	45.4	47.2	49.5	51.3	48.5	44.0	**43.9**
	–	–	34.2	42.4	44.0	33.6	**23.7**	–	–	–	–	–	–	**–**	–	–	21.5	26.9	34.1	41.3	**41.3**

	GOLD (grammes/tonne)						
	2018	2019	2020	2021	2022	2023	2024
	11,504	15,918	13,940	11,249	10,489	10,647	**11,400**
	–	–	–	–	–	–	**–**
	1,267	1,510	1,788	1,828	1,634	1,428	**1,612**
	196,925	190,981	192,426	248,538	241,449	280,498	**288,334**
	435	334	494	662	–	3,833	**–**
	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**
	509,555	406,858	475,146	–	–	181,396	**–**
	324	206	1,025	–	–	7,584	**–**
	12,193	12,432	13,461	10,670	7,839	5,913	**4,451**
	–	–	–	1,473	–	1,074	**664**
	–	–	–	972	1,131	712	**–**

	ZINC (tonne)							LEAD (tonne)						
	2018	2019	2020	2021	2022	2023	2024	2018	2019	2020	2021	2022	2023	2024
	31,094	31,530	34,116	34,530	43,342	45,386	**50,702**	19,619	21,472	21,319	18,796	21,756	21,373	**27,088**
	5,892	8,986	9,263	6,373	5,387	3,550	**3,168**	4,799	5,839	6,112	3,947	3,518	2,881	**2,922**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	29,506	29,365	42,774	37,469	28,415	32,991	**34,097**	22,662	20,764	28,592	24,615	17,816	19,535	**22,729**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	22,027	22,697	20,492	19,990	17,487	14,410	**11,942**	6,101	7,648	7,112	8,543	7,105	6,843	**3,704**
	–	–	148	1,036	4,521	11,368	**16,737**	–	–	108	671	2,755	7,202	**9,957**
	–	–	–	–	–	–	**–**	–	–	–	–	–	–	**–**
	88,520	92,578	106,793	99,397	99,153	107,705	**116,646**	53,181	55,722	63,242	56,573	52,950	57,833	**66,400**

SHAREHOLDER INFORMATION

Financial calendar

Preliminary statement	4 March 2025
First quarter production report	23 April 2025
Annual General Meeting	20 May 2025
Second quarter production report	23 July 2025
Interim statement	5 August 2025
Third quarter production report	22 October 2025

Dividend payment schedule

2024 Final Dividend Record Date	22 April 2025
2024 Final Dividend Payment Date	30 May 2025
2025 Interim Dividend Record Date	8 August 2025
2025 Interim Dividend Payment Date	16 September 2025

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Share fraud includes scams where investors are called out of the blue and offered shares that turn out to be worthless or non-existent, or an inflated price for shares they own. These calls come from fraudsters operating in 'boiler rooms', mostly based abroad. While high profits are promised, those who buy or sell shares in this way usually lose their money. Most victims are experienced investors, losing on average £20,000.

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Report a scam
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For further information, please visit our website:
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