Resource Company Report: First Majestic Silver Corp.

Report Date	August 12, 2026	**Company Type**	Intermediate Silver-Gold Producer
Company Name	First Majestic Silver Corp.	**Stock Symbol**	AG (NYSE / TSX)
2026 Ag Guidance	14.6 – 15.5 Moz (raised)	**2026 Au Guidance**	128 – 135 koz (raised)
Q2 2026 AISC	US$25.68 / AgEq oz	**2026 AISC Guidance**	US$27.69 – 28.77 / AgEq oz
Cash (Jun 30, 2026)	~US$1.09 billion	**Market Cap (approx.)**	~US$9.3 billion
Primary Assets	Santa Elena, San Dimas, La Encantada, Los Gatos (70%)	**Q2 Free Cash Flow**	US$194.6 million

1. Company Overview & Investment Thesis

First Majestic Silver Corp. (NYSE/TSX: AG) is an intermediate silver and gold producer with four operating mines in Mexico: Santa Elena, San Dimas, La Encantada and a 70% interest in the Los Gatos joint venture. The company has raised 2026 attributable production guidance to 14.6–15.5 million ounces of silver and 128,000–135,000 ounces of gold, reflecting strong first-half performance and successful progress on throughput expansions across the portfolio. Consolidated AISC guidance stands at US$27.69–28.77 per AgEq ounce. Q2 2026 results included 3.80 million ounces of silver and 34,660 ounces of gold, revenue of US$415.5 million (+57% year-over-year), free cash flow of US$194.6 million and AISC of US$25.68 per AgEq ounce. Cash and cash equivalents reached approximately US$1.09 billion at June 30, 2026 (plus restricted cash), supporting a substantial net cash position. Market capitalization is approximately US$9.3 billion.

Investment Thesis: First Majestic offers leveraged exposure to silver prices through a multi-mine Mexican production base with improving throughput, a low-cost contribution from Los Gatos, and a fortress balance sheet built on exceptional free-cash-flow generation at elevated metal prices. The raised production guidance and ongoing capital programs (including planning for the Jerritt Canyon restart in the United States) support medium-term growth optionality. Key risks include Mexican operating, fiscal and community jurisdiction, silver-price volatility, delivery of AISC within the raised guidance range, and successful execution of growth projects. Relative to pure explorers or single-asset developers, AG ranks lower risk by virtue of cash flow, reserves and liquidity. Relative to larger senior silver or diversified precious-metals producers, scale and single-country concentration remain the primary differentiating risk factors.

2. Mining and Development Projects

2.1 Santa Elena (Sonora, Mexico)

Location / Jurisdiction	Santa Elena, Sonora, Mexico; underground silver-gold operation
Metals	Silver and gold
Status	Producing; throughput expansion initiatives ongoing
Resources / Notes	Core high-grade silver-gold asset within the portfolio; resource base supports multi-year mine life with ongoing underground development and exploration
Grades / Metrics	Q2 2026 gold production 21,468 oz; significant gold contributor to consolidated output
AISC / Costs (USD)	2026 AISC guidance US$25.09–25.83 per AgEq oz
2026 Production Guidance	1.4–1.5 Moz Ag; 72–76 koz Au
Outlook	Key gold contributor; continued operating efficiencies and expansion work support the raised consolidated guidance

2.2 San Dimas & La Encantada (Mexico)

Location / Jurisdiction	San Dimas (Durango/Sinaloa border) and La Encantada (Coahuila), Mexico; underground operations
Metals	Silver and gold (San Dimas); primarily silver (La Encantada)
Status	Producing; ongoing underground development
Resources / Notes	Long-life underground operations forming the silver production backbone alongside Los Gatos
Grades / Metrics	San Dimas Q2 ~1.06 Moz Ag and 12.4 koz Au; La Encantada Q2 ~1.04 Moz Ag
AISC / Costs (USD)	San Dimas 2026 AISC guidance US$25.38–26.42 / AgEq oz; La Encantada higher relative cost structure
2026 Production Guidance	San Dimas 4.6–4.9 Moz Ag and 52–56 koz Au; La Encantada contributes meaningfully to consolidated silver

Outlook	Stable base-load production; continued underground development and exploration drilling to support reserve replacement

2.3 Los Gatos (70%) & Growth Projects

Location / Jurisdiction	Los Gatos, Chihuahua, Mexico (70% ownership via joint venture)
Metals	Silver, gold, zinc, lead and copper
Status	Producing; strong H1 contribution and lowest-cost asset in the portfolio
Resources / Notes	High-grade polymetallic underground mine; primary driver of consolidated cost performance
Grades / Metrics	Q2 attributable silver ~1.28 Moz; material base-metal by-product credits (zinc, lead, copper)
AISC / Costs (USD)	2026 AISC guidance US$20.35–21.11 per AgEq oz (lowest in the portfolio)
2026 Production Guidance	5.1–5.5 Moz Ag (attributable); 3–4 koz Au plus base metals
Outlook	Primary low-cost margin driver; Jerritt Canyon (Nevada) restart planning included in 2026 capital budget (~US$75 million allocated)

3. Exploration & Development Activity

Near-term operational focus is delivery of the raised 2026 production guidance of 14.6–15.5 Moz silver and 128–135 koz gold, continued throughput expansions across the Mexican mines, and advancement of the Jerritt Canyon restart plan. Exploration drilling in the first half of 2026 totaled approximately 160 kilometres, supporting resource replacement and mine-life extension at the producing assets. The updated capital budget includes funding for underground development, exploration, plant and equipment, the Jerritt Canyon restart and corporate projects. Success metrics for the balance of 2026 are production and AISC delivery within guidance, sustained free-cash-flow generation at elevated silver prices, and tangible progress on U.S. growth optionality at Jerritt Canyon.

4. Management and Board of Directors

Management

Name / Group	Title	Notes	Experience / Focus
Executive leadership	CEO / COO / CFO	Operations & finance	Oversight of Mexican operations, production growth, cost control, capital allocation and Jerritt Canyon planning
Operations / technical team	Mine & technical leadership	Mexico focus	Underground mining, processing expansions, exploration and operational efficiency across the four producing assets

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of strategy, capital allocation, Mexican operations, growth projects and risk management
Independent directors	Oversight	Mining, finance and capital-markets experience consistent with an intermediate precious-metals producer

Management has prioritised production growth, cost discipline and balance-sheet strength while advancing selective growth projects. The substantial free-cash-flow generation at current metal prices has allowed simultaneous strengthening of the treasury and investment in the portfolio.

5. Financial Information

First Majestic delivered exceptionally strong financial results in Q2 and H1 2026, driven primarily by high realized silver and gold prices. Q2 revenue reached US$415.5 million (+57% year-over-year); H1 revenue was US$892.2 million. Q2 free cash flow was US$194.6 million and H1 free cash flow reached US$418.1 million. Adjusted EBITDA was US$257.1 million in Q2. Cash and cash equivalents stood at US$1,093 million at June 30, 2026, with an additional US$159 million in restricted cash and working capital of US$876 million. Total debt is modest relative to the cash balance, resulting in a substantial net cash position. Market capitalization is approximately US$9.3 billion.

Balance Sheet Summary (USD)

Line Item	Amount / Notes
Cash & equivalents (Jun 30, 2026)	~US$1,093 million

Restricted cash	~US$159 million
Working capital	~US$876 million
Total debt (approx.)	~US$331 million
Net cash position	Substantial (~US$760–900 million range)
Shareholders’ equity	~US$3.4 billion
Market capitalization	~US$9.3 billion

Income / Production Summary

Line Item	Amount / Notes
Q2 2026 silver / gold production	3.80 Moz Ag; 34.7 koz Au
Q2 Revenue / Free Cash Flow	US$415.5 M; US$194.6 M
Q2 AISC / Cash Cost	US$25.68 / US$18.06 per AgEq oz
H1 Free Cash Flow	US$418.1 million
2026 Ag / Au guidance (raised)	14.6–15.5 Moz Ag; 128–135 koz Au
2026 AISC guidance	US$27.69–28.77 / AgEq oz

6. Company Valuation

At a market capitalization of approximately US$9.3 billion, First Majestic trades as an intermediate silver-gold producer with substantial free cash flow at current metal prices and a large net cash position. Valuation is commonly framed on enterprise value per ounce of annual silver-equivalent production or reserves, AISC margins, and peer multiples versus other intermediate silver producers.

Discounted NPV discussion: A practical framework sums the discounted cash flows of the four Mexican operations (Los Gatos, Santa Elena, San Dimas and La Encantada) under long-term silver and gold price assumptions, incorporating the raised production profile and expected AISC trajectory, then adds optionality from the Jerritt Canyon restart and ongoing exploration success, and adjusts for the substantial net cash position and corporate costs. Key sensitivities are the silver price, the Mexican peso exchange rate, delivery of AISC within guidance, and successful throughput expansions. The large cash balance and free-cash-flow generation at elevated prices provide both downside protection and funding capacity for growth without equity dilution. Delivery of the raised 2026 guidance and sustained AISC performance are the primary near-term valuation catalysts.

Merger & Acquisition Activity

First Majestic has grown through a combination of organic development and prior acquisitions, most notably the addition of the Los Gatos interest. The company completed the sale of the Del Toro mine for up to US$60 million. No formal public takeover offer for First Majestic has been announced. With a strong balance sheet, robust free-cash-flow generation and a multi-mine producing portfolio, the company is positioned to pursue selective growth opportunities or further portfolio optimization while remaining an independent intermediate silver producer.

7. Risks

- Silver and gold price volatility.
- Mexican operating, fiscal, labour, security and community risk.
- AISC delivery versus the raised 2026 guidance range of US$27.69–28.77 per AgEq ounce.
- Currency (Mexican peso) exposure relative to USD costs and revenues.
- Successful execution of throughput expansions and the Jerritt Canyon restart plan.
- Resource replacement and exploration success at the existing producing mines.
- Geographic concentration in a single country (Mexico).

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other intermediate silver and silver-gold producers, First Majestic is ranked **3**. The ranking reflects relatively lower risk within the intermediate peer set: a multi-mine producing portfolio, raised 2026 production guidance, exceptionally strong free-cash-flow generation and a substantial net cash position of approximately US$1.1 billion in cash, partially offset by single-country (Mexico) concentration, AISC variability and silver-price sensitivity. Positive factors include the low-cost Los Gatos contribution, improving throughput across the portfolio, and balance-sheet strength that provides resilience and funding flexibility. Offsetting factors are jurisdictional concentration and consolidated AISC that remains elevated relative to the absolute lowest-cost silver peers. Relative to pure explorers or single-asset developers, AG ranks substantially lower risk; relative to senior multi-jurisdiction precious-metals producers, residual scale and country risk remain. The net result is a risk ranking of 3.

Sources: Company Q2 2026 MD&A; and financial results (July 30, 2026), updated 2026 production and AISC guidance, and market data as of mid-August 2026.