Audit and Corporate Governance Committee

ANNUAL REPORT

Mexico City, March 3rd, 2025.

To the Board of Directors of
Industrias Peñoles, S.A.B. de C.V.
Present.

Dear Board Members:

On behalf of the Audit and Corporate Governance Committee (the "Committee") of Industrias Peñoles, S.A.B. de C.V. (the "Company") and in my capacity as its Chairman, I am pleased to present the following report on the most relevant activities undertaken by this Committee during the fiscal year 2024, in accordance with Article 43 of the Securities Market Law (hereinafter, the "Law").

During this fiscal year, the Committee members met on four occasions with Company officials and independent experts to:

Assess the external audit firm responsible for the audit of the basic financial statements, the independent external auditor, their work team, and the additional services provided, ensuring that they maintained professional and personal independence requirements throughout the fiscal year, as established in the General Regulations Applicable to the Public Companies Supervised by the National Banking and Securities Commission that hire External Audit Services of Basic Financial Statements (*Disposiciones de Carácter General Aplicables a las Emisoras Supervisadas por la Comisión Nacional Bancaria y de Valores que Contratan Servicios de Auditoría Externa de Estados Financieros Básicos*) (hereinafter referred to as the “Regulations”), reviewing that the audit firm’s quality control system complied with the provisions and professional standards governing its performance, concluding that they satisfactorily fulfilled their assigned work, both regarding the audit opinion on the financial statements and the additional services for which they were engaged.

Approve and follow up the internal auditor’s annual plan, including the scope, nature, and timing of audit procedures, the key processes assessed, the identified risks and significant matters, and the strategy for evaluating them. Additionally, we reviewed reports on significant aspects of the Company's internal control system, including those that were rectified during the year and those still pending resolution.

Analyze the external auditors' communication as required under Article 35 of the Regulations, covering the materiality and tolerable error applied in their review, the significant processes evaluated, the nature and amount of audit adjustments, and the conclusion of their assessment, with no material issues to report.

Review the individual and consolidated financial statements of the Company for the fiscal year 2024, as prepared by management, the declaration referred to in Article 32 of the Regulations concerning the statements made by responsible officers, and the unqualified audit opinion issued by the external auditors on these financial statements.

Analyze the main risks to which the Company is exposed, with special emphasis in cybersecurity risks, the way in which the Company is managing them as well as the review of compliance with the most relevant legal provisions applicable to the Company. We were informed of a cybersecurity incident that occurred, the way it was resolved, and the results of an independent third-party evaluation of the maturity level of the Company’s cybersecurity processes.

Verify compliance with the Code of Ethics and Conduct, including the handling of reports submitted through the mechanisms for disclosing improper conduct and whistleblower protection outlined in the Code, with no unresolved breaches requiring attention.

Assist in preparing the Board of Directors' Annual Report for submission to the Shareholders' Meeting.

Therefore, based on the above, the Committee recommends that the Board of Directors approve the individual and consolidated financial statements for the fiscal year 2024, as well as the accounting policies and criteria applied in the preparation of the Company's financial information, in accordance with Article 42, Section II, Subsection e) of the Law.

Furthermore, regarding the evaluation of the report presented by the Company's Chief Executive Officer, we conclude that:

i. The accounting and financial reporting policies and criteria applied by the Company in the preparation of its financial information, as detailed in the notes to the audited financial statements, are appropriate and sufficient considering the Company's specific circumstances;
ii. These policies and criteria have been consistently applied in the information presented in the Chief Executive Officer's Report; and
iii. The financial statements reasonably reflect the Company's financial position and results.

According to the certification issued by the Secretary of the Board of Directors, follow-up was conducted on the resolutions of the Shareholders' Meeting and the Board of Directors, as well as on the activities in which the Board was involved. Additionally, it was confirmed that no waivers were granted in 2024 for any Director, Key Executive, or individual with Decision-Making Authority to take advantage of business opportunities that should have belonged to the Company.

Based on the report from the Nomination, Evaluation, and Compensation Committee regarding the performance of Key Executives, it is confirmed that the compensation packages for the Chief Executive Officer and Key Executives adhere to the policy approved by the Board of Directors.

During the fiscal year 2024, the Committee was not made aware of any observations from Shareholders, Directors, Key Executives, employees, or third parties regarding accounting matters, internal controls, internal or external audits, or reports of irregularities in management.

Based on the information provided by management, the most significant transactions conducted with related parties during the 2024 fiscal year included the sale of metals, treatment fees, purchase of concentrates, purchase of energy, royalty payments, provision of services, and income derived from financial instruments. It was noted that these transactions were conducted at market prices and were supported by transfer pricing studies prepared by independent specialists.

On behalf of the Audit and Corporate Governance Committee,

Mr. Ernesto Vega Velasco
Chairman of the Audit and Corporate Governance Committee.
Industrias Peñoles, S.A.B. de C.V.