*Announcer:* So please welcome First Majestic, which owns four producing silver and gold mines across Mexico and the US. In 2022, the company's projecting to produce between 32 and 36 million silver-equivalent ounces, which is roughly a 30 percent increase compared to last year. It trades on the New York Stock Exchange under the ticker AG and recently implemented its inaugural dividend policy of paying one percent of revenue to shareholders each year.  
  
Keith Neumeyer, one of the most famous faces in the silver sector, presents.   
  
*[Applause]*

*Speaker:* Hello, everyone. Many of you have heard the story already. I see a lot of familiar faces. Great to be back on the road, again. This is only our second conference that's in person, which is fantastic. We still have a couple of virtual conferences coming up, but we're getting back into the regular program of seeing, and meeting, and greeting people, which is just fantastic.  
  
Obviously, we had some pretty interesting times in Europe. We saw some interesting activity last week with silver and gold spiking and then collapsing, again, and the action in oil, as well. So it's a great sector to be in fully-invested, as far as I'm concerned, whether it's gold, silver, or oil. These commodities have to be in your portfolio.  
  
First Majestic is, as many of you know, is one of the leaders in the sector. I think there's a couple of key points on this slide and I'm not gonna go through everything here, but you do see the fact that silver did peak in 2015 at about 890 million ounces of silver production. That number's been dropping ever since. I haven't seen the 2021 numbers, but we can assume it's somewhere in the low 800 million-ounce range. Consumption is still north of a billion ounces.  
  
Analysts in London, I was reading just about, well, two months ago now, six weeks ago, he's predicting the silver panels will be consuming 140 million ounces of silver this year. There's a slide coming up. Silver Institute's claiming that consumption in 2022 is gonna be north of 1.2 and possibly even as high as 1.4 billion ounces of silver, and in a sector where the miners are only producing 800 million ounces of silver, where the heck is this metal coming from.  
  
The most important other number on this slide is the fact that we're mining only seven to one and this is a shocking number and I keep talking about this number. Why are we trading at 70-plus to one when we're mining at a ratio of only seven to one? Answer that question. I'd love to know the answer. I can tell you, but nevertheless, you think that you can figure that out on your own.  
  
The electric car industry in 2019. We have 1.4 billion automobiles sitting on the surface of the planet today. There's 95 million cars produced each year, the last number that was public. I haven't seen the 2020 numbers, yet. I don't know why they're not public yet, but the 2019 numbers shows that there were six million electric cars produced in 2019. We consumed almost 60, 65 million ounces of silver that year in the automotive sector, for electric cars, that is.   
  
So you extrapolate that math. If you want to replace 1.4 billion cars over the next call it one to two decades and we're only producing in 2019 six million cars, I know that GM, and Ford, and BMW, and Audi, and all these other manufacturers are now coming out with their own versions of cars, but how many electric cars do you have to produce in a year to meet the requirements of the global wishes of the super elite or the governments of the world who are trying to eliminate fossil fuels from the planet and replace them with other forms of electrification.  
  
We just don't have the silver or the copper to do it. We need much higher metal prices to incentivize the miners to even get to the point of making the critical investments necessary in the infrastructure to build these plants and build the mines to build this infrastructure to replace the electrical grid. I look at silver is the glue. Copper is the roadways. Without silver, these products cannot be manufactured because it holds these products together.  
  
So going into First Majestic, as a result of our acquisition of Jerritt Canyon, our purity did drop a little bit, but we're still quite pure silver. I hope our next acquisition will be much more pure, but we're happy to be in Nevada. We're happy to have a great-looking gold mine in our portfolio. I'll talk a little bit about that through this presentation.   
  
So we're in two countries. We were just Mexico. We're 19 years in. I put the company together 19 years ago, and just up until really this fall, or the spring, pardon me, of 2021, we made our first investment outside of Mexico. We have close to 6,000 employees. It says 5,300 there, but it's actually a little bit higher than that. Big, big land package and very prolific regions of both Mexico and Nevada.  
  
The four operating mines which Daniella pointed to, three are in Mexico. San Dimas is a silver-gold mine, 50-50 silver-gold. La Encantada is 100 percent silver mine. Santa Elena, 50-50, gold-silver. And Jerritt Canyon, 100 percent gold. Nice thing about these four mines is that we're 100 percent dore producers. I know I'm not gonna get into details about the difference between a concentrated producer versus a dore producer, but I can tell you that the cost per ounce from the time it leaves the mine to the time it gets into your hands or the hands of Tesla, or BMW, or whomever is the consumer, it's a difference of $5.00.  
  
And that's a big number when you're trading at $20.00, $25.00 an ounce and you're spending $4.50 for refining to the smelters, that's a big number. If you're just producing dore bars, your cost is 50 cents by the time it leaves the mine, insurance, transportation, spitting out the plant 1,000-ounce commercial bars. That's a good business and that's why we just produce 100 percent dore.   
  
We expected to have a record 2020, but unfortunately with the COVID pandemic, we had to shut down our mines for a period of time, so we ended up having a record 2021, obviously thanks to Jerritt Canyon, as well, being added to our portfolio. We will again have a record 2022 and we're looking, as Daniella said, our production in 2021 is coming up, but it's in the 30 million ounce silver equivalent range. Our target by 2024 is to get up to 50 million silver equivalent ounces, so we can do it with our portfolio, and that's why we're spending the amount of money we're spending today to get to that growth that we think that we can get there, and that's the number where we publicized.  
  
So this is our current guidance. We put our guidance out in January and July each year. Jerritt Canyon is still a little bit on a high-cost side. There's a lot of investment going on in Jerritt Canyon. It's going to burn some cash in 2022. It's just a fact of the matter. I'll get into the Jerritt Canyon when we get to those slides. But these assets are cash flowing quite nicely at current metal prices, and you see our costs are dropping, and this is a throughput issue. And we have, for example, Jerritt Canyon, that mill has a capacity of close to 5,000 tons per day and we're only feeding it at a tune of 2,200 tons.  
  
San Dimas, the same thing, 3,000 ton a day plant. We're feeding it at about 22,000 tons a day, approximately. Santa Elena, well, it's a little bit of a different story, but still more throughputs required to drive down these costs and we're spending that money today on development. As you can see here, record expiration numbers or investments, record development numbers. At these metal prices, we're making good money.  
  
We might as well put this money back into the business and build this business for this leg of this bull market I think 'cause we're going to be seeing a wonderful bull market. We're in three years already. These bull markets generally last five to ten years and I'm expecting much, much higher metal prices. So we might as well spend this money. It's gonna burn a hole in our bank account, so why not reinvest it, and that's what we're doing. It'll be great for all our shareholders.  
  
So as I mentioned, reserves, resources. You see the bottom gray bar. This is quite fascinating. You would think it would be a reverse, actually. As you develop more reserves through drilling, we're doing over 300,000 meters of drilling this year. We did north of 250,000 meters last year. These are big drill programs. We have 30 rigs currently active throughout our portfolio, adding ounces every day. Our goal is to just maintain or add ounces to the portfolio. We never want to go backwards. We're expecting that Jerritt Canyon, you're going to see life of mine there probably double over the next couple of years, and San Dimas and other great developments going on there on the exploration front.  
  
So, okay, so now we're gonna get into Jerritt Canyon. So I get asked the question all the time, "Why the heck did you buy a gold mine? You're such a bull on silver and you go and buy a gold mine." And I know some people were disappointed by that, but I can tell you as the CEO that runs this company and put the company together right from the inception back in 2002, silver has got to be the most annoying metal in the world.  
  
We try to budget at 20.00 bucks an ounce, and next thing you know, silver's at $15.00. So you got to fire people. You got to stop exploration programs. You got to change your business. The next thing you know, it's at $25.00, and you go, oh, my God. So you got to rehire everyone, start the drill programs back up again. And I can tell you it's the most frigging annoying thing and I've been doing this for, as I mentioned, a long time.  
  
So having the gold in the portfolio, it gives us that business stability, and despite the fact that I'm much more of a bull on silver, gold is there as a stable asset in our portfolio. We could run the business just selling gold and we could stop selling all our silver. Now we would break even. We wouldn't because the silver is where our profits are, but we could technically still do it. The institutions, the big shareholders, might not appreciate it very much, but we could potentially do that.   
  
So when we looked at Jerritt Canyon, when we look at an asset, we say what can we do as a management team to improve the assets. It's high cost. How do we drive the cost down? It's producing 100,000 ounces of gold. Can we get it up to 200,000 ounces of gold? It's life of mine is seven, eight years. Can we get the line up to north of ten years? These kinds of things we go through from a due diligence perspective and I could tell you this asset checked every single box and I think we're good at what we do. It did not check the silver box.  
  
So it's a big plant. Jerritt Canyon used to be the largest gold mine in the state of Nevada. It used to be just all open pits. It didn't go underground until the early-'90s and then the metal price dropped substantially and the company that owned it at the time went bankrupt. And it's been through a couple of owners since then which were under-capitalized. They didn't spend the money on exploration or development that was necessary.  
  
These mines, any mine, they're so capital intensive. If you don't develop, continually build tunnels underground chasing ore and you're not drilling on exploration, the mine's gonna die and that's what happened to this asset. It slowly was dying. And we stepped in and it was perfect timing for us because a predecessor owner took it over out of bankruptcy, and cleaned it up over a period of five or six years, and handed it to us in pretty good shape.  
  
Still it lacked a whole bunch of exploration development, but that's stuff we could add, or with our expertise, our money, and time, we think we can double and possibly even increase this operation even more than that over the next two to three years.  
  
And from this roaster, there's only three roasters in the state of Nevada, and both the other two roasters are owned by Nevada Gold, the joint venture between Barrick and Newmont, and we're getting approached by all kinds of people wanting to get access to this roaster. 'Cause a lot of the juniors that surround us in Northern Nevada, they'll never get a permit to build a roaster. They may have a million or two million ounces of gold to find through drilling, but they're stuck because it's a refractory ore and the state would likely not permit a roaster, another one, and if they do, it would take a substantial amount of time to do it.  
  
So a lot of these assets are just lame duck assets. So we get approached quite regularly from these companies that want to supply us with ore. So we'll see what happens there. We're in discussions with a few of them, so I can't make any promises, but there is that opportunity. It could be a good business for this roaster to take some ore from neighboring projects.  
  
So what we've done, one of the first things we did when we were doing our due diligence back in early-2022, this is one of the low-hanging fruits. SX and Smith were, at the time, completely separate operations, about a mile apart, and different staff, same contractor but different equipment, completely autonomous from each other. They didn't know what each other were doing. There was no coordination among the two. it was like two different companies almost apart of a parent, which is a pretty ridiculous way of running it.  
  
We saw that right away so we just started moving and building a tunnel. We joined these two mines just prior to Christmastime and it was a 600 or 800-meter development that we had to do, but they're now joined. So not only are we using this big drift between these two mines as an exploration drift, but we've got rigs there now fanning out from that area to develop more ounces, but we're also being able to eliminate people, staff, and we can eliminate equipment, so the cost will be going down. This is one of the reasons why this is such high-cost producer. So we're doing things like this to increase the profitability of this operation and many other things, as well.  
  
And this, the exploration upside, is something I think there's 25 different targets on that slide. We've been drilling the – I've gotta look here. I know where it is – the West Gen. It's on there somewhere. And the Waterpipe, we've got some great assay results just over the last couple of months and we're expecting that the mine up there – I can't quite see it, unfortunately. I don't know why it's not there. Oh, there it is there, West Gen on the very top of that slide. That we're expecting to get into production by H2 of 2022, which we're quite excited about.  
  
So that's my comment earlier about throughput, getting more throughput through this operation. That's where a lot of the feed's gonna be coming from at the end of 2022. Do you see the potential? It'll take two or three years even to touch this potential with drilling. We've got seven rigs currently active.  
  
So jumping to another mine, this is our largest mine in our portfolio. This was purchased back in 2018 and we've been improving it ever since. You can see the grades there. This mine's been in operation for something in the order of 300 years and the geology around this region is just fantastic. This mine will be producing for decades, and decades, and decades in the future.   
  
We have improved the mill and even the mining. You see that big tunnel that we rehabilitated. That's a train that goes deep into the mine that extracts ore, but there's lots of other things that we're doing, as well.  
  
And okay, so we're going to Santa Elena. This is where all the money's being spent, anyway, so this is what we should be talking about. Santa Elena we purchased back in 2015 and it was producing about five million ounces of silver-gold at the time, 50 percent silver, 50 percent gold. The grades were quite good. It's thrown off quite a lot of cash flow for us. But right away, the grades – or pardon me, the recoveries were quite low and we take great pride in ourselves of being really good metallurgists and within a very short period of time, we were able to get the recoveries up out of this operation about 85 percent. I'm serious. Within three months, we were able to accomplish that.  
  
But that wasn't good enough, and those of you who have followed the business, I mean we've incorporated some pretty interesting technologies at this mine which are now duplicating throughout the industry. The recoveries at Santa Elena are now in the 95, 96 percent area on silver and gold as a result of improvements that we brought to the table. But on top of that, we discovered what we're calling the Uroretanjo project, which is that red dot in that blue square. So just talking about this property as a whole just for a second before I get to the next slide, this is a massive property. This is 250 acres, over 100,000 hectares in size.  
  
This is what they called the Nevada of Mexico. Sonora, the cheapest you saw SilverCrest on the stage just before me. That's their property, the white square at the top in the yellow area, the red dot is the cheapest, so our property obviously surrounds them. And this property is 70 miles long, 35 miles wide. It's a massive, massive property. There's showings everywhere. There's nine rigs active throughout this property and we discovered the Uroretanjo, which is only four kilometers away from the current mill. The mill is that X in pink square there. And this is the Uroretanjo property.   
  
You can see the grades. These grades are ten times higher than part of the feed that we've been feeding this mill for the last five years. When we first bought this operation, it was a blending system or blending process, whereby we would blend 60 percent of the ore from the mine, which is the high-grade ore, and 40 percent of the ore was coming from heat pads. And the heat pads were from the old open pit run under the prior company and they've been slowly depleting over time and they've been quite low grade.  
  
But with the discovery of this in 2016, this is displacing all that waste – well, it's almost waste – dumps now with this ore and you'll see the financial numbers will be coming out in a couple of weeks. This just blew any expectation right out of the water for us. It's performing much better than we thought it was going to perform. The grades are fantastic. You see the three ladies there. That was the first pour. That pile of metal there is worth $3.5 million and that was the first pour back in November.  
  
So we're two months ahead of schedule on that and we've now discovered, and I'll go back, this is that red dot and we've now discovered what could be a lookalike ore body which is about 500 or 600 meters to the west, which is pretty exciting.  
  
We're also drilling south of the Chiapas, Los Hernandez, that green square there. We found some structure in there. We're not talking too much about it, yet, but over the next year or so when you see some more technical reports come out, we will be addressing Los Hernandez.  
  
So moving on. Oh, okay, so this is the extension. You see where it says open. That's the new extension that we just recently discovered in the last six months and that's not part of the current report. It's in addition to any public numbers that have been announced.  
  
And going green. Many of you know that the Lincoln Tad operation used to be 100 percent diesel. And a lot of mines around the world are quite separate from communities. You're not on the national grid in many cases. A lot of mines rely on diesel, and diesel, of course, has its issues. We took Lincoln Tad off of diesel, converted it over to LNG about five or six years ago and it was quite successful.  
  
Santa Elena just got moved over to LNG in April of 2021, saving us somewhere of eight to ten million dollars a year in energy cost. But it was also much, obviously, a smaller environmental footprint. So it's great for a mining company to adopt this technology. I know other miners are looking at similar things.  
  
We're actually even taking it one step further. We're now looking at hydrogen. There's a couple of interesting hydrogen technologies and we're trying to get our diesel consumption even lower than it currently is. And there's also a potential possibility the Mexican government has suggested or seeming in favor of us expanding the hydro dam that we own which is feeding the energy to San Dimas, 'cause San Dimas does rely on a little bit of diesel during the summer when the dams aren't quite full, so we'll see if we can expand that. So we're always focused on trying to use less energy and be more environmentally friendly.  
  
And that's the LNG plant there, pretty big, and that cost us a million bucks. Can you imagine that? Yeah, and how did it cost us a million dollars? Well, the guys supplying us the natural gas signed us a five-year contract at $1.65, yeah. What's natural gas trading at today? Yeah, exactly, so not too bad of a deal. We signed that basically right at the bottom of the natural gas market, so we're two years into that contract, so we'll see what happens with the next few years. But anyways, it's really great.  
  
We're actually expanding this right now to feed energy to Uroretanjo. But you see some of the catalyst here. Uroretanjo's gonna continually increase production over the next couple of years.  
  
And I see my time just went to zero. You've got hard copies of this, so go through it, and if you have any questions, I've got maybe a minute or two to answer a question, if that's okay.

*Audience:* Keith?

*Speaker:* Yeah.

*Audience:* It has a slide showing your cost over the next couple of years, right? Do you have that in this presentation?

*Speaker:* Yeah.

*Audience:* That's a good slide. With inflation and the cost pressures, I know it's got that going on \_\_\_\_\_. But that's driven all by Uroretanjo?

*Speaker:* The reduction in cost? Well, Jerritt Canyon, as well. Jerritt Canyon had costs of $2,000.00 an ounce in Q3, but that's because we were building the tailings dam and we spent $13 million to expand the tailings dam and $9 million of that hit Q3, so your cost per ounce spikes. But that's 500.00 bucks, so that $500.00 will show up. That $500.00 savings will show up in Q1.

*[End of Audio]*