**Mark Carruthers – First Majestic**

Mark is the head of investor relations at metals miner First Majestic.

Mark starts with an overview of silver. Annual consumption is about 1.1 billion ounces, but only about 800 million ounces enter the market every year. That creates a deficit in supply.

Silver is one of the most reflective surfaces and remains one of the best conductors of electricity.

52% of demand comes from industrial applications like electronics, water purification, and other manufacturing. And green energy is a huge market for silver.

“Copper is the road, silver is the glue.” As we go green, more silver is needed. Whether it’s electric vehicles or solar panels, the green revolution is heavily reliant on silver to conduct electricity.

First Majestic’s revenue is split 50-50 between silver and gold. It operates mines in two world-class jurisdictions – Mexico and Nevada. It has four mines, with three in Mexico and one in Nevada. It expects to produce 45 million silver equivalent ounces by the end of 2024 (from about 30 million silver equivalent ounces in 2022).

First Majestic has diversified its mining well beyond silver. Back in 2011, most of its mining came from silver. Today, gold has added to First Majestic’s production. First Majestic plans for $199 million in capital expenditures this year, with most of that coming from mine development.

Mark then highlights some of First Majestic’s mining assets…

**Jerritt Canyon mine** – has been in production since 1971, First Majestic acquired it last year. The company expects its costs to drop throughout the rest of this year and into 2023. It’s expected to produce 3,000 tons per day by the end of 2022. This increase will help fill capacity at its processing plant.

**San Dimas** – First Majestic’s flagship mine. It’s the company’s lowest-cost mine and a cash cow, which helps First Majestic fund other projects. It has at least 100 years of production still ahead of it. It’s a 50% gold and 50% silver mine.

**La Encantada** – 100% silver mine. The company wants to boost production and increase high grade reserves. “Steady Eddie” mine.

**Santa Elena mine** – purchased in 2020. Both silver and gold production. It’s part of First Majestic’s “turnaround” plan. Buy struggling mines, and turn them around into world-class assets.

First Majestic remains focused on ESG. One of its Mexican mines runs 50% of the year off of hydroelectric power. Its mines have switched from diesel fuel to liquified natural gas.

Mark lists some future catalysts for the company.

Santa Elena production ramp up, Jerritt Canyon production increase and cost reduction, and higher silver prices are all tailwinds First Majestic is seeing.

Mark also gives an overview of the shares, which trade on the New York Stock Exchange under the ticker “AG.” It has high insider ownership, and metals investor Eric Sprott has a large position. It pays a small dividend equal to about 1% of the company’s revenue.

Mark closes with the 10 rules of silver:

1. Silver is real money.
2. Physical silver is a hard asset.
3. Silver is relatively inexpensive.
4. Silver isn’t just cheaper, but it’s more practical when selling.
5. Silver outperforms gold in bull markets.
6. Silver inventories are falling.
7. Silver demand is growing.
8. New supply is falling.
9. World demand is growing.
10. The gold/silver ratio favors silver.