**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

**FORM 40-F**

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934
OR
☒ ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the year ended **December 31, 2024**. Commission File Number **001-33574**.

**MAG SILVER CORP.**
(Exact name of Registrant as specified in its charter)

**BRITISH COLUMBIA**
(Province or other jurisdiction of incorporation or organization)

**1040**
(Primary Standard Industrial Classification Code Number (if applicable))

**Not Applicable**
(I.R.S. Employer Identification Number (if applicable))

**815 Hastings Street West, Suite 801**
**Vancouver, British Columbia V6C 1B4**
**Tel: (604) 630-1399**
(Address and telephone number of Registrant's principal executive offices)

**Puglisi & Associates**
**850 Library Avenue, Suite 204**
**Newark, DE 19711**
**Tel: (302) 738-6680**
(Name, address (including zip code) and telephone number (including area code) Of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| **Common Shares, without par value** | **MAG** | **NYSE American** |

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual consolidated financial statements

Indicate the number of outstanding shares of each of the Registrant's classes of capital or common stock as of the close of the period covered by the annual report.

**103,357,295 outstanding shares of the Registrant's common stock as of the year ended December 31, 2024.**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes ☒ No ☐

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☐

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

## EXPLANATORY COMMENT

MAG Silver Corp. (the "**Company**" or the "**Registrant**") is a British Columbia corporation and a "foreign private issuer" as defined in Rule 3b-4 promulgated under the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**") by the U.S. Securities and Exchange Commission (the "**SEC**"). Under the SEC's rules, the Company is eligible to prepare and file this Annual Report on Form 40-F, and to present the disclosures herein primarily in accordance with Canadian disclosure requirements, which differ in certain material respects from those which the SEC requires of United States companies.

For example, the Company has prepared its financial statements, which are included as Exhibit 99.2 to this Annual Report on Form 40-F, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("**IFRS Accounting Standards**"), and such statements are not in many respects directly comparable to financial statements of United States companies.

Similarly, and as discussed in greater detail below in "ESTIMATES OF MINERAL RESOURCES AND RESERVES," the technical disclosure included in the accompanying Annual Information Form (including the Schedules thereto), found at Exhibit 99.1 of this Annual Report on Form 40-F, and Management's Discussion and Analysis for the year ended December 31, 2024 filed as Exhibit 99.2 to this Annual Report on Form 40-F, have been prepared in accordance with the requirements of National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("**NI 43-101**"), which differ from the standards and practices used in reports and other materials filed with the SEC by United States companies.

As a "foreign private issuer", the Company is exempt from certain proxy-related requirements found in Sections 14(a), 14(b), 14(c), and 14(f) of the Exchange Act, and the insider reporting, "short swing profit" and short sale provisions found in Section 16 thereof are not applicable to the Company's common shares (the "**Common Shares**").

## PRINCIPAL DOCUMENTS

The following documents have been filed by the Company with this Annual Report on Form 40-F, and are incorporated herein by reference:

### A. Annual Information Form

The Company's Annual Information Form ("**AIF**") for the year ended December 31, 2024: see Exhibit 99.1 of this Annual Report on Form 40-F.

### B. Audited Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis

The Company's Audited Annual Consolidated Financial Statements including the reports of the Independent Registered Public Accounting Firm with respect thereto and accompanying Management's Discussion and Analysis for the year ended December 31, 2024: see Exhibit 99.2 of this Annual Report on Form 40-F. The Company's Audited Annual Consolidated Financial Statements have been prepared in accordance with IFRS Accounting Standards.

## CAUTIONARY COMMENT ON FORWARD-LOOKING STATEMENTS

### Forward-Looking Statements

Certain information contained in this Annual Report on Form 40-F and the documents incorporated by reference herein, including any information relating to the Company's future oriented financial information are forward-looking statements within the meaning of the US Private Securities Litigation Reform Act of 1995 and constitute forward-looking information within the meaning of applicable Canadian securities laws (collectively "**forward-looking statements**"). All statements in this Annual Report on Form 40-F and the documents incorporated by reference herein, other than statements of historical facts, are forward-looking statements. Such forward-looking statements include, but are not limited to, statements regarding: the future price of silver, gold, lead, zinc and copper; the estimation of mineral resources and mineral reserves; the Company's expectations regarding exploration, drilling and sample testing; economic estimates and projected sales relating to the Juanicipio mine (the "**Juanicipio Mine**" or "**Juanicipio**") ; estimates of the time and amount of future silver, gold, lead and zinc production for specific operations; estimated future exploration and development expenditures and other expenses for specific operations; permitting timelines; the Company's expectations regarding impairments of mineral properties; the Company's expectations regarding commercial production at Juanicipio, including its ability to maintain the 4,000 tonnes per day milling rate; the Company's expectations regarding operating and other offsite costs at Juanicipio; the Company's estimation of tailings production and waste; the Company's expectations regarding the tailings storage facility at Juanicipio; expectations and costs relating to the operator services agreement between the Company and Fresnillo plc ("**Fresnillo**"); the anticipated operations of the processing plant at Juanicipio and the related impacts on production for the current financial year; the amount of excess mineralized material to be processed through the Fresnillo plants during Juanicipio operations; expectations regarding the Company's and Fresnillo's ability to secure several positive outcomes for Juanicipio, including but not limited to, generating sufficient cash-flow from production to offset Juanicipio cash requirements; the intended use of proceeds from the 2023 Offering and the Flow-Through Private Placement (each as defined in the AIF); the Company's expected use of the $40 million revolving credit facility with the Bank of Montreal (the "**Facility**"); statements that address the declaration, timing, amount, and payment of future dividends, including future cashflow-linked dividends and future periodic dividends; statements that address the tax treatment of the dividends for non-resident investors; the annual exploration expenditures to be paid by the Company on its share of exploration at Juanicipio; the annual exploration expenditures to be paid by the Company on the Company's 100% interest in the Deer Trail project (the "**Deer Trail Project**"), and the Company's 100% interest in the Larder project (the " **Larder Project**") and other exploration projects; the Company's expectations of results from the Deer Trail Project drilling program and initiation of the drilling program associated with the Larder Project; the Company's expectations with respect to its exploration activities; the potential impact of Mexican employment laws on the Company's operations and exploration expectations; the expected capital, and sustaining capital and working capital requirements at the Juanicipio Mine, including the potential for additional cash calls; amendments to the Mexican federal labour law on labour subcontracting in Mexico and their potential impacts; the Company's expectations regarding maintaining labour forces for the duration of operations; amendments to the Mexican Federal Mining Law on granting of future mining, water and exploration permits and their potential impacts; statements regarding legal challenges to the amendments to the Mexican Federal Mining Law; the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital; the Company's expectations regarding the payment of dividends and use of available funds; the Company's expectations with respect to Apollo Silver Corp.'s ("**Apollo**") timing and ability to meet the conditions to acquire the Cinco de Mayo Project subject to the exploration, earn-in and option agreement; the Company's planned initiatives with respect to its health and safety, environmental, social responsibility, human rights, diversity and other environmental, social and corporate governance related commitments; the continuation of the Company's amended and restated shareholder rights plan; the Company's expectation that shareholders will approve the renewal of the Shareholder Rights Plan at the 2025 annual meeting of shareholders; the Company's continued engagement of related party service providers (Minera Cascabel S.A. de CV. and IMDEX Inc.; expectations regarding the impact of certain taxes on the viability of Juanicipio; litigation risks; currency and interest rate fluctuations; the potential effect of negative cash flow and expectations regarding revenue; surface rights and title risks; environmental risks and reclamation costs; the Company's commitment to corporate social responsibility; and changes to governmental laws and regulations; the Company's ability to meet business objectives and milestones; and statements regarding the adequacy of the Company's internal controls over financial reporting in preventing and detecting misstatements in the future, or projections relating to any evaluation of the effectiveness of internal controls over financial reporting to future periods.

Forward-looking statements are often, but not always, identified by the use of words such as “seek”, “anticipate”, “plan”, “continue”, “estimate”, “expect”, “may”, “will”, “project”, “predict”, “potential”, “targeting”, “intend”, “could”, “might”, “should”, “believe” and similar expressions. Forward-looking statements are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company’s control and many of which, regarding future business decisions, are subject to change. Assumptions and other factors underlying the Company’s expectations regarding forward-looking statements or information contained in this Annual Report on Form 40-F include, among others: the Company’s ability to manage growth effectively; the absence of material adverse changes in the mining industry or the global economy; trends in the mining industry and markets; the Company’s ability to maintain good business relationships; the Company’s ability to manage and integrate acquisitions; the Company’s mineral resource and mineral reserve estimates and the assumptions upon which they are based; the Company’s ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals; the Company’s expectation that its operations will not be significantly disrupted as a result of political instability, pandemics and communicable diseases, cyber security risks and artificial intelligence, nationalization, terrorism, sabotage, social or political activism, breakdown, natural disasters, wildfires, governmental or political actions, litigation or arbitration proceedings, equipment or infrastructure failure, labour shortages, transportation disruptions or accidents, or other development or exploration risks; the Company’s ability to meet project development timelines; the Company and Fresnillo will agree on the manner in which Minera Juanicipio S.A. de CV. (“**Minera Juanicipio**”) and Equipos Chaparral, S.A. de CV. (together with Minera Juanicipio, the “ **Juanicipio Entities**”) will operate, including agreement on development plans, exploration plans and capital expenditures; the Company’s ability to meet production expectations; the Company’s ability to retain key personnel; the Company’s ability to raise sufficient debt or equity financing to support the Company’s continued growth; Apollo’s ability to meet the conditions to acquire the Cinco de Mayo Project subject to the exploration, earn-in and option agreement; the timely receipt of required approvals and permits; that the Company will continue to have sufficient working capital to fund its operations; that the price of silver, gold, lead, zinc and copper will not decline significantly or for a protracted period of time; the impact on operations of the Mexican tax regime and proposed amendments to applicable Mexican legislation, including the Mexican Federal Mining Law; the global financial markets and general economic conditions (including monetary policies and rates of inflation) will be stable and conducive to business in the future; and preliminary economic estimates and the assumptions upon which they are based relating to Juanicipio.

Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including without limitation, estimates of mineral resources and mineral reserves being based on interpretation and assumptions which are inherently imprecise; no guarantee that licenses and permits required by the Company or the Juanicipio Entities to conduct business will be obtained; surface rights and title risks; most exploration projects do not result in commercially mineable deposits; the properties in which the Company has an interest are located primarily in Mexico; economic and political instability may affect the Company's business; there are no assurances with respect to the relative strength and stability of future metal markets and the Company's liquidity and long-term ability to raise the capital required to execute its business plans may be affected by market volatilities; community relations may affect the Company's business; the Company's activities may be impacted by the spread of the novel coronavirus outbreak and variants thereof or other virus outbreaks; substantial expenditures are required for commercial operations; liquidity and financing risks; risks related to the Facility; uncertainties and risks relating to the operation of the Juanicipio Mine; the Company's capital and operating costs, production schedules and economic returns are based on certain assumptions which may prove to be inaccurate; Juanicipio capital requirements contemplated in the technical report for Juanicipio titled "Juanicipio Mineral Resource and Mineral Reserves NI 43-101 Technical Report" with an effective date of March 4, 2024 (the "**2024 Technical Report**") are subject to volatility and uncertainty; the actual capital and operating costs and economic returns are uncertain and will differ significantly from those estimated for mineral project production and exploration are uncertain; the Juanicipio Mine plan and design and the financial results may not be consistent with the 2024 Technical Report; labour risks; infrastructure risk; risks related to amendments to the Mexican federal labour law on labour subcontracting; risks related to the Company's decision to participate in the development, exploration, production and operation of the Juanicipio Mine; the Company may encounter certain transportation and refining risks; the Company being a minority shareholder and non-operator of the Juanicipio Entities; the Company has significant shareholders that may be able to exert influence over the direction of the Company's business; the Company, its directors, officers and management (with the exception of the Chief Exploration Officer) and all of its material assets are located outside of the United States, which makes it difficult for U.S. litigants to effect service of process, or enforce, any judgments obtained against the Company or its officers or directors; the Company may pay dividends in the immediate future; the Company's ability to pay future dividends; the Company could in the future be classified as a "passive foreign investment company", which could have adverse U.S. federal income tax consequences for U.S. holders of Common Shares; the Company in the future could have tariffs or other restrictive trade measures or countermeasures placed upon it affecting trade between Canada, the United States and Mexico; risks related to the highly competitive nature of the mineral exploration industry; environmental regulations are becoming more onerous to comply with; tailings storage facility / permit risks; the Company may experience difficulties managing and integrating acquisitions; the Company or the Juanicipio Entities may be subject to litigation; cyber security risks; risks related to natural disasters; foreign currency fluctuations and inflationary pressures; conflicts of interest may arise among the Company's directors; the Company may be subject to reputational risk; mining operations generally involve a high degree of risk and potential liability and insurance coverage may not cover all potential risks; metal prices and marketability fluctuate and any decline in metal prices may have a negative effect on the Company; risks related to amendments to the Mexican Federal Mining Law; the environment in which the Company operates may not adhere to international standards with respect to security and human rights; risks related to the Company being subject to anti-corruption laws; the Company may be required by human rights laws to take actions that delay the advancement of its projects; the Company's activities within Mexico are subject to extensive laws and regulations governed by Mexican regulators; risks related to Mexican foreign investment and income tax laws; the Company may fail to maintain adequate internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act; any enforcement proceedings under Canada's Extractive Sector Transparency Measures Act against the Company could adversely affect the Company and those other factors referred to in more detail in the AIF under the heading "Risk Factors". The reader is referred to the Company's filings with the SEC and Canadian securities regulators for disclosure regarding these and other risk factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. The foregoing list is not exhaustive of the factors that may affect any of the Company's forward-looking statements.

There is no certainty that any forward-looking statement will come to pass and investors should not place undue reliance upon forward-looking statements. The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date the statements are made and, the Company does not undertake to provide updates to any of the forward-looking statements in this Annual Report on Form 40-F or the documents incorporated by reference herein, except as required by law. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements and information.

## ESTIMATES OF MINERAL RESOURCES AND RESERVES

The technical disclosure contained in the Company's AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and Management's Discussion and Analysis for the year ended December 31, 2024 filed as Exhibit 99.2 to this Annual Report on Form 40-F has been prepared in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum (the "**CIM**") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Counsel, as amended (the "**CIM Definition Standards**"). NI 43-101 is an instrument developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the disclosure requirements of the SEC under subpart 1300 of Regulation S-K (the "**SEC Modernization Rules**"). The Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and provides disclosure under NI 43-101 and the CIM Definition Standards. Accordingly, information contained in the Company's AIF for the year ended December 31, 2024 and Management's Discussion and Analysis for the year ended December 31, 2024 may differ significantly from the information that would be disclosed had the Company prepared its mineral resource and reserve estimates under the standards adopted under the SEC Modernization Rules.

## DISCLOSURE CONTROLS AND PROCEDURES

After evaluating the effectiveness of the Company's disclosure controls and procedures as required by paragraph (b) of Exchange Act Rule 13a-15, the Chief Executive Officer and Chief Financial Officer of the Company have concluded that, as of the end of the period covered by this Annual Report on Form 40-F, the Company's disclosure controls and procedures were effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding required disclosure.

## MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) is a process designed by, or caused to be designed under the supervision of the President and Chief Executive Officer, and the Chief Financial Officer, and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards. It includes those policies and procedures that:

i. pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;
ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS Accounting Standards, and that the Company's receipts and expenditures are made only in accordance with authorizations of the Company's management and directors; and
iii. provided reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Company's consolidated financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future years are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, under the supervision of the President and Chief Executive Officer, and the Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, based on the criteria set forth in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that, as of December 31, 2024, the Company's internal control over financial reporting was effective.

The effectiveness of MAG's internal control over financial reporting, as of December 31, 2024, has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Company's Audited Annual Consolidated Financial Statements as at and for the year ended December 31, 2024, as stated in their reports.

## ATTESTATION REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Company's internal control over financial reporting as of December 31, 2024 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Company's Audited Annual Consolidated Financial Statements for the years ended December 31, 2024 and 2023. Deloitte LLP expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting. The reports of Deloitte LLP are found under the heading "Report of Independent Registered Public Accounting Firm" in the Company's Audited Annual Consolidated Financial Statements for the year ended December 31, 2024, included as Exhibit 99.2 to this Annual Report on Form 40-F.

## CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

During the period covered by this Annual Report on Form 40-F, no changes occurred in the Company's internal control over financial reporting that were identified in connection with the evaluation required by paragraph (d) of Exchange Act Rule 13a-15 that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

## NOTICES PURSUANT TO REGULATION BTR

Not applicable.

## AUDIT COMMITTEE FINANCIAL EXPERT

As at December 31, 2024, the Audit Committee was comprised of Dale Peniuk, Peter Barnes and Jill Leversage. The Company's Board of Directors has determined that each of the members of the Audit Committee is an "audit committee financial expert" as that term is defined in paragraph (8) of General Instruction B of Form 40-F, and each is an "independent director" as that term is defined under the listing standards applicable to the Company contained in Section 803A of the NYSE American Company Guide. A description of the relevant experience of each of such director can be found in the AIF. The SEC has indicated that the designation of a director as an audit committee financial expert does not make that director an "expert" for any purpose, impose any duties, obligations or liability on him or her that are greater than those imposed on members of the Audit Committee and Board of Directors who do not carry this designation, or affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors.

## CODE OF ETHICS FOR CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER, AND OFFICERS AND DIRECTORS

The Company has adopted a Code of Business Conduct and Ethics (the " **Code of Conduct**") for its Chief Executive Officer, Chief Financial Officer, directors and officers. The Company furnished the latest version of the Code of Conduct with the SEC on March 28, 2022, as Exhibit 99.1 to its Form 6-K. Individuals may obtain a copy upon request, addressed to the Corporate Secretary, MAG Silver Corp., #801-815 Hastings Street West, Vancouver, British Columbia, V6C 1B4. The Company has also posted the Code of Conduct on its internet website at www.magsilver.com. The Code of Conduct is reviewed annually, most recently on March 21, 2025. No waivers were granted from the Code of Conduct during the year ended December 31, 2024.

## PRINCIPAL ACCOUNTANT FEES AND SERVICES

The aggregate fees billed by the Company's current external auditor, Deloitte LLP, Vancouver, Canada, PCAOB ID No. 1208, in each of the last two years are as follows:

| | Year ended December 31, 2024 Canadian $ | Year ended December 31, 2023 Canadian $ |
|---|---|---|
| Audit Fees | 481,435 | 451,620 |
| Audit-Related Fees | 5,510 | 4,746 |
| Tax Fees | 89,382 | 122,650 |
| All Other Fees | 0 | 0 |
| Total | 576,327 | 579,016 |

The nature of the services provided by Deloitte LLP under each of the categories indicated in the table is described below.

***Audit Fees***

Audit fees are those incurred for professional services rendered by Deloitte LLP for the audit of the Company's annual consolidated financial statements, for the quarterly interim reviews of the Company's unaudited consolidated financial statements, and for services that are required to be provided by Deloitte LLP in connection with regulatory filings.

***Audit-Related Fees***

The audit-related fees consist of amounts with respect to the Company's Canadian Public Accountability Board fees that are remitted by Deloitte LLP on behalf of the Company.

***Tax Fees***

Tax fees are those incurred for professional services rendered by Deloitte LLP for tax compliance, including the preparation and review of tax returns and services related to the Company's transfer pricing policies and documentation.

***All Other Fees***

There are no other fees to report under this category for professional services rendered by Deloitte LLP for the Company.

## PRE-APPROVAL POLICIES AND PROCEDURES

It is within the mandate of the Company's Audit Committee to pre-approve all audit and non-audit related fees. The Audit Committee is informed routinely as to the non-audit services actually provided by the auditor pursuant to this pre-approval process. The auditors also present the estimate for the annual audit related services to the Audit Committee for approval prior to undertaking the annual audit of the financial statements. No audit-related services or other services were approved by the Audit Committee pursuant to the *de minimis* exception provided by Section (c)(7)(i)(C) of Rule 2-01 or Regulation S-X.

## OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements required to be disclosed in this Annual Report on Form 40-F.

## IDENTIFICATION OF THE AUDIT COMMITTEE

The Company has a separately designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act. As at December 31, 2024, the Audit Committee was comprised of the following members:

| | |
|---|---|
| Chair: | Dale Peniuk |
| Members: | Peter Barnes |
| | Jill Leversage |

Subsequently, John Armstrong was appointed to the Audit Committee effective February 19, 2025.

## MINE SAFETY DISCLOSURE

Not applicable.

## CORPORATE GOVERNANCE PRACTICES

There are certain differences between the corporate governance practices applicable to the Company and those applicable to U.S. companies under the NYSE American Company Guide. Any significant differences will be described on the Company's website at www.magsilver.com. Information contained in or otherwise accessible through the Company's website does not form part of this Form 40-F and is not incorporated into this Form 40-F by reference.

## UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

## CONSENT TO SERVICE OF PROCESS

The Company has filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with respect to the class of securities in relation to which the obligation to file this Form 40-F arises.

**SIGNATURES**

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report on Form 40-F to be signed on its behalf by the undersigned, thereto duly authorized.

Registrant: **MAG SILVER CORP.**

By: /s/ George Paspalas
Name: George Paspalas
Title: President and Chief Executive Officer
Dated: March 24, 2025

**EXHIBITS**

| | |
|---|---|
| 23.1 | Consent of Deloitte LLP, Independent Registered Public Accounting Firm |
| 23.2 | Consent of Paul Salmenmaki, P.Eng. |
| 23.3 | Consent of Robert Chesher, FAusIMM (CPMET) |
| 23.4 | Consent of Mo Molavi, P.Eng. |
| 23.5 | Consent of AMC Mining Consultants (Canada) Ltd. |
| 23.6 | Consent of Robert Craig Stewart, P.Geo. |
| 23.7 | Consent of Gilberto Dominguez, P.E. |
| 31.1 | Certification by the Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | Certification by the Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | Certification by the Chief Executive Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | Certification by the Chief Financial Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 97 | Executive Compensation Recovery Policy (incorporated by reference to Exhibit 97 to the Annual Report on Form 40-F of the Company filed with the SEC on March 27, 2024). |
| 99.1 | Registrant's Annual Information Form for the year ended December 31, 2024. |
| 99.2 | Registrant's Audited Annual Consolidated Financial Statements and accompanying Management's Discussion and Analysis for the year ended December 31, 2024. |
| 99.3 | Registrant's Management's Discussion and Analysis for the year ended December 31, 2024. |
| 101 | Interactive Data File (formatted as Inline XBRL). |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

**EXHIBIT 23.1**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-279898 on Form F-10, and to the use of our reports dated March 21, 2025, relating to the financial statements of MAG Silver Corp. (the “Company”) and the effectiveness of the Company’s internal control over financial reporting appearing in this Annual Report on Form 40-F for the year ended December 31, 2024.

/s/ Deloitte LLP

Chartered Professional Accountants
March 24, 2025
Vancouver, Canada

**EXHIBIT 23.2**

**CONSENT OF PAUL SALMENMAKI, P.ENG.**

I refer to the technical report entitled “Juanicipio Mineral Resources and Mineral Reserves NI 43-101 Technical Report”, with an effective date of March 4, 2024 and filed on SEDAR+ on March 27, 2024 (the “**Technical Report**”) that is referenced in MAG Silver Corp.’s Annual Information Form (“**AIF**”) for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

I hereby consent to any extracts from or a summary of the Technical Report in the AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and to the incorporation by reference of such extracts or summary in the Registration Statement (No. 333-279898) on Form F-10 of MAG Silver Corp.

Sincerely,

*/s/ Paul Salmenmaki*
**Paul Salmenmaki, P. Eng.**

March 24, 2025

**EXHIBIT 23.3**

**CONSENT OF ROBERT CHESHER, FAusIMM (CPMET)**

I refer to the technical report entitled “Juanicipio Mineral Resources and Mineral Reserves NI 43-101 Technical Report”, with an effective date of March 4, 2024 and filed on SEDAR+ on March 27, 2024 (the “**Technical Report**”) that is referenced in MAG Silver Corp.’s Annual Information Form (“**AIF**”) for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

I hereby consent to any extracts from or a summary of the Technical Report in the AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and to the incorporation by reference of such extracts or summary in the Registration Statement (No. 333-279898) on Form F-10 of MAG Silver Corp.

Sincerely,

*/s/ Robert Chesher*
**Robert Chesher, FAusIMM (CPMET)**

March 24, 2025

**EXHIBIT 23.4**

**CONSENT OF MO MOLAVI, P.ENG.**

I refer to the technical report entitled “Juanicipio Mineral Resources and Mineral Reserves NI 43-101 Technical Report”, with an effective date of March 4, 2024 and filed on SEDAR+ on March 27, 2024 (the “**Technical Report**”) that is referenced in MAG Silver Corp.’s Annual Information Form (“**AIF**”) for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

I hereby consent to any extracts from or a summary of the Technical Report in the AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and to the incorporation by reference of such extracts or summary in the Registration Statement (No. 333-279898) on Form F-10 of MAG Silver Corp.

Sincerely,

*/s/ Mo Molavi*
**Mo Molavi, P. Eng.**

March 24, 2025

**EXHIBIT 23.5**

**CONSENT OF AMC MINING CONSULTANTS (CANADA) LTD.**

I refer to the technical report entitled "Juanicipio Mineral Resources and Mineral Reserves NI 43-101 Technical Report", with an effective date of March 4, 2024 and filed on SEDAR+ on March 27, 2024 (the "**Technical Report**") that is referenced in MAG Silver Corp.'s Annual Information Form ("**AIF**") for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

I hereby consent on behalf of John Morton Shannon, P.Geo., formerly an employee of AMC Mining Consultants (Canada) Ltd., to any extracts from or a summary of the Technical Report in the AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and to the incorporation by reference of such extracts or summary in the Registration Statement (No. 333-279898) on Form F-10 of MAG Silver Corp.

Sincerely,

**AMC MINING CONSULTANTS (CANADA) LTD.**

/s/ Justin Glanvill
**Justin Glanvill, Principal Geologist, BSc (Hons), GDE, MGSSA, PrSciNat**

March 24, 2025

**EXHIBIT 23.6**

**CONSENT OF ROBERT CRAIG STEWART, P.GEO.**

I refer to the technical report entitled “Juanicipio Mineral Resources and Mineral Reserves NI 43-101 Technical Report”, with an effective date of March 4, 2024 and filed on SEDAR+ on March 27, 2024 (the “**Technical Report**”) that is referenced in MAG Silver Corp.’s Annual Information Form (“**AIF**”) for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

I hereby consent to any extracts from or a summary of the Technical Report in the AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and to the incorporation by reference of such extracts or summary in the Registration Statement (No. 333-279898) on Form F-10 of MAG Silver Corp.

Sincerely,

*/s/ Robert Craig Stewart*
**Robert Craig Stewart, P. Geo.**

March 24, 2025

**EXHIBIT 23.7**

**CONSENT OF GILBERTO DOMINGUEZ, P.E.**

I refer to the technical report entitled “Juanicipio Mineral Resources and Mineral Reserves NI 43-101 Technical Report”, with an effective date of March 4, 2024 and filed on SEDAR+ on March 27, 2024 (the “**Technical Report**”) that is referenced in MAG Silver Corp.’s Annual Information Form (“**AIF**”) for the fiscal year ended December 31, 2024, filed as Exhibit 99.1 to this Annual Report on Form 40-F with the United States Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

I hereby consent to any extracts from or a summary of the Technical Report in the AIF filed as Exhibit 99.1 to this Annual Report on Form 40-F and to the incorporation by reference of such extracts or summary in the Registration Statement (No. 333-279898) on Form F-10 of MAG Silver Corp.

Sincerely,

*/s/ Gilberto Dominguez*_____
**Gilberto Dominguez**

March 24, 2025

**EXHIBIT 31.1**

**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION**

I, George Paspalas, certify that:

1. I have reviewed this Annual Report on Form 40-F of MAG Silver Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 24, 2025

/s/ *George Paspalas*
George Paspalas
Chief Executive Officer

**EXHIBIT 31.2**

**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION**

I, Fausto Di Trapani, certify that:

1. I have reviewed this Annual Report on Form 40-F of MAG Silver Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the issuer's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 24, 2025

/s/ *Fausto Di Trapani*
Fausto Di Trapani
Chief Financial Officer

**EXHIBIT 32.1**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION**

In connection with the Annual Report of MAG Silver Corp. (the "Registrant") on Form 40-F for the year ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, George Paspalas, Chief Executive Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

*/s/ George Paspalas*
Name: George Paspalas
Title: Chief Executive Officer

Date: March 24, 2025

**EXHIBIT 32.2**

**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

**CERTIFICATION**

In connection with the Annual Report of MAG Silver Corp. (the "Registrant") on Form 40-F for the year ending December 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Fausto Di Trapani, Chief Financial Officer of the Registrant, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

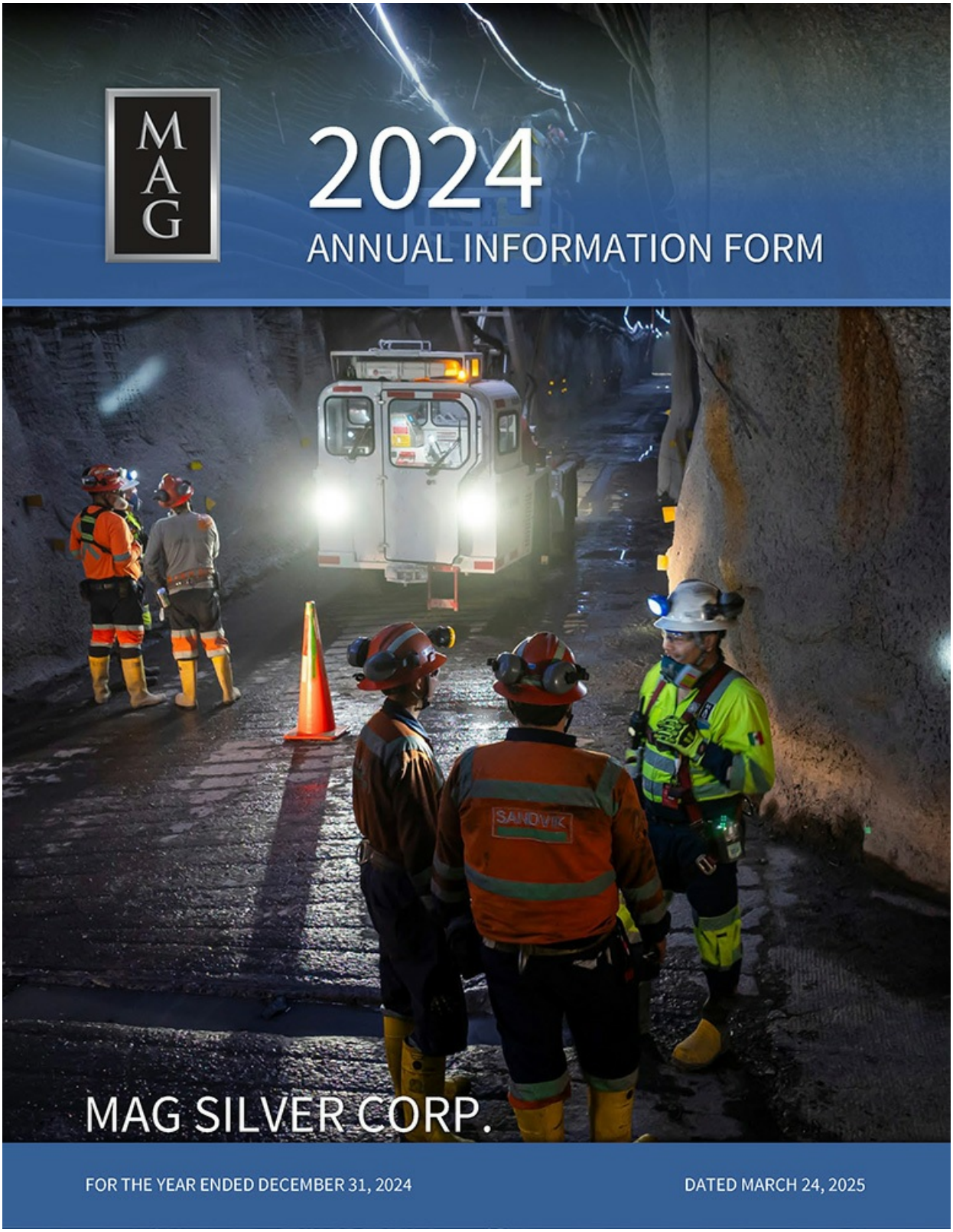
1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ *Fausto Di Trapani*
Fausto Di Trapani
Chief Financial Officer

Date: March 24, 2025

Exhibit 99.1


MAG
2024
ANNUAL INFORMATION FORM
SANDVIK
MAG SILVER CORP.
FOR THE YEAR ENDED DECEMBER 31, 2024
DATED MARCH 24, 2025

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# INTRODUCTORY NOTES

In this Annual Information Form ("**AIF**"), unless the context otherwise dictates, "**MAG**", "**MAG Silver**" or the "**Company**" refers to MAG Silver Corp. and its subsidiaries.

## Date of Information

All information in this AIF is as of December 31, 2024 unless otherwise indicated.

## Documents Incorporated by Reference

The information provided in this AIF is supplemented by disclosure contained in the document listed below which is incorporated by reference into this AIF. This document must be read together with this AIF. The document listed below is not contained within, nor attached to this document. The document may be accessed by the reader on SEDAR+ at www.sedarplus.ca.

| TYPE OF DOCUMENT | EFFECTIVE DATE/ PERIOD END | DATE FILED/ POSTED | DOCUMENT NAME |
|---|---|---|---|
| **Juanicipio Mineral Resource and Reserves NI 43-101 Technical Report** | **March 4, 2024** | **March 27, 2024** | **Technical Report (43-101)** |

## Cautionary Statement on Forward-Looking Information

This AIF and the documents incorporated by reference herein contain "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation (collectively herein referred to as "**forward-looking statements**"), including the "safe harbour" provisions of provincial securities legislation, the U.S. Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended and Section 27A of the U.S. Securities Act of 1933, as amended. Such forward-looking statements include, but are not limited to:

- the future price of silver, gold, lead, zinc and copper;
- the estimation of Mineral Resources and Mineral Reserves;
- the Company's expectations regarding exploration, drilling and sample testing;
- economic estimates and projected sales relating to Juanicipio (as defined herein);
- estimates of the time and amount of future silver, gold, lead and zinc production for specific operations;
- estimated future exploration and development expenditures and other expenses for specific operations;
- permitting timelines;
- the Company's expectations regarding impairments of mineral properties;
- the Company's expectations regarding production at Juanicipio, including its ability to maintain the 4,000 tonnes per day (" **tpd**") milling rate;
- the Company's expectations regarding operating and offsite costs at Juanicipio;
- the Company's estimation of tailings production and waste;
- the Company's expectations regarding the tailings storage facility at Juanicipio;
- expectations and costs related to the Operator Services Agreement (as defined herein);
- the anticipated operations of the processing plant at Juanicipio and the related impacts on production for the current financial year;
- the amount of excess material to be processed through the Fresnillo plc (" **Fresnillo**") plants during Juanicipio operations;
- expectations regarding MAG and Fresnillo's ability to secure several positive outcomes for Juanicipio, including but not limited to, generating sufficient cash flow from production to offset Juanicipio cash requirements;

- the Company's expected use of the Facility (as defined herein);
- the declaration, timing, amount, and payment of future dividends, including future cashflow-linked dividends and future periodic dividends;
- statements that address the tax treatment of the dividends for non-resident investors;
- the annual exploration expenditures to be paid by the Company on its share of exploration at Juanicipio;
- the annual exploration expenditures to be paid by the Company on the Deer Trail Project (as defined herein), the Larder Project (as defined herein) and other exploration projects;
- the Company's expectations of results from the Deer Trail Project drilling program;
- the Company's expectations of results from the Larder Project drilling program;
- the Company's expectations with respect to its exploration activities;
- the potential impact of Mexican employment laws on the Company's operations and exploration expectations;
- the expected capital and sustaining capital requirements at the Juanicipio Mine (as defined herein);
- the Company's expectations regarding maintaining labour forces for the duration of operations;
- amendments to the Federal Mining Law (as defined herein) on granting of future mining, water and exploration permits and their potential impacts;
- statements regarding legal challenges to the amendments to the Federal Mining Law;
- the Company's expectations regarding the sufficiency of its capital resources and requirements for additional capital;
- the Company's expectations regarding the payment of dividends and use of available funds;
- the Company's expectations with respect to Apollo Silver Corp.'s (" **Apollo**") timing and ability to meet the conditions to acquire the Cinco de Mayo Project subject to the exploration, earn-in and option agreement;
- the Company's planned initiatives with respect to its health and safety, environmental, social responsibility, human rights, diversity and other ESG (as defined herein) related commitments;
- the continuation of the Amended Rights Plan (as defined herein);
- the Company's expectation that shareholders will approve the renewal of the Shareholder Rights Plan at the 2025 annual meeting of the shareholders;
- the Company's continued engagement of related party service providers (Minera Cascabel S.A. de C.V. (" **Cascabel**") and IMDEX Inc. ("**IMDEX**"));
- expectations regarding the impact of certain taxes on the viability of Juanicipio;
- litigation risks;
- currency and interest rate fluctuations;
- the potential effect of negative cash flow and expectations regarding revenue;
- surface rights and title risks;
- environmental risks and reclamation cost;
- the Company's commitment to corporate social responsibility; and
- changes to governmental laws and regulations.

When used in this AIF, any statements that express or involve discussions with respect to predictions, beliefs, plans, projections, objectives, assumptions or future events of performance (often but not always using words or phrases such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "strategy", "goals", "objectives", "project", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions), as they relate to the Company or management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions.

Forward-looking statements are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control and many of which, regarding future business decisions, are subject to change. Assumptions underlying the Company's expectations regarding forward-looking statements contained in this AIF include, among others:

- the Company's ability to manage growth effectively;
- the absence of material adverse changes in the mining industry or the global economy;
- trends in the mining industry and markets;
- the Company's ability to maintain good business relationships;
- the Company's ability to manage and integrate acquisitions;
- the Company's Mineral Resource and Mineral Reserve estimates and the assumptions upon which they are based;
- the Company's ability to comply with current and future environmental, safety and other regulatory requirements and to obtain and maintain required regulatory approvals;
- the Company's expectation that its operations will not be significantly disrupted as a result of political instability, pandemics and communicable diseases, cybersecurity and artificial intelligence ("**AI**") risks, nationalization, terrorism, sabotage, social or political activism, breakdown, natural disasters, wildfires, governmental or political actions, litigation or arbitration proceedings, equipment or infrastructure failure, labour shortages, transportation disruptions or accidents, or other development or exploration risks;
- the Company's ability to meet project development timelines;
- the Company and Fresnillo will agree on the manner in which the Juanicipio Entities (as defined herein) will operate, including agreement on development and operation plans, exploration plans and capital expenditures;
- the Company's ability to meet production expectations;
- the Company's ability to retain key personnel;
- the Company's ability to raise sufficient debt or equity financing to support the Company's continued growth;
- Apollo's ability to meet the conditions to acquire the Cinco de Mayo Project subject to the exploration, earn-in and option agreement;
- the timely receipt of required approvals and permits;
- that the Company will continue to have sufficient working capital to fund its operations;
- that the price of silver, gold, lead, zinc and copper will not decline significantly or for a protracted period of time;
- the impact on operations of the Mexican tax regime and proposed amendments to applicable Mexican legislation, including the Federal Mining Law;
- the global financial markets and general economic conditions (including monetary policies and rates of inflation) will be stable and conducive to business in the future; and
- economic estimates and the assumptions upon which they are based relating to Juanicipio in the 2024 Technical Report (as defined herein).

Many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, among others:

- estimates of Mineral Resources and Mineral Reserves being based on interpretation and assumptions which are inherently imprecise;
- no guarantee that licenses and permits required by the Company or Minera Juanicipio (as defined herein) to conduct business will be obtained, which may result in an impairment or loss in the Company's mineral properties;
- rights to use the surface of the Company's mineral properties are not guaranteed;
- most exploration projects do not result in commercially mineable deposits;
- the properties in which the Company has an interest are located primarily in Mexico;
- economic and political instability may affect the Company's business;
- there are no assurances with respect to the relative strength and stability of future metal markets and the Company's liquidity and long-term ability to raise the capital required to execute its business plans may be affected by market volatilities;

- community relations may affect the Company's business, including its interest in Juanicipio;
- the Company's activities may be impacted by a global pandemic or localized outbreak similar to the novel coronavirus outbreak ("**COVID-19**");
- emerging climate change regulations could result in significant costs and climate change may result in physical risks to a mining company's operations;
- adequate funding may not be available, resulting in the possible loss or dilution of the Company's interests in its properties;
- substantial expenditures are required for commercial operations and if financing for such expenditures is not available on acceptable terms, the Company may not be able to justify commercial operations;
- the Company's future liquidity may depend upon its ability to repatriate cash from Juanicipio or arrange significant additional debt or equity financing;
- the Company has a history of losses and values attributed to the Company's assets may not be realizable;
- the Company has historically had negative cash flows;
- risks related to the Facility;
- uncertainties and risks relating to the operation of the Juanicipio Mine;
- the Company's capital and operating costs, production schedules and economic returns are based on certain assumptions which may prove to be inaccurate;
- Juanicipio capital requirements contemplated in the technical report for Juanicipio titled "Juanicipio Mineral Resource and Mineral Reserves NI 43-101 Technical Report" with an effective date of March 4, 2024 (the "**2024 Technical Report**") are subject to volatility and uncertainty;
- the actual capital and operating costs and economic returns are uncertain and will differ significantly from those estimated for mineral project production and exploration;
- the Juanicipio Mine plan and design and the financial results may not be consistent with the 2024 Technical Report;
- the continued operation of Juanicipio may be adversely impacted by a lack of access to a skilled workforce;
- labour risks;
- the continued operation of Juanicipio may be adversely impacted by lack of access and availability of infrastructure, power and water, and other matters;
- risks related to amendments to the Federal labour law on labour subcontracting (or " **outsourcing**");
- risks related to the Company's decision to participate in the exploration, development, production and operation of the Juanicipio Mine;
- the Company may encounter certain transportation and refining risks that could have a negative impact on its operations;
- the Company's mineral properties are subject to title risk and any challenge to the title to any of such properties may have a negative impact on the Company;
- risks related to potential Indigenous rights claims made against the Company's mineral properties and the complex nature of such claims;
- title opinions provide no guarantee of title and any challenge to the title to any properties may have a negative impact on the Company;
- title to the properties in which the Company has an interest that are not registered in the name of the Company may result in potential title disputes having a negative impact on the Company;
- the Company being a minority shareholder and non-operator of the Juanicipio Entities and therefore is dependent on, and subject to, the decisions of the majority shareholder and operator of the Juanicipio Entities;
- the Company holds its Juanicipio interest through a minority shareholding in the Juanicipio Entities and therefore may be adversely impacted by disputes amongst the shareholders;
- the Company has significant shareholders that may be able to exert influence over the direction of the Company's business;
- funding and property commitments may result in dilution to the Company's shareholders;
- the price of the common shares in the capital of the Company (the " **Common Shares**") is volatile;
- there is no assurance of a sufficient liquid trading market for the Company's Common Shares in the future;
- most of the Company's mineral assets are located outside of Canada;
- the Company, its directors, officers and management (with the exception of the Vice President, Exploration and the former Chief Exploration Officer) and all of its material assets are located outside of the United States, which makes it difficult for U.S. litigants to effect service of process or enforce any judgments obtained against the Company or its officers or directors;

- the Company has outstanding common share equivalents which, if exercised, could cause dilution to existing shareholders;
- the Company may pay dividends in the immediate future;
- the Company's ability to pay future dividends;
- the Company could in the future be classified as a "passive foreign investment company", which could have adverse U.S. federal income tax consequences for U.S. holders of Common Shares;
- the Company in the future could have tariffs or other restrictive trade measures or countermeasures placed upon it affecting trade between Canada, the United States and Mexico;
- risks related to the highly competitive nature of the mineral exploration industry;
- environmental regulations are becoming more onerous to comply with, and the cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of the Company's operations and the Juanicipio Entities' operations;
- tailings storage facility / permit risks;
- the Company may experience difficulties managing and integrating acquisitions;
- the Company or the Juanicipio Entities may be subject to litigation, the disposition of which could negatively affect the Company's profits to varying degrees;
- if either the Company or the Juanicipio Entities, through the operator Fresnillo, are unable to hire, train, deploy and manage qualified personnel in a timely manner, particularly in Mexico, their ability to manage and grow its business will be impaired;
- cybersecurity risks may impact the Company's business;
- risks related to natural disasters;
- the Company may face equipment shortages, access restrictions and a lack of infrastructure;
- the Company is dependent on its key personnel, none of whom are insured by the Company;
- foreign currency fluctuations and inflationary pressures may have a negative impact on the Company's financial position and results;
- conflicts of interest may arise among the Company's directors as a result of their involvement with other natural resource companies;
- the Company may be subject to reputational risk;
- mining operations generally involve a high degree of risk and potential liability, and insurance coverage may not cover all potential risks associated with the Company's operations;
- metal prices and marketability fluctuate and any decline in metal prices may have a negative effect on the Company;
- risks related to amendments to the Federal Mining Law;
- the environment in which the Company operates may not adhere to international standards with respect to security and human rights;
- risks related to the Company being subject to anti-corruption laws;
- the Company may be required by human rights laws to take actions that delay the advancement of its projects;
- the Company's activities within Mexico are subject to extensive laws and regulations governed by Mexican regulators;
- risks related to Mexican foreign investment and income tax laws applying to the Company;
- the Company may fail to maintain adequate internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act;
- the Company follows Canadian disclosure practices concerning its Mineral Resources and Mineral Reserves which allow for different disclosure than is required for domestic U.S. reporting companies; and
- any enforcement proceedings under Canada's *Extractive Sector Transparency Measures Act* against the Company could adversely affect the Company.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, including without limitation, those referred to in this AIF under the heading "*Risk Factors*" and documents incorporated by reference herein.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date the statements are made and, other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

## Cautionary Note to United States Investors

Unless otherwise indicated, technical disclosure regarding the Company's properties included or incorporated by reference herein, including the use of the terms "**Mineral Resources**" and "**Mineral Reserves**", and all Mineral Resource and Mineral Reserve estimates contained in such technical disclosure, has been prepared in accordance with the requirements of National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("**NI 43-101**") and the Canadian Institute of Mining, Metallurgy and Petroleum (the " **CIM**") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "**CIM Definition Standards**"). NI 43-101 is an instrument developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the disclosure requirements of the U.S. Securities and Exchange Commission ("**SEC**") under subpart 1300 of Regulation S-K (the " **SEC Modernization Rules**"). The Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and provides disclosure under NI 43-101 and the CIM Definition Standards. Accordingly, information contained in this AIF, or the documents incorporated by reference herein, may differ significantly from the information that would be disclosed had the Company prepared the Mineral Resource and Mineral Reserve estimates under the standards adopted under the SEC Modernization Rules.

## Cautionary Note to Investors Concerning Estimates of Mineral Resources

"Inferred Mineral Resources" are Mineral Resources for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. "Inferred Mineral Resources" are based on limited information and have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility, although it is reasonably expected that the majority of "Inferred Mineral Resources" could be upgraded to "Indicated Mineral Resources" with continued exploration.

Under Canadian rules, estimates of Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them to enable them to be categorized as Mineral Resources and, accordingly, may not form the basis of feasibility or pre-feasibility studies, or economic studies except for a Preliminary Economic Assessment as defined under NI 43-101. Indicated and Inferred Mineral Resources that are not Mineral Resources do not have demonstrated economic viability.

## Technical Information

Unless otherwise indicated, scientific or technical information in this AIF is based on information prepared by employees of MAG or by Fresnillo, as operator of Juanicipio, as applicable, under the supervision of, or that has been reviewed and approved by, Gary Methven, P.Eng., Vice President, Technical Services, who is a "Qualified Person" as defined in NI 43-101. A "Qualified Person" means an individual who: (i) is an engineer or geoscientist with a university degree, or equivalent accreditation, in an area of geoscience, or engineering, relating to mineral exploration or mining; (ii) has at least five years of experience in mineral exploration, mine development or operation or mineral project assessment, or any combination of these, that is relevant to his or her professional degree or area of practice; (iii) has experience relevant to the subject matter of the mineral project and the technical report; and (iv) is a member in good standing of a professional association. Mr. Methven is not independent as he is an employee of the Company (see "Interests of Management and Others in Material Transactions" below).

### Currency and Exchange Rates

**All dollar amounts referred to in this AIF are expressed in United States dollars ( "US$") except where indicated otherwise.** The Company's accounts are based on a U.S.$ functional currency and are reported in a US$ presentation currency. All references to "**dollars**" are to US$ except where indicated otherwise. All references to "**pesos**" are to Mexican pesos. The Company incurs expenditures primarily in US$, and to a lesser extent in Canadian dollars ("**C$**") and pesos.

The following table sets forth the rate of exchange for the C$ expressed in US$ in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods as reported by the Bank of Canada for conversion of Canadian dollars into United States dollars:

| CANADIAN DOLLARS, AS EXPRESSED IN U.S. DOLLARS | YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Rate at end of period | 0.6950 | $0.7561 | $0.7383 |
| Average rate for period | 0.7302 | $0.7410 | $0.7692 |
| High for period | 0.7510 | $0.7617 | $0.8031 |
| Low for period | 0.6937 | $0.7207 | $0.7217 |

The rate of exchange on March 21, 2025 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was C$1.00 equals US$0.6983.

The following table sets forth the rate of exchange for the Mexican peso expressed in US$ in effect at the end of the periods indicated, the average of exchange rates in effect on the last day of each month during such periods, and the high and low exchange rates during such periods based on the exchange rate published by Banco de Mexico in the Official Journal of the Federation to settle liabilities denominated in foreign currency payable in Mexico, for conversion of Mexican pesos into United States dollars ("**Official Closing Rate**"):

| MEXICAN PESOS, AS EXPRESSED IN U.S. DOLLARS | YEAR ENDED DECEMBER 31, | | |
|---|---|---|---|
| | 2024 | 2023 | 2022 |
| Rate at end of period | 0.0488 | $0.0589 | $0.0513 |
| Average rate for period | 0.0546 | $0.0564 | $0.0497 |
| High for period | 0.0612 | $0.0599 | $0.0525 |
| Low for period | 0.0483 | $0.0512 | $0.0466 |

The Official Closing Rate of exchange on March 21, 2025 as reported by the Banco de Mexico for the conversion of Mexican pesos into United States dollars was 1.00 peso equals US$0.0497.

### Financial Data in this AIF

Financial information reported in this AIF is in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

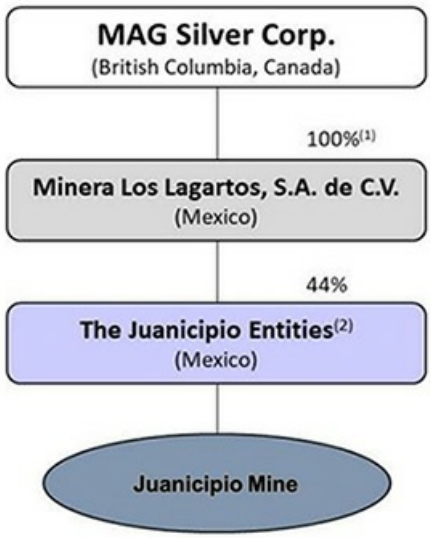
## CORPORATE STRUCTURE

### Name, Address and Incorporation

MAG Silver Corp. was originally incorporated under the *Company Act* (British Columbia) on April 21, 1999, under the name "583882 B.C. Ltd." On June 28, 1999, in anticipation of becoming a capital pool company, the Company changed its name to "Mega Capital Investments Inc." On April 22, 2003, the Company changed its name to "MAG Silver Corp." to reflect its new business upon the completion of its qualifying transaction on the TSX Venture Exchange. On July 27, 2005, the Company transitioned from the *Company Act* (British Columbia) to the *Business Corporations Act* (British Columbia) and concurrently adopted new articles and amended its authorized capital to an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value (the "**Preferred Shares**"). The Company's head office is located at Suite 801, 815 Hastings Street West, Vancouver, British Columbia, Canada, V6C 1B4. The Company's registered office is located at 3500 – 1133 Melville Street, Vancouver, British Columbia, Canada, V6E 4E5.

### Intercorporate Relationships

The following chart illustrates the Company's material subsidiaries, including the jurisdiction of incorporation of each subsidiary, the percentage of voting securities beneficially owned, or over which control or direction is exercised by the Company, and its associated property.




Notes:
(1) The Company is the registered owner of 99.99% of the issued Class I shares of Minera Los Lagartos, S.A. de C.V. ("**Lagartos**"), a corporation incorporated under the laws of Mexico. The remaining 0.01% of the issued Class I shares of Lagartos are held by 0928293 BC Limited, a 100% owned subsidiary of the Company. Lagartos is the registered owner of a 44% interest in the Juanicipio Entities, including Minera Juanicipio S.A. de C.V. ("**Minera Juanicipio**"), which holds the Juanicipio Mine with Fresnillo, a London Stock Exchange listed company controlled by Industrias Peñoles, S.A. de C.V. ("**Peñoles**"), which holds the remaining 56% interest in the Juanicipio Enitites.
(2) The "**Juanicipio Entities**" consist of: Minera Juanicipio and Equipos Chaparral, S.A. de C.V. ("**Equipos Chaparral**"). On December 27, 2021, the Company and Fresnillo incorporated Equipos Chaparral in the same ownership proportions as Minera Juanicipio (Fresnillo 56% / MAG 44%) for the purpose of holding the Juanicipio plant and mining equipment, to be leased to Minera Juanicipio.

## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

MAG Silver Corp. is a growth-oriented Canadian exploration company focused on advancing high-grade, district scale precious metals projects in the Americas. MAG Silver is a top-tier primary silver mining company through its (44%) interest in the 4,000 tonnes per day ("**tpd**") Juanicipio mine, operated by Fresnillo plc (56%) (the "**Juanicipio Mine**" or "**Juanicipio**"). The Juanicipio Mine is located in the Fresnillo Silver Trend in Mexico, the world's premier silver mining camp, where in addition to underground mine production and processing of high-grade mineralized material, an expanded exploration program is in place targeting multiple targets. MAG Silver is also executing multi-phase exploration programs at the Deer Trail 100% earn-in project in Utah (the "**Deer Trail Project**") and the 100% owned Larder Project, located in the historically prolific Abitibi region of Canada (the "**Larder Project**").

MAG's Common Shares trade on the Toronto Stock Exchange (" **TSX**") and the NYSE American, LLC (" **NYSE American**") both under the symbol "MAG".

***Principal Project***

Juanicipio

MAG owns 44% of the Juanicipio Entities, which own the high-grade silver Juanicipio Mine located in the Fresnillo District, Zacatecas State, Mexico. Fresnillo is the operator and holds the remaining 56%.

Fresnillo and MAG jointly approved the Juanicipio Mine development on April 11, 2019, following which project construction commenced immediately and the underground mine development continued. Production and exploration at Juanicipio are all being carried out by the project operator, Fresnillo, with MAG being represented in all board of directors, technical committee, joint health and safety committee and ad-hoc meetings for the Juanicipio Entities. Commissioning of the processing facility commenced in Q1 2023 and was performed under the guidance of an Engineering, Procurement and Construction Management contract entered into with an affiliate of Fresnillo and various third-party start-up specialist consultants. MAG's share of project costs was funded by operating cash flow from underground mine production, by cash calls through its 44% interest in Minera Juanicipio and, to a lesser extent, incurred directly by MAG to cover expenses related to its own commissioned technical studies and analyses, as well as direct project oversight. Minera Juanicipio is governed by a shareholders' agreement and corporate by-laws, pursuant to which each shareholder is to provide funding pro-rata to its ownership interest (the "**Shareholders' Agreement**"). An operator services agreement became effective upon initiation of commercial production whereby Fresnillo and its affiliates continue to operate the mine (the "**Operator Services Agreement**") for a fee of $13 million per annum. Both silver-rich lead and zinc concentrate offtake agreements have been executed by Minera Juanicipio with Met-Mex Peñoles, S.A. de C.V. ("**Met-Mex**") (an affiliate of Fresnillo), under which both concentrates are being sold and treated at benchmark market terms in Torreón, Mexico. The pyrite concentrate is generally sold to trading firms who blend the material with other concentrates to realize payable metal for Juanicipio.

Following commissioning and ramp up of the Juanicipio Mine in 2023, 2024 was a year of consolidation and optimization of the Juanicipio processing plant. All tonnage from the Juanicipio mine was processed through the processing plant, as toll treatment through Fresnillo's Saucito plant during 2023 ceased once nameplate capacity of the Juanicipio plant was achieved. The plant processed 1,328,178 tonnes of ore at an average silver grade of 468g Ag/t, and an average silver equivalent grade of 712g AgEq/t. The main focus in 2024 was the optimization of the flotation circuit, and primary focus areas were continuous operation of the pyrite flotation and Knelson gravity concentrate circuits, and ongoing optimization of the lead and zinc flotation circuits. Significant recovery improvements were obtained over the 2023 levels, with overall recovery of 92.9% for silver, 73.8% for gold, 89.5% for lead and 81.0% for zinc. The mining rate is currently matching the milling rate at Juanicipio. Please refer to MAG's news release dated January 29, 2025 entitled "*MAG Announces Fourth Quarter and 2024 Production From Juanicipio and Provides Initial Production Guidance*", for full details.

Minera Juanicipio commissioned AMC Mining Consultants (Canada) Ltd. ("AMC") to prepare the 2024 Technical Report on behalf of MAG. The 2024 Technical Report, published on March 27, 2024, outlined robust economics over an initial 13-year life of mine, generating annual average free cash flow exceeding $130 million (at a $22/oz silver price). Mineral Resources increased by 33% from the 2017 Preliminary Economic Assessment, with substantial growth in Measured and Indicated categories. Inferred resources also expanded, highlighting significant near-term, high-grade upside potential. An inaugural 15.4 million tonnes Mineral Reserve estimate at 628 grams per tonne ("**g/t**") equivalent silver grade was declared, enhancing economic confidence.

Currently only 10% of the property has been explored to date with many untested targets still to be pursued within the property. Recent exploration drilling has primarily focused on converting the Inferred Mineral Resources into Indicated Mineral Resources, further tracing mineralization to depth, and testing for additional parallel mineralized structures.

The Valdecañas Vein contains a structural intersection marked by broad funnel-shaped skarn alteration with high copper and boron, indicative of a mineralising fluid upwelling zone. This is reflected by distinctive surface alteration – a thumbprint – that is being used to focus Juanicipio's exploration program throughout the rest of the property

***Other Exploration Properties***

The Company has an interest in concession rights in other non-material properties on which the exploration is managed directly by MAG. Exploration on these interests is undertaken by contracted service providers. In the case of projects located in Mexico, MAG's work is contracted with third parties.

The Deer Trail Project

The silver-rich Deer Trail carbonate replacement deposit (" **CRD**") project in Piute County, Utah offers MAG a 100% earn-in opportunity and encompasses the historic Deer Trail mine (the "**Deer Trail Mine**") and the adjoining Alunite Ridge area (6,500 Ha). MAG consolidated these properties in 2018 for the first time since the early 1980s. The Deer Trail Project lies along the same regional structure that hosts several mega-districts of similar age and style, so this consolidation allows us to consider the entire system, apply an integrated district-scale exploration approach and leverage new technologies to aid in the search for new, large-scale mineralization along the path between the historic mines and a potential Porphyry Copper-Molybdenum centre.

MAG's exploration focus at the Deer Trail Project is to seek the source of the historically mined high-grade silver, gold, lead, zinc and copper CRD sulphides of the Deer Trail manto towards that potential porphyry centre. The Company expects to find larger-scale high-grade mineralization in the thick, high-potential Redwall Limestone that the Company has proven lies just below the less favourable interlayered sedimentary and limestone section that hosts the historic Deer Trail Mine mineralization.

Exploration at the Deer Trail Project offers several strategic advantages, one of which is the fact that it shares the same regional fault as the renowned Bingham Canyon and Tintic mining districts, paving the way for potential discoveries of substantial porphyry and CRD deposits. Bingham Canyon is one of the world's largest copper systems, featuring a porphyry copper surrounded by large-scale high-grade replacement (CRD) mineralization. MAG's exploration thesis at the Deer Trail Project is to pursue the known CRD deposits that may possibly be sourced from a Bingham-like porphyry. These porphyry "hub" targets are defined through extensive surface work showing strong coincident geochemical, geophysical and alteration anomalies.

These "hubs" are thought to be the source of the fluids that created the Deer Trail Project area's manto, skarn and epithermal vein mineralization and pervasive alteration seen throughout the Deer Trail Project area including the Deer Trail and Carissa zones. MAG is taking a disciplined, district-scale approach to exploration within this mining-friendly community and jurisdiction that also offers excellent infrastructure. MAG launched its sustainability programs at the Deer Trail Project in 2019, demonstrating the Company's dedication to responsible mining practices. In 2020, drilling programs commenced, marking a significant step forward in unlocking the asset's potential.

The Carissa Zone was discovered in 2023. Carissa represents the most widespread mineralization and strongest alteration drilled on the Deer Trail property. Two drill holes cut several hundred meters of progressively increasing Argentiferous (Silver-bearing) Manganese-Oxide Mineralization, marble and skarn before entering distinctive zones of copper-silver-zinc bearing sulfide "lacing", in turn cut by zones of pervasive mineralized skarn. The sulfide lacing and skarn zones in both Carissa holes become progressively stronger with depth and showed significant increases in pathfinder elements (tungsten, tin, bismuth, molybdenum), suggesting increasing proximity to the suspected porphyry-related mineralization source.

During 2023, MAG undertook Phase 3 drilling programs designed to test the mineralization in the porphyry "hubs" inferred to underlie Mount Brigham and Deer Trail Mountain. The first hole was drilled to test the Alunite Ridge target on the south slope of Mount Brigham and a second hole drilled at a high angle under the Deer Trail Mountain. Initial drilling of the Alunite Ridge and Deer Trail Mountain hubs encountered porphyry-style alteration justifying further drilling.

The 2024 drill program was interrupted by the Silver King forest fire, however the highlights of recent drilling were:

- Large Expansion of the Carissa Skarn Discovery: Step-out drilling has significantly expanded the 200 – 250-metre-thick Carissa skarn discovery to a 400 - 700 metre area where thick sections of copper-silver-zinc mineralization are hosted in hundreds of metres of pervasive marble and skarn altered carbonates, strongly suggestive of the hypothesized large-scale metal source located to the west.

- High-Grade Extension of Deer Trail Mine Corridor: Drilling intersected a new high-grade silver-lead-zinc extension of the historic Deer Trail Mine, highlighted by 2.76 metres grading 151 g/t silver, 0.5 g/t gold, 3.7% lead and 2.5% zinc at 268 metres down hole confirming potential at depth.
- New Gold Zone: The "Nodular" Gold Zone first recognized in hole DT23-16 (29.5 metres grading 4.5 g/t gold starting at 202.3 metres, including 8.8 metres grading 9.4 g/t gold) and now documented in over 20 previously drilled holes. Such distal gold zones are a feature commonly observed on the edges of large hydrothermal systems such as Deer Trail.

  Please refer to MAG's news release dated February 24, 2025 entitled " *MAG Provides Exploration Update and Outlook for Larder and Deer Trail Projects*", for full details.

Future "spoke" drilling is planned to offset the Carissa Zone discovery holes to the west and to follow-up on well mineralized intercepts and test entirely new target areas identified by geophysics, geochemistry and geochronology

The Larder Project

The Larder Project is situated in the Abitibi Greenstone Belt and hosts three gold zones along 8.5 km of the Cadillac-Larder Break (the "**Break**" or the "**CLB**") in one of the world's best gold regions where over 200 million ounces of gold have been produced. The Larder Project lies in a mining-friendly jurisdiction with a very long history of mining, and agreements with First Nations are in place with positive ongoing dialogue. No significant environmental legacies are known and infrastructure (including electrical, gas, highway, water) and access are excellent. Exploration costs in this region are relatively low and experienced labour is readily available. Permitting is streamlined, predictable and many newly identified targets can be drilled from existing permitted pads.

The Larder Project property includes several known shear-hosted (" **orogenic**") gold mineralization centres located along approximately 8.5 km of strike length of the greater than 250 km long Break, a regional first-order shear structure. Unlike in many other shear-hosted gold deposits, mineralization occurs along the Break as concentrated ore shoots along the major first-order structure as well as on related second or third-order structures. A historic shallow exploration focus at the Larder Project means that mineralization is largely untested at depths greater than 500 m where most deposits in the region blossom.

MAG took ownership of Larder Project in 2022 through its acquisition of a 100% interest in Gatling Exploration Inc. (" **Gatling**") and conducted a comprehensive data review and drilling campaign that focused below and lateral to mineralization shoots indicated by historical shallow drilling. In 2022, MAG drilled 10 holes, cumulatively 10,484 m, along the Break at depth and to the Bear East Zone of the project. Results proved geological features at depth, showing strong structures in favorable rock types verified at depths never recorded in the project's history, and yielding positive assay results extending from the Bear East Zone.

In early 2023, MAG raised C$23 million by way of flow-through financing, with proceeds to fund further testing of known zones and generate new high-priority targets. The Swansea Zone drill program tested geophysical anomalies coincident with the CLB intercepting up to 50 m of alteration. This identified new targets as gold mineralization was encountered in six of seven drillholes with a 730 m strike length in green/brown carbonate altered komatiites, syenites and strongly altered mafic volcanics. The altered komatiites in this area at Swansea were never encountered in historical drill programs.

Later in 2023, a comprehensive review of all past drilling plus new geotechnical work, geophysical survey deployment, field sampling and mapping drove the creation of new 3D models for enhanced drill target selection. This work significantly improved property wide geological understanding and target generation. Following the completion of geophysical surveys and interpretation of stripped outcrops, a large pipeline of targets for 2024 was generated. Exploration drilling tested the Cheminis mine trend at depth and the Bear East Zone, with initial results from both zones being promising and helping to guide 2024 exploration.

Exploration drilling in 2024 focussed on the completion of the 2023 flow-through funding expenditure. Highlights achieved were:

- Validated Theory: Drilling at the CLB has successfully extended the Cheminis and Bear zones to depths of 900 metres (10.2 g/t gold over 6.3 metres) and 1,200 metres (42.1 g/t gold over 1.5 metres), respectively, confirming the theory of increased grade and width with depth.
- New Regional Discoveries: Testing of numerous regional targets included the Timiskaming conglomerate ("Long Conglomerate"), where 3.2 g/t gold over 10.0 metres, including 8.2 g/t gold over 1.0 metres, was intercepted.
- Strategic Land Acquisition: MAG added the Goldstake Property, doubling the Larder Project's land area. This acquisition builds on historic high-grade intercepts (though unverified) and is further complemented by new high-grade grab and channel samples, fast-tracking the Instant Pond and F Zone prospects to drill-ready status.

  Please refer to MAG's news release dated February 24, 2025 entitled " *MAG Provides Exploration Update and Outlook for Larder and Deer Trail Projects*", for full details.

Cinco de Mayo

In late 2012, certain members of the local Ejido challenged the Company's surface right access to the Cinco de Mayo property ("Cinco") located in the State of Chihuahua, Mexico and prevented the Company from obtaining the surface access permission required in the exploration permit process. As the Company has been unable to negotiate a renewed surface access agreement with the Ejido, a full impairment was recognized on the property in 2016; however, the concessions are still maintained in good standing. In September 2024, MAG and Apollo entered into an exploration, earn-in and option agreement pursuant to which Apollo has the option to acquire Cinco. In order for Apollo to exercise the Option, Apollo is required to obtain the necessary licensing to access and conduct exploration activities on Cinco, and subsequently complete no less than 20,000 metres of drilling, all within a five-year period, and then finally issue consideration shares equivalent to 19.9% of the then issued and outstanding common shares of Apollo to MAG.

## Three Year History

Over the three most recently completed financial years, the significant events described below contributed to the development of MAG's business.

***Year Ended December 31, 2022***

Financing and Corporate Activities

On March 28, 2022, the Company announced the appointment of Mr. Fausto Di Trapani as Chief Financial Officer, effective May 20, 2022. Mr. Di Trapani replaced Mr. Larry Taddei, who, after 12 years of service with the Company, stepped down to pursue other opportunities.

On May 20, 2022, the Company completed the acquisition of all of the outstanding shares of Gatling (the " **Gatling Acquisition**") by way of a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia) in accordance with the terms of an arrangement agreement between the Company and Gatling dated March 11, 2022, pursuant to which MAG acquired all of the issued and outstanding common shares of Gatling and, in consideration therefore, shareholders of Gatling received 0.01702627 of a Common Share of MAG for each share of Gatling held. Following the Gatling Acquisition, Gatling became a wholly owned subsidiary of the Company and the Company thereby acquired a 100% interest in the Larder Project. See "*General Development of the Business – Other Exploration Properties – The Larder Project*."

On October 5, 2022, MAG announced the publication of its inaugural Sustainability Report for the 2021 year.

Juanicipio

*Commissioning Updates*

On September 13, 2022, MAG provided a commissioning update for Juanicipio, reporting that MAG had received communication from Fresnillo that all construction activities related to final tie-in to the electrical grid had been completed and all systems were ready to be energized. The Company further reported that, prior to making the final tie-in to the electrical grid, as a precautionary measure to ensure uninterrupted service to the surrounding area, the Comisión Federal de Electricidad (CFE) had requested additional testing to verify compatibility between new and updated substation equipment installed by Minera Juanicipio and existing older CFE infrastructure.

On December 28, 2022, the Company reported that it had received confirmation from Fresnillo that final testing of the downstream power distribution and control systems at Juanicipio was complete. The entire system had been energized and the Juanicipio Mine was connected to the national power grid. In addition, the Company confirmed the conclusion of the additional testing requested by the CFE to verify compatibility between new and updated substation equipment.

For the year ended December 31, 2022, a total of 646,148 tonnes of mineralized material primarily from underground development at the Juanicipio Mine were processed through the nearby Fresnillo and Saucito facilities. Production before offtake agreement adjustments amounted to 9.250 million silver ounces and 22,253 gold ounces (4.1 million silver ounces and 9,791 gold ounces were attributable to MAG).

*Drilling Program*

Results of the Juanicipio 2021 exploration program (23 surface-based drill holes totaling 29,421 m) were reported in the Company's first quarter 2022 Management's Discussion and Analysis, and included the following highlights:

- 21 holes cut the Valdecañas Vein System, with most directed at the Valdecañas Vein Deep Zone plus coincidental intercepts of the Anticipada (13), Pre-Anticipada (8) and various other hangingwall and footwall veins;
- most intercepts are comparable to previously drilled neighboring holes with no major deviations from grade and thickness expectations; and
- channel sampling of the advancing development headings and test stopes in the Valdecañas Vein Bonanza Zone shows that the grade distribution in the vein is very close to that shown by both surface and underground drilling, which adds substantial confidence in the width and grade continuity indicated by the surface drilling for the balance of the vein.

The Juanicipio 2022 exploration program was designed to expand and convert the Inferred Mineral Resources included in the Deep Zone into Indicated Mineral Resources and to explore other parts of the Juanicipio concession. 2022 drilling, using 5 surface rigs and one underground rig, was focused on infilling the Valdecañas Vein System including Anticipada, Pre-Anticipada and the Venadas structures. All assays from the 2022 exploration program were pending at year end.

***Year Ended December 31, 2023***

Financing and Corporate Activities

On January 25, 2023, the Company announced that it had entered into an agreement with a syndicate of underwriters led by BMO Capital Markets and Raymond James Ltd. under which the underwriters had agreed to buy on a bought deal basis 2,735,000 Common Shares of the Company at a price of $14.65 per Common Share for gross proceeds of approximately $40 million (the "**2023 Offering**"). The Company granted the underwriters an option, exercisable at the offering price for a period of 30 days following the closing of the 2023 Offering, to purchase up to an additional 15% of the 2023 Offering to cover over-allotments.

Concurrently with the announcement of the 2023 Offering, the Company announced that it was undertaking a bought deal private placement of 843,000 Common Shares to be issued on a flow-through basis under the Income Tax Act (Canada) (the "**Flow-Through Shares**") at a price of C$23.75 per Flow-Through Share for aggregate gross proceeds of $20 million (the "**Flow-Through Private Placement**"). The Company granted the underwriters an option exercisable, in whole or in part, at any time up to 48 hours prior to the closing of the Flow-Through Private Placement, to purchase an additional 15% of the Flow-Through Private Placement to cover over-allotments.

On February 7, 2023, MAG announced that it had completed the 2023 Offering and had issued 2,905,000 Common Shares, which included 170,000 Common Shares issued upon the partial exercise of the over-allotment option, at a price of $14.65 per Common Share for gross proceeds of $42,558,250. MAG intends to use the net proceeds of the 2023 Offering to fund exploration at Juanicipio and MAG's other projects including Deer Trail, certain sustaining capital requirements at Juanicipio not included in the initial project capital estimates, and for working capital and general corporate purposes.

On February 16, 2023, the Company announced the completion of the previously announced Flow-Through Private Placement, whereby a total of 969,450 Flow-Through Shares were issued, which included 126,450 Flow-Through Shares issued upon the full exercise of a 15% over-allotment option, at a price of C$23.75 per Flow-Through Share for aggregate gross proceeds of C$23,024,437.50. Total proceeds of the Flow-Through Private Placement were intended for the Larder Project, whereby plans for exploration programs in 2023 and 2024 were finalized, and subsequently executed. During the year ended December 31, 2023, the Company incurred C$7,890,846 in eligible spend at the Larder Project (and C$15,133,154 during the year ended December 31, 2024, thus completing full use of these proceeds as at the end of 2024).

On May 1, 2023, MAG announced the appointment of Gary Methven as Vice President, Technical Services of the Company, and the promotion of Jill Neff to Vice President, Governance and Corporate Secretary.

On September 18, 2023, MAG announced the publication of its second annual Sustainability Report for the 2022 year.

On October 4, 2023, the Company entered into a fully underwritten $40 million revolving credit facility (the " **Facility**") with the Bank of Montreal. There is a provision for an accordion feature whereby, upon request, the facility may be increased to $75,000,000 any time prior to the maturity date, at the discretion of the lender. The Facility will bear interest on a sliding scale of SOFR or the lenders Base Rate on U.S. dollar commercial loans plus applicable margin on a sliding scale of between 200 and 400 basis points based on the Company's leverage ratio. Interest incurred on drawn amounts is to be paid quarterly. Commitment fees on the undrawn portion of the Facility are calculated on a similar sliding scale of between 50 and 75 basis points, and are also to be paid on a quarterly basis. The term of the Facility is 34 months, maturing on August 4, 2026, at which date any drawn amount is required to be paid back in full. All debts, liabilities and obligations under the Facility are guaranteed by the Company's material subsidiaries and secured by assets of the Company including the pledge of a material subsidiary. The Facility includes a number of customary covenants (liquidity, leverage, tangible net worth) and conditions including limitations on acquisitions and investments (excluding exploration and capital expenditures) funded using cash with no limitations when equity is used as a funding source. As of the date hereof, the Company has not drawn down any funds from the Facility.

On December 21, 2023, MAG announced the appointment of Tom Peregoodoff to the Company's board of directors (the " **Board**"), effective January 1, 2024. Mr. Peregoodoff filled the vacancy created by the retirement of Dan MacInnis, who did not seek re-election at the Company's 2024 Annual General Meeting.

Juanicipio

*Commissioning Updates*

On April 20, 2023, MAG announced that it had been informed by Fresnillo that concentrate production at Juanicipio had commenced with the shipment of its first commercial lead and zinc concentrates in late March 2023, and that regular concentrate shipments would continue going forward.

On June 5, 2023, the Company announced that commercial production had been achieved at the Juanicipio Mine, effective June 1, 2023. The Company reported that, following a successful commissioning period, the Juanicipio Mine, processing facility and other vital systems were operating in line with, or rapidly approaching design capacity. As at the date of the announcement, the Juanicipio mill was operating at approximately 85% of its design capacity of 4,000 tpd, with silver recovery consistently above 88%.

*Production*

The following are the production highlights for the year ended December 31, 2023:

- Processing growth: The Juanicipio Mine processed a total of 1,268,757 tonnes of mineralized material in 2023, exceeding expectations and achieving guidance of reaching nameplate capacity during Q3 2023. Consistent processing growth quarter-on-quarter reflecting the commitment to scaling up operations.
- Record output: The Juanicipio Mine produced 16.8 million silver ounces and 36,732 gold ounces in 2023, a solid performance in its inaugural and ramp up year.
- Consistency: The average silver head grade for the year was 472 g/t, demonstrating the notable consistency of the Juanicipio deposit and solidifying its position as one of the highest-grade silver mines in the world.

*Drilling Program*

The Juanicipio 2022 exploration (total of 25,858 metres drilled) focused primarily on converting Inferred Resources to Indicated Resources. Four holes were drilled at the "Los Tajos" target (formerly, "Cesantoni") in the northwest part of the Juanicipio concession. Due to permitting restrictions, drilling used depth-limited man portable equipment at suboptimal angles. Results confirm the presence of mineralized epithermal veins. Veins cut in the program texturally and geochemically display high level characteristics coincident with what would be seen above a mineralized system. Further drilling will be required to prove or disprove the potential of this target. Infill drilling tested the Valdecañas Vein system at depth and further increased the confidence of the Deep Zone resource.

***Year Ended December 31, 2024***

Financing and Corporate Activities

On March 19, 2024, the Company announced that Marc Turcotte was promoted to the position of Chief Development Officer and, during early 2024, as part of the Company's longer term succession planning, Dr. Lex Lambeck was promoted to the position of Vice President, Exploration.

On May 15, 2024, MAG announced that the TSX had accepted the Company's Notice of Intention to Make a Normal Course Issuer Bid ("**NCIB**"). Under the NCIB, the Company may purchase for cancellation up to an aggregate of 8,643,374 Common Shares, representing approximately 10% of the public float (as defined in the rules and policies of the TSX) of the Common Shares as of May 8, 2024. As of March 24, 2025 no shares have been repurchased by the Company.

On May 21, 2024, the Company announced the retirement of Dr. Peter Megaw as MAG's Chief Exploration Officer (" **CXO**"), a position he held for 10 of his over 20 years of service to the Company. Under his leadership, Juanicipio, one of the world's leading silver deposits, was discovered, financed, developed and is now in operation. Since his retirement as CXO in May 2024, Dr. Megaw has continued to consult to the Company.

On May 31, 2024, MAG filed a final shelf prospectus (the " **Final Shelf Prospectus**") and registration statement allowing the Company to offer up to $250,000,000 of Common Shares, preferred shares, debt securities, subscription receipts, units and warrants or any combination thereof during the 25-month period that the Final Shelf Prospectus remains effective. In order to maintain financial flexibility, and consistent with past practice, the Company has historically maintained a base shelf prospectus and has no present intention to offer securities pursuant to this Final Shelf Prospectus.

On July 18, 2024, the Company published its third annual Sustainability Report for the 2023 year.

On September 20, 2024, MAG and Apollo entered into an exploration, earn-in and option agreement (the " **Option Agreement**") pursuant to which Apollo has the option to acquire the Cinco de Mayo Project. In order for Apollo to exercise the Option, Apollo is required to obtain the necessary licensing to access and conduct exploration activities on Cinco, and subsequently complete no less than 20,000 metres of drilling, all within a five-year period, and then finally issue consideration shares equivalent to 19.9% of the then issued and outstanding common shares of Apollo to MAG.

Juanicipio

On March 5, 2024, the Company reported preliminary 2024 guidance for the Juanicipio Mine, with the following highlights:

- Robust silver head grade: As reported by Fresnillo, the project operator, silver head grade at Juanicipio is expected to range between 380 g/t and 420 g/t for 2024, translating to significant silver production potential.
- Nameplate capacity: The plant is anticipated to operate at nameplate capacity per operating day with an effective utilization of 91%, ensuring consistent and efficient production.

On March 27, 2024, the Company filed the 2024 Technical Report, which updated Mineral Resource estimates and declared Mineral Reserve estimates for the first time. For further information with respect to the 2024 Technical Report, please see the information set out under the heading "*Mineral Projects – Juanicipio*" in this AIF.

On July 24, 2024, the Company, alongside the Q2 2024 production results, increased its grade guidance for Juanicipio. The silver head grade is now expected to be between 420g/t and 460g/t for 2024, up from the previously guidance range of 380g/t to 420g/t.

*Production*

The following are the production highlights for the year ended December 31, 2024:

- Processing growth: The Juanicipio Mine processed a total of 1,328,178 tonnes of ore in 2024, in line with expectations and nameplate capacity.
- Record output: Juanicipio achieved silver production and equivalent silver production of 18.6 and 26.8 million ounces, respectively. This was achieved by milling tonnages in line with plan, silver head grades exceeding the revised guidance estimates, and improved recoveries across the board for all process circuits.
- Consistency: The average silver head grade for the year was 468 g/t, demonstrating the notable consistency of the Juanicipio deposit and solidifying its position as one of the highest-grade silver mines in the world.

*Drilling Program*

During 2023, a total of 13,273 metres and 22,015 metres were drilled from surface and underground, respectively. Drilling for the year (both surface and underground) was designed to convert Inferred Resources to Indicated Resources, and continued to confirm defined mineralization as planned. Results of the Juanicipio 2023 exploration program were reported in the Company's first quarter 2024 Management's Discussion and Analysis.

Throughout 2024, 36,216 metres were drilled from underground (3,216 metres more than planned) and focused on infilling the upper parts of the Valdecañas Vein System including the Valdecañas, Ramal 1, Anticipada and Venadas veins. Results continue to confirm vein continuity including grades and thicknesses.

Surface drilling started in April 2024 and has been focused on the Cañada Honda Structure, from which 13 holes have been completed since the beginning of the program. During 2024, 19,137 metres were drilled from surface (2,137 metres more than planned). Initial results show thin mineralized vein intercepts with textures and chemistry consistent with being at high level and possibly above a productive boiling zone. Some holes have been extended to intercept the Juanicipio vein below the inferred resource with an initial base metal rich intercept extending the Juanicipio vein by 450 metres downdip.

All assays from the 2024 drilling program were pending at year end.

***Recent Developments (Subsequent to December 31, 2024)***

On January 16, 2025, the Company announced the retirement of Michael Curlook as Vice President, Investor Relations and Communications.

On January 29, 2025, the Company reported preliminary 2025 guidance for the Juanicipio Mine. As reported by Fresnillo, silver production at Juanicipio is forecast to range between 14.7 million and 16.7 million ounces. This guidance is based on a throughput rate of 4,000 tonnes per operating day at head grade ranges of 380g/t to 430 g/t silver and 1.2 g/t to 1.4 g/t gold. Head grades are anticipated to fluctuate due to the balancing of the three subvertical ramps and the mining of different sections of the orebody. Production is expected to be weighted toward the second and third quarters of 2025, reflecting mine sequencing and anticipated grade variability. Comprehensive cost and production guidance will be provided with the release of the Company's operational and financial results at the end of Q1 2025.

On February 3, 2025, MAG announced the appointment of John Armstrong to the Board, effective January 31, 2025, as part of the Company's planned Board refreshment. Mr. Armstrong was also appointed to the Audit Committee, effective February 19, 2025.

On February 24, 2025, the Company provided an update on its exploration activities and 2025 outlook for its Larder and Deer Trail projects, which remain key components of the Company's growth strategy. MAG reported that it continues to advance these two district-scale exploration projects, both of which demonstrate the potential to host significant high-grade mineralization. At both projects, systematic exploration including drill testing achieved the objectives of expanding known zones of mineralization, making new discoveries and outlining new high-potential drill targets.

On March 24, 2025, MAG announced that the Board has adopted a dividend policy for the Company, under which the Company intends to pay quarterly fixed dividends of $0.02 per share. In addition, at average realized silver prices of above $20 per ounce, the Company intends to augment the fixed dividend with a cashflow-linked dividend targeted at approximately 30% of cashflows from Juanicipio received by MAG every quarter and linked to net cash metrics as determined by the Board from time to time.

In the March 24, 2025 press release, MAG declared an inaugural fixed dividend of $0.02 per share and an additional cash flow linked dividend of $0.16 per share (approximately 30% of the $53,850,000 cash received from Juanicipio during Q4 2024) for a total dividend of $0.18 per share payable on April 21, 2025 to shareholders on record as of April 4, 2025 (the "Inaugural Dividend"). The dividend qualifies as an "eligible dividend" as defined in the Income Tax Act (Canada).

The declaration, timing, amount, and payment of future dividends will be subject to the discretion and approval of the Board of Directors. The Company will review the dividend program on an ongoing basis and may amend it at any time depending on the Company's then current financial position, capital allocation framework, profitability, cash flow, debt covenant compliance, legal requirements and other factors considered relevant. As such, aside from the Inaugural Dividend, no assurances can be made that any future dividends will be declared and/or paid. Dividends paid to shareholders outside Canada (non-resident investors) will be subject to Canadian non-resident withholding taxes.

Please see the "*Risk Factors*" section of this AIF for more information about any risks relating to the Company's business.

# DESCRIPTION OF THE BUSINESS

## General

For a general overview of the Company, Juanicipio, and the Company's other exploration properties, please see the information set out under the heading "*General Development of the Business – Overview*" in this AIF.

## Principal Markets

Metals are commonly sold as concentrates, often with several metals in a single concentrate. In the case of Juanicipio, lead (silver rich), zinc and pyrite concentrates are being produced. The lead concentrate contains silver, gold and lead, the zinc concentrate contains silver, gold and zinc and the pyrite concentrate contains silver, gold and iron. Lead, zinc and pyrite concentrates are commonly sold as part of the world's mining and metals industries. Juanicipio lead and zinc concentrates are being sold and treated at benchmark market terms in Torreón, Mexico under offtake agreements with Met-Mex, an affiliate of Fresnillo. The basis of payments is the gross value of the metals that can be extracted and refined from the concentrates based on contained metal assays, with Met-Mex charging a base treatment charge and various deductions and payment terms as defined within the offtake agreements. The pyrite concentrate is generally sold to trading firms who blend the material with other concentrates to realize payable metal for Juanicipio.

## Employees, Consultants and Contractors

As at December 31, 2024, the Company had the following employees, consultants and contractors:

- Corporate head office (Vancouver, Canada): 12 employees and 3 consultants
- Deer Trail Project (Utah, United States): 20 employees and contractors
- Larder Project (Ontario, Canada): 14 employees and contractors

Employees, consultants and contractors of the Juanicipio Entities, in which the Company owns a 44% non-operating interest, have not been included here.

## Specialized Skills and Knowledge

Many aspects of the Company's business require specialized skills and knowledge. Such skills and knowledge include the areas of geology, mining, metallurgy, engineering, environmental issues, permitting, social issues and accounting. The Company believes it has the appropriate employees and consultants with experience in these specialized areas to meet its current needs.

## Competitive Conditions

Competition in the mineral exploration and production industry is intense. The Company competes with a number of large, established mining companies with greater financial resources and technical facilities, for the acquisition and development of mineral concessions, claims, leases and other interests, as well as for the recruitment and retention of qualified employees and consultants and the equipment required to continue the Company's exploration activities.

## Foreign Operations

The Company's primary property interest is located in Mexico. For more information, see " *The material property in which the Company has an interest is located primarily in Mexico*" in "*Risk Factors*" below.

## Economic Dependence

The Juanicipio property, in which the Company owns a 44% non-operating interest, is considered the only material property of the Company. The Company's interest in Juanicipio is held through its indirect 44% shareholdings in the Juanicipio Entities and is governed by the terms of the Shareholders' Agreement and by-laws with Fresnillo, which holds the other 56% interest. As a minority stakeholder in the Juanicipio Entities, the Company is subject to various risks (see "*Risks Related to Minority Interest Investment in the Juanicipio Entities* " in "*Risk Factors*" below).

## Corporate Sustainability Matters

The Company is committed to delivering lasting and sustainable value to its people, stakeholders and communities. The Company's approach to sustainability and responsible development integrates health, safety, environment and social responsibility into its business strategy.

The Company engages with groups that share its values and commitment to responsible mining. The Company's commitment is supported by its policies, procedures and voluntary codes to which the Company adheres. The Company cares about the health and well-being of its people, communities and environment, and promotes a culture of zero harm.

Juanicipio

The Juanicipio Mine and property is located in the Fresnillo District of Mexico near Fresnillo's Saucito and Fresnillo mines. As the operator of the Juanicipio Mine and of its wholly owned Saucito and Fresnillo mines, Fresnillo takes a 'district approach' to community relations in the area. The community relations team at Juanicipio often work in concert with their counterparts at the established Saucito and Fresnillo mines.

At Juanicipio, social assessment surveys were conducted in late 2023 to evaluate corporate image and reputational and social capital. Building on these survey results, key initiatives in 2024 included a Social Involvement Program to strengthen trust among employees, contractors and communities. As social ambassadors, Juanicipio employees and contractors shared key messages with local communities. Extensive community projects were undertaken, focusing on education, health, capacity building and microenterprise development. Initiatives for the communities near Juanicipio included partnerships to advance education in science, mathematics and climate change, and school gardening programs to promote sustainable practices. Additionally, community engagement was fostered through music and literacy education. Environmental outreach efforts included presentations to schools and community members on topics of importance such as climate change, waste management, clean water and drought mitigation.

The economic development projects collaborate directly with the communities through a staged approach, with support from Juanicipio. The approach aims to encourage the development of skills through productive projects moving towards self-sufficiency and the development of their local economies. These initiatives include the establishment and support of new microenterprises (bakery, jewelry workshop, cleaning product and biofertilizer businesses) through a phased, six-month support program from Juanicipio. The sewing collective is now self-sustaining and is one of Juanicipio's approved suppliers. The nopal cactus (also known as prickly pear cactus) forage project remains one of the more successful productive projects, expanding from the original one-hectare pilot to a multi-family operation. It now includes two mills and a total of three hectares cultivated for both commercial sale and family livestock feed.

Deer Trail Project and Larder Project

Community engagement at the Deer Trail and Larder projects is managed directly by the Company, with stakeholder relations expanding through designed contributions to community events, sponsorships and initiatives where employees engage in smaller community activities. Community engagement efforts provide team members with opportunities to explain project strategy and performance, while receiving feedback and guidance on matters of importance to stakeholders, allowing for two-way communication.

At the Larder Project there is an exploration agreement with two local First Nations that includes collaboration with an Environmental Elders Committee composed of representatives from the two First Nations and the Company. The committee met on two occasions in 2024 and included a site tour of the project installations. In addition, the Company conducted a stakeholder mapping exercise at the Larder Project in 2024. The process, known as Stakeholder360, identifies stakeholders, their concerns, social capital networks and overall sentiment (social license) towards the Larder Project. At the Deer Trail Project, a second Stakeholder360 exercise is planned for 2025 as a follow-up to the project's initial Stakeholder360 exercise, which was completed in 2023.

Following the introduction of the grievance mechanism and social investment framework to the Larder Project in 2022, there have been zero incidents or concerns reported. Employees are given refresher training on how and when to use the feedback mechanism tool, highlighting that it is intended to improve communication and proactively resolve issues of concern. The social investment framework aims to emphasize collaboration with local communities and provide support through employee volunteerism, donations, sponsorships, development programs and projects. The grievance mechanism tool and social investment framework have also been used at the Company's Deer Trail Project for many years. There was one minor grievance recorded in 2021 related to damaged piping that was immediately resolved. There have been no grievances reported since then.

### *Health and Safety*

The Company is committed to the health and safety of its employees, consultants, business partners and communities in which the Company operates. The Company's safety vision is to create a culture of zero harm and a workplace free of injuries and occupational illnesses. The Company requires its workers to participate in risk assessments involving their work, including job hazard analysis and field-level risk assessments, and workers are empowered to stop work if unsafe work practices or hazards are identified.

Juanicipio

The "I Care, We Care" safety management system has been fully adopted at Juanicipio and implementation is ongoing. The system identifies the most critical risks or risks with the greatest potential to harm individuals and, with collaboration from managers, supervisors, operators and contractors, implements the controls required to mitigate those risks. The system focuses on evaluating safety performance and monitors the progress of reducing High Potential Incidents and unsafe conditions in the workplace. There were no employee or contractor fatalities at Juanicipio in 2024.

Deer Trail and Larder Projects

Risk awareness and emergency preparedness continue to be key focal points in the proactive safety program at the Deer Trail and Larder projects. Both projects are participating in a Risk Competency and Integrated Medical Rescue Program developed for MAG. A specialized Internal Mountain Rescue Team was established through the program at Deer Trail to address emergency situations on site. Training also included additional first aid and emergency response training, safe driving, and wildlife awareness training. Employees continued to improve workplace safety inspections, hazard identification and risk mitigation techniques, and they participated in monthly risk scenario planning exercises.

Additional safety training at the Larder Project in 2024 included proper preparation for seasonal conditions and driving, first aid and emergency response training, fire prevention, wildlife awareness training and discussions around safe working procedures. Employees received training to improve workplace safety inspection, hazard identification and risk mitigation techniques, and they participated in monthly risk scenario planning exercises.

In 2024, there were no employee or contractor fatalities or lost time injuries recorded at the Deer Trail Project. At the Larder Project, there were two lost time injuries involving contractor personnel. Safety systems and behaviour training is being intensified in this area.

### *Environmental, Social and Governance Matters*

In 2024, the Company published its third annual sustainability report, which underscores MAG's fundamental commitment to transparency with its stakeholders while providing a comprehensive overview of the Company's environmental, social and governance ("**ESG**") commitments, practices and performance for the 2023 year. The 2023 Sustainability Report is supported by the MAG Silver 2023 ESG Data Table, which houses MAG's historical ESG performance data. The 2023 Sustainability Report and ESG Data Table are available on the MAG Silver website at the following link: https://magsilver.com/esg/reports/. Information contained in, or otherwise accessible through, the Company's website, including the 2023 Sustainability Report and ESG Data Table, do not form part of this AIF and are not incorporated into this AIF by reference.

The Company's ongoing analysis of ESG matters continues to highlight the importance of climate change risks in the mining sector and at the Company's projects and operation. In 2023, an initial Climate Risk and Opportunities Register for Juanicipio was discussed with Fresnillo personnel, and in 2024, a comprehensive ensemble-based climate assessment for Fresnillo (including Juanicipio) was performed. The results of this assessment will be described in MAG's 2024 Sustainability Report, expected to be published in the third quarter of 2025. The Company also completed an update of the Taskforce on Climate-related Financial Disclosures ("**TCFD**") report originally produced in 2021 and conducted a self-assessment of the Toward Sustainable Mining ("**TSM**") Climate Change Protocol. Physical climate change risks from both assessments are included in MAG's Risk Register and are reviewed regularly by the Enterprise Risk Advisory Committee ("**ERAC**") and reported to the Board. The Board has established a Technical Committee (the "**Technical Committee**") which, in conjunction with the Health, Safety, Environment and Community Committee (the "**HSEC Committee**"), reviews the technical aspects of safety and environmental risks, specifically climate change impacts and tailings management.

In 2021, the Company joined the United Nations Global Compact and annually reviews MAG's interaction and alignment with the United Nations' Sustainable Development Goals. The Company has submitted a Communication on Progress to the United Nations Global Compact each year since 2021. In 2024, the Company strengthened its management of human rights by developing an internal human rights framework assessment tool consistent with international protocols and through the integration of human rights matters in due diligence, risk assessments and training for the Company.

***HSEC Committee***

As part of its mandate to assist the Board in the oversight of ESG and sustainability matters, the HSEC Committee is responsible for reviewing MAG's sustainability conduct, including the Health, Safety, Environment and Social Responsibility Policies and the Human Rights Policy, and for monitoring the Company's practices and performance in these areas. The HSEC Committee is currently comprised of the following members of the Board: Selma Lussenburg (Chair), Tom Peregoodoff and Susan Mathieu. The HSEC Committee meets a minimum of four times per year and reports to the Board after each HSEC Committee meeting.

For additional information regarding the HSEC Committee, see " *Directors and Officers*" below.

***Governance and Nomination Committee***

The Governance and Nomination Committee of the Board also plays an important role in assisting the Board with its oversight of ESG matters. The Governance and Nomination Committee is responsible for developing and implementing governance guidelines and principles, providing governance leadership to the Company and monitoring governance programs and policies, including without limitation, the Code of Business Conduct and Ethics (the "**Code of Conduct**") and the Anti-Bribery and Anti-Corruption Policy. The Governance and Nomination Committee regularly reviews MAG's policies to ensure compliance with the applicable rules and regulations, and where necessary or desirable on account of governance trends that are appropriate for the Company, recommends changes, or the adoption of further policies, to the Board for approval. The Governance and Nomination Committee is currently comprised of the following members of the Board: Jill Leversage (Chair), Peter Barnes and Selma Lussenburg. The Governance and Nomination Committee meets a minimum of four times per year and reports to the Board after each meeting.

For additional information regarding the Governance and Nomination Committee, see " *Directors and Officers*" below.

***Technical Committee***

The mandate of the Technical Committee of the Board is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's operational performance and operating risks from a technical perspective. The Company's operations include exploration and development projects, operating mines, projects in reclamation and projects being considered as acquisition targets. The Technical Committee is currently comprised of the following members of the Board: Tom Peregoodoff (Chair), Susan Mathieu and Tim Baker. The Technical Committee meets a minimum of four times per year and reports to the Board after each Technical Committee meeting.

For additional information regarding the Technical Committee, see " *Directors and Officers*" below.

Health and Safety Policy

MAG is committed to the health, safety and welfare of its employees, directors, consultants and contractors, as well as the safety and well-being of their families and the communities surrounding the Company's operations. The Company expects all team members to take responsibility for their personal safety and for the safety of others working around them. MAG is committed to working towards a culture of zero harm. Through a strong risk management approach, MAG engages with and trains employees and contractors under its direction to recognize, understand and mitigate hazards of the workplace to prevent incidents and injuries.

In early 2023, the Company updated its Health and Safety Policy to strengthen its commitments to health and safety, namely around including the consideration of psychological risks and hazards in the workplace.

To achieve its health and safety commitments, MAG will:

- Provide team members with the necessary training, guidance, direction and knowledge to safely perform their tasks; and maintain records of the training.
- Promote employee participation in the development of health and safety standards such that our team members take ownership of their health and safety responsibilities.
- Institute, document and maintain a health and safety management system, applying proven management practices, to prevent personal harm, mitigate impacts and foster a culture of proactive safety management and open communication.
- Empower team members through regular engagement to promote behavioural safety as a core organizational value and to restate that their skills and competence are essential for their safety and the safety of others.
- Require that each site has an emergency response procedure, and that such procedures are regularly maintained and tested to minimize the impacts of unforeseen events.
- Provide access to first aid facilities and services, and obligate team members to wear personal protective equipment when required.
- Support and encourage the efforts of team members to gain the knowledge and skills to promote a safe and healthy life beyond the workplace.
- Identify, eliminate, isolate and/or mitigate health and safety risks and hazards that could result in incidents or injuries.
- Identify, eliminate, isolate and/or mitigate psychological risks and hazards in the workplace.
- Encourage and foster open communication and reporting of hazards, near-miss or potential incidents, while supporting team members in the timely resolution of unsafe conditions.
- Continuously seek improvements in policies and procedures to further lower risk and eliminate hazards through team member communication and feedback, motivation, reward and recognition; health and safety system reviews; and the incorporation of new technology, techniques and processes.
- Conduct periodic monitoring and audits to evaluate compliance with this Health and Safety Policy, applicable health and safety laws and regulations, standards, and permit and license conditions.

Environmental Policy

MAG is committed to wise environmental stewardship. MAG recognizes the importance of its role in effectively managing risks related to climate change and greenhouse gas (GHG) emissions, water use, biodiversity, and tailings and mine waste. MAG employees care about protecting the environment for future generations while providing for safe, responsible and profitable projects by developing natural resources for the benefit of our stakeholders.

In early 2023, MAG updated its Environmental Policy to strengthen its commitments to minimizing its environmental impact and protecting the natural environment of the areas in which the Company works or has an interest in.

To achieve its environmental commitments, MAG will:

- Fully comply with applicable environmental laws, regulations and other environmental obligations.
- Institute, document and maintain an environmental management system, applying proven management practices, to prevent pollution, mitigate impacts and foster a culture of environmental stewardship.
- Communicate our commitment to excellence in environmental performance with MAG employees, directors, consultants, contractors and communities in which the Company operates.
- Strive to minimize releases to the air, land or water, and establish appropriate treatment and disposal processes for waste, including tailings and mineral waste.
- Promote the efficient use of energy and material resources to minimize consumption and waste generation, prevent pollution and reduce emissions.
- Strive to protect water sources, reduce water use and recycle or reuse water wherever possible.
- Allocate the necessary resources to meet its reclamation and environmental obligations.
- Monitor performance and report progress to its stakeholders on a timely basis.
- Continuously seek improvements in policies and procedures to further lower risk through team member communication and feedback, motivation, reward and recognition; environmental system reviews; and the incorporation of new technology, techniques and processes.
- Engage openly and transparently with interested parties to develop a mutual understanding of environmental issues, needs and expectations.
- Conduct periodic monitoring and audits to evaluate compliance with this Environmental Policy, applicable environmental laws and regulations, standards, and permit and license conditions.

Social Responsibility Policy

In 2023, MAG updated its Social Responsibility Policy to address the increasing importance of human rights and engaging with local and Indigenous communities through meaningful dialogue and cooperation. The Company takes a shared-value approach to local development activities to promote sustainable and lasting economic and social benefits. MAG is focused on building trust and respect, considerate of its stakeholders' concerns, and making a positive difference in the communities in which the Company lives and works.

To achieve its social responsibility commitments, MAG will:

- Identify and engage our communities of interest in inclusive, transparent and culturally respectful dialogue before undertaking significant activities throughout the life of a project.
- Establish formal grievance and dispute resolution mechanisms as part of our overall community engagement process.
- Monitor, continuously improve and report on the performance and effectiveness of our activities related to corporate social responsibility.
- Monitor, continuously improve and report on the Company's conduct and performance including challenges in the prevention and mitigation of human rights matters.
- Implement meaningful and effective strategies for community engagement.
- Facilitate opportunities for community or individual growth.
- Encourage a culture of safety among our stakeholders and local communities.
- Respect the social, economic and cultural rights of local and Indigenous Peoples, and build cultural awareness across all of our projects and operations.
- Engage through meaningful dialogue and cooperation with Indigenous communities by seeking to fully inform and receive input on the likely impacts and opportunities arising from the Company's activities, including during social and environmental impact assessments of new projects.
- Support local and regional development in the areas of our operations and projects through training, employment and other mechanisms; and support sustainable development initiatives that benefit communities where we operate.

- Continuously seek improvements in policies, programs and initiatives to minimize social risk through team member development and ongoing community engagement processes.
- Adhere to applicable laws and regulations of the countries and regions in which we conduct our business, including those relating to human rights, and operate in a manner consistent with industry best practices.

Human Rights Policy

In 2024, MAG updated its Human Rights Policy to strengthen its commitment to promoting a culture of respect for human rights and inclusion that aligns with the United Nations Guiding Principles on Business and Human Rights, the International Labor Organization's ("**ILO**") Declaration on Fundamental Principles and Rights at Work, international humanitarian law and applicable local human rights legislation.

MAG strives to safeguard the promotion of human rights in the workplace and integrate human rights into its due diligence and risk assessment processes, and other policies and procedures.

To achieve its human rights commitments, MAG will:

- Respect the rights and dignity of our employees, directors, consultants, contractors, suppliers and business partners and community members affected by our business.
- Respect the rights, interests, culture and traditions of all stakeholders where we operate.
- Create a safe, inclusive and diverse workplace where decisions are non-discriminatory towards race, colour, religion, nationality, gender, gender identity and expression, ethnicity, age, marital status, creed, sexual orientation, political beliefs, pregnancy, disability or other basis prohibited by law.
- Respect workers' rights related to working conditions, freedom of peaceful assembly and association, freedom of speech, collective bargaining, maximum working hours and minimum wages, consistent with the relevant ILO conventions and applicable laws.
- Conduct regular and reasonable human rights due diligence to determine the actual and potential human rights impacts of our activities.
- Avoid causing or contributing to adverse human rights impacts through our activities, and cooperate in the remediation of adverse impacts through appropriate processes in the event they do occur.
- Take actions to raise employee awareness of applicable law, international standards and guiding principles for human rights and provide regular training on the Human Rights Policy.
- Respect the history, culture and traditional ways of Indigenous Peoples, their standing as distinct, self-determining peoples, and their interests in land, waters and the environment.
- Engage in constructive dialogue and partnerships with our stakeholders to better understand how our activities affect their human rights.
- Establish operations-level grievance and dispute resolution mechanisms for human rights issues; and if a human rights issue arises, assess and act upon findings of the investigation.
- Maintain a zero tolerance approach to the use of forced, compulsory or child labour.
- Continuously seek improvements to the Human Rights Policy and other human rights related programs and procedures to further embed respect for human rights into the Company's culture, operations and workforce.
- Report on human rights in various Company disclosure documents, including in our annual Sustainability Report and our annual United Nations Communication on Progress Report.

Diversity, Equity, and Inclusion Policy

In 2024, MAG updated its Diversity, Equity and Inclusion Policy. The Company believes in and embraces the benefits that diversity brings to its Board, members of senior management and all employees of the Company and its subsidiaries. Diversity, equity and inclusion promotes the recognition and use of all available talent, creates opportunities for innovation, drives strategic advantage to achieve the Company's objectives and deliver positive results to its stakeholders through a range of perspectives, experiences and expertise. The Company is committed to fostering and cultivating a diverse, equitable and inclusive culture and workforce by selecting the best individuals to occupy its Board, senior management and other roles within the Company, free of bias or discrimination. Diversity, equity and inclusion are defined in MAG's Diversity, Equity and Inclusion Policy as follows:

**"Diversity**" includes any dimension that can be used to differentiate individuals or groups of people from one another, including without limitation, gender, gender identity and gender expression, sexual orientation, age, language, race, nationality, cultural background, Indigenous status, religious beliefs, members of visible minorities and other ethnic distinctions, physical or mental abilities, marital or family status, education, regional and industry experience, and expertise.

**"Equity**" eliminates social inequalities in people, processes and systems to provide equal access and opportunities for all individuals.

**"Inclusion**" allows all individuals or groups of people feel welcomed, valued, respected and leveraged in all environments.

The Company is committed to creating and supporting a diverse, equitable and inclusive workplace that recognizes and values differences, where everyone is treated fairly and with respect, and where all employees have equal opportunity to succeed. To achieve this commitment, MAG will:

- Incorporate diversity, equity and inclusion considerations into practices and policies relating to recruitment and selection, compensation and benefits, professional development and succession planning.
- Implement diversity, equity and inclusion awareness training program to facilitate positive intergroup interaction, equitable and inclusive evaluation, and diversity management.
- Develop flexible scheduling programs for work arrangements and leave options that accommodate the diverse needs of our employees at different career and life stages, including those with family and caring responsibilities, to assist with recruitment and retention.
- Implement and assess the application of policies that address impediments to gender diversity in the workplace and that promote employment decisions that are transparent, merit-based, unbiased, equitable and procedurally fair.
- Continue to identify new ways to entrench diversity (including gender and other dimensions of diversity), equity and inclusion as a core value across the Company, including supporting and empowering employees to bring their individual experiences to a safe and supportive work environment, and feel a genuine sense of belonging at MAG.
- Monitor, continuously improve and report on the performance and effectiveness of the Company's activities related to diversity, equity and inclusion in the workplace.

MAG is committed to increasing Board and senior management diversity and has an annual target to achieve a minimum of 30% of the Board represented by gender diverse directors. Currently, 30% of MAG's Board are women. Going forward, MAG will continue its efforts to incorporate a broad range of diversity dimensions within the Board and management, while promoting a culture of equity and inclusion within the Company.

Code of Business Conduct and Ethics

The Company is committed to the highest standards of ethical business practice as is reflected in its Code of Conduct. The Company believes that following high standards of ethics and integrity is simply the right way to do business. Specific objectives of the Code of Conduct are to promote:

- honest and ethical conduct;
- handling of actual or apparent conflicts with the interests of the Company, including the avoidance of such conflicts and disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;

- confidentiality of corporate information;
- protection and proper use of corporate assets and opportunities;
- compliance with applicable governmental laws, rules and regulations;
- the prompt internal reporting of any violations of this Code of Conduct to an appropriate person; and
- accountability for adherence to the Code of Conduct.

The Code of Conduct provides guidance on ethical and legal responsibilities and all Company personnel are expected to comply with the Code of Conduct.

Anti-Bribery and Anti-Corruption Policy

The Anti-Bribery and Anti-Corruption Policy is critical to maintaining the Company's corporate reputation and protecting the interests of its shareholders, employees, customers, suppliers, business partners, stakeholders and communities. The objective of the Anti-Bribery and Anti-Corruption Policy is to provide guidance and procedures that enable the Company to conduct its business in an honest and ethical manner when dealing with public officials and all other parties, and in compliance with all applicable laws and regulations pertaining to bribery and corruption. All directors, officers, employees and key consultants annually acknowledge MAG's Anti-Corruption and Anti-Bribery Policy by signing a compliance certificate.

Whistleblower Protection Policy

The Company is committed to maintaining a system which allows it to receive, retain and address all complaints received relating to, among other things, accounting, internal accounting controls, auditing matters, violations of the Company's Code of Conduct, violations of other internal policies and guidelines (including anti-bribery and anti-corruption) or violations of any applicable law or regulation. The Board has delegated to the Audit Committee the responsibility for establishing procedures for: (i) the confidential, anonymous submission by directors, officers, employees, consultants, contractors and other stakeholders of the Company of concerns regarding whistleblowing matters; and (ii the receipt, retention and treatment of complaints received by the Company regarding whistleblowing matters.

The Company has established an independent, third-party, whistleblower hotline through Integrity Counts, a Canadian provider of global ethics reporting services. Integrity Counts, as an independent and external administrator of this helpline, allows any employee, contractor or member of the public who becomes aware of a violation of the Company's Code of Conduct, violations of other internal policies or guidelines or violations of any applicable law or regulations to anonymously report suspected violations. Submissions can be made in English, French or Spanish, twenty-four hours a day, seven days a week.

Enterprise Risk Management Framework

The Company is committed to improving its ability to create, enhance and protect enterprise value through the regular identification and management of risks in carrying on its business. The Company recognizes that risks represent both opportunities and threats, and therefore an effective, enterprise-wide risk management program is essential to enable the Company to pursue its strategic objectives and realize operational goals within an acceptable range of associated risk.

The ERAC, which is comprised of five members of the MAG management team, oversees the processes that are in place for identifying significant risks to the achievement of the Company's objectives, and confirms that procedures are established to mitigate the impact of significant risks in the best interests of the Company's stakeholders and in accordance with the risk appetite of the Company. The ERAC reports on the principal risks and mitigation strategies to the Audit Committee, the HSEC Committee and the Technical Committee on a quarterly basis, and to the Board at least annually, or more frequently as required.

All employees, directors, consultants and contractors providing services to MAG's majority owned and/or operated exploration projects and operations are responsible for incorporating the Company's Enterprise Risk Management Policy and practices into planning and business decisions to support the achievement of the objectives stated therein.

The Company will provide appropriate resources to establish a culture where an enterprise-wide risk management program is:

- Systematic, structured and integral to all of the Company's organizational processes, including strategic planning and decision making.
- Transparent and inclusive, engaging employees broadly to identify, assess and address risk considerations so that the Company's business culture supports value creation where appropriate risk/reward trade-offs are consistently made.
- Aligned with the Company's strategic planning, budgeting and other business cycles, and executed in a timely manner.
- Iterative and based on best available information, which is updated and reassessed as circumstances warrant.
- Influenced by human behaviour and cultural considerations, which are considered in all aspects of risk management.
- committed to the regular and reasonable use of appropriate human rights due diligence assessments to determine actual and potential human rights impacts of the Company's activities;
- inclusive of sustainability matters and environmental, ESG considerations in the risk assessment process;
- inclusive of cybersecurity and AI considerations in the related risks assessment process; and
- Adaptive to the Company's business needs and reviewed at least annually, and at any time there is significant change in the business or the environment in which the Company operates.

In addition, the Company has an established Corporate Crisis Management Team and Crisis Management and Communication Plan that provides guidelines for the successful and professional management and communication of business interruption events affecting MAG's operations, reputation, employees and their families, contractors, neighbouring communities and the surrounding environment.

## CARRYING ON BUSINESS IN MEXICO

The Company's primary property interest is located in Mexico. A summary of the regulatory regime material to the business and affairs of the Company is provided below.

### Mining Regulations

The exploration and exploitation of minerals in Mexico may be carried out by Mexican citizens or Mexican companies incorporated under Mexican law by means of obtaining concessions (covering exploration and exploitation). Due to the amendments to the Mexican Federal Mining Law (the "**Federal Mining Law**") as of April 8, 2023, concessions are currently granted by the Mexican federal government for a period of thirty years from the date of their recording in the Public Registry of Mining. However, the period granted to those concessions issued before such amendment will continue to have their original term (i.e., 50 years). Likewise, the holders of mining concessions are authorized to carry out not only exploration work, but also exploitation works.

Holders of concessions may, within two years and until one year prior to the expiration of such concessions, apply for their renewal for a term of twenty-five years. Failure to apply prior to the expiration of the term of the concession will result in termination of the concession. Concessions are subject to annual work requirements and payment of mining duties which are assessed and levied on a semi-annual basis. Such concessions may be transferred or assigned by their holders, but such transfers or assignments must comply with the requirements established by the Federal Mining Law and be registered before the Public Registry of Mining in order to be valid against third parties. Such record has to be requested within the fifteen business days following the execution or notarization of the corresponding assignment of rights agreement.

Although the Ley de Inversión Extranjera (the Law of Foreign Investment) provides that mineral concessions may also be obtained by foreign citizens or foreign corporations, the Mexican Federal Mining Law provides that such concessions may only be granted to Mexican citizens or Mexican corporations. Thus, foreign citizens or corporations may only obtain mineral concessions through the establishment of a subsidiary in Mexico. Foreign investment in Mexican companies must comply with certain requirements set forth in the Law of Foreign Investment.

The Federal Mining Law does not require payment of finder's fees or royalties to the Government, except for: (i) a mining royalty fee of 8.5% and a 1% extraordinary governmental fee on precious metals (see "*Mining Fees*" below); and (ii) a discovery premium or economic consideration in connection with claims or allotments contracted directly from the Mexican Geological Service that have been awarded pursuant to a public bid process. Holders of mining concessions are also required to pay mining concession fees which are assessed and levied on a semi-annual basis and charged at a per hectare rate that increase over time the longer the concessions are held.

On March 28, 2023, a legislative initiative aimed at amending multiple legal codes, including the Federal Mining Law, was presented to the Mexican Congress by the President of Mexico. The amendments pertain to, among other matters, granting of future mining permits and transfer of permits, shortening concession life, granting of future water permits, granting of exploration permits on behalf of exploration companies to the Mexican Geological Services, mine reclamation, profit-sharing requirements to distribute at least 7% of profits to local indigenous communities and management of mine waste. This initiative underwent a series of reviews and modifications, culminating in preliminary approval by the lower house of Congress, the Chamber of Deputies, on April 20, 2023. On April 29, 2023, the Mexican Senate approved the legislation. The amendments were approved by Mexico's Federal Executive Branch and published in the Official Gazette of the Mexican Federation on May 8, 2023 bringing the amendments into law on May 9, 2023. The Company is conducting a thorough review and evaluation of potential implications specifically concerning its 44% interest in Juanicipio, including the treatment of concessions issued under previous legislation. Numerous legal challenges to the legality and constitutionality of several aspects of these changes have been filed with various Mexican courts and are pending adjudication. For further information, see "*Risk Factors – Risks Related to the Regulatory Environment – Amendments to the Mexican Federal Mining Law.*"

### Foreign Investment Regulation

Foreign investment regulation in Mexico is primarily governed by the Law of Foreign Investment and its regulations. Foreign investment of up to 100% in Mexican mining companies is permitted. Companies with foreign investment in their capital stock must be registered with the National Registry of Foreign Investment which is maintained by the Ministry of Economy, and file certain reports and notices, including in certain circumstances, and under criterion determined by the Law of Foreign Investment, an annual report with respect to the operations carried out during the preceding fiscal year and/or quarterly reports with respect to the operations carried out during the preceding calendar quarter, which are necessary in order to renew their certificate of record with such registry.

### Environmental Regulations

Mexico has federal, state and municipal laws and regulations, as well as international agreements related to the protection of the environment and natural resources (the "**Environmental Laws**"), including laws and regulations concerning water pollution, air pollution, noise pollution, hazardous substances and forest protection. The main federal Environmental Law in Mexico is the Ley General del Equilibrio Ecológico y la Protección al Ambiente (the General Law of Ecological Balance and Environmental Protection or the General Law), pursuant to which general environmental rules and policies have been promulgated addressing air pollution, hazardous substances and environmental impact among various others.

Another federal law particularly relevant for the mining sector is the Ley General para la Gestión Integral de los Residuos (the General Law for Integrated Waste Management) and its regulations the Reglamento de la Ley General para la Prevención y Gestión Integral de los Residuos (the Regulations to the General Law for Integrated Waste Prevention and Management), which regulate the generation, handling, transportation, storage and final disposal of hazardous waste, as well as the import and export of hazardous materials and hazardous wastes, and assign liability for ownership and possession of contaminated sites and for contaminating activities. The Ley General de Desarrollo Forestal Sustentable (the General Law of Sustainable Forestry Development) and its regulations are also relevant, as they address reforestation obligations and compensation measures on projects which may have a deforestation impact, which may include mining projects.

On June 7, 2013, the Ley Federal de Responsabilidad Ambiental (the Federal Law of Environmental Liability) was enacted, under which any person or entity that directly or indirectly (for action or omission) causes damage to the environment, will be held liable and obliged to: (i) repair the damage, or in the event that such repair is not possible; and (ii) pay compensatory damages, subject to a corresponding judicial, administrative or criminal proceeding.

Applicable Environmental Laws contemplate the creation and regulation of Areas Naturales Protegidas (Natural Protected Areas), which along with Programas de Ordenamiento Ecológico (Ecological Ordinance Programs), constitute two of the main instruments that will regulate the use of land in the areas within their jurisdiction, including restrictions on certain activities and sectors, such as the mining sector.

In addition, there are a series of "**Mexican Official Norms**" which are technical standards issued by competent regulatory authorities, pursuant to the Ley General de Metrología y Normalización (the General Law of Metrology and Standardization) and to other laws that include the aforementioned Environmental Laws, which establish standards relating to air emissions, waste water discharges, the generation, handling and disposal of hazardous wastes (including specific Mexican Official Norms for the handling of mining tailings, which are considered mining hazardous wastes) and noise control, among others. There are Mexican Official Norms regarding soil contamination (mainly with total petroleum hydrocarbons and heavy metals) and waste management (the "**Ecological Standards**"). Of particular importance to the mining sector are Mexican Official Norms NOM-120-SEMARNAT-2011 regulating environmental protection of mining activities in certain zones, and NOM-141-SEMARNAT-2003 which addresses certain aspects of tailings from mining activities, among other Ecological Standards applicable to mining activities.

The Secretaría de Medio Ambiente y Recursos Naturales (the Ministry of the Environment and Natural Resources or SEMARNAT, for its initials in Spanish) is the federal agency in charge of establishing and overseeing environmental regulation at the federal level, including the General Law and federal statutes and the Environmental Laws, as well as the Ecological Standards. On enforcement matters the SEMARNAT acts mainly through the Procuraduría Federal de Protección al Ambiente (the Federal Bureau of Environmental Protection or PROFEPA, for its initials in Spanish) and in certain cases through other governmental entities under its control, such as the Comisión Nacional del Agua (the National Water Commission).

Environmental Laws also regulate environmental protection in the mining industry in Mexico. In order to comply with these laws, a series of permits, licenses and authorizations must be obtained by a concession holder during the exploration and exploitation stages of a mining project. Generally, these permits and authorizations are issued on a timely basis after the completion of an application and the fulfillment of the necessary requirements by a concession holder. Additionally, periodic reporting of hazardous wastes and federal air emissions and federal wastewater discharges to Federal authorities is required under the Environmental Laws. To the best of the Company's knowledge, all of the Company's property interests are currently in compliance with the applicable Environmental Laws.

The possible impact on the Company's operations from noncompliance or delays in required environmental approvals are discussed below in "*Risk Factors*", specifically "*Environmental regulations are becoming more onerous to comply with, and the cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of the Company's operations and the Juanicipio Entities' operations.*"

There are also legal and environmental obligations required to restore a mining operation to certain local standards upon closing the Company's mining operations. The required restoration activities include demobilization and removal of structures, mine rehabilitation, plant dismantling, as well as sanitation and reforestation of affected areas. The obligation generally arises when the mine is developed, and the environment is altered at the place of production. The Company records and accrues closure cost estimates on its property interests.

## Indigenous Communities

In the case of a mineral claim located within a land where an Indigenous or Afro-Mexican town or community is located, before issuing the corresponding mining concession title, the Ministry of Economy first needs to obtain the consent from such town or community approving the development of a mine.

In addition, the applicant must carry out a social impact assessment and obtain the authorization for the environmental impact statement, as well as to carry out the prevention, mitigation and indemnification measures.

## Currency

The official monetary unit of Mexico is the Mexican peso. The currency exchange rate freely floats and the country has no currency exchange restrictions. Nevertheless, following the significant devaluation of the Mexican peso in December 1994, uncertainties continue with respect to the financial situation of Mexico and the volatility of the Mexican peso. See "*Risk Factors*" below, specifically those risk factors dealing with currency fluctuation and inflation.

The following table presents a five-year history of the average annual exchange rates to convert one United States dollar into Mexican pesos, calculated by using the average of the exchange rates on the last day of each month during the given year.

| YEAR | AVERAGE EXCHANGE RATE (MEXICAN PESO/US$) |
|---|---|
| 2024 | 18.3250 |
| 2023 | 17.7620 |
| 2022 | 20.1136 |
| 2021 | 20.2824 |
| 2020 | 21.4935 |

### *Value Added Tax ("VAT") also known as "IVA" (Mexico)*

In Mexico, VAT is charged on the sale of goods, rendering of services, lease of goods and importation of the majority of goods and services at a rate of 16%. Proprietors selling goods or services must collect VAT on behalf of the Mexican Government. Goods or services purchased incur a credit for VAT paid. The resulting net VAT is then remitted to, or collected from, the Government of Mexico through a formalized filing process.

Lagartos has traditionally held a VAT receivable balance due to the expenditures it incurs whereby VAT is paid to the vendor or service provider. Collections of these receivables from the Government of Mexico often take months and sometimes years to recover, but Lagartos has to date been able to recover all of its VAT paid. The Juanicipio Entities also hold VAT receivable balance, and the collections of these receivables, if not recovered on a timely basis, can be credited against VAT payable.

### *Income Tax Regime (Mexico)*

The corporate tax rate in Mexico is 30%.

### *Dividends (Mexico)*

Dividends paid from accumulated previously taxed earnings by Mexican companies to foreign residents of Mexico are subject to withholding tax at the 10% rate. However, dividends in excess of previously taxed earnings are subject to the corporate tax rate on a grossed-up basis at the distributing company level. The effective rate after gross-up is 42.86%. For this purpose, Mexican businesses must maintain a previously taxed earnings account (Cuenta de Utilidad Fiscal Neta, or CUFIN).

Under existing Canada-Mexico tax treaties, this dividend withholding tax rate is reduced to 5%.

### *Profit Sharing (Mexico)*

Mexican companies are required to distribute to its employees 10% of the company's adjusted taxable income of the business (known as PTU). The PTU base is similar to taxable income for income tax purposes with certain exceptions, including no carry forwards of net operating losses. All employees have a right to receive the PTU, with the exception of managing directors and board members. The PTU was subject to review along with the amendments to the Federal labour law on outsourcing (see "*Amendments to the Federal labour law on labour subcontracting (or "outsourcing")*" under the "*Risk Factors*" heading below) and now is capped at either three months' salary or the average of the distribution of profits made to the employee in the past three years, whichever is more favourable to the employee.

### *Tax Losses (Mexico)*

Net operating losses ("**NOLs**") may be carried forward for 10 years; however, no carryback is allowed. The amount of NOLs that may be used in a particular tax year is adjusted for inflation for the period from the first month of the second half of the tax year when the loss was incurred until the last month of the first half of the tax year when the NOL is used.

### *Mining Fees (Mexico)*

The Mexican legislation includes several mining fees, which were recently modified by amendments to the Federal Governmental Duties Law published on the Mexican Official Gazette of the Federation on December 19, 2024, effective January 1, 2025. The fees are as follows:

- Mining royalty fee of 8.5% on income before tax, depreciation and interest;
- an extraordinary governmental fee on precious metals, including gold and silver, of 1% of gross revenues;
- Mining fee for each hectare of concession land that varies according to the year of the concession.

Mining concession holders that fail to develop mining works in accordance with the Federal Mining Law, during a consecutive two-year period within the first eleven years of the term of the concession, will pay on a semi-annual basis an additional mining fee equivalent to 50% to the maximum current mining duty. If the failure to carry out works remains unchanged, starting on the twelfth year, the additional fee will be doubled.

### *Tax Law for the State of Zacatecas*

The Government of the State of Zacatecas published the Ley de Hacienda del Estado de Zacatecas (the Tax Law for the State of Zacatecas), which came into effect on January 1, 2017 and imposes environmental taxes on activities, such as: (i) extraction of materials other than those regulated by the Federal Mining Law; (ii) emissions to the atmosphere; (iii) discharges of industrial waste into the soil and water; and (iv) deposit of industrial waste.

The Juanicipio Entities' operations are in the State of Zacatecas, and this tax law applies to the Juanicipio Mine. Minera Juanicipio challenged the legality of such taxes and in 2017 obtained an injunctive relief from a federal court, but the State of Zacatecas appealed this decision. In 2019, the Supreme Court of Justice of the Nation issued a final ruling on the matter with respect to Minera Juanicipio, in which the Court determined that:

- Two of the taxes are unconstitutional: (a) tax on extractive activities; and (b) tax on the deposit of industrial waste.
- The other two taxes were declared constitutional: (a) emissions to the atmosphere; and (b) discharge of industrial residues into the soil and water.

The annual cost to Minera Juanicipio of complying with the two taxes is not considered significant at this time and management's assessment is that it will not have an impact on the viability of Juanicipio.

# RISK FACTORS

Investing in the Company's securities involves a high degree of risk. In addition to the other information included or incorporated by reference in this AIF, investors should carefully consider the risks described below before purchasing the Company's securities. If any of the following risks actually occur, the Company's business, financial condition, financial performance and prospects could materially suffer. As a result, the trading price of the Company's securities, including the Common Shares, could decline and investors might lose all or part of their investment. The risks set out below are not the only risks the Company faces; risks and uncertainties not currently known to the Company or that are currently deemed to be immaterial may also materially and adversely affect the Company's business, financial condition, financial performance and prospects. Investors should also refer to and carefully consider the information disclosed in the Company's Canadian and U.S. regulatory filings available on SEDAR+ at www.sedarplus.ca and the SEC website at www.sec.gov, as such information may be modified herein, prior to making an investment in the Company.

## Risks Relating to the Company's Business Operations

***Estimates of Mineral Resources and Mineral Reserves are based on interpretation and assumptions and are inherently imprecise.***

The Mineral Resource and Mineral Reserve figures referred to in the 2024 Technical Report, this AIF and the documents incorporated herein by reference have been determined and valued based on assumed future prices, cut-off grades and operating costs. However, until mineral deposits are actually mined and processed, any Mineral Resources and Mineral Reserves must be considered estimates only. Any such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Estimates can be imprecise and depend upon geological interpretation and statistical inferences drawn from drilling and sampling analysis, which may prove to be unreliable. In addition, the grade and/or quantity of precious metals ultimately recovered may differ from that indicated by drilling results. Further, estimates of Mineral Reserves may not be able to be mined or processed profitably.

There can be no assurance that precious and base metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The grades of the reported Mineral Resource estimates are uncertain in nature and it is uncertain whether further technical studies will result in an upgrade to them. Further drilling on the deeper mineralized zones is required to complement the current metallurgical test work and add confidence in the continuity of mineralized zones in comparison to the current block model. Any material change in the quantity of mineralization, grade or mineralization to waste ratio or extended declines in market prices for silver and to a lesser extent prices for gold, zinc, and lead, may render portions of the Company's mineralization uneconomic and result in reduced reported mineralization. Any material reductions in estimates of mineralization, or of the Company's ability to extract this mineralization, could have a material adverse effect on the Company's results of operations or financial condition.

***There is no guarantee that licenses and permits required by the Company or Minera Juanicipio to conduct business will be obtained, which may result in an impairment or loss in the Company's mineral properties.***

The Company's and Minera Juanicipio's current and anticipated future operations, including further exploration, development and production activities on the Company's properties, require permits from various national, state/provincial and local governmental authorities. The Company and Minera Juanicipio may not be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at their projects. In addition, the grant of required licenses and permits may be delayed for reasons outside the Company's and Minera Juanicipio's control. Failure to obtain such licenses and permits on a timely basis, or failure to comply with the terms of any such licenses and permits that the Company and Minera Juanicipio do obtain, may adversely affect their respective business as the Company and Minera Juanicipio would be unable to legally conduct their intended exploration, development, production of a commercially viable material, or mining work, which may result in increased costs, delay in activities or the Company or Minera Juanicipio losing its interest in its mineral properties.

***Rights to use the surface of the Company's mineral properties are not guaranteed.***

The mineral properties in which the Company has an interest are generally located in remote and relatively uninhabited areas. Some properties, like Juanicipio, are near towns and other habitations, but there are currently no areas of interest to the Company within its mineral concessions that are overlain by significant habitation or industrial users. However, there are potential overlapping surface usage issues in some areas. Some surface rights are owned by local communities or "**Ejidos**" and some surface rights are owned by private ranching or residential interests. The Company will be required to negotiate the acquisition of surface rights in those areas where it may wish to develop mining operations. In some areas the Company has been required or is in the process of negotiating compensation for surface rights holders in order to secure right of access. In some areas, surface right compensation has been negotiated and is awaiting formal government approval. The Company's interest in a property or project could be adversely affected by an inability to obtain surface access permissions, or by challenges, regardless of merit, to existing surface access agreements.

There has been a trend in Mexico of increasing Ejido challenges to existing surface right usage agreements. The Company has already been impacted by this trend at its Cinco de Mayo project. Any further challenges to the access or exploration of any of the properties in which the Company has an interest may have a negative impact on the Company, as the Company may incur delays and expenses in defending such challenge and, if the challenge is successful, the Company's interest in a property could be materially adversely affected.

At the Larder Project in Ontario, the Company has an exploration agreement in place with two local First Nations.

***Most exploration projects do not result in commercially mineable deposits.***

Exploration for minerals and development of mining projects is a highly speculative venture necessarily involving substantial risk. The expenditures made by the Company on exploration and development described herein may not result in discoveries of commercial quantities of minerals.

The commercial viability of a mineral deposit is dependent upon a number of factors which are beyond the Company's control, including but not limited to the attributes of the deposit, commodity prices, government policies and regulation and environmental protection. Fluctuations in the market prices of minerals may render resources and deposits containing relatively lower grades of mineralization uneconomic. Further exploration or delineation will be required before a final evaluation as to the economic and legal feasibility of any of the Company's properties is determined. Even if the Company completes its exploration programs and is successful in identifying additional mineral deposits, it will have to spend substantial funds on further drilling and engineering studies before it will know if it has a commercially viable mineral deposit. Most exploration projects do not result in the discovery of commercially mineable mineral deposits.

Estimates of Mineral Reserves and Mineral Resources, mineral deposits and production costs can be affected by such factors as environmental permit regulations and requirements, Indigenous communities' rights, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. As a result, there is a risk such estimates are inaccurate. There can be no assurance that precious metals recovered in small-scale tests will be duplicated in large-scale tests under on-site conditions or in production scale. The probability of an individual prospect ever having Mineral Reserves is extremely remote. If a property does not contain any Mineral Reserves, any funds spent on exploration and development of that property will be lost. The failure of the Company to find additional economic mineral deposits on its exploration concessions will have a negative effect on the Company.

***The material property in which the Company has an interest is located in Mexico.***

The Company's primary operations are currently conducted in a foreign jurisdiction, Mexico, and, as such, the Company's operations are exposed to various levels of political, economic, social and other such risks and uncertainties. Risks and uncertainties include, but are not limited to, extreme fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies; prohibitions or restrictions for carrying out mining activities due to legal actions by Indigenous communities; restrictions on foreign exchange and repatriation; and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. In addition, there have recently been reports of increased domestic and international political unrest, police and military enforcement action against drug cartels and a corresponding increase in violent crime in Mexico.

Criminal activities, or the perception that criminal activities are likely, may disrupt operations, hamper the ability to hire and keep qualified personnel and impair access to sources of capital. Risks associated with conducting business in the region include risks related to personnel safety and asset security. Risks may include, but are not limited to, kidnappings of employees and contractors, exposure of employees and contractors to local crime related activity and disturbances, exposure of employees and contractors to drug trade activity, and damage or theft including future precious metal shipments, if any. These risks could result in serious adverse consequences including personal injuries or death, property damage or theft, limiting or disrupting operations, restricting the movement of funds, impairing contractual rights and causing the Company to shut down operations, all of which may expose the Company to costs as well as potential liability. Such events could have a material adverse effect on the Company's cash flows, earnings, results of operations and financial condition and make it more difficult for the Company to obtain required financing. Although the Company is developing procedures regarding these risks, due to the unpredictable nature of criminal activities, there is no assurance that the Company's efforts will effectively mitigate risks and safeguard personnel and Company property.

Mexico is currently subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. Mexico's status as a developing country may make it more difficult for the Company to obtain any required financing for its projects. Any changes in governmental laws, regulations, economic conditions or shifts in political attitudes or stability in Mexico are beyond the control of the Company, and may adversely affect the Company's business, including its interest in Juanicipio.

***Economic and political instability may affect the Company's business.***

The volatile global economic environment has created market uncertainty and volatility in recent years. Recent negative market trends and periods of instability in the market for metal commodities and related products as a result of global economic uncertainty, reduced confidence in financial markets and other macro-economic events that have been experienced in recent years, such as shifts in monetary policy in response to COVID-19, supply chain disruptions and/or heightened rates of inflation. These macro-economic events negatively affected the mining and minerals sectors in general, and the Company's market capitalization has been significantly reduced in periods of market instabilities. Many industries, including the mining industry, are impacted by these market and economic conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks.

A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, rates of inflation, fuel and energy costs, consumer debt levels, lack of available credit, cost of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including political conflict and unrest, world health pandemics, a significant rise or significant decrease in the price of oil and other commodities, supply chain disruptions, increases in inflation rates, the volatility of metal prices, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

***There are no assurances with respect to the relative strength and stability of future metal markets. The Company's liquidity and long-term ability to raise the capital required to execute its business plans may be affected by market volatilities.***

The Company's future profitability and the viability of development depends in part upon the world market price of silver, and to a lesser extent other metals including gold, lead, zinc and copper. Prices fluctuate widely and are affected by numerous factors beyond the Company's control. The price of silver is influenced by factors including industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of silver and other metals by producers' market activities, and speculators, as well as other global or regional political, social or economic events. The supply of silver and other metals consists of a combination of new mine production and existing stocks held by governments, producers, speculators and consumers, which could increase due to improved mining and production methods.

Prices and availability of commodities consumed or used in connection with exploration, development and mining, such as natural gas, diesel, oil and electricity, fluctuate and are subject to potential inflationary pressures, and these fluctuations affect the costs of production at various operations. These fluctuations can be unpredictable, can occur over short periods of time and may have a material adverse impact on the Company's operating costs or the timing and costs of various projects.

The Company assesses on a quarterly basis the carrying values of its mineral properties. Should market conditions and commodity prices worsen and persist in a worsened state for a prolonged period of time, an impairment of the Company's mineral properties may be required.

***Community relations may affect the Company's business, including its interest in Juanicipio.***

Maintaining a positive relationship with the communities in which the Company operates, including with respect to Juanicipio, is critical to continuing successful exploration, development and mining operations. As Fresnillo is the operator of Juanicipio, the community relations maintained with respect to that project lie outside the direct control of the Company. Community support for operations is a key component of a successful exploration, development and operation of a mine or exploration/development project. As a business in the mining industry, the Company may come under pressure in the jurisdictions in which it explores, develops and operates, to demonstrate that other stakeholders benefit and will continue to benefit from the Company's commercial activities. The Company may face opposition with respect to the Company's current and future development, exploration projects and mining operations which could materially adversely affect the Company's business, results of operations, financial condition and share price.

***The Company's activities may be impacted by a global pandemic or severe disease outbreak.***

A pandemic, similar to the COVID-19, or any future emergence and spread of similar pathogens could have an adverse impact on global economic conditions (including monetary policy and inflation) which may adversely impact the Company's operations and the operations of the Company's suppliers, contractors and service providers, and may negatively impact future financial periods in the event of prolonged disruptions associated with the pandemic. A sustained slowdown in global growth or demand, or a significant slowdown, could have an adverse effect on the price and/or demand for the Company's products. A global pandemic and the efforts to contain it, including any future restrictions on travel or other advisories issued, may have a significant effect on metal prices and demand, and potentially broader impacts on the global economy.

The economic impact of a pandemic may cause reduced customer demand, supply chain disruptions and increased government regulations, all of which may negatively impact the Company's business and financial condition.

In addition, any future emergence and spread of novel pathogens, could have a material adverse impact on global economic conditions, which may adversely impact: the market price of the Common Shares, the Company's operations, its ability to raise debt or equity financing for the purposes of mineral exploration and development, delay of certain infrastructure contracts, and the operations of the Company's suppliers, contractors and service providers.

***Emerging climate change regulations could result in significant costs and climate change may result in physical risks to a mining company's operations.***

Governments are moving to introduce climate change legislation and treaties at the international, national, state/provincial and local levels. Regulations relating to greenhouse gas emission levels (such as carbon taxes) and energy efficiency are becoming more stringent. If the current regulatory trend continues, and the increased transitional risks evolve as society and industry work to reduce their reliance on carbon, the operating costs could increase at the Company's operations. In addition, the physical risks of climate change may also have an adverse effect on the Company's operations. These physical risks include changes in rainfall rates, rising sea levels, reduced water availability, higher temperatures, increased snowpack and extreme weather events. Such events could materially disrupt the Company's operations if they affect the Juanicipio site, impact local infrastructure or threaten the health and safety of the Company's or Fresnillo's employees and contractors, and there can be no assurances that the Company or Fresnillo as operator of Juanicipio will be able to predict, respond to, measure, monitor or manage the physical risks posed as a result of climate change factors. Climate-related risks could also result in shifts in demand for certain commodities, including precious metals. The Company's own operations are exposed to climate-related risks as a result of geographical location. The Company has sought to reduce its environmental footprint and located its operations in appropriate facilities; however, the Company's operations may be adversely affected by climate change factors. Therefore, such an event could result in material economic harm to the Company.

The Company acknowledges international and community concerns around climate change. The Company supports initiatives consistent with international initiatives on climate change. However, the increased government regulation may result in increased costs at some of its mining operations if the current regulatory trend continues.

The occurrence of any climate change violation or enforcement action may have an adverse impact on the Company's operations, the Company's reputation and could adversely affect the Company's results of operations. Environmental hazards magnified by third parties may exist on a property in which the owners or operators are not aware and which could impair commercial success, levels of production and continued feasibility of mining operations on these properties.

## Risks Relating to Financing the Company's Business Operations

***Adequate funding may not be available, resulting in the possible loss or dilution of the Company's interests in its properties.***

Sufficient funding may not be available to the Company for further exploration, development and operation of its property interests. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration, development and operation of the Company's properties. If the Company becomes unable to meet its share of costs incurred under agreements to which it is a party, the Company may have its property interests subject to such agreements reduced as a result or even face termination of such agreements. In the case of Juanicipio, all costs relating to the project are required to be shared by the Company and Fresnillo pro-rata based on their ownership interests in the Juanicipio Entities, and if either party does not fund pro-rata, their ownership interest will be diluted in accordance with the Shareholders' Agreement.

The Company has an option to earn-in to the Deer Trail Project, and also has options to acquire interests in other mineral property claims. In order to obtain ownership of such mineral claims, it must make payments to the current owners and incur certain exploration expenditures on those properties. The requisite aggregate exploration expenditures have been spent by MAG as at the end of December 2024.

The Company may not have sufficient funds to: (a) fund its proportionate share of the Juanicipio Entities required capital contributions; (b) fund the royalty payments under the option agreement governing the Company's option to consolidate and acquire 100% of the Deer Trail Project and surrounding Alunite Ridge area in Piute County, Utah; (c) make the minimum expenditures to maintain its properties, including the Larder Project in good standing under applicable laws; (d) make the corresponding payments of semi-annual governmental (mining) duties to maintain its properties in good standing under applicable law; and (e) make the minimum expenditures to earn its interest in such properties. In such event, in respect of any of the properties, the Company may dilute its interest in such property interest, seek to enter into a partnership or joint venture, sell the subject property or elect to terminate its option.

The Company may require new capital to continue to operate its business and to continue with exploration, development and operation of its properties, and additional capital may not be available when needed, if at all.

***Substantial expenditures are required for commercial operations and if financing for such expenditures is not available on acceptable terms, the Company may not be able to justify commercial operations.***

Substantial expenditures are required to establish and process Mineral Reserves through drilling, to develop processes to extract the Mineral Resources and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for extraction. Although substantial benefits may be derived from the discovery of a major deposit, Mineral Resources may not be discovered in sufficient quantities to justify continued commercial operations, or the funds required for development may not be obtained at all or on terms acceptable to the Company.

The Company's expenditures are currently funded from its cash balances, which are the proceeds of loan repayments from Juanicipio as well as previous equity financings. The Company may require additional capital in the future from either equity or debt offerings to meet its project-related expenditures, as it is possible that the Company will not generate sufficient cash flow to meet all of its future expenditure requirements.

***The Company's future liquidity may depend upon its ability to repatriate cash from Juanicipio or arrange significant additional debt or equity financing.***

The Company's future liquidity may depend upon the ability of the Company to obtain the necessary financing to complete the development of its interests and achieve profitable production or, alternatively, upon the Company's ability to dispose of its interests on a profitable basis. Given the Company incurred losses from inception to 2020, and does not have any operating cash flow within its control, there can be no assurance that positive cash flows generated by Juanicipio will be distributed to the Company, additional capital or financing will be available if needed, or that, if available, the terms of such financings will be acceptable to the Company. If the Company raises additional funds through the sale of equity securities or securities convertible into equity securities, shareholders may have their equity interest in the Company diluted.

***The Company has a history of losses and values attributed to the Company's assets may not be realizable.***

The Company has a history of losses and, prior to 2020, no income from its investment in Juanicipio. The revenues generated at Juanicipio in 2020-2024 from processing mineralized development material through the Fresnillo processing plants, and in 2023 and 2024 from the commercial production of mineralized development material at the Juanicipio plant, net of processing and treatment charges, were being used by the Juanicipio Entities to offset initial project capital and working capital cash requirements.

Prior to 2020, the Company had no proven history of performance, earnings or success. The amounts attributed to the Company's exploration concessions in its financial statements represent acquisition, exploration and development costs and should not be taken to represent realizable value with certainty. The Company anticipates continued losses until a project enters commercial production on a profitable basis. If the Company is unable to generate revenues with respect to its properties on a consistent basis, the Company will not be able to earn profits which would adversely affect its business and prospects.

***The Company has historically had negative cash flows.***

The Company has experienced net losses in the past and may incur similar losses in the future until and unless it can derive sufficient cash flows from its investments in mineral projects. Future negative cash flows could have an adverse effect on the market price of the Common Shares.

***The Company faces risks related to the Facility***

The Facility includes certain customary restrictive covenants. The Company does not currently anticipate any significant risk in complying with the financial ratios or financial covenants contained in the Facility. However, if the current facts and circumstances faced by the Company were to change to unexpected operational issues or due to other factors beyond the Company's control, such changes could result in the Company being subject to certain restrictions under, or being found in default of, the Facility. Future exploration work and development of the properties in which the Company has an interest may depend upon the Company's ability to repatriate capital from its interest in the Juanicipio Mine, obtain financing through joint venturing of projects, raise additional debt or equity financing, maintain the Facility or raise financing through other means. Failure to gain access to such financing on a timely basis may have an adverse impact on the business of the Company.

## Risks Relating to the Development and Operation of Juanicipio

***The Company is subject to uncertainties and risks relating to the operation of the Juanicipio Mine.***

The Company is subject to inherent uncertainties and risks related to the operation of the Juanicipio Mine, the principal of which include: problems with the processing plant; delays and cost overruns associated with contractors; delays and cost overruns associated with production timelines; budget overruns due to changes in costs of power, fuel, labour, materials and supplies; underground development; and potential opposition from non-governmental organizations, environmental groups or local groups which may delay or prevent activities.

Minera Juanicipio has prepared budgets for ore to be mined and processed and the related operating and sustaining capital expenditures for Juanicipio, but no assurance can be given that such budgeted material processed and costs will be achieved. Failure to achieve cost estimates or material increases in costs could have an adverse impact in future cash flows, profitability, results of operations and financial condition. It is common in new mining operations to experience such unexpected costs, problems and delays during start-up and operation. In addition, delays in mineral production often occur. Accordingly, the Company cannot provide assurance that its activities will result in profitable mining operations at the Juanicipio Mine.

***The Company's capital and operating costs, production schedules and economic returns are based on certain assumptions which may prove to be inaccurate.***

The Company's expected operating and capital costs, production estimates, anticipated economic returns and other projections, estimates and forecasts for its mineral properties that are included in this AIF and the documents incorporated by reference herein are based on assumed or estimated future metals prices, cut-off grades, operating costs, capital costs, rates of inflation, metallurgical recoveries, that the actual ore mined is amenable to mining or treatment, environmental considerations, labour volumes, permitting and other factors, any of which may prove to be inaccurate. The 2024 Technical Report includes estimates of future production, development plans, operating costs, capital costs and other economic and technical estimates for Juanicipio. These estimates are based on a variety of factors and assumptions and there is no assurance that such production plans, costs or other estimates will be achieved. Actual production, costs and financial returns may vary significantly from the estimates depending on a variety of factors, many of which are not within the Company's control.

The Company's operating and capital costs are affected by the cost of commodities and goods, such as explosives, fuel, electrical power and supplies. Significant declines in market prices for gold, silver and other metals could have an adverse effect on the Company's economic projections. Management of the Company assumes that the materials and supplies required for operations, development and commercial production will be available for purchase and that the Company will have access to the required amount of sufficiently skilled labour. As the Company relies on certain third-party suppliers and contractors, these factors can be outside its control and an increase in the costs (due to inflation, impacts of the Russia and Ukraine conflict, the Israel-Hamas conflict or otherwise) of, or a lack of availability (due to supply chain disruption or otherwise) of, commodities, goods and labour may have an adverse impact on the Company's financial condition. The Company may experience difficulty in obtaining the necessary permits for its exploration, development or operational activities, if such permits are obtained at all, and may face penalties as a result of violations of permits or other environmental laws, which may cause delays and increases to projected budgets. Any of these discrepancies from the Company's expected operating and capital costs, production schedules and economic returns could cause a material adverse effect on the Company's business, financial condition and results of operations.

The Company has in the past, and may in the future, provide estimates and projections of its future production, costs and financial results. In addition, Fresnillo, as operator of Juanicipio, has in the past, and may in the future, provide estimates and projections of future production, costs and financial results expected from Juanicipio.

***Juanicipio capital requirements contemplated in the 2024 Technical Report are subject to volatility and uncertainty.***

The continued development and operation of Juanicipio will use significant amounts of commodities, consumables and other materials. Prices for steel, concrete, fuel and other materials, commodities and consumables required for mine development can be volatile and price changes can be substantial, occur over short periods of time and be affected by factors beyond control of the project operator. Higher costs for construction materials like steel and concrete, the impact of the Mexican peso exchange rate on various development inputs, or tighter supplies can affect the costs and timing of the project development.

The continued development of Juanicipio will also utilize significant amounts of large and small equipment that may be critical to the development and operation of the project. Repeated and/or unexpected equipment failures and/or unavailability of equipment could cause interruptions or delays in the development.

Further, there is no certainty that the estimates described in the 2024 Technical Report will be realized. Any changes in the mine plan, mine design and/or scope of operations from those envisioned in the 2024 Technical Report may have a significant adverse impact on capital costs than is currently expected.

***Mineral projects, such as Juanicipio, are uncertain and it is possible that actual capital and operating costs and economic returns will differ significantly from those estimated for project production.***

The operation of the mine at Juanicipio requires significant expenditures to achieve planned production targets. The economic feasibility of mineral projects is based on many factors, such as: estimation of Mineral Reserves, anticipated metallurgical recoveries, environmental considerations and permitting, future silver prices, and anticipated capital and operating costs of such projects.

Estimates of Mineral Resources, Mineral Reserves and anticipated cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and other factors. As a result, it is possible that actual capital, operating costs, production costs and economic returns will significantly differ from those currently estimated for Juanicipio.

Any of the following events, among others, could affect the profitability of Juanicipio: unanticipated changes in grades and tonnes of development and mineralized stope material to be mined and processed; unanticipated adverse geologic conditions; unanticipated adverse geotechnical conditions; unanticipated metallurgical recovery problems; incorrect data on which engineering assumptions are made; availability of labour; costs of processing and refining facilities; delays resulting from future pandemics similar to COVID-19; availability of economic sources of power; adequacy of water supply; adequate access to the site; unanticipated transportation costs; government regulations (including regulations with respect to the environment, prices, royalties, duties, taxes, permitting, restrictions on production, quotas on exportation of minerals); fluctuations in silver prices; and accidents, labour actions and force majeure events.

***The Juanicipio Mine plan and design and the financial results may not be consistent with the 2024 Technical Report.***

The 2024 Technical Report is based on both Mineral Resource and Mineral Reserve estimates and reflects a processing capacity of 4,000 tpd. However, Fresnillo may adopt alternate mine plans and other changes, and the scope of operations, if any, may differ materially from those presented in the 2024 Technical Report.

Further, there is no assurance that future required permits will be issued on a timely basis or at all. (See " *There is no guarantee that licenses and permits required by the Company or the Juanicipio Entities to conduct business will be obtained, which may result in an impairment or loss in the Company's mineral properties*" above).

The 2024 Technical Report includes estimated Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves and there is no certainty that the estimates described in the 2024 Technical Report will be realized. There is no guarantee that development and operation will be carried out in accordance with the 2024 Technical Report, and if carried out, that operating or financial results will be consistent with the 2024 Technical Report.

***The continued operation of Juanicipio may be adversely impacted by a lack of access to a skilled workforce.***

The continued development and operation of Juanicipio will depend on availability of a skilled workforce, including, but not limited to, mining and mineral, metallurgical and geological engineers, geologists, environmental and safety specialists, and mining operators to explore and develop the project. Inadequate access to an available skilled workforce (including as a result of a disease outbreak or worker restrictions similar to during the COVID-19 pandemic), could compromise many aspects of the operation's feasibility, viability and profitability, including, but not limited to, the production schedules, capital and operating costs.

***The Company's operations are subject to labour risks.***

Juanicipio is and will be dependent on its workforce, and that of its specialized contractors, to extract and process minerals, and is therefore sensitive to its ability to source skilled labour in country, to a labour disruption of the project's operations or to changes to laws. Fresnillo, as operator of Juanicipio, endeavours to maintain good relations with its workforce and specialized contractors in order to minimize the possibility of strikes, lockouts and other stoppages at its work sites. Relations between the Juanicipio Entities and its employees and contractors may be impacted by changes in labour relations that may be introduced by, among other things, employee groups, unions and the relevant governmental authorities in Mexico. As the Juanicipio Entities' operations depend upon the efforts of its employees and contractors, the operations would be adversely affected if it failed to maintain satisfactory labour relations. In addition, relations between the Company and its employees and contractors may be affected by changes in labour and employment laws. Changes in such legislation or in the relationship between Minera Juanicipio and its employees and contractors may have a material adverse effect on the Company's business, results of operations, financial condition or prospects.

***The continued operation of Juanicipio may be adversely impacted by lack of access and availability of infrastructure, power and water, and other matters.***

The continued operation of Juanicipio will require access to and an ability to maintain adequate and reliable infrastructure, including roads, power sources and water systems. If the required infrastructure is not readily available, it may have to be built, and there is no assurance that it can be built in a timely manner or at all. There is no assurance that the Juanicipio Entities can access and maintain the infrastructure needed, or, where necessary, obtain rights of way, government authorizations and permits to construct, or upgrade the same at a reasonable cost, in a timely manner, or at all. Access to infrastructure may also be interrupted by natural causes, such as drought, floods, earthquakes and other weather phenomena, or man-made causes, such as blockades, sabotage, conflicts, government issues, political events, protests, rationing or competing uses, as well as global pandemics.

Inadequate, inconsistent or costly infrastructure could compromise many aspects of the project's feasibility, viability and profitability, including, but not limited to the capital and operating costs.

***Amendments to the Federal labour law on labour subcontracting (or "outsourcing") may impact the Company's operations.***

Labour reform legislation on subcontracting and outsourcing in Mexico was published on April 23, 2021 (the " **Reform**"). The Reform amends several Mexican laws, including the Federal labour law, and seeks to, amongst other things, regulate outsourcing as follows: (i) to prohibit the use of subcontracting as it has historically been used in Mexico; and (ii) to allow an exception for specialized services under regulated circumstances. This Reform legislation came into effect on September 1, 2021.

The Reform changes are not expected to have a significant impact on the viability of Juanicipio. However, with various restrictions on hiring contractors, Fresnillo, as operator, internalized a portion of its workforce and now performs much of the development work directly rather than outsourcing it to contractors, and hence invest in equipment not previously planned to be utilized in underground operations.

Other general tax amendments are referred to under the risk factor titled "*Mexican Foreign Investment and Income Tax Laws apply to the Company*" below.

***Juanicipio development decisions and production results may differ from those envisaged in the 2024 Technical Report.***

The actual scope, operating results and production results of Juanicipio may differ from the scope, operation results and production results envisaged in the 2024 Technical Report. Mineral Resources that are not Mineral Reserves do not demonstrate economic viability and there is no certainty that Mineral Resources will ever become Mineral Reserves. There can be no certainty that the results in the 2024 Technical Report will be realized. Fresnillo is the project operator and the actual continued exploration, operation and production may be materially different than as contemplated in the 2024 Technical Report. As a result, there are additional risks as to the extent of capital and operating costs, mineral recovery and financial viability of the project.

***The Company may encounter certain transportation and refining risks that could have a negative impact on its operations.***

Mined materials and mineral concentrates containing combinations of metals that are produced at the Juanicipio Mine are transported to refiners and smelters. This type of process involves certain environmental and financial risks. The Company could be subject to potential significant increases in transportation charges and treatment and refining charges. Transportation of such materials and mineral concentrates is also subject to numerous risks including, but not limited to, delays in delivery of shipments, roadblocks, theft and other criminal activities, civil unrest, weather conditions and environmental liabilities in the event of an accident or spill. The Company could be subject to limited smelter availability and capacity and could also face the risk of a potential interruption of business from a third-party beyond the Company's control, which in both cases could have a material adverse effect on the Company's business, operations, financial performance and financial condition. There is no assurance that smelting, refining or transportation contracts for the Juanicipio Mine's production will be entered into and/or renewed on acceptable terms or that the counterparties to such contracts will meet their respective obligations thereunder. If the Company is unable to effectively process and refine its materials and mineral concentrates on acceptable terms or if the counterparties to any smelting, refining and transportation contracts fail to meet their respective obligations thereunder, the Company's business, operations, financial performance and financial condition could be materially adversely impacted.

## Risks Relating to the Company's Property Titles

***The Company's mineral properties are subject to title risk and any challenge to the title to any of such properties may have a negative impact on the Company.***

The Company's mineral property rights, including its indirect interest in Juanicipio, may be subject to prior unregistered agreements, transfers and claims, and title may be affected by, among other things, undetected defects. Title to, and the area of, the mineral interests held by the Company may be disputed. Other parties, including, without limitation, Indigenous communities, may dispute title or access to the properties in which the Company has an interest. The Company's property interests may also be subject to prior unregistered agreements or transfers or land claims, and title may be affected by such undetected defects. Any challenge to the title or access to any of the properties in which the Company has an interest may have a negative impact on the Company as the Company will incur delay and expenses in defending such challenge and, if the challenge is successful, the Company may lose any interest it may have in the subject property.

***Certain of the Company's mineral properties may now or in the future be the subject of Indigenous rights claims.***

Certain of the Company's mineral properties, and in particular the Larder Project, may now or in the future be the subject of Indigenous rights claims, including treaty rights and Métis rights claims. The legal nature of Indigenous claims is a matter of considerable and evolving complexity. In a number of court decisions, the Supreme Court of Canada has affirmed the obligation on the Crown to consult with Indigenous peoples prior to authorizing the development of resources in Indigenous territory, such as mineral development. Treaties between the Crown and Indigenous people enshrine certain rights, and impose certain obligations on the Crown with respect to the treaty area. Métis rights and aboriginal title may also be claimed, and may require consultation and accommodation which can affect the development of Mineral Resources.

The impact of any such claim on the Company's interest in its mineral properties cannot be predicted with any degree of certainty and no assurance can be given that the exercise or recognition of Indigenous rights in the areas in which the Company's mineral properties are located, including by way of negotiated settlements or judicial pronouncements, would not have an adverse effect on the Company's activities. In addition, there is no assurance that the Company will be able to maintain practical working relationships with Indigenous groups which would allow it to ultimately develop the Company's mineral properties.

***Title opinions provide no guarantee of title and any challenge to the title to any properties may have a negative impact on the Company.***

There is no guarantee that title to any concessions in which the Company has or will acquire a material interest will not be challenged or impugned. In Mexico, a title opinion does not provide absolute comfort that the holder has unconditional or absolute title. Any challenge to the title or access to any of the properties in which the Company has an interest, including its indirect interest in Juanicipio, may have a negative impact on the Company as the Company will incur expenses in defending such challenge and, if the challenge is successful, the Company may lose any interest it may have in the subject property.

***Titles to the properties in which the Company has an interest that are not registered in the name of the Company may result in potential title disputes having a negative impact on the Company.***

All of the agreements under which the Company may earn interests in properties, including any indirect interest acquired through Minera Juanicipio, have either been registered or been submitted for registration with the Mexican Public Registry of Mining or the applicable Canadian or U.S. authority, but title relating to the properties in which the Company may earn its interests may be held in the names of parties other than the Company. Any of such properties may become the subject of an agreement which conflicts with the agreement pursuant to which the Company may earn its interest, in which case the Company may incur expenses in resolving any dispute relating to its interest in such property and such a dispute could result in the delay, indefinite postponement of further exploration, development, construction and operation of properties or the possible loss of such properties.

## Risks Related to Minority Interest Investment in Juanicipio

***The Company is a minority shareholder and non-operator of the Juanicipio Entities and therefore is dependent on, and subject to, the decisions of the majority shareholder and operator of the Juanicipio Entities.***

The terms of the Shareholders' Agreement and corporate by-laws governing the operation of the Juanicipio Entities provide effective control to Fresnillo over many of the activities and operating decisions of the Juanicipio Entities, including decisions with respect to cash flows of such entities, since it holds a majority (56%) of the shares of the Juanicipio Entities. While a limited number of decisions of the shareholders or the directors of the Juanicipio Entities require a special majority of 60%, and in one instance 75%, giving the Company an effective veto over any such decisions, the Company is a minority shareholder and non-operator of Juanicipio and is dependent on Fresnillo to manage and operate the affairs of the Juanicipio Entities and to do so in compliance with the Shareholders' Agreement (which, among other things, requires Fresnillo to manage and operate the Juanicipio Entities in accordance with best industry practices), the by-laws of each of the Juanicipio Entities and applicable Mexican law. If Fresnillo manages the affairs of the Juanicipio Entities in a manner that results in violation(s) of the Shareholders' Agreement, by-laws or applicable laws, such violation(s) may have an adverse impact on the Company. Any disputes under the Shareholders' Agreement are subject to arbitration in Mexico under applicable Mexican laws.

Fresnillo, as operator of Juanicipio, has the ability to undertake certain actions, legal or otherwise, which may result in the shareholders of the Juanicipio Entities having to fund cash calls. The Shareholders' Agreement calls for adjustments to the interests of the shareholders in the Juanicipio Entities where either shareholder fails to fund cash calls within certain specified periods. If the Company fails to fund cash calls, it risks having its interest reduced, may lose its effective veto power over certain decisions and ultimately could be diluted out of the Juanicipio Entities altogether. Fresnillo is a much larger entity with far greater access to financial resources than the Company.

As operator, Fresnillo has control of the timing of cash calls, cash distributions and the timing thereof, relationships with contractors and employment matters together with other operational matters. The Company's lack of control over such matters could have an adverse impact on the Company.

***The Company holds its Juanicipio interest through a minority shareholding in the Juanicipio Entities and therefore may be adversely impacted by disputes amongst the shareholders.***

The Company's 44% interest in the Juanicipio Entities is subject to the risks normally associated with the conduct of incorporated businesses with multiple shareholders. The existence or occurrence of one or more of the following circumstances and events, for example, could have a material adverse impact on the Company's operations and financial condition or the viability of its interests held as a shareholder: disagreement between shareholders on how to conduct business efficiently; inability of the shareholders to meet their obligations to the business operations or third parties; or litigation arising between shareholders.

Minera Juanicipio and Equipos Chaparral are organized through corporations that are formed under and governed by the laws of Mexico. The laws in Mexico do not provide all of the same protections that are available to shareholders of corporations that are formed under the laws of Canada or the United States. Accordingly, any dispute between the Company and Fresnillo as the shareholders of Minera Juanicipio and Equipos Chaparral could have a materially adverse effect on the Company.

In 2010, MAG initiated arbitration proceedings with the International Court of Arbitration of the International Chamber of Commerce. In May 2011, the Company announced that it had received a favourable ruling, dated April 28, 2011, of a three-member arbitral panel of the International Court of Arbitration of the International Chamber of Commerce with respect to the arbitration proceedings against Fresnillo. In its ruling, the arbitral tribunal awarded MAG $1.86 million in damages. Although this dispute between the Company and Fresnillo was ultimately determined in favour of the Company, there can be no guarantee that future disputes between the parties will not arise and lead to further litigation proceedings, the outcome of which is uncertain.

***The Company has significant shareholders that may be able to exert influence over the direction of the Company's business.***

Based upon the Company's review of the insider reports filed with System for Electronic Disclosure by Insiders (SEDI) with respect to Fresnillo, Blackrock Investment Management ("**Blackrock**") and Van Eck Associates Corp. (" **Van Eck**"), and their respective affiliates, as at the date of this AIF, the Company believes that each holds approximately 9.02%, 10.22% and 9.01%, respectively, of the Common Shares. Accordingly, Fresnillo, Blackrock and Van Eck, either in unison and/or individually, may have some influence in determining the outcome of any corporate transaction or other matter submitted to the shareholders of the Company for approval, including business combinations and any proposed sale of all or substantially all of the Company's assets. Unless full participation of a number of shareholders takes place in such shareholder meetings, Fresnillo, Blackrock and/or Van Eck may be able to approve on its own, or effectively prevent the approval, of any such significant corporate transactions.

Further, the significant ownership of Common Shares by Fresnillo, Blackrock and Van Eck may affect the market price and liquidity of the Common Shares. The effect of these rights and their influence may impact the price that investors are willing to pay for Common Shares. If any of these parties sells a substantial number of Common Shares in the public market, the market price of the shares could decrease.

The presence of a dominant shareholder like Fresnillo, that is the operator of Juanicipio, and has substantial property holdings surrounding Juanicipio, may give rise to potential conflicts of interest, as Fresnillo's interests may differ from, or be adverse to, the interests of the Company's other shareholders. Without the consent and cooperation of Fresnillo, the Juanicipio Entities may be prevented from entering into transactions that would be beneficial to the Company and its other shareholders.

## Risks Relating to the Regulatory Environment

***Amendments to the Federal Mining Law may affect the Company's operations.***

On March 28, 2023, a legislative initiative aimed at amending multiple legal codes, including the Federal Mining Law, was presented to the Mexican Congress by the President of Mexico. The amendments pertain to, among other matters, granting of future mining permits and transfer of permits, shortening concession life, granting of future water permits, granting of exploration permits on behalf of exploration companies to the Mexican Geological Services, mine reclamation, profit-sharing requirements to distribute at least 7% of profits to local indigenous communities and management of mine waste. The amendments were brought into law on May 9, 2023. The Company is conducting a thorough review and evaluation of potential implications specifically concerning its 44% interest in Juanicipio, including the treatment of concessions issued under previous legislation. Numerous legal challenges to the legality and constitutionality of several aspects of these changes have been filed with various Mexican courts and are pending adjudication. Minera Juanicipio is committed to monitoring these judicial proceedings with the utmost attention. For further information, see "*Carrying on Business in Mexico – Mining Regulations*".

***The Company may become subject to tariffs or other restrictive trade measures.***

On February 1, 2025, President Donald Trump announced that the United States of America (the " **US**") was imposing a 25% tariff on all goods originating in Canada and Mexico and imported into the United States, and a 10% tariff on energy resources imported from Canada. He also announced the imposition of tariffs on China and has made open comments expressing the possibility of imposing additional tariffs on other countries. The Canadian federal government then promptly announced the imposition of a 25% tariff on a list of US exports to Canada. Mexico and China announced retaliatory tariffs as well. On February 3, 2025, the President announced a pause on the imposition of the US tariffs on Canadian and Mexican goods for a 30-day period and the Canadian government then withdrew its tariffs. On March 6, 2025, the President announced another pause on the imposition of the US tariffs on Canadian and Mexican goods for a period elapsing April 2, 2025.

The timing, possibility and rates of the potential US tariffs, and the countries on which they are levied are difficult to predict at this time. However, US tariffs are likely to be met with retaliatory tariffs and a multi-country trade war against the US could develop. The Company does not export products to the US and would not be directly impacted by the imposition of the new tariffs on goods imported into the US. However, the economic impact of tariffs or a broader trade war on the Canadian economy, the US economy and the global economy could negatively impact capital markets and the Company's ability to raise funds to undertake its exploration and work programs.

A Canada-US trade war has the potential to adversely impact global supply chain and make supplies required by the Company for its exploration programs or future construction programs harder to obtain or unavailable. Canadian tariffs or scarcity in the global supply chain would likely increase the cost of supplies required by the Company, which could impair the Company's ability to undertake all of the work it plans to perform. The indirect effects of tariffs imposed by the US or by both countries are difficult to assess, but the potential for tariffs represents a risk to the Company's ability to fulfill some of its key objectives.

***The environment in which the Company operates may not adhere to international standards with respect to security and human rights.***

The Company's operations, development projects and exploration activities extend to jurisdictions which may be considered to have an increased degree of security risk and criminal activity. The impacts of these risks could impede the exploration, development and operation of the Company's mines in these countries. See also the risk factor "*The properties in which the Company has an interest are located primarily in Mexico*".

In addition, civil disturbances and criminal activities, such as trespass, illegal mining, sabotage, theft and vandalism, may cause disruptions at certain of the Company's operations. The Company has taken certain measures to protect its employees, property and production facilities from these risks. The measures that have been implemented by the Company cannot guarantee that such incidents will not continue to occur and such incidents may halt or delay production, increase operating costs, result in harm to employees or trespassers, decrease operational efficiency, increase community tensions or result in criminal and/or civil liability for the Company or its employees and/or financial damages or penalties.

The manner in which the Company's personnel, which includes security, respond to civil disturbances and criminal activities can give rise to additional risks where those responses are not conducted in a manner that is consistent with international standards relating to the use of force and respect for human rights. The Company has implemented a number of measures and safeguards which are designed to assist its personnel in understanding and upholding these standards. The implementation of these measures will not guarantee that the Company's personnel will uphold these standards in every instance. The failure to conduct security operations in accordance with these standards can result in harm to employees or community members, increased community tensions, reputational harm to the Company or result in litigation, criminal and/or civil liability for the Company or its employees and/or financial damages or penalties.

It is not possible to determine with certainty the future costs that the Company may incur in dealing with the issues described above at its operations. However, if the number of incidents increases, costs associated with security, in the case of civil disturbances and illegal mining, may also increase, affecting profitability.

***The Company is subject to anti-corruption laws.***

The Company is subject to anti-corruption laws under the *Canadian Corruption of Foreign Public Officials Act*, the *U.S. Foreign Corrupt Practices Act* and the *Mexican General Law of the National System of Anticorruption*, which generally prohibit companies from bribing or making other prohibited payments to foreign public officials in order to obtain or retain an advantage in the course of business. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices may occur in Mexico or any other jurisdiction in which the Company may conduct business. The Company cannot ensure that its employees or the employees of the Juanicipio Entities or other agents will not engage in such prohibited practices, for which the Company or the Juanicipio Entities could face severe penalties, reputational damage and other consequences that could have a material adverse effect on the Company's business and financial condition. The Company has adopted the Code of Conduct and the Anti-Bribery and Anti-Corruption Policy to promote legal and ethical business conduct by its directors, officers and employees. The Company cannot, however, provide assurance that the Code of Conduct or the Anti-Bribery and Anti-Corruption Policy, or other policies or procedures that it may adopt, will be sufficient to protect against corrupt activity. In particular, the Company may not be able to prevent or detect corrupt activity by employees or third parties, such as sub-contractors of the Juanicipio operator, Fresnillo, for which the Company might be held responsible.

***The Company may be required by human rights laws to take actions that delay the advancement of its projects.***

There are various international and national laws, codes, resolutions, conventions, guidelines and other materials that relate to human rights (including rights with respect to health and safety and the environment surrounding the Company's operations). Many of these materials impose obligations on government and companies to respect human rights. Some mandate that government consult with communities surrounding the Company's projects regarding government actions that may affect local stakeholders, including actions to approve or grant mining rights or permits. The obligations of government and private parties under the various international and national materials pertaining to human rights continue to evolve and be defined. One or more groups of people may oppose the Company's current and future operations or further development, new development or production at its projects or operations. Such opposition may be directed through legal or administrative proceedings or expressed in manifestations, such as protests, roadblocks or other forms of public expression against the Company's activities and may have a negative impact on its reputation. Opposition by such groups to the Company's or the Juanicipio Entities' operations may require modification of, or preclude the operation or development of, its projects or may require the Company or the Juanicipio Entities to enter into agreements with such groups or local governments with respect to its projects, in some cases causing considerable delays to the advancement of its projects.

***The Company's activities within Mexico are subject to extensive laws and regulations governed by Mexican regulators.***

The Company's activities, including but not limited to the operations at Juanicipio, are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species, Indigenous communities' rights and other matters. Specifically, the Company's Mexican mining concessions are subject to regulation by the Mexican Department of Economy - Dirección General of Mines, the environmental protection agency of Mexico, Comisión Nacional del Agua, which regulates water rights, and the applicable Mexican mining laws. Mexican regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards.

***Mexican foreign investment and income tax laws apply to the Company.***

Under the applicable foreign investment laws of Mexico, there is presently no limitation on foreign capital participation in mining operations; however, the applicable laws may change in a way which may adversely impact the Company and its ability to repatriate profits. Under applicable Mexican income tax laws, dividends paid out of "previously taxed net earnings" are not subject to Mexican corporate taxes. Otherwise, dividends are subject to the Mexican income tax at the corporate level, which presently is 30% over a gross up basis (amount of the dividend times 1.4286), payable by the Mexican company as an advance of its annual income tax. There is a withholding tax on dividends paid by a Mexican company to Mexican individuals and non-Mexican shareholders of 10% applicable to earnings generated as of 2014; "previously tax net earnings" generated until 2013 are not subject to this withholding tax. This withholding tax rate may be reduced under the applicable tax treaties to avoid double taxation entered by Mexico.

Corporations with their tax residence in Mexico are taxed on their worldwide income, which include all profits from operations, income from investments not relating to the regular business of the corporation and capital gains. The current corporate income tax rate in Mexico is 30%. As of January 1, 2025, a mining royalty fee is in effect in Mexico of 8.5% on income before tax, depreciation, and interest, as well as an extraordinary governmental fee on precious metals, including gold and silver, of 1% of gross revenue.

On December 31, 2016, the State Government of Zacatecas, Mexico published a new tax law for the state (Ley de Hacienda del Estado de Zacatecas), which came into effect on January 1, 2017 and imposes environmental taxes on activities, such as (i) extraction of materials other than those regulated by the mining laws of Mexico; (ii) emissions to the atmosphere; (iii) discharges of industrial waste into the soil and water, and (iv) deposit of industrial waste. After various legal challenges, two of the taxes were declared constitutional and two taxes unconstitutional for Minera Juanicipio. The annual cost to Minera Juanicipio of complying with the two taxes deemed constitutional is not considered significant at this time and management's assessment is that it will not have an impact on the viability of Juanicipio. However, this is an example of a type of tax that can occur in the future.

The Mexican VAT is a refundable tax levied on the value added to goods and services, and is imposed on corporations that carry out activities within Mexican territory, including (i) the sale or other disposition of property; (ii) the rendering of independent services; (iii) the granting of temporary use of property; or (iv) the importation of goods and services. The standard value added tax rate is currently 16% but is subject to periodic review and change by the relevant Mexican tax authorities. The Company and the Juanicipio Entities have traditionally held a VAT receivable balance due to the expenditures they incur whereby VAT is paid to a vendor or service provider. Collections of these receivables from the Government of Mexico often take months and sometimes years to recover. The Company to date has been able to recover the majority of its VAT paid, and in the case of the Juanicipio Entities, any VAT not recovered on a timely basis will be applied against VAT payable on sales from production or leasing income. The recoveries of future VAT paid, and possible extended delays in recoveries common in Mexico, could adversely affect exploration, development and operating costs.

Legislative changes in the VAT effective January 1, 2017 may prevent mining companies during the exploration stage from requesting VAT refunds, unless they are certain they will eventually operate and generate revenue. Future legislative changes in Mexico are not predictable and may have a negative effect on the Company and its operations.

***The Company may fail to maintain adequate internal control over financial reporting pursuant to the requirements of the Sarbanes-Oxley Act.***

Management has documented and tested its internal control procedures in order to satisfy the requirements of Section 404 of the *Sarbanes-Oxley Act*. The *Sarbanes-Oxley Act* requires an annual assessment by management of the effectiveness of the Company's internal control over financial reporting. The Company may fail to maintain the adequacy of its internal control over financial reporting as such standards are modified, supplemented or amended from time to time, and the Company may not be able to conclude, on an ongoing basis, that it has effective internal control over financial reporting in accordance with Section 404 of the *Sarbanes-Oxley Act*.

The Company's failure to satisfy the requirements of Section 404 of the *Sarbanes-Oxley Act* on an ongoing, timely basis could result in the loss of investor confidence in the reliability of its financial statements, which in turn could harm the Company's business and negatively impact the trading price or the market value of its securities. In addition, any failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's operating results or cause it to fail to meet its reporting obligations. If the Company expands, the challenges involved in implementing appropriate internal control over financial reporting will increase and will require that the Company continues to monitor its internal control over financial reporting. Although the Company intends to expend time and incur costs, as necessary, to ensure ongoing compliance, it cannot be certain that it will be successful in complying with Section 404 of the *Sarbanes-Oxley Act*.

***The Company follows Canadian disclosure practices concerning its Mineral Resources and Mineral Reserves which allow for different disclosure than is required for domestic U.S. reporting companies.***

The Company's Mineral Resource and Mineral Reserve estimates are not directly comparable to those made by domestic U.S. reporting companies subject to the SEC's reporting and disclosure requirements, as the Company reports Mineral Resources and Mineral Reserves in accordance with Canadian practices. These practices are different from the practices used to report Mineral Resource and Mineral Reserve estimates in reports and other materials filed by domestic U.S. reporting companies with the SEC.

Unless otherwise indicated, technical disclosure regarding MAG's properties included or incorporated by reference herein, including all Mineral Resource and Mineral Reserve estimates contained in such technical disclosure, has been prepared in accordance with the requirements of NI 43-101 and the CIM Definition Standards. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the disclosure requirements of the SEC Modernization Rules. The Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and provides disclosure under NI 43-101 and the CIM Definition Standards. Accordingly, information contained in this AIF, or the documents incorporated by reference herein, may differ significantly from the information that would be disclosed had the Company prepared the Mineral Resource and Mineral Reserve estimates under the standards adopted under the SEC Modernization Rules. See "*Cautionary Note to United States Investors*".

***Any enforcement proceedings under Canada's Extractive Sector Transparency Measures Act against the Company could adversely affect the Company.***

The Extractive Sector Transparency Measures Act (Canada) (" **ESTMA**") requires public disclosure of certain payments to governments by companies engaged in the commercial development of minerals and are publicly listed in Canada. Mandatory annual reporting is required for extractive companies with respect to payments made to foreign and domestic governments, including aboriginal groups. ESTMA requires reporting on the payments of any taxes, royalties, fees, production entitlements, bonuses, dividends, infrastructure reporting or structuring payments to avoid reporting. If the Company becomes subject to an enforcement action or is in violation of ESTMA, this may result in significant penalties or sanctions which may also have a material adverse effect on the Company's reputation.

## Risks Relating to the Company's Securities

***Funding and property commitments may result in dilution to the Company's shareholders.***

The Company may sell equity securities in public offerings (including through the sale of securities convertible into equity securities) and may issue additional equity securities to finance operations, exploration, development, project construction, acquisitions or other projects. The Company cannot predict the size of future issuances of equity securities or the size and terms of future issuances of debt instruments or other securities convertible into equity securities or the effect, if any, that future issuances and sales of the Company's securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to security holders. Exercises of presently outstanding stock options ("**Options**") may also result in dilution to security holders.

The Board has the authority to authorize certain offers and sales of additional securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, the Company may issue additional securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Common Shares at prices less than the current market price for the Common Shares.

Sales of substantial amounts of the Company's securities, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Company's securities and dilute investors' earnings per share. A decline in the market prices of Company's securities could impair the Company's ability to raise additional capital through the sale of securities should the Company desire to do so.

***The price of the Company's Common Shares is volatile.***

Publicly quoted securities are subject to a relatively high degree of price volatility. It should be expected that continued fluctuations in price will occur, and no assurances can be made as to whether the price per share will increase or decrease in the future. In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of many companies, particularly those considered exploration or development stage companies, such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The factors influencing such volatility include pandemics, macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries.

The price of the Common Shares is also likely to be significantly affected by short-term changes in precious metal prices or other mineral prices, currency exchange fluctuations and the Company's financial condition or results of operations as reflected in its earnings reports. Other factors unrelated to the performance of the Company that may have an effect on the price of the Common Shares include the following: the extent of analyst coverage available to investors concerning the business of the Company may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of securities of the Company; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities; and a substantial decline in the price of the securities of the Company that persists for a significant period of time could cause the Company's securities to be delisted from an exchange, further reducing market liquidity.

Securities class-action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

***There is no assurance of a sufficient liquid trading market for the Company's Common Shares in the future.***

Shareholders of the Company may be unable to sell significant quantities of Common Shares into the public trading markets without a significant reduction in the price of their Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Company's Common Shares on the trading market, and that the Company will continue to meet the listing requirements of the TSX or the NYSE American or achieve listing on any other public listing exchange.

***Most of the Company's mineral assets are located outside of Canada.***

Most of the Company's mineral assets are located outside of Canada. As a result, it may be difficult for investors to enforce within Canada any judgments obtained against the Company or its officers or directors, including judgments predicated upon the civil liability provisions of applicable securities laws. In addition, there is uncertainty as to whether the courts of Mexico and other jurisdictions would recognize or enforce judgments of Canadian courts obtained against the Company or its directors and officers predicated upon the civil liability provisions of the securities laws of Canada or be competent to hear original actions brought in Mexico or other jurisdictions against the Company or its directors and officers predicated upon the securities laws of Canada. Further, any payments as a result of judgments obtained in Mexico should be in pesos and service of process in Mexico must be effectuated personally and not by mail.

***The Company, its directors, officers and management (with the exception of the Vice President, Exploration and the former Chief Exploration Officer) and all of its material assets are located outside of the United States, which makes it difficult for U.S. litigants to effect service of process, or enforce, any judgments obtained against the Company or its officers or directors.***

Substantially all of the Company's assets are located outside of the United States and the Company does not currently maintain a permanent place of business within the United States. In addition, most of the directors and officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for U.S. litigants to effect service of process or enforce any judgments obtained against the Company or its officers or directors, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. In addition, there is uncertainty as to whether the courts of Canada, Mexico and other jurisdictions would recognize or enforce judgments of United States courts obtained against the Company or its directors and officers predicated upon the civil liability provisions of the securities laws of the United States or any state thereof, or be competent to hear original actions brought in Canada, Mexico or other jurisdictions against the Company or its directors and officers predicated upon the securities laws of the United States or any state thereof. Further, any payments as a result of judgments obtained in Mexico could be in pesos and service of process in Mexico must be effectuated personally and not by mail.

***The Company has outstanding common share equivalents which, if exercised, could cause dilution to existing shareholders.***

The Company has common share equivalents issued consisting of Common Shares issuable upon the exercise of outstanding exercisable Options and warrants or issuable upon the conversion of restricted share units ("**RSUs**"), performance share units ("**PSUs**") and deferred share units ("**DSUs**") each convertible into one Common Share. Options are likely to be exercised when the market price of the Company's Common Shares exceeds the exercise price of such Options. RSUs and PSUs may be converted at any time by the holder subject to vesting conditions, and the DSUs may only be converted by a departing director of the Company. The exercise of any of these instruments and the subsequent resale of such Common Shares in the public market could adversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional Common Shares and the Company may grant additional share purchase warrants, Options, RSUs, PSUs and DSUs. Any share issuances from the Company's treasury will result in immediate dilution to existing shareholders' percentage interest in the Company.

***Declaration, payment and amounts of dividends, if any, to holders of the Company's shares will be uncertain.***

The Board will have the discretion to determine whether any dividends on the Company's common shares will be declared, when dividends, if any, are deemed, and the amount of such dividends. While the Board has declared a dividend for holders of record on April 4, 2025, any decisions with respect to the declaration of future dividends will remain at the discretion of the Board and will depend on a number of considerations, including the Company's results of operations and capital requirements, future earnings, availability of funds, as well as industry practice, and other factors deemed relevant by the Board.

***The Company could in the future be classified as a 'passive foreign investment company' ("PFIC"), which could have adverse U.S. federal income tax consequences for U.S. holders of Common Shares.***

U.S. investors should be aware that they could be subject to certain adverse U.S. federal income tax consequences in the event that the Company is classified as a PFIC for U.S. federal income tax purposes. The determination of whether the Company is a PFIC for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, and the determination will depend on the composition of the Company's income, expenses and assets from time to time and the nature of the activities performed by the Company's officers and employees. The Company believes that MAG was a PFIC for the 2019 and prior financial years. With the start of the underground production at the Juanicipio Mine and the Company's attributable revenue under the PFIC determination rules, the Company no longer believes it is a PFIC as of the 2020 financial year. Prospective investors should consult their own tax advisers regarding the likelihood and consequences of the Company being treated as a PFIC for U.S. federal income tax purposes, including the advisability of making certain elections that may mitigate certain possible adverse U.S. federal income tax consequences but may result in an inclusion in gross income without receipt of such income.

## Other Business Risks

***Mineral exploration, development and extraction is a highly competitive industry.***

The mineral exploration, development and production industry is intensely competitive in all of its phases and the Company must compete in all aspects of its operations with a substantial number of large established mining companies with greater liquidity, greater access to credit and other financial resources, newer or more efficient equipment, lower cost structures, more effective risk management policies and procedures and/or greater ability than the Company to withstand losses. The Company's competitors may be able to respond more quickly to new laws or regulations or emerging technologies or devote greater resources to the expansion of their operations, than the Company can. In addition, current and potential competitors may make strategic acquisitions or establish cooperative relationships among themselves or with third parties. Competition could adversely affect the Company's ability to acquire suitable new producing properties or prospects for exploration in the future. Competition could also affect the Company's ability to raise financing to fund the exploration, development and operation of its properties or to hire qualified personnel. The Company may not be able to compete successfully against current and future competitors, and any failure to do so could have a material adverse effect on the Company's business, financial condition or results of operations.

***Environmental regulations are becoming more onerous to comply with, and the cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of the Company's operations and the Juanicipio Entities' operations.***

Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development, the possibility of affected parties pursuing class action lawsuits and a higher level of responsibility for companies and their officers, directors and employees. The Company's operations and the operations of the Juanicipio Entities at Juanicipio are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing storage facilities, which could result in environmental pollution. Failure to comply with such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards and enforcement, and more stringent fines and penalties for non-compliance. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with environmental regulations and changes in such regulations may reduce the profitability of the Company's operations and the operations of the Juanicipio Entities. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and the Juanicipio Entities and may cause material changes or delays in the Company's and the Juanicipio Entities' intended activities. The environmental impact assessments may impose the condition to the Company or the Juanicipio Entities of obtaining the authorization from the Indigenous communities where the mining activities are to be carried out.

***The Company faces risks with respect to its tailings storage facility and related permitting.***

The extraction process for silver and other metals will produce tailings, which is the sand-like material mixed with water that remain following the metal extraction process. Tailings are stored in engineered facilities ("**tailings storage facilities**" or "**TSF**"), which are designed, constructed, operated and closed in conformance with international design standards and best practices. A delay in obtaining permits relating to the TSF, a failure of the TSF walls or poor tailings management safety protocols, once operational, may adversely impact the Company's business, operations and financial performance.

Natural disasters can pose a threat to the stability of the tailings dam walls and pose a risk beyond the Company's control. The failure of a tailings dam wall can result in suspension of operations, injuries, death in extreme cases, government inspections, increased cost and public relation concerns. Should a breach of these facilities occur due to extreme weather, seismic event, or other incident, the Company could suffer a material financial impact on the Company's operations and financial condition. See "*Natural Disasters*".

The initial concept for tailings deposition at Juanicipio was to construct a starter cell, with initial capacity for 14-16 months' production, and to construct a second larger cell during the initial year of operation. The granting of construction permits for the second cell had been delayed, and as a contingency, Juanicipio installed a fully culvert-contained transport pipeline to the nearby Saucito TSF to facilitate tailings deposition while awaiting the permit and construction of the second Juanicipio tailings cell. The construction permit for the second cell was received in May of 2024, and tailings deposition is anticipated to commence in April of 2025.

***The Company may experience difficulties managing and integrating acquisitions.***

The Company continually seeks opportunities to acquire or invest in businesses that could expand, complement or otherwise relate to MAG's current or future business. The Company may also consider, from time to time, opportunities to engage in joint ventures or other business collaborations with third parties to address particular market segments. These activities create risks, such as: (i) the need to integrate and manage the businesses acquired with MAG's own business; (ii) additional demands on the Company's resources, systems, procedures and controls; (iii) disruption of the Company's ongoing business; and (iv) diversion of management's attention from other business concerns. Moreover, these transactions could involve: (i) substantial investment of funds or financings by issuance of debt or equity securities; (ii) substantial investment with respect to operational integration; and (iii) the acquisition or disposition of product lines or businesses. Also, such activities could result in one time charges and expenses and have the potential to either dilute the interests of existing shareholders or result in the issuance of, or assumption of debt. Such acquisitions, investments, joint ventures or other business collaborations may involve significant commitments of financial and other resources of MAG. Any such activities may not be successful in generating revenue, income or other returns to MAG, and the resources committed to such activities will not be available to the Company for other purposes. Any inability to address risks associated with acquisitions or investments in businesses may negatively affect MAG's operating results. Additionally, any impairment of goodwill or other intangible assets acquired in an acquisition or in an investment, or charges to earnings associated with any acquisition or investment activity, may materially reduce the Company's earnings, which, in turn, may have an adverse material effect on the price of Common Shares.

***The Company or the Juanicipio Entities may be subject to litigation, the disposition of which could negatively affect the Company's profits to varying degrees.***

All industries, including the mining industry, are subject to legal claims, with and without merit. Due to the nature of its business, each of the Company and the Juanicipio Entities may, in the future, be subject to claims (including class action claims and claims from government regulatory bodies) based on allegations of negligence, breach of statutory duty, public nuisance or private nuisance or otherwise in connection with its operations or investigations relating thereto. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the litigation process could take away from management time and effort and there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's operations and financial position. Results of litigation are inherently uncertain and there can be no assurances as to the final outcome. The Company's liability insurance may not fully cover such claims. See also "*The Company holds its Juanicipio interest through a minority shareholding in the Juanicipio Entities and therefore may be adversely impacted by disputes amongst the shareholders*."

***If either the Company or the Juanicipio Entities, through the operator Fresnillo, are unable to hire, train, deploy and manage qualified personnel in a timely manner, particularly in Mexico, their ability to manage and grow its business will be impaired.***

Recruiting and retaining qualified personnel is critical to the Company's and the Juanicipio Entities' success. As Fresnillo is the operator of Juanicipio, the ability to recruit and retain qualified personnel with respect to that project lies outside the direct control of the Company. The number of persons skilled in acquisition, exploration, development and operation of mining properties is limited and competition for such persons is intense. As business activity grows, additional key financial, administrative and mining personnel, as well as additional operations staff may be required, particularly in Mexico. The Company or Minera Juanicipio may not be successful in attracting, training and retaining qualified personnel as competition for persons with these skill sets increases. If the Company or Minera Juanicipio is not successful in attracting, training and retaining qualified personnel, the efficiency of its operations could be impaired, which could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

It may be particularly difficult to find or hire qualified personnel in the mining industry who are situated in Mexico, to obtain all of the necessary services or expertise in Mexico, or to conduct operations on the Company's projects (including Juanicipio) at reasonable rates. If qualified personnel cannot be obtained in Mexico, the Company or Minera Juanicipio may need to obtain those services outside of Mexico, which will require work permits and compliance with applicable laws, and could result in delays and higher costs to the Company.

In addition, pandemics similar to COVID-19, or the personal security risk in the Juanicipio area, may cause reduced availability to skilled workers for the Company.

***Cybersecurity risks and AI may impact the Company's business.***

The Company's information systems, and those of its counterparties, third-party service providers and vendors, are vulnerable to an increasing threat of cybersecurity risks. Unauthorized parties may attempt to gain access to these systems or the Company's information through fraud, deceit or other means. Cybersecurity risks have increased in recent years as a result of the proliferation of new technologies and the increased sophistication of cyber-attacks and data security breaches, including in connection with the increasing use of AI technology.

The Company's operations depend, in part, on how well the Company and its suppliers, as well as counterparties, protect networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats. The Company has entered into agreements with third parties for hardware, software, telecommunications and other services in connection with its operations. The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. A cyber-attack or failure of information systems could, depending on the nature and degree of any such failure, adversely impact the Company's reputation and results of operations. Cyber-attacks to the Company's head office could result in damage or loss of data and operational capability. Cyber-attacks to Juanicipio can render systems down for a longer period of time or destruction of data which could impact operations. The Company regularly assesses its level of cyber readiness and resilience and has implemented ongoing actions to identify, manage, and mitigate cyber risk across its technology networks.

Although the Company has not incurred any material losses relating to cyber-attacks or other data/information security breaches to date, there can be no assurance that the Company will not incur such losses in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. Cybersecurity and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access remain a priority for the Company, but there is no assurance that actions taken by the Company will be sufficient to eliminate the risks.

Any future significant compromise or breach of the Company's data/information security, whether external or internal, or misuse of data or information, could result in additional significant costs, fines, lawsuits and damage to the Company's reputation. In addition, as the regulatory environment related to data/information security, data collection and use, and privacy evolves, with new and constantly changing requirements applicable to the Company's business, compliance with those requirements could also result in additional costs. The Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities. Any of these factors could have a material adverse effect on the Company's results of operations, cash flows and financial position.

***The Company's use of technology and AI systems.***

The Company, its counterparties, third-party providers and vendors may from time to time use AI technology to make the Company's operations and systems more efficient and productive. While the Company has set measures to oversee its use of AI technology, the Company has no way of ensuring that its third-party providers and vendors are engaging in risk mitigating measures when adopting and using AI technology.

In addition, as many AI technology systems are constantly evolving and becoming more effective, the Company may be at an increased risk of a cybersecurity attack where AI technology is used to circumvent security controls, evade detection and remove forensic evidence. As a result, the Company may be unable to detect, investigate, remediate or recover from future attacks or incidents, or to avoid a material adverse impact on its business.

***The Company's operations are subject to risks associated with unexpected geological conditions and natural disasters.***

The Company is subject to typical risks in the mining business. These include, but are not limited to, operational issues such as unexpected geological conditions and natural disasters, such as earthquakes, that cause unanticipated increases in the costs of extraction or leading to cave-in and rock bursts, particularly as mining moves into deeper levels. Major cave-ins, flooding, storms, wildfires or other natural disasters could also occur under extreme conditions. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage, delays in mining, monetary losses and possible legal liability. As a result, the Company may incur significant liabilities and costs that could have a material adverse effect upon its business, results of operations and financial performance.

Infrastructure, including electricity supplies, that may be currently available and used by the Company may, as result of natural disaster, be destroyed or made unavailable or available in a reduced capacity. Were this to occur, operations at the Company's properties may become more costly or have to be curtailed or even terminated, potentially having serious adverse consequences to the Company's financial condition and viability that could, in turn, have a material adverse effect on the Company's business, results of operations or financial performance.

The Company has insurance in amounts that it considers to be adequate to protect itself against certain risks of mining and processing caused by natural disasters. However, the Company may become subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons. In particular, the Company is not insured for environmental liability or earthquake damage. See "*Tailings/Permit Risks*" above.

***The Company may face equipment shortages, access restrictions and a lack of infrastructure.***

The majority of the Company's interests in mineral properties are located in remote and relatively uninhabited areas. Such mineral properties, including the Company's interest in Juanicipio, will require adequate infrastructure, such as roads, bridges and sources of power and water, for future exploration and development activities. The lack of availability of these items on terms acceptable to the Company, and in the case of Juanicipio, on terms acceptable to the operator (Fresnillo), or the delay in availability of these items could prevent or delay exploitation or development of the Company's mineral property interests. In addition, unusual weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations and profitability. Natural resource exploration, development, processing and mining activities are dependent on the availability of mining, drilling and related equipment in the particular areas where such activities are conducted. A limited supply of such equipment or access restrictions may affect the availability of such equipment to the Company and the Juanicipio Entities and may delay exploration, development or extraction activities. Certain equipment may not be immediately available or may require long lead time orders. A delay in obtaining necessary equipment could have a material adverse effect on the Company's operations and financial results.

***The Company is dependent on its key personnel, none of whom are insured by the Company.***

The Company is dependent upon the continued availability and commitment of its key management, employees and consultants, whose contributions to immediate and future operations of the Company are of central importance. The Company relies on its President & CEO, George Paspalas, and its other officers, who have entered into written employment agreements with the Company, for the day-to-day operation of the Company, its projects and the execution of the Company's business plan. The Company has not obtained "key man" insurance for any of its management. The loss of any member of the senior management team could impair the Company's ability to execute its business plan and could therefore have a material adverse effect on the Company's business, results of operations and financial condition. The loss of George Paspalas in particular could have a negative impact on the Company until he is replaced.

***Foreign currency fluctuations and inflationary pressures may have a negative impact on the Company's financial position and results.***

The Company's property interests in Mexico make it subject to foreign currency fluctuations and inflationary pressures which may adversely affect the Company's and the Juanicipio Entities' financial position and results. Exploration and development programs conducted by the Company and the Juanicipio Entities in Mexico, are partially funded in Mexican pesos and any appreciation in Mexican currency against the U.S. dollar will increase the costs of carrying out these operations in Mexico.

The Company has determined that its functional currency is the U.S. dollar; however, it maintains a portion of cash balances and other net monetary assets in Canadian dollars and Mexican pesos in order to fund expenditures in such currencies. The Company is therefore exposed to currency risks and exchange losses may be realized on a devaluation of either the Canadian dollar or Mexican peso.

The fluctuations of the Mexican peso also expose the Company to a deferred tax expense in relation to temporary differences between the book and tax base of its Mexican non-monetary assets, and specifically the tax base of the Company's investment in the Juanicipio Entities. The tax base of this investment is determined in a different currency (Mexican peso) than the book value which is based on the functional currency (U.S. dollar). Changes in the Mexican peso/U.S. dollar exchange rate can give rise to temporary differences that result in deferred tax liability and deferred tax expense in accordance with IAS 12 Income Taxes.

In Canada, administrative overheads are primarily denominated in Canadian dollars, and an appreciation in the Canadian dollar relative to the U.S. dollar will increase the Company's overhead costs as reported in U.S. dollars.

Steps taken by management to address the consequences of foreign currency fluctuations may not eliminate or reduce any adverse effects, and the Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates. Accordingly, the Company may suffer losses due to adverse foreign currency fluctuations. The Company also bears the risk of incurring losses occasioned as a result of inflation in Mexico.

***Conflicts of interest may arise among the Company's directors as a result of their involvement with other natural resource companies.***

Most of the Company's directors do not devote their full time to the affairs of the Company. Some of the directors and some of the officers of the Company are also directors, officers or shareholders of other natural resource or public companies, and as a result they may find themselves in a position where their duty to another company conflicts with their duty to the Company. None of the Company's constating documents or any of its other agreements, other than its corporate governance policies, contain any provisions mandating a procedure for addressing such conflicts of interest. There is no assurance that any such conflicts will be resolved in favour of the Company. If any such conflicts are not resolved in favour of the Company, the Company may be adversely affected.

***The Company may be subject to reputational risk.***

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental matters or the Company's dealings with community groups), whether true or not.

The Company places a great emphasis on protecting its image and reputation, but the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

***Mining operations generally involve a high degree of risk and potential liability and insurance coverage may not cover all potential risks associated with the Company's operations.***

Unusual or unexpected formations, power outages, labour disruptions, theft of assets, Indigenous communities complaints, industrial accidents, flooding, explosions, cave-ins, seismic activity, rock bursts, landslides, pollution, inclement weather, fire, mechanical equipment failure and the inability to obtain suitable or adequate machinery, equipment or labour are several of the hazards and risks involved in the conduct of exploration programs in the Company's mineral properties, including Juanicipio, any of which could result in personal injury or death, damage to property, environmental damage and possible legal liability for any or all damage. There was a fatality at Juanicipio in 2014. Safety measures have been implemented by the Company and Fresnillo; however, there are no assurances that these measures will be successful in preventing or mitigating future accidents. The Company maintains insurance against risks in the operation of its business in amounts that it believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage and the Company's insurance may not cover all potential risks associated with the Company's operations, including the operations in Juanicipio. There can be no assurance that any such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability.

In some cases, such as with respect to environmental risks, coverage is not available or considered too expensive relative to the perceived risk. Losses resulting from any uninsured events may cause the Company to incur significant costs that could have a material adverse effect on the Company's operations and financial condition. In addition, from time to time, the Company and the Juanicipio Entities may be subject to governmental investigations and claims and litigation filed on behalf of persons who are harmed while at its properties or otherwise in connection with the Company's operations. To the extent that the Company or the Juanicipio Entities are subject to personal injury or other claims or lawsuits in the future, it may not be possible to predict the ultimate outcome of these claims and lawsuits due to the nature of personal injury litigation. The Company does not carry political risk insurance. Similarly, if the Company or the Juanicipio Entities are subject to governmental investigations or proceedings, they may incur significant penalties and fines, and enforcement actions against them could result in the closing of the Company's mining operations. If claims and lawsuits or governmental investigations or proceedings are finally resolved against the Company or the Juanicipio Entities, as applicable, the Company's financial performance, financial position and results of operations could be materially adversely affected.

***Metal prices and marketability fluctuate and any decline in metal prices may have a negative effect on the Company.***

Metal prices, including silver, gold, zinc, lead and copper prices, have fluctuated widely in recent years. The marketability and price of any metals that may be acquired or produced by the Company may be affected by numerous factors beyond the control of the Company. These factors include delivery uncertainties related to the proximity of potential Mineral Reserves to processing facilities and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals and many other aspects of the mining business.

Declines in metal prices may have a negative effect on the Company and on the trading value of its Common Shares.

## MINERAL PROJECTS

The Company's material property at the date of this AIF is its 44% ownership (Fresnillo holds the remaining 56%) in the Juanicipio Entities, which hold Juanicipio.

Mexican mining concessions are issued by the Federal Government of Mexico. All concessions held by Minera Juanicipio are up to date with respect to Mexican Mining Concession Taxes and work filing requirements.

The majority of the Company's mineral properties are located in remote and relatively uninhabited areas. There are currently no areas of interest to the Company within its mineral concessions that are overlain by significant habitation or industrial users. Notwithstanding this there are potential surface usage issues in some areas. Some surface rights are owned by local communities or "Ejidos" and some surface rights are owned by private ranching or dwelling interests. Exploration activities are not typically materially impacted by competing surface rights issues, although in some areas the Company has been required to negotiate compensation for surface rights holders in order to secure right of access. The Company is required to negotiate either leases or acquire surface rights outright in those areas where it may wish to develop mining operations. At Juanicipio, Minera Juanicipio has acquired some surface rights overlying the Valdecañas and Juanicipio Veins.

In some of the more remote property locations, the access to water, power and basic infrastructure is limited or non-existent. Any mining operations undertaken in such areas will need to take the supply of such requirements into consideration. For the Juanicipio property, the available supply, or the ability to establish supply, of water, power and infrastructure is considered to be adequate or manageable.

## Juanicipio

The Juanicipio Mine is located in the Fresnillo District, Zacatecas State, Mexico, approximately 6 kilometres west of the mining town of Fresnillo, and covers approximately 7,679 hectares. The Company initially acquired a 100% interest in Juanicipio in 2003. From 2005 to 2007, Peñoles earned a 56% interest in Juanicipio by conducting $5 million of exploration on the property and purchasing $1 million worth of Common Shares of the Company at market price at the time of purchase. In December 2007, Lagartos and Peñoles established Minera Juanicipio to hold and operate all mineral and surface rights related to Juanicipio. In 2008, Peñoles transferred its 56% interest of Minera Juanicipio to Fresnillo pursuant to a statutory merger. Fresnillo is the operator of Minera Juanicipio, which is governed by the Shareholders' Agreement and its corporate by-laws. Pursuant to the Shareholders' Agreement and Minera Juanicipio's corporate by-laws, each shareholder is to provide funding pro rata to its interest in Minera Juanicipio, with Fresnillo contributing 56% and the Company, through Lagartos, contributing 44%, respectively, and if either party does not fund pro rata, their ownership interest will be diluted in accordance with the Shareholders' Agreement. On December 27, 2021, for various business reasons, the Company and Fresnillo incorporated Equipos Chaparral, S.A. de C.V. in the same ownership proportions as Minera Juanicipio for the purpose of holding the Juanicipio plant and mining equipment to be leased to Minera Juanicipio.

The major asset associated with Juanicipio is a high-grade silver-gold-lead-zinc epithermal vein deposit. An NI 43-101-compliant technical report commissioned by Minera Juanicipio on behalf of the Company, the 2024 Technical Report, was filed on SEDAR+ on March 27, 2024**.**

### *Summary*

**The following summary of the Juanicipio property is extracted from the 2024 Technical Report** . The complete report can be viewed on SEDAR+ at www.sedarplus.ca and is incorporated by reference into this AIF. The detailed disclosure, including project description and location, climate, local resources, infrastructure, physiography, history, geological setting, exploration, mineralization, drilling sampling and Mineral Resource and Mineral Reserve estimates, are contained in the 2024 Technical Report. Defined terms and abbreviations used herein and not otherwise defined shall have the meanings ascribed to such terms in the 2024 Technical Report. The monetary values shown in the 2024 Technical Report are in U.S. dollars ($) and are reported on a 100% basis, unless otherwise denoted.

### *Introduction*

The 2024 Technical Report on the Juanicipio property has been prepared by AMC of Vancouver, Canada on behalf of MAG Silver and is reporting updated Mineral Resource estimates and a statement of Mineral Reserve estimates for the first time. The 2024 Technical Report has been prepared in accordance with the requirements of NI 43-101 of the Canadian Securities Administrators for lodgement on SEDAR+.

MAG Silver holds a 44% interest in Minera Juanicipio, the Mexican incorporated joint venture (JV) company that owns (100%) of the Juanicipio property. Fresnillo owns 56% of Minera Juanicipio and is the project operator. The Juanicipio property is located in Zacatecas State, Mexico. Internal feasibility-level studies completed in 2018 (2018 study work) on behalf of Minera Juanicipio were used to advance the project to construction in April 2019. Underground production of mineralized development material commenced in the third quarter of 2020 and commercial production was declared in mid-2023. Mine operations are still in a ramp-up stage. Nameplate processing capacity of 4,000 tpd was achieved in Q3 2023, with mine ore production averaging about 3,700 tpd in the latter part of the year (approximately 1.3 Mt per annum ("**Mtpa**")). Optimization and efficiency improvements are to be worked on in 2024.

Indicated and Measured Mineral Resource estimates are reported for the Valdecañas vein, which constitutes the major part of the Valdecañas vein system. Inferred Mineral Resource estimates are reported for the Valdecañas, Ramal 1, Venadas, and Anticipada parts of the Valdecañas system, and for the Juanicipio vein. Mineral Reserve estimates are reported for the first time and are based on the Measured and Indicated Mineral Resources.

Mineral Resource estimates are current as of 31 May 2023 and were prepared by Fresnillo; they have been reviewed by Mr. J. M. Shannon, an independent consultant, who takes Qualified Person responsibility for those estimates. Mineral Reserve estimates are current as of 31 May 2023 and were also prepared by Fresnillo; they have been reviewed by Mr. P. Salmenmaki, of AMC, who takes Qualified Person responsibility for those estimates. The Report has an effective date of 4 March 2024.

The 2024 Technical Report provides an update to the Preliminary Economic Assessment (PEA) which was reported in the "MAG Silver Juanicipio NI 43-101 Technical Report, Amended and Restated, Zacatecas State, Mexico", (the "**2017 AMC Technical Report** "). This was prepared by AMC for MAG Silver, with an effective date 21 October 2017, and a revised date 19 January 2018.

The monetary values shown in the 2024 Technical Report are in US dollars ($) unless stated otherwise.

### *Location*

The Juanicipio property is situated about 6 kilometres (km) to the south-west of the city of Fresnillo, which is located about 60 km north-west of the state capital, Zacatecas City. Zacatecas City has a population of approximately 140,000 and is located about 550 km north-west of Mexico City. Zacatecas City is serviced by daily flights from Mexico City. Surface rights to the part of the Juanicipio property where Mineral Resources have been identified are held by Minera Juanicipio.

### *Geology and Mineralization*

The Juanicipio deposit comprises two significant silver-gold epithermal vein systems: the Valdecañas vein system and the Juanicipio vein. The Valdecañas vein system includes the Valdecañas vein itself and four structures named Ramal 1, Venadas, Pre-Anticipada and Anticipada. The Juanicipio vein is located about 1,100 metres (m) south of the Valdecañas vein. Both systems strike east-southeast with an average dip of about 58 degrees (°) south-west. The more recently discovered vertical vein Venadas crosses the Valdecañas vein perpendicularly. The Valdecañas vein hosts most of the Mineral Resources currently estimated on the Juanicipio property.

The Valdecañas vein system has undergone multiple mineralizing events as suggested by various stages of brecciation and quartz sealing, local rhythmic microcrystalline quartz-pyrargyrite-acanthite banding, and open-space cocks-comb textures and vuggy silica. The vein system exhibits the characteristic metal zoning of the principal veins in the Fresnillo district where high grade silver with lower grade lead and zinc transitions to higher grade lead and zinc with less silver with increasing depth.

### *Exploration and Drilling*

Most exploration work on the Juanicipio property has consisted of drilling, both from surface and underground, and underground channel sampling, which has been carried out since 2020. Limited soil sampling programs were carried out until 2017 and exploration to that point was focused on the Valdecañas area. A few additional exploration targets were identified and are discussed in Section 7 of the 2024 Technical Report. Approximately 5% of the concessions have been explored or drilled.

Fresnillo, the operator of Minera Juanicipio, commenced a surface mapping and detailed sampling program in 2016 to assist with identifying additional structures hosting mineralization on the Juanicipio property. This program incorporated hyperspectral analyses of surface and drill core coupled with the collection of 255 rock samples from outcrops exhibiting deformation / veining and alteration. The results of this program have helped improve the conceptual model of epithermal mineralization in the Fresnillo district (Figure 8.1 in the 2024 Technical Report). The results were also used to create a detailed structural and hyperspectral map (Figure 9.1 in the 2024 Technical Report). The dashed white line in Figure 9.1 shows the location of the schematic section in Figure 8.1.

In 2003 and 2004, MAG Silver drilled nine core drillholes totalling 7,346 m. From August 2005 until May 2023, MAG Silver and Fresnillo, on behalf of the joint venture, have drilled a total of 499 core drillholes totalling 380,738 m on the Juanicipio property (Table 10.1 in the 2024 Technical Report). Most of the drilling targeted the Valdecañas vein system. 4,537 channels totalling 4,677 m has been collected since October 2019.

Drilling has been commonly collared using HQ (64 millimetres (mm) core diameter) equipment, reducing to NQ (48 mm core diameter) and BQ (37 mm core diameter) as necessary. The current drilling contractor, Devico, has been using wedges or cement plugs every 30 m to give a deviation up to 9°. Diamond drilling has been carried out using Boart Longyear LF-90 and Atlas Copco CS-14 and CS-3001 drill rigs.

Overall drillhole spacing varies from 70 m to 100 m along strike and 50 m to 100 m down dip in the plane of mineralization. Core recovery is generally good except in extremely fractured near-surface rock, argillite, or wider fault structures.

### *Mineral Resource Estimates*

The Mineral Resources for the Juanicipio deposit have been prepared by Mr. Gerardo Elly Merino Angel, Resource Geologist of Fresnillo Operations S.A. Mr. John Morton Shannon, P.Geo. reviewed the methodologies and data used to prepare the resource estimates and is satisfied that they comply with reasonable industry practice. Mr. John Morton Shannon takes responsibility for these estimates.

This estimate is dated 31 May 2023 and supersedes the previous estimate outlined in the 2017 AMC Technical Report. The previous estimate had an effective date of 21 October 2017, and included drilling up to December 2016.

The data used in the current estimate includes results of all drilling carried out on the Juanicipio property up to 31 May 2023. Depletion by mining is also up to that date. The database consists of 488 surface and underground diamond drillholes and 972 channel samples.

Mineralization is hosted in six veins within the two major vein systems. Each of the veins has been wireframed separately. Estimates were also done separately, resulting in six block models.

Leapfrog Geo was used to construct the geological domains and to prepare assay data for geostatistical analysis. Leapfrog EDGE version 4.0.5 was used for geostatistical analysis and variography. Datamine RM was used to construct the block model, estimate metal grades, and report out Mineral Resources. Grade interpolation for Au, Ag, Pb, Zn, and Fe were carried out using Ordinary Kriging (OK) for the Valdecañas, Ramal 1, Anticipada, Pre-Anticipada, and Juanicipio veins. For the Venadas vein inverse distance cubed ($ID_3$) was chosen as the interpolation method. The bulk density was estimated into the block model using $ID_3$ for all veins.

The current estimate is summarized in Table 1.1 and expanded in Table 14.16 in the 2024 Technical Report.

*Table 1.1 Juanicipio Mineral Resources at 31 May 2023*

| RESOURCE CATEGORY | CUT-OFF GRADE | QUANTITY | GRADE | | | | CONTAINED METAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Tonnes (kt) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Au (koz) | Ag (koz) | Pb (kt) | Zn (kt) |
| Measured | 209 g/t Ag Eq | 1,441 | 2.19 | 780 | 1.42 | 2.70 | 102 | 36,130 | 20 | 39 |
| Indicated | | 15,555 | 1.83 | 266 | 3.03 | 5.56 | 916 | 133,039 | 472 | 865 |
| **Measured & Indicated** | | **16,996** | **1.86** | **310** | **2.89** | **5.32** | **1,017** | **169,169** | **492** | **904** |
| Inferred | | 14,051 | 1.06 | 236 | 2.41 | 6.12 | 480 | 106,676 | 339 | 860 |

Source: AMC based on Fresnillo data, 2023.
Notes:

- CIM Definition Standards were used for reporting.
- Mineral Resources are reported inclusive of Mineral Reserves.
- Mineral Resources are reported at or above a cut-off grade of 209 g/t silver equivalent (AgEq), equivalent to $96.9M NSR. While a 3 m minimum width is applied and blocks above the cut-off grade are largely contiguous, mineable shapes have not been defined, which may result in the tonnes of underground Mineral Resources being slightly exaggerated.
- 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 gold (US$1,450.00/oz), silver (US$20.00/oz), lead (US$0.90/lb), and zinc (US$1.15/lb).
- Assumed metal recoveries of 75.84%, 87.06%, 86.33% and 74.48% for Au, Ag, Pb, and Zn, respectively and on NSR factors of US$30.71/g Au, US$0.46/g Ag, US$15.01/% Pb and US$11.36/% Zn.
- Mineral Resources are reported on a 100% basis. The MAG share is 44%.
- Totals may not compute exactly due to rounding.
- The Mineral Resources were estimated by Fresnillo. Mr. John Morton Shannon, P.Geo. (EGBC #32865) has reviewed the Mineral Resources and takes Qualified Person responsibility.

The Qualified Person is not aware of any known environmental, permitting, legal, title, taxation, socioeconomic, marketing, political, or other similar factors that could materially affect the stated Mineral Resource estimates. This part of Mexico is regarded as a good jurisdiction to operate in, with a solid framework addressing the factors mentioned above.

Fresnillo has been working in the region for decades and operates an additional two major mining operations at Fresnillo and Saucito. It is aware of any local aspects of operating in the district.

### *Mineral Reserves*

The Mineral Reserve statement for the Juanicipio Mine is provided in Table 1.2. Mineral Reserve estimates are based on a cut-off value that considers mining, processing, and general and administration costs, with a variable trucking cost for each mining block. The variable component of the operating cost is generally a small fraction of the overall cost and Mineral Reserves are largely reported above a value of $150/t ore for cut and fill stopes and $122/t ore for longhole stopes. Some marginal ore that may lie on the fringes of other stopes that require development is included at a variable marginal cost that is generally above $121 for cut-and-fill and $93 for longhole stopes. Mineral Reserves are based on Measured and Indicated Mineral Resources only. Mineral Reserves (100% basis) are reported as of 31 May 2023, as shown in Table 1.2.

*Table 1.2 Summary of Mineral Reserves as of 31 May 2023*

| RESERVE CATEGORY | CUT-OFF GRADE | QUANTITY | GRADE | | | | CONTAINED METAL | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Tonnes (kt) | Au (g/t) | Ag (g/t) | Pb (%) | Zn (%) | Au (koz) | Ag (koz) | Pb (kt) | Zn (kt) |
| Proven | 277 g/t AgEq | 735 | 1.48 | 545 | 1.05 | 1.99 | 35 | 12,865 | 8 | 15 |
| Probable | | 14,622 | 1.59 | 233 | 2.72 | 4.94 | 746 | 109,357 | 398 | 722 |
| **Proven and Probable** | | **15,356** | **1.58** | **248** | **2.64** | **4.80** | **781** | **122,221** | **406** | **736** |

Source: AMC / Fresnillo, 2023.
Notes:

- CIM Definition Standards were used for reporting.

- All figures rounded to reflect the relative accuracy of the estimates. Mineral Reserves are reported at a 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.
- NSR values are calculated as:
  - NSR = 30.71*Au+0.46*Ag+15.01*Pb+11.36*Zn. Units Au (g/t), Ag (g/t), Pb (%), Zn (%).
  - NSR factors are based on metal prices of $1,450/oz Au, $20.00/oz Ag, $0.90/lb Pb, and $1.15/lb Zn and estimated recoveries of 75.84% Au, 87.06% Ag, 86.33% Pb, and 74.48% Zn.
  - Payable metal assumptions for Au are 95% for lead concentrates, and 65% for zinc concentrate; for Ag: 95% for lead concentrates, and 70% for zinc concentrate. Lead 95% payable and zinc 85% payable.
  - The all-inclusive operating costs for longhole stopes and cut-and-fill stopes are $122/tonne and $150/tonne respectively (277 g/t AgEq based on weighted average for mining method). The marginal stope cut-off value is generally above $121/t for cut-and-fill and $93/t for longhole stopes.
  - Projected stope hangingwall and footwall dilution (ELOS) was included in the stope optimization process. The dilution thickness for stope hangingwall and footwall varies by mining method.
  - Additional operational mucking dilution of 0.5 m for longhole and cut-and-fill stopes is applied to the Mineral Reserve calculation. An extra endwall dilution for longhole stopes is assumed as 0.50 m.
  - Mining recovery factors are 95% for longhole stopes, and 98% for cut-and-fill stopes. Mining recovery factor for ore drive development is 99%. Mining recovery factors for sill pillars and rib pillars is 0%.
  - Exchange rate of 19 MXP to US$1.
  - The Mineral Reserves were estimated by Fresnillo. Mr. Paul Salmenmaki P.Eng. (EGBC #40227), has reviewed the estimates and accepts Qualified Person responsibility for them.
- Totals may not compute exactly due to rounding.
- Note reported on a 100% basis and MAG Silver owns 44% of Minera Juanicipio.

### *Geotechnical Considerations*

Rock Mass Characterization

The rock mass at Juanicipio was divided into four geotechnical domains based on lithology domains, including:

- Tertiary volcanics – this domain overlies host sediments across most of the mine site.
- Cretaceous sediments - this domain is overlain by tertiary volcanics across most of the mine site and the host rock of the mineralization, comprising predominantly sandstone, shale, interbedded shale – sandstone, and green lava.
- Ore veins – Juanicipio comprises two major vein systems, namely the Valdecañas vein system and the Juanicipio vein system. Both systems strike east-southeast with an average dip of 58° to south-west. the Valdecañas vein is the principal vein structure and consists of three zones, with variable thicknesses (2 m to 30 m).
- Faults - there are three major steep-dipping faults identified with two intersecting the Valdecañas vein. These faults are not expected to have a significant impact on large-scale stability but affect ground conditions locally given their spatial orientations.

Both Bieniawski's RMR89 (Rock Mass Rating) and Barton's Q system have been used for the rock mass classification for Juanicipio. In development and stoping operation to date, encountered ground conditions have been largely aligned with those projected from the 2018 study work geotechnical assessment. In terms of RMR89, rock qualities in the volcanic domain vary considerably from 'Very Poor' to 'Good', which is largely associated from weathering and alteration. The fault zones are generally 'Poor' to 'Fair'. Rock qualities of the sedimentary and vein domains are typically 'Fair' to 'Good', with some 'Very Poor' to 'Poor' ground being encountered in the vicinity of faults or shale.

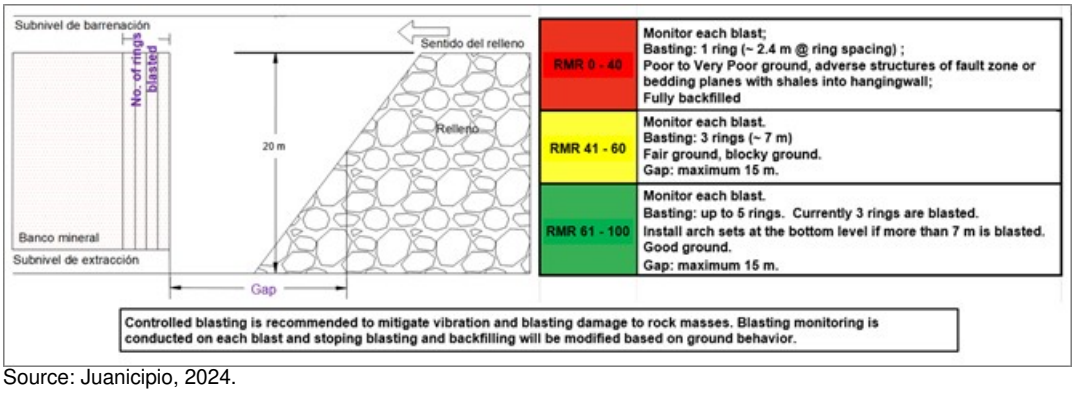
Open Stope Stability

The open stope stability assessment in the 2018 study work indicated that:

- Stope wall stability would be influenced by rock mass conditions and vein dips. For typically 'Fair' rock mass conditions, stope hangingwalls at dips of 65° would be stable without support for the proposed stope dimensions (20 m long by 20 m high), while stope hangingwalls at dips of 45° to 55° were projected to be marginally stable without support. The ELOS was anticipated to range from 0.5 m to 0.8 m for dipping angles decreasing from 65° to 45°.
- Cable bolt support for wider stope spans (more than 6 m) and / or reduced effective strike lengths (thus to reduce the hydraulic radii of stope walls) was recognized as potentially being required to improve stope stability and control the overbreak and level of dilution for poorer ground conditions.

In stoping operations to date, stope design criteria have been adjusted to account for differences in ground conditions including adverse fault structures and unfavourable bedding planes of shale encountered. Figure 1.1 presents the current geotechnical guideline of stoping and backfilling for different rock mass conditions.

*Figure 1.1 Geomechanical guideline for stoping and backfilling*




Source: Juanicipio, 2024.

6 m long single strand Ø16 mm cable bolts on a 3 m (longitudinal) by 3.5 m (radial) staggered pattern have been installed in the back of stopes as required; 8 m long cablebolts with the same space pattern have been installed at the intersections of stope backs and access drives.

Cavity Monitoring System (CMS) surveying has indicated that footwall ELOS is typically less than 0.4 m, and the hangingwall ELOS is typically within the range of 0.5 m to 1.2 m. Excessive hangingwall overbreak up to 3 m - 3.5 m has been encountered in Poor rock mass conditions or due to the adverse bedding planes of shale.

Ground Support Requirements

The geotechnical support design for Juanicipio underground mining developed during the 2018 study work has been adjusted based on site specific experience. Table 1.3 presents the current primary ground support requirement based on $RMR_{89}$.

*Table 1.3 Ground support requirements for primary support.*

| SUPPORT CLASS (SC) | PRIMARY SUPPORT | NOTES |
|---|---|---|
| **SC 1: RMR > 60**<br>Good to Very Good | 2.4 m long fully grouted rebar (Ø16 mm) on a 1.2 m x 1.2 m spacing, extending to 1 m (2 m for development in ore vein) above sill.<br>50 mm thick shotcrete (No shotcrete is required in vein zone) | |
| **SC 2: RMR 41 – 60**<br>Fair | 2.4 m long fully grouted rebar (Ø16 mm) on a 1.2 m x 1.2 m spacing, extending to 2 m above sill.<br>50 mm thick shotcrete | |
| **SC 3: RMR 21 – 40**<br>Poor | 2.4 m long fully grouted rebar (Ø16 mm) on a 1.2 m x 1.2 m spacing, extending to 2 m above sill.<br>100 mm thick shotcrete installed in 2 layers, full coverage | Need for light frame (reinforced rib), rigid frame (steel sets), and cablebolt support will be assessed by site geotechnical personnel based on actual ground conditions. |
| **SC 4: RMR 0 – 20**<br>Very Poor | 2.4 m long fully grouted rebar (Ø16 mm) on a 1.2 m x 1.2 m spacing, extending to 1 m (above sill).<br>100 mm thick shotcrete installed in 2 layers, full coverage. | |

Secondary support, such as cablebolts, are designed for large spans in intersections, stope backs, and chambers if the primary support is inadequate. Cablebolt design (lengths and bolting pattern) may vary due to local conditions (excavation dimensions, structures orientations and rock mass qualities) and is assessed on a case-by-case basis.

Spiling is also used at Juanicipio for drifting through Poor ground to prevent unravelling causing overbreak or large instabilities, and limit overbreak due to adverse structures. As required, 12 m long Ø20 mm cement grouted steel bars have been used as spiles and installed above excavation profiles on a 0.5 m spacing prior to development.

***Mining Concept***

Previous studies considered longhole open stoping (LHOS) with waste rockfill as the preferred mining method; however, in the wider stopes that have been identified at deeper levels, cemented rock fill is planned to be utilized where more than one longitudinal pass is required. Some cut and fill stoping is planned in the upper areas where the ore is thin or ground conditions are deemed 'Poor'. The steady state production throughput is planned to be approximately 4,000 tpd.

Mineable Shape Optimizer (MSO) has been used to generate stope shapes of mineralization projected to be economically viable. The stopes have then been checked to remove any outlying stopes that would not be economic when the cost of access development is included. Utilizing the selected stopes, the mine design has been updated to allow for changes in the Mineral Resource while maintaining the same underground infrastructure and ventilation strategy as proposed in the 2018 study work. As-built wireframes of the latest development were also provided and included in the mine design. Any mined-out development or stopes were flagged in the model as part of the Mineral Reserve estimation process.

The mine access is via twin declines to the top of the mineralization, with a third (conveyor) decline that is located near the process plant in the Linares valley. The twin main declines access the orebody before splitting into three internal ramp systems that access the ore on a 20 m sub-level spacing, with central accesses to the vein as well as footwall drives to the extents of the mineralization to allow placement of rock fill. Stopes 20 m high (floor to floor) are designed to be mined from the extents back to the central access (retreat) with rock fill placed within 20 m of the retreating face.

The three internal ramps used to access the ore are shown in a projection in Figure 1.2. Waste accesses are developed in the footwall to provide access for backfill directly off the main ramp systems east and west along strike.

*Figure 1.2 Access development composite plan layout (over three production levels)*




Source: Fresnillo 2023.
Note: Projection and not to scale.

Truck haulage is currently used for transporting ore and waste from the mine workings to surface. It is planned to purchase and install a conveyor in the conveyor ramp from 2024 to 2025 as the primary life-of-mine method for transporting ore to the process plant. Until the conveyor is installed and fully operational, ore is continuing to be trucked to surface.

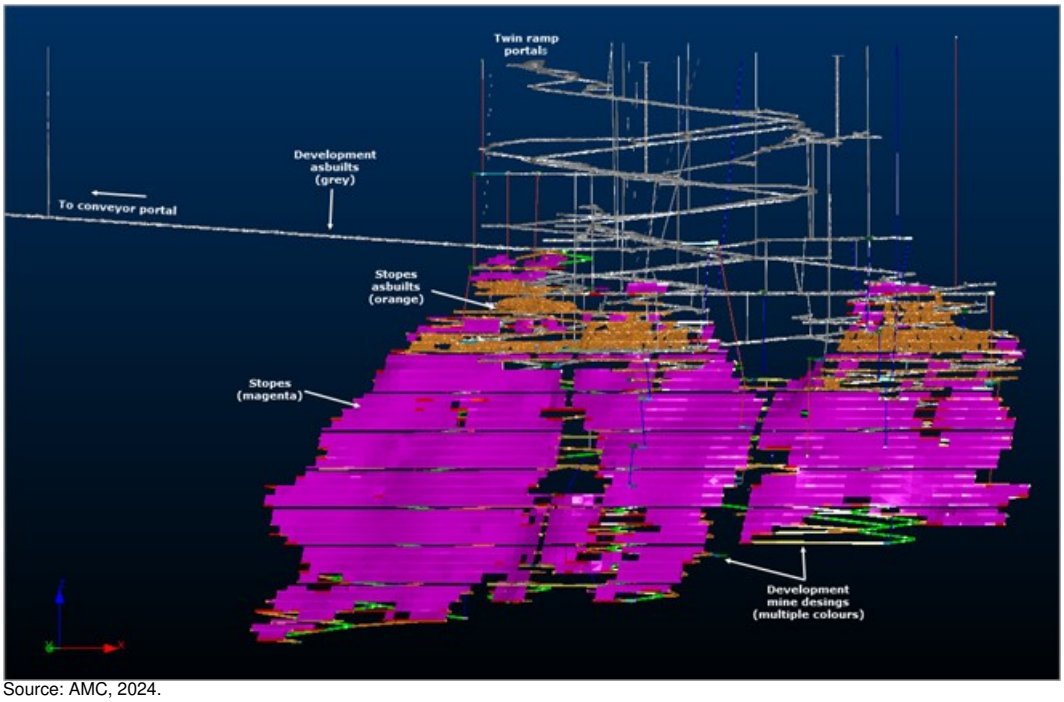
Once the conveyor is in place, ore will be trucked to an ore pass feeding the underground crusher, which is located on 1950 RL, from where it will be transferred to surface via the conveyor (base at 1940 RL). The decline portal for the conveyor is near the processing plant location in the Linares valley.

All waste not placed directly in stopes has been planned to be trucked to surface via the twin main access declines, where it will be stockpiled and later used for backfilling stopes as they are mined out.

The ventilation system for Juanicipio is designed as a 'pull' system, with primary exhaust fans located on surface at the top of each of the two primary exhaust raises. The crusher and tipple are planned to be ducted to an exhaust raise and through to surface. The conveyor decline is planned to exhaust both to the conveyor portal and to the crusher exhaust raise. This ensures that the conveyor decline is ventilated independently. Fresh air is delivered into the mine from the two main declines as well as fresh air raises from surface. Fresh air is distributed underground through the declines as well as internal fresh air raises. Internal return air raises carried with the production ramps connect to a dedicated exhaust airway and the return air raises to surface. The Juanicipio Mine design includes an underground workshop at 1850 RL with fuel bay, and an underground magazine at 1920 RL. As such, some fresh air will be supplied to these areas, with the exhaust from each location reporting to a dedicated return air raise.

Figure 1.3 is an illustration of the mine as a whole, showing the as-built development, the conveyor route to surface, and the twin decline access ramps.

*Figure 1.3 Overall mine layout*




Source: AMC, 2024.
Note: Not to scale.

During pre-production all mobile equipment for development was supplied by a contractor. Since production has begun, stoping has been undertaken by the owner while all development has remained with contractors. An estimate of the mobile equipment fleet requirements was developed based on meeting the demands of the development and production schedule.

Equipment has been selected based on projected productivities, but also considering the practical travel distances between mining zones. As the time to travel from one zone to another could be significant, the planned fleet size for the major pieces of development and production equipment has been based on most pieces being dedicated to a single mining zone. The haul truck fleet sizes, however, have been based on projected ore and waste tonnages as well as the haulage distances to each destination.

Development and production cycle times were evaluated to assist in the determination of the overall mining fleet. A typical development cycle analysis included consideration of jumbo drilling, face charging, mucking, scaling, and bolting, as well as intersection cable bolting, scaling, and shotcreting as required. A typical production cycle analysis consisted of longhole drilling, stope charging, mucking, and backfilling.

Labour requirements are based on an operating schedule of two, 12-hour shifts per day, 350 days per year. This is reduced to approximately 17.0 effective working hours per day after considering travel time, lunch breaks, pre-shift meetings, and other miscellaneous breaks. The workforce estimates have been largely based on operating experience to date and on a productivity analysis of underground activities and the physical requirements of the mine schedule. The underground workforce, as well as geology and survey, is made up of three rotations working a 10-days on and 5-days off schedule. Other technical support staff, mining supervisors and general and administration employees operate on a 5-day per week working schedule. The underground crew numbers are based on the equipment requirements to complete the work as planned. Additional personnel are included to cover absenteeism.

Personnel numbers will fluctuate over time to some extent as per the development and production schedule requirements. Peak total for the mine at full production is estimated to be approximately 1569, with a maximum number on site during the day shift.

***Mineral Processing***

The Juanicipio processing plant commenced operation in March 2023. Prior to that date, Juanicipio ore was largely processed at the neighbouring Saucito plant.

The Juanicipio plant has a nominal capacity of 4,000 tpd and consists of a comminution circuit with primary crushing and a semi-autogenous grinding mill and ball mill, followed by sequential flotation to produce a silver-rich lead concentrate, then a zinc concentrate, and then a gold-silver-bearing pyrite concentrate. Ultimately, ore crushing will be at an underground crusher, with delivery to the mill stockpile via a conveying system that will exit the mine at the portal adjacent to the mill.

The separate lead, zinc, and pyrite concentrates are thickened, filtered, and stockpiled. Lead and zinc concentrates are stored in separate concentrate storage areas with capacity for seven days of operation. The shipment of concentrates is carried out from Monday to Saturday using a front-end loader and specialized concentrate trucks, which transport the concentrates directly to a smelter or to a port or rail system for onward shipment.

Pyrite concentrates are similarly stored, with a first successful concentrate shipment recently achieved. The Qualified Person notes that the process to produce pyrite concentrates has been in an optimization phase.

Total plant feed for the plant operating period from March to December 2023 was 956,914 t. Average grades for the period were 1.28 g/t Au, 489 g/t Ag, 1.20% Pb, 2.14% Zn, and 6.23% Fe. Average planned grades from Juanicipio mining for the period were 1.21 g/t Au, 434 g/t Ag, 1.10%Pb, and 1.99% Zn.

Gold, silver, lead, and zinc recoveries averaged 69.4%, 87.6%, 89.9%, and 90.5%, respectively, for the March to December 2023 period, compared to planned values of 75.8%, 87.1%, 86.3%, and 74.5%, respectively.

Commissioning and ramp-up have generally gone well, with the plant achieving designed throughput and designed silver, lead and zinc recoveries and concentrate grades. Gold recovery has improved as ramp-up and circuit optimization have progressed, with 71.4% being achieved in December 2023. The Qualified Person notes that, as of February 2024, the Knelson centrifugal concentrator to recover some of the gravity recoverable gold and silver early in the process flow is functioning, with full implementation imminent. The Qualified Person also acknowledges the continuing testing and process development being conducted by the plant's operators to improve all processing aspects, including for gold recovery, and recommends continuation of the program.

Average mill recoveries of payable metal used to estimate revenue in the financial model are summarized in Table 1.4.

*Table 1.4 Mill recoveries*

| | GOLD | SILVER | LEAD | ZINC |
|---|---|---|---|---|
| Mill recovery | 78.0% | 83.8% | 87.0% | 72.1% |

***Project Infrastructure***

A 6.5 km access road, mostly over hilly terrain, accesses the main declines portal site from the mill, with the plant site being connected to the main highway by a 1.4 km road. Both the 1.4 km two-lane sealed road, which is suitable for use by heavy vehicles, and the access road to the main portals area are fully constructed and in operation.

Power is currently supplied to a main substation at the processing site via a 115 kilovolts (kV) overhead power line connected to the state-owned power grid. From the mill, a 13.2 kV power line has been extended to the conveyor drive, with a similar line to the main mine portals location. Fibre-optic cable has been installed from the mill control room to the underground mine via the conveyor decline and via the mine overland power line, which extends past the entrance to the conveyor decline and out to the underground mine main portal area. The fibre-optic cable fed into the underground mine from two locations provides some redundancy and greater communications reliability.

With completion of a Reverse Osmosis plant in 2023 and optimizing the consumption of treated municipal wastewater, all process water requirements are satisfied through the exclusive use of treated wastewater, thus eliminating any freshwater requirements from third parties. There are two additional wastewater treatment plants on site to reuse service water for dust control and irrigation of green spaces on the Juanicipio property. Potable water is purchased from local providers as required.

Detailed design of the tailings storage facility (TSF) for Juanicipio was undertaken by Knight Piésold. It is estimated that the Juanicipio processing plant will produce approximately 12.2 Mt of tailings for surface storage over the anticipated mine life of approximately 13 years. Mill tailings will be discharged to a TSF which has a total volume capacity of approximately 8.5 Mt as currently designed. It is envisaged that the remaining required tailings storage will come from potential deepening of the Cell 2 basin (currently being pursued), a future expansion to the TSF through construction of an adjacent cell, and / or from a vertical raise of the dam.

The TSF is designed for two construction and operational phases. Stage 1 will be constructed to a crest elevation of 2,217 m above mean sea level ("**amsl**") and will have a maximum height of approximately 33 m. Stage 1 consists of two adjacent cells, Cell 1 to the west and Cell 2 to the east, that share an intermediate berm between the two. When the facility is at its ultimate configuration, Stage 2, the maximum height of the dam will be approximately 38 m, with a crest elevation of 2,222 m amsl. The Stage 1 dam may be considered a starter dam, encircling three sides of the geomembrane-lined tailings storage basin; the fourth side of the facility is created by the natural hillside slope. Only the outer dam will be raised during Stage 2 construction, thus the intermediate berm between Cells 1 and 2 will be covered with tailings during Stage 2 operations. For both the Stage 1 and Stage 2 configurations, the upstream and downstream slopes of the dam are designed to 2.5:1.0 H:V, with a crest width of 10 m.

The Juanicipio TSF features a homogeneous dam (i.e., non-zoned) founded upon native materials. Following site stripping, foundation preparation consists of removing all unsuitable soil strata (i.e., loose, caliche-rich) until reaching a competent layer as determined by site engineers. The dam contains a basal drainage system, consisting of a blanket drain built below the downstream portion of the dam to control potential seepage. Seepage that reaches the blanket drain is conveyed to collection drains along the outer perimeter of the dam, and then discharged into geomembrane-lined collection ponds. Seepage collected in the ponds is recirculated to the TSF, to the processing plant, or, as permitted by geochemical testing and regulations, discharged directly into the downstream environment.

Surface water management at the TSF is facilitated primarily by two non-contact diversion channels, one along the east side of the dam and the other along the south end and west sides of the facility. The channels are verified to accommodate run-on from the 1,000-year storm event as required by Comisiòn Nacional de Agua ("**CONAGUA**"). The east diversion channel is concrete-lined and the south/west channel is geotextile and riprap lined to deter erosion. Both channels feature energy dissipators at their termini prior to flow discharging into the downstream native environment. The TSF does not contain an operational spillway as it has been designed to store rainfall and run-on associated with the 72-hour probable maximum precipitation ("**PMP**").

***Underground Infrastructure***

The ore handling system is based around a nominal 4,000 tpd production capacity, approximately equivalent to 216 tonnes per hour (tph) over a 24-hour period, based on a capacity factor of 1.3. This allows for excess capacity in the ore handling system relative to any potential disconnection between the mine and mill. Ore is currently trucked to surface and then to the mill stockpile. Once the conveyor system to surface is in operation, ore transport from various mining levels will be by truck haulage to the crusher on 1950 RL. The crushed material will then be placed on a load-out belt that feeds the first of two sequential underground conveyors that bring the material to surface. At surface, a third conveyor delivers the material to an 8,000 tonne capacity stockpile that is adjacent to the mill.

Later in the mine life, an internal shaft (" **winze**") may be considered to allow hoisting of crushed ore from the loading pocket on 1300 RL up to the loading bin on 1950 RL. From there, the ore would be conveyed out of the mine via the existing conveyor system. An alternative arrangement using vertical conveyors is also being evaluated. Access to the top of the proposed winze or vertical conveyor is already developed. The selected hoisting facility would accommodate the production capacity of 1.4 Mtpa, with spare capacity built-in.

Development waste is either hauled to surface by trucks via the twin access declines or placed directly into stopes as backfill. All waste hauled to surface to date is stored near the current portal and has been largely used for construction material. As mining progresses, additional waste required for subsequent backfilling is planned to be delivered down a waste pass driven as close to the deposit as practicable, and then distributed to the stopes.

Separate explosives magazines have been developed for detonators and high explosives (ANFO and packaged emulsion explosives). The primary explosives magazine has a concrete floor and is fitted with an overhead manual lifting system for handling bulk ANFO explosive. The explosives magazines are located on 1920 RL.

Although the main maintenance workshop is located on surface, all major scheduled planned maintenance and rebuilds will take place in the underground workshop. The underground workshop is located on 1850 Level and has multiple service bays with overhead cranes. The workshop is also being fitted with lunchroom, workstations, communications room, and emergency facilities.

Mobile electrical compressors supply compressed air for the underground operations and primary equipment such as longhole drills have their own mobile compressors. The main compressor is located near the No 2 fan on surface above the portals of the twin declines. Air supply to the underground workshop is from this compressor via the main decline.

Refuge station chambers with 30-person capacity are used for emergencies; these chambers are portable for flexibility of location at the most appropriate areas of the mine.

The groundwater inflow into the mine was estimated using pre-drilling ahead of ramp development. SRK conducted the groundwater studies and provided the predrilling program. There are two temporary pump stations already in operation that together can handle 2,500 gallons per minute (gpm). The main pump station on 1850 Level has three pumps installed with a fourth available on stand-by. The current capacity is 5,000 gpm. A second permanent pump station is planned for 1650 Level that will pump to the 1850 Level station. A further main pump station is planned for the bottom of the mine (1250 Level) with a capacity of 2,500 gpm. It is estimated that the current and planned pump stations should provide sufficient capacity for the life of the mine.

The overall plan for handling groundwater is an advanced dewatering strategy that will largely depend on accessing the lower levels of the mine well ahead of stope production. This early development approach provides a means for installing a series of dewatering holes and sumps that will dewater sections of the mine prior to production mining. The risk of flooding will be partially mitigated by this early development strategy and by the provision of spare pumping capacity.

In 2023, the majority of Juanicipio process and operational water requirements was sourced from dewatering underground workings, with the water used primarily for mine development and dust control. Juanicipio also purchased potable well water from third parties for mine development and domestic use.

### *Environmental, Permitting, and Social Aspects*

Environmental investigations included baseline assessments and initial studies required under Mexican Environmental Laws, inclusive of a Regional Environmental Impact Statement (MIA-R).

The mine is in a region that hosts several significant mining operations where the community is accustomed to mining activities. The Qualified Person is not aware of any environmental permitting or licensing requirements to which the Juanicipio property has been or will be subject other than the normal mine permitting and licensing requirements as set forth by the Mexican Government.

Fresnillo, on behalf of Minera Juanicipio, has confirmed that the project does not have any environmental obligations or liabilities identified to date.

Key permits and licenses for the project are in place and Fresnillo has indicated that all the land included in the design and operation of the Juanicipio Mine has been purchased. There is no further expected requirement in this regard.

Climate change aspects were not specifically addressed in the Mineral Reserve estimation, but the Qualified Person considers that, for Juanicipio, any impacts would not have a material effect.

### *Project Development and Production Schedule*

Underground production of mineralized development material at Juanicipio commenced in the third quarter of 2020 and commercial production was declared in mid-2023. Mine operations are still in a ramp-up stage.

Nameplate processing capacity of 4,000 tpd was achieved in Q3 2023, with mine ore production averaging about 3,700 tpd in the latter part of the year (approximately 1.3 Mtpa). Optimization and efficiency improvements are to be worked on in 2024.

The productivity assumptions used for scheduling are shown in Table 1.5.

*Table 1.5 Productivity assumptions*

| ACTIVITY | UNIT | VALUE |
|---|---|---|
| Ramp development rate | m/month | **90** |
| Lateral development rate | m/month | **50** |
| Vertical development and surface raises | m/month | **200** |
| Stope production (longhole stopes) | t/day/stope | **850** |
| Stope production (cut and fill stopes) | t/day/stope | **850** |
| **Backfill** | **t/day/stope** | **350** |

Source: Fresnillo, 2023.

All scheduling is carried out using Enhanced Production Scheduling (EPS) software. During the EPS scheduling, additional dilution ranging from 1% to 5% for mucking and other sources, as well as mining recovery factors are applied (95% for longhole stoping and 98% for cut and fill). Stopes are then checked for economic viability (above cut-off) and any uneconomic stopes removed from the mine plan and Mineral Reserve estimate.

The EPS production schedule is summarized in Table 1.6. The schedule provides a sequence of mining events that are driven by defined constraints. The Qualified Person notes that, for the Juanicipio Economic Analysis, the EPS schedule has been adjusted to include actual values for 2023. The Qualified Person also notes that, for the LOM total values, there are only minor and non-material differences between those in the Ore Reserve estimate and those in the production schedule.

*Table 1.6 EPS production schedule by year*

| DESCRIPTION | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 |
|---|---|---|---|---|---|---|---|
| Ore tonnes (t) | 360 | 1,285 | 1,303 | 1,294 | 1,300 | 1,318 | **1,297** |
| Au (g/t) | 1.26 | 1.45 | 1.50 | 1.59 | 1.53 | 1.93 | **1.65** |
| Ag (g/t) | 620 | 403 | 373 | 300 | 287 | 198 | **155** |
| Pb (%) | 1.62 | 1.44 | 1.57 | 2.18 | 3.09 | 3.46 | **3.03** |
| Zn (%) | 3.27 | 2.76 | 2.70 | 3.71 | 5.10 | 6.15 | **5.39** |
| Fe (%) | 6.67 | 6.46 | 6.77 | 7.33 | 6.88 | 6.54 | **6.76** |
| Description | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | **Total** |
| Ore tonnes (t) | 1,308 | 1,309 | 1,308 | 1,302 | 1,272 | 702 | **15,356** |
| Au (g/t) | 1.61 | 1.66 | 1.61 | 1.51 | 1.37 | 1.72 | **1.58** |
| Ag (g/t) | 198 | 169 | 200 | 245 | 135 | 172 | **248** |
| Pb (%) | 2.97 | 2.65 | 2.82 | 3.13 | 2.72 | 3.11 | **2.64** |
| Zn (%) | 4.89 | 5.20 | 4.92 | 5.75 | 5.87 | 6.15 | **4.80** |
| **Fe (%)** | **6.65** | **6.56** | **6.58** | **6.10** | **5.39** | **6.38** | **6.54** |

Source: Fresnillo, 2023.

### *Project Capital Costs*

AMC completed a capital cost estimate as part of the 2018 study work. Since then, Fresnillo has advanced the project through detailed engineering, project construction, and initial mine development and stoping leading to achievement of commercial production in mid-2023. Internal estimates for the remaining Juanicipio capital, inclusive of sustaining capital and as of 31 May 2023, total $453 M. A summary of projected capital costs is shown in Table 1.7.

*Table 1.7 Summary of projected capital costs*

| AREA | TOTAL ($M) |
|---|---|
| Total remaining project capital costs | 40 |
| Total sustaining capital costs | 413 |
| Total LOM capital | 453 |

Note: Numbers may not compute exactly due to rounding.

### *Site Operating Costs*

The operating costs used for the evaluation of project economics are based on actual operating costs and benchmark costs for similar operations in the area. Average LOM operating costs from the latest cost model for the 2023 Mineral Reserves are summarized as follows:

- Mining - $63.32/t ore.
- Processing - $12.15/t ore.
- General and Administration- $10.38/t ore.
- Total operating cost - $85.85/t ore.

For cut-off purposes, the average cut-off values used were $122/t for longhole stopes and $150/t for cut-and-fill stopes to also cover the LOM sustaining capital costs for mining, processing, and G&A; and the operating management fee (totalling $36/t). Similarly, marginal cut-off values generally above $93/t for longhole stopes and $121/t for cut-and-fill stopes were used.

### *Offsite Costs (Concentrate Transport, Treatment, and Refining Costs)*

Market contracts are in place for the Juanicipio ore. Lead and zinc treatment charges of $198/dry metric tonne (dmt) concentrate and $320/dmt concentrate, respectively, are applied. Freight costs are $37/wet metric tonne (wmt) and $36/wmt for the lead and zinc concentrate, respectively. Refinery costs of $17/oz for gold and $1/oz for silver are also incorporated into the NSR calculations.

A first delivery of pyrite concentrate to an overseas buyer was recently achieved. The terms for that shipment included payment for 50% of the final silver and gold content in the concentrate. The same terms have been assumed for the economic assessment in the 2024 Technical Report.

### *Taxes*

The tax provisions include a conventional profit-based tax using the 30% corporate tax rate currently in effect. A 7.5% special mining duty is applied on earnings after allowable expenses and before taxes, and a 0.5% gross revenue royalty is applied on all gold and silver revenues.

### *Projected Sales*

Project economics have been assessed using the following metal prices, which were selected after discussion with Fresnillo and MAG Silver representatives and referencing current market and recent historical prices, values used in other recent mineral projects reporting on SEDAR+, and forecasts in the public domain:

- Silver price = $22.00/oz
- Gold price = $1,750/oz
- Lead price = $1.00/lb
- Zinc price = $1.15/lb

Existing terms of current concentrate sale agreements have been assumed for the economic assessment. For the purposes of this report, it is assumed that all lead, zinc, and pyrite concentrates over the LOM are transported to Torreón, Mexico for smelting.

### *Economic Analysis*

All dollar values are considered constant and are in US dollars ($) unless otherwise stated. The cost estimate was prepared with a base date of Year 1 (2023) and use constant Year 1 dollars (no inflation). For net present value (NPV) estimation, all costs and revenues are discounted at 5% from the base date. An exchange rate of MXP19:US$1, a corporate tax rate of 30%, special mining duty of 8.5%, and 1% gross gold and silver revenue royalty have been assumed.

To facilitate assessment of economic viability, production physicals from the EPS schedule as of 31 May 2023 were uploaded into a simplified economic model. The start date for the economic analysis is 1 June 2023, with all discounted metrics reflecting that start date. For simplicity, the period June to December of 2023 is treated as a full year when applying discounting. The economic model includes current estimates for LOM capital and operating costs. 2023 ore production and operating cost values in the economic model are ‘Actuals’ from June to December as indicated by Minera Juanicipio monthly reports. The results of the analysis show that the project continues to maintain positive and robust economics.

Table 1.8 provides a summary of the key inputs and results of the economic analysis. Over a 13-year operating life, the mine is projected to generate approximately $1,656M pre-tax NPV and $1,224M post-tax NPV at 5% discount rate.

Table 1.8 Key inputs and results of economic analysis

| JUANICIPIO DEPOSIT | UNIT | 2023 LOM EVALUATION |
|---|---|---|
| Total ore | kt | 15,356 |
| Gold grade[1] | g/t | 1.58 |
| Silver grade[1] | g/t | 248 |
| Lead grade[1] | g/t% | 2.64 |
| Zinc grade[1] | % | 4.80 |
| Gold recovery[1] | % | 84.4 |
| Silver recovery[1] | % | 86.6 |
| Lead recovery[1] | % | 86.8 |
| Zinc recovery[1] | % | 72.3 |
| Gold price | $/oz | 1,750 |
| Silver price | $/oz | 22.00 |
| Lead price | $/oz | 1.00 |
| Zinc price | $/lb | 1.15 |
| Lead price | $/lb | 1.00 |
| Gross revenue | $M | 4,879 |
| Selling costs[2] | $M | 773 |
| Management fee | $M | 158 |
| Capital costs | $M | 453 |
| Operating costs (total)[3] | $M | 1,318 |
| Operating costs (total)[3] | $/t | 85.85 |
| Cumulative pre-tax net cash flow[4] | $M | 2,116 |
| Cumulative post-tax net cash flow[4] | $M | 1,570 |
| Pre-tax NPV @ 5% discount rate[5] | $M | 1,656 |
| Post-tax NPV @ 5% discount rate[5] | $M | 1,224 |

Notes:
- Numbers may not compute exactly due to rounding.
- Exchange rate MXP19:US$1. Metal prices: gold - $1750/oz; silver - $22/oz; lead - $1.00/lb; zinc - $1.15/lb.

[1] Life-of-mine (LOM) average recoveries to concentrates.
[2] Selling costs include penalties, treatment, transportation, and refining costs.
[3] Includes mine operating costs, milling, and mine G&A.
[4] Undiscounted from 1 June 2023. Cash flow after employee profit sharing benefit (PTU).
[5] Discounted from 1 June 2023. Depreciation expenses of $453 M (for the remaining project and sustaining capital), and sunk costs of $840 M (prior to 31 May 2023) are recognized in the tax calculations.

### *Interpretations, Conclusions, and Recommendations*

Drilling

In the opinion of the Qualified Person, the drilling strategy and procedures used by Fresnillo on the Juanicipio property conform to generally accepted industry best practices and are suitable for this deposit. The drilling information is sufficiently reliable, and the drilling pattern is sufficiently dense to interpret with confidence the geometry and the boundaries of silver, gold, zinc, and lead mineralization in the Valdecañas vein system, and the Juanicipio vein. All diamond drill core sampling has been conducted by appropriately qualified personnel under the direct supervision of appropriately qualified geologists.

The Qualified Person is not aware of any drilling, sampling, or recovery factors that could materially impact the accuracy and reliability of diamond drilling results from the Valdecañas vein system, or the Juanicipio vein.

Sample Preparation, Analyses, and Security – QA/QC Recommendations

Fresnillo has recently implemented a quality assurance and quality control (" **QA/QC**") program that combines key elements to monitor accuracy, precision, and sample contamination during sample preparation and analysis. The Qualified Person makes the following recommendations for future QAQC programs:

- General QA/QC
  - Increase insertion rates for all QA/QC sample types as necessary to meet industry standards and develop a procedure to ensure that QA/QC samples are included in each batch of samples submitted to the laboratory.
  - Create a standard operating procedure (SOP) that outlines the actions to be taken for QA/QC failures.
  - Establish a 'table of failures' that documents warnings, failures, and remedial actions taken for all QA/QC sample types.
- Standard reference materials
  - Insert additional SRMs to cover a wider range of grades. For each economic metal, the Qualified Person recommends the use of SRMs with values at the approximate cut-off grade of the deposit, at the approximate expected grade of the deposit, and at a higher grade. The current suite of SRMs used at Juanicipio do not cover the approximate expected Au, Ag, or Zn grades, and an SRM with a Zn grade higher than the approximate expected grade of the deposit is not used. Additional SRMs should be used that cover these values.
  - Plot SRM data over time to check for potential bias and instrumental drift.
  - Review SRM results using control charts as well as on a batch-by-batch basis. Re-assay sample batches where the SRM value is greater than three standard deviations from the expected value declared on the assay certificate. Investigate sample batches containing consecutive SRMs with results outside of two standard deviations of the expected value.
  - Ensure that insertion rates for SRM samples meet industry standards (5 –6%).
- Blank samples
  - Establish a protocol for the remedial action to be taken to address sample batches with failed blanks.
  - Adjust sampling procedures so that blank samples are included immediately after visible high-grade mineralization.
  - Consider adding coarse blank material to the QA/QC sample suite. This would allow for better monitoring of contamination during sample preparation.
  - Consider inserting blank material that is certified for Ag, Pb, and Zn. Contamination is currently only monitored for Au, but it is important to monitor contamination for all analytes given their high grades.
  - Consider reducing the blank failure limit to 2x LLD.
- Duplicate samples
  - Develop a procedure that allows for selection of the majority of duplicate samples from visibly mineralized zones that are likely to exceed 15x LLD.
  - Request detail on the pulp sub-sampling process to understand possible sampling errors.
  - Submit duplicate samples in the surface diamond drill sample stream. All QA/QC sample types should be submitted for all sample streams to ensure that the data can be properly assessed.
- Umpire samples
  - Include SRM and pulp blank samples with umpire sample submissions. Ensure that these SRM and blank samples are identified as umpire QA/QC samples in the database so that they can be reviewed independently of other SRMs and blanks.
  - Submit umpire samples in the mine diamond drill sample stream.
  - All QA/QC sample types should be submitted for all sample streams to ensure that the data can be properly assessed.

Sample Preparation, Analyses, and Security - Conclusions

The Qualified Person considers sample preparation and analytical and security protocols employed by Fresnillo to be acceptable. The Qualified Person has reviewed the QA/QC procedures used by Fresnillo including certified reference materials, blank, duplicate and umpire data and has made some recommendations. The Qualified Person does not consider these to have a material impact on the Mineral Resource estimate and considers the assay database to be adequate for Mineral Resource estimation.

Data Verification

The Qualified Persons consider the assay database to be acceptable for Mineral Resource estimation.

Mineral Resources Interpretation and Conclusions

Six veins have been estimated. All are classified as Inferred except for portions of the Valdecañas vein, which have been classified as Measured and Indicated. The development of the underground operation with dense drilling and underground sampling has enabled the classification of Measured Resources on this vein for the first time. Measured material consists of 8.5% of the Measured and Indicated material on this vein.

Since the last Mineral Resource reported by MAG in 2018, Measured and Indicated tonnes have increased by 32.5%. Average LOM silver grades have decreased by 27.4% and average gold grades have decreased by 11.4%; average lead and zinc grades have increased by 37.0% and 44.6% respectively. This reflects additional drilling in the lower, more base-metal-rich part of the deposit.

Inferred tonnes increased by 15.8%. In the Inferred category, silver grades have increased by 1.7%, lead grades have decreased by 2.0% and zinc grades have increased by 30.8%. The gold grades decreased in the Inferred Resource by 26.4%.

In regard to the management of the current Mineral Resource, reconciliation from the resource model to the short-term model and to what is actually produced is recommended to be pursued further.

Mineral Resource Estimate Recommendations

- Use estimation parameters that ensure a minimum of two samples and two drillholes inform each block for the Venadas and Juanicipio veins.
- Evaluate and document the effect of the inclusion of channel samples on the grade estimates.
- Carry out reconciliation between production and local estimates.
- Assess method to more clearly demonstrate reasonable prospects for eventual economic extraction.
- To give greater certainty to the plan, carry out in-fill drilling prior to the delimitation of the production stopes and, as far as possible, achieve a distance between holes of 35 to 50 m.
- Ensure that geology is incorporated in any detailed short-term modelling and delineation.
- Continue drilling to depth in the Valdecañas veins.
- Continue drilling from the upper part of the Ramal 1 development to confirm vein continuity.

These items would be budgeted as part of the mine operating costs.

Recommended exploration work is shown below in Table 1.9, along with estimated costs. The work is to be carried out by two groups: Operations and Exploration.

*Table 1.9 Proposed program and cost estimate**

| ACTIVITY | PROPOSED PROGRAM | METRES | COST (US$) |
|---|---|---|---|
| Drilling | Operational division | 33,000 | 3,017,000 |
| Other Expenses | | | 104,000 |
| Assay | | | 564,000 |
| Other | | | 174,000 |
| Drilling | Exploration division | 17,000 | 3,548,000 |
| Other expenses | | | 666,000 |
| Assay | | | 186,000 |
| Total | | 50,000 | 8,258,000 |

*Note: Totals may not compute exactly due to rounding.

Mineral Reserve Estimate Interpretations, Conclusions, and Recommendations

Mineral Reserves are reported at an NSR cut-off value of $122 for longhole stoping and $150 for cut and fill. Mineral Reserves are based only on Measured or Indicated Resources. The total Proven and the Probable Mineral Reserves are:

- 15.36 Mt at average grades of 1.58 g/t Au, 248 g/t Ag, 2.64% Pb, and 4.80% Zn.

Relevant dilution and mining recovery factors have been applied in the estimation of Mineral Reserves.
The Qualified Person considers that the Reserves for Minera Juanicipio as stated herein are consistent with industry standards and are suitable for public reporting purposes.

In regard to the Mineral Reserves, the following recommendations are made:

- Consider streamlining the COG definition process. The Qualified Person considers the estimation process for COG that uses a variable trucking cost component to be relatively complex, without making a material difference.
- Mining operations are ramping up to full production. It is recommended that full acknowledgement be given to actual costs for steady-state operations going forward.
- Recognizing that the mine is now milling ore through the Juanicipio plant, it is recommended that process recoveries specific to plant steady-state operation are well recorded and are used in future Mineral Reserve estimation.

Mining Interpretation, Conclusions, and Recommendations

- The mine is accessed by two main declines and a conveyor decline. Procurement and installation of the conveyor in the decline will occur in 2024 to 2025.
- Mechanized longhole stoping with waste backfill has been selected as the main mining method. Some cut and fill stopes are planned for thinner veins or poor ground conditions.
- Trade-off studies have identified that conveying the ore directly to the process plant from underground is economically and operationally advantageous compared to other arrangements.
- Evaluation of the production rate and scheduling indicates that the deposit supports a plan of approximately 4,000 tpd.
- All waste will be tipped directly into stopes or trucked to surface. There will be a deficit in the amount of waste required for backfilling estimated to be 4.2 Mt. It is assumed that additional waste will be mined from a small surface pit and dropped down a waste pass for distribution to the stopes.
- Approximately 15.4 Mt of ore is projected to be mined and processed over the currently envisaged mine life of 13 years.

- Initial development and all development over the mine life has been or will be completed by contractors. All stoping operations will be completed by the owner - this includes all waste rock filling.
- Blasting will be undertaken primarily with ANFO and non-electric detonators. In conditions that are wet, package emulsion explosives will be utilized.
- The ventilation system for Juanicipio is designed as a 'pull' system with primary exhaust fans located on surface at the top of each primary exhaust raise.
- With the infrastructure airflow and leakage and balancing allowances the total airflow determination based on the projected diesel fleet size is 550 m3/s, whilst currently, 491 $m^3/s$ is being circulated.
- The mine is using modern trackless mobile equipment for the development and stoping operations.
- The peak number of personnel is projected to be 1,569, inclusive of a peak number for contactor employees projected to be 1,056. Labour requirements are based on an operating schedule of two, 12-hour shifts per day, 360 days per year.
- The underground workforce, as well as geology and survey, is made up of three rotations working a 10-days on (5-day shifts and 5-night shifts) and 5-days off rotation. Other technical support staff, mining supervisors and general and administration employees work a 5-day per week schedule.
- An underground waste materials balance study is recommended to further assess options for the backfill deficit.
- A backfill study is recommended to further assess options for pillar recovery and tailings disposal.
- As the planned strategy for ventilation of the conveyor and crusher has recently changed, a review is recommended to confirm the overall ventilation strategy for the medium to long term.

Geotechnical

In regard to geotechnical aspects, the following recommendations are made:

- Conduct stope reconciliation and identify the root cause of overbreak and underbreak and optimize future stoping design criteria.
- Focus on drilling and blasting practices to minimize the blasting effects of overbreak and dilution.
  - Optimize drill and blasting design, particularly for Poor ground and adverse structures.
  - Develop and implement a robust QA/QC procedure to improve drilling accuracy and blasting quality.
  - Improvements to drilling and blasting with stand-off of approximately 1.0 m from the. CMS fill shape will reduce the blast damage dilution and increase the stability of the exposed fill.
- Before assessing stability of future raises and required support, specific geotechnical drilling should be undertaken along the centreline of the selected sites and a thorough analysis of rock mass and discontinuity properties should be made. A detailed core logging program would be an integral part of each raise assessment.
- Ground improvement options should be considered for raise stability, as required.
- Update Ground Control Management Plan ("**GCMP**") to reflect the current ground control practices at Juanicipio. All key aspects of lithology, structures (major and minor), geotechnical model, rock mass characterization, geotechnical design criteria for ground support and stope design, monitoring and QA/QC should be included in the GCMP.
- Optimize ground support and improve ground support design particularly for Poor ground.
  - Consider replacing mesh and plain shotcrete with fibrecrete to increase productivity and cost reduction.
  - Improve configurations for reinforced rib shotcrete (light frame) and spiling.

Infrastructure Interpretation, Conclusions, and Recommendations

- A 6.5 km access road, mostly over hilly terrain, accesses the underground main declines portal area from the mill, with the plant site being connected to the main highway by a 1.4 km road.

- Power supply is to a main substation at the plant site via a 115 kV overhead power line from a pre-existing power line located to the north of the Juanicipio property.
- Service water is generated at site by reverse osmosis process. Raw sewage water is treated on site prior to use.
- Potable water is purchased from local providers as required.
- All mill tailings will be discharged to the TSF, which has a total projected volume of approximately 8.5 Mt in its ultimate configuration. Stage 1 – Cell 1 of the TSF is currently in operation with limited remaining capacity. Stage 1 – Cell 2 of the structure is partially constructed and will be finished when the necessary permit is obtained. During the period in which Cell 1 is at maximum storage capacity and Cell 2 construction has not been finished, tailings from the Juanicipio processing plant will be pumped to the neighbouring mine TSF. Stage 2 will be constructed following the construction of Stage 1 – Cell 2, providing additional storage capacity via a downstream raise of the dam. The remaining estimated requirement for an additional 3.7 Mt of tailings storage will come from an expansion to the TSF via a vertical raise or an additional cell.
- Dewatering will be via two main pump stations capable of handling 5,000 gpm. Drilling ahead of the advancing ramps has indicated no major water bearing structures. It is estimated that this should be sufficient capacity for the life of the mine.
- The risk of flooding will be partially mitigated by this early development strategy and by the provision of spare pumping capacity.
- Mobile compressors supply compressed air for underground operations, and primary equipment, such as longhole drills, have their own mobile compressors. The main compressor is located near the No 2 fan on surface above the main portal area and twin declines.

The Qualified Person considers that current infrastructure and plans for future additions and adjustments are appropriate to support the Juanicipio Mineral Reserves and their extraction.

In regard to infrastructure, the following recommendations are made:

- Consider opportunities to optimize the materials handling system for deeper ore with an aim of reducing operating costs.
- Continue with advanced dewatering of the orebody to reduce the amount of heat introduced to the mine workings from ingress of hot groundwater.
- Consider all options for necessary expansion of TSF capacity, with work to be completed in a timeframe that matches tailings disposal requirements.

Mineral Processing Interpretations, Conclusions, and Recommendations

AMC visited Juanicipio in February 2024 and conducted an inspection of the Juanicipio plant. The facility was observed to be clean, well maintained and being operated in a safe and orderly manner. A site-wide maintenance record-keeping, planning and execution system utilizing industry standard software is fully implemented.

The designed throughput rate for the Juanicipio plant is 4,000 tpd. Daily averages increased during the commissioning and ramping up of the new plant and have demonstrated achievement of designed performance.

Total gold recovery (before payables adjustment) averaged 69.4% for March to December 2023 compared to the planned value of 75.8%. However, recoveries have improved as ramp-up and optimization of plant circuits have progressed, with gold recovery (inclusive latterly of some gravity gold) in December 2023 averaging 71.4% (silver at 89.0%, lead at 93.5%, zinc at 94.9%).

Total recoveries for March to December 2023 (before payables adjustment) for silver, lead and zinc exceeded plan:

- Silver recovery averaged 87.6% compared to the planned value of 87.1%.
- Lead recovery averaged 89.9% compared to the planned value of 86.3%.
- Zinc recovery averaged 90.5% compared to the planned value of 74.5%.

Excluding the start-up month of March 2023, lead content of lead concentrate exceeded the planned value of 33.75% and ranged from 38% to 52%. Zinc content was generally in the planned range from 4.84% Zn to 12.0% Zn and ranged from 7% to 14%.

Excluding the start-up month of March 2023, zinc content of zinc concentrate exceeded the planned value of 49.71% and ranged from 49% to 53%. Lead content generally met the planned limit of 1.31%.

Commissioning and ramp-up have generally gone well, with the plant achieving designed throughput and designed silver, lead and zinc recoveries and concentrate grades. AMC acknowledges the continuing testing and process development being conducted by the plant's operators to improve all processing aspects, including for gold recovery, and recommends continuation of the program.

The pyrite circuit has initially been in an optimization phase, with delivery to, and acceptance of a first pyrite concentrate shipment by, an off-shore purchaser recently achieved.

TSF Interpretations, Conclusions, and Recommendations

Detailed design of the TSF for the project has been undertaken by Knight Piésold. It is estimated that the Juanicipio processing plant will produce approximately 12.2 Mt of tailings for surface storage over an anticipated mine life of approximately 13 years. Mill tailings will be discharged to the TSF, which has a total volume capacity of approximately 8.5 Mt, as currently designed. The remaining required tailings storage will come from potential deepening of the Cell 2 basin, a future expansion to the TSF through construction of an adjacent cell, and / or a vertical raise of the dam.

The TSF is designed for two construction and operational phases, denoted Stages 1 and 2. Stage 1 will be constructed to a crest elevation of 2,217 m amsl and will have a maximum height of approximately 33 m. When the facility is at its ultimate configuration, Stage 2, the maximum height of the dam will be approximately 38 m, with a crest elevation of 2,222 m amsl. The Stage 1 dam may be considered a starter dam, encircling three sides of the geomembrane-lined tailings storage basin; the fourth side of the facility is created by the natural hillside slope. The final facility will be completed via a 5 m downstream raise of the Stage 1 dam, known as Stage 2. For both the Stage 1 and Stage 2 configurations, the upstream and downstream slopes of the dam are designed to 2.5:1.0 H:V with a crest width of 10 m.

The Juanicipio TSF features a homogeneous dam (i.e., non-zoned) founded upon native materials. Following site stripping, foundation preparation consists of removing all unsuitable soil strata (i.e., loose, caliche-rich) until reaching a competent layer as determined by site engineers. The dam contains a basal drainage system, consisting of a blanket drain built below the downstream portion of the dam to control potential seepage. Seepage that reaches the blanket drain is conveyed to collection drains along the outer perimeter of the dam, and then discharged into geomembrane-lined collection ponds. Seepage collected in the ponds is recirculated to the TSF, to the processing plant, or, as permitted by geochemical testing and regulations, discharged directly into the downstream environment.

Surface water management at the TSF is facilitated primarily by two non-contact diversion channels, one along the east side of the dam and the other along the south end and west sides of the facility. The channels are verified to accommodate run-on from the 1,000-year storm event as required by CONAGUA. The east diversion channel is concrete-lined and the south/west channel is geotextile and riprap lined to deter erosion. Both channels feature energy dissipators at their termini prior to flow discharging into the downstream native environment. The TSF does not contain an operational spillway as it has been designed to store rainfall and run-on associated with the 72-hour PMP.

In regard to the TSF, the following interpretations, conclusions, and recommendations are provided:

- Commitment is required for a TSF design expansion or new TSF facility for disposal of the projected 3.7 Mt of tailings additional to the current TSF capacity.
- Site investigation work completed in 2023 indicated that the excavation of the Cell 2 tailings basin could be deepened to provide additional tailings storage and produce sufficient fill for the Stage 2 raise of the TSF. Conceptual engineering of the deepened Cell 2 basin by Knight Piésold suggests that more than a year of additional tailings storage could be added to the TSF. The Qualified Person notes that detailed engineering of the Cell 2 basin deepening has been authorized by Minera Juanicipio.

- Cell 2 tailings basin deepening will only partially alleviate the requirement for additional TSF sufficient storage capacity to meet the life of mine tailings production. It is envisaged that the remaining required tailings storage will come from an expansion to the existing Juanicipio TSF through construction of an adjacent cell and / or from an additional raise of the dam. The Qualified Person recommends timely investigation, design, and planning for these options.

Economic Interpretation, Conclusions, and Recommendations

The economic assessment indicates strong economic viability for the Juanicipio Mine. Over a 13-year operating life, the mine is projected to generate approximately $1,656M pre-tax NPV and $1,224M post-tax NPV at 5% discount rate. Operating costs used for the economic evaluation are based on actual operating costs and benchmark costs for similar operations in the area. Total remaining capital expenditure is estimated at $453M.

The Qualified Person has reviewed the overall economics for Juanicipio and provides the following related recommendations:

- Maintain focus on achieving steady-state operations as soon as practicable to achieve full financial and operational benefit.
- Complete construction of the planned conventional conveyor as soon as practicable to minimize operating costs and assist in maintaining production and mill feed targets.
- Re-evaluate the usage of vertical conveyors or other viable materials handling options as the mine goes deeper.
- Further drilling and investigation work aimed at upgrading Inferred Mineral Resources is recommended to consolidate the design basis for the project and, in particular, plans for long term ore handling.

Risks

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is a degree of uncertainty attributable to the estimation of Mineral Resources. There are considerable Mineral Reserves estimated based on the Measured and Indicated Resources available, which substantially reduces the risk. However, until Mineral Resources are actually mined and processed, the quantity of mineralization and grades must be considered as estimates only. Any material change in quantity of resources, mineralization, or grade may affect the economic viability of the project.

Increasing operating costs may lead to a reduction in the economically viable Mineral Reserves and could, therefore, affect overall project economics. Careful attention to cost containment and optimization should be considered during operations.

Ground control and appropriate ground support regimes must always be at the forefront of the mine operating and management focus, and particularly in Poor ground areas and/or where faults are anticipated to be encountered.

Opportunities for Further Consideration Currently Excluded from Project Scope

Potential opportunities for the project include:

- Inferred Mineral Resources have the potential to be converted to Indicated Mineral Resources through additional exploration work, some of which can be converted through near-term infill drilling.
- Significant exploration potential exists within a large land package and a number of high priority drill targets.
- The Valdecañas vein system is largely open at depth.
- The Juanicipio vein is open to the west and to depth for further exploration.

### Other Properties

The Company also holds interests in other early-stage exploration properties, including the Deer Trail Project and the Larder Project (see "*General Development of the Business – Other Exploration Properties*" above). The Company continues to evaluate other exploration opportunities both on currently owned properties and on new prospects.

## DIVIDENDS

The Board will have the discretion to determine whether any dividends on the Company's common shares will be declared, when dividends, if any, are deemed, and the amount of such dividends. While the Board has declared a dividend for holders of record on April 4, 2025, any decisions with respect to the declaration of future dividends will remain at the discretion of the Board and will depend on a number of considerations, including the Company's results of operations and capital requirements, future earnings, availability of funds, as well as industry practice, and other factors deemed relevant by the Board.

## DESCRIPTION OF CAPITAL STRUCTURE

The Company's authorized capital consists of an unlimited number of Common Shares without par value and an unlimited number of Preferred Shares without par value, of which 103,449,740 Common Shares were issued and outstanding and no Preferred Shares were issued and outstanding as at March 21, 2025, the last business day immediately preceding the date of this AIF. All of the issued shares are fully paid and non-assessable.

### Common Shares

A holder of a Common Share is entitled to one vote for each Common Share held on all matters to be voted on by the Company's shareholders. Each Common Share is equal to every other Common Share and all Common Shares participate equally on liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the Company's assets among the Company's shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The shareholders are entitled to receive pro rata such dividends as may be declared by the Board out of funds legally available therefore and to receive pro rata the remaining property of the Company upon dissolution. No shares have been issued subject to call or assessment. There are no pre-emptive or conversion rights, and no provisions for redemption, retraction, purchase or cancellation, surrender, sinking fund or purchase fund. Provisions as to the creation, modification, amendment or variation of such rights or such provisions are contained in the *Business Corporations Act* (British Columbia) and the articles of the Company .

### Shareholder Rights Plan

On May 13, 2016, the Board approved a Shareholder Rights Plan (the " **Rights Plan**") between the Company and Computershare Investor Services Inc., dated as of the same date. On June 15, 2016, the Rights Plan was approved by the shareholders of the Company at its annual and special meeting of shareholders, and by the TSX. On June 13, 2019, the shareholders of the Company reconfirmed and approved the Rights Plan, and on June 22, 2022, the shareholders of the Company approved an Amended and Restated Shareholder Rights Plan (the "**Amended Rights Plan**"), which will remain in full force and effect until the Company's 2025 annual meeting of shareholders, being the third annual meeting of the shareholders following the June 22, 2022 meeting. At the Company's 2025 annual meeting of shareholders, the shareholders will be asked to approve the renewal of the Company's Amended Rights Plan. A copy of the Amended Rights Plan may be obtained by request in writing to the Company at Suite 770 – 800 West Pender Street, Vancouver, British Columbia, V6C 2V6, or viewed in electronic format at www.sedarplus.ca and at www.sec.gov.

# MARKET FOR SECURITIES

## Trading Price and Volume

The following table provides information as to the high and low prices of the Company's Common Shares during the 12 months of the most recently completed financial year as well as the volume of shares traded for each month:

TSX

| MONTH | HIGH (C$) | LOW (C$) | VOLUME |
|---|---|---|---|
| January 2024 | 14.04 | $11.94 | 4,457,747 |
| February 2024 | 12.61 | $11.18 | 2,807,677 |
| March 2024 | 14.33 | $11.15 | 6,770,413 |
| April 2024 | 18.11 | $14.43 | 9,086,630 |
| May 2024 | 19.30 | $16.63 | 4,559,859 |
| June 2024 | 18.88 | $15.64 | 2,915,691 |
| July 2024 | 19.41 | $15.86 | 3,349,766 |
| August 2024 | 19.65 | $15.92 | 2,899,240 |
| September 2024 | 20.91 | $15.89 | 4,118,974 |
| October 2024 | 25.36 | $18.98 | 6,013,081 |
| November 2024 | 24.14 | $20.35 | 4,473,992 |
| December 2024 | 22.94 | $19.01 | 2,922,179 |

NYSE American

| MONTH | HIGH (US$) | LOW (US$) | VOLUME |
|---|---|---|---|
| January 2024 | 10.56 | $8.87 | 13,576,972 |
| February 2024 | 9.43 | $8.22 | 10,551,143 |
| March 2024 | 10.60 | $8.20 | 18,929,595 |
| April 2024 | 13.25 | $10.62 | 28,063,216 |
| May 2024 | 14.30 | $12.15 | 17,417,896 |
| June 2024 | 13.80 | $11.41 | 11,702,027 |
| July 2024 | 14.11 | $11.55 | 11,806,178 |
| August 2024 | 14.15 | $11.29 | 10,798,464 |
| September 2024 | 15.54 | $11.72 | 12,989,456 |
| October 2024 | 18.27 | $14.04 | 17,708,146 |
| November 2024 | 17.36 | $14.51 | 13,163,439 |
| December 2024 | 16.26 | $13.20 | 10,755,590 |

## Prior Sales

During the financial year ended December 31, 2024, the Company issued the following securities that are not listed or quoted on a marketplace:

***Options***

| DATE OF ISSUANCE | NUMBER OF STOCK OPTIONS ISSUED | EXERCISE PRICE (C$) | REASON FOR ISSUANCE |
|---|---|---|---|
| April 2, 2024 | 273,507 | $14.64 | 2024 option grant |

***RSUs and PSUs***

| DATE OF ISSUANCE | NUMBER OF STOCK OPTIONS ISSUED | UNIT VALUE (C$) | REASON FOR ISSUANCE |
|---|---|---|---|
| April 2, 2024 | 94,842 | $14.64 | 2024 RSU grant |
| April 2, 2024 | 137,191 | $14.64 | 2024 PSU grant |

***DSUs***

| DATE OF ISSUANCE | NUMBER OF DSUS ISSUED | DSU VALUE (C$) | REASON FOR ISSUANCE |
|---|---|---|---|
| January 1, 2024 | 10,877 | $13.79 | Inducement for new director |
| April 2, 2024 | 20,488 | $14.64 | Quarterly grant |
| April 2, 2024 | 1,152 | $14.64 | In lieu of directors' cash fees |
| July 2, 2024 | 18,432 | $15.98 | Quarterly grant |
| July 2, 2024 | 1,089 | $15.98 | In lieu of directors' cash fees |
| September 30, 2024 | 13,286 | $19.75 | Quarterly grant |
| September 30, 2024 | 1,044 | $19.75 | In lieu of directors' cash fees |
| December 31, 2024 | 13,727 | $19.12 | Quarterly grant |
| December 31, 2024 | 1,078 | $19.12 | In lieu of directors' cash fees |

## DIRECTORS AND OFFICERS

The following table summarizes the principal occupation of each director and officer of the Company for the preceding five years and the number of voting securities of the Company held by such individuals as at March 24, 2025, the last business day immediately preceding the date of this AIF.

| NAME & POSITION(1) | PRINCIPAL OCCUPATION DURING THE PAST 5 YEARS | COMMON SHARES(7) |
|---|---|---|
| **George N. Paspalas**<br>President & CEO, Director<br>(since Oct 15, 2013)<br>British Columbia, Canada | President, CEO and director of the Company | 180,000 |
| **Peter D. Barnes** (2)(4)<br>Director (since Oct 5, 2012)<br>Chair (since June 18, 2020)<br>British Columbia, Canada | Director of the Company (Chair of the Board) | 106,954 |
| **Jill Leversage** (2)(4)<br>Director (since Dec 22, 2014)<br>British Columbia, Canada | Director of the Company, Aurinia Pharmaceuticals Inc., RE Royalties Ltd., and the Vancouver Airport Authority; Former director of the Insurance Corporation of British Columbia, Partnerships British Columbia and the Capital Markets Authority Implementation Organization | 14,300 |
| **Selma Lussenburg** (4)(5)<br>Director (since Feb 1, 2020)<br>Ontario, Canada | Director of the Company, Ontario Power Generation Inc. and the Muskoka Airport; Chair of the Ontario Government's Internal Audit Justice Sector; Canadian private sector member on the Canada-United States-Mexico Agreement (CUSMA) 13.22 Advisory Committee on the resolution of private commercial disputes; Former VP Governance, Corporate Safety & Security, General Counsel and Corporate Secretary of the Greater Toronto Airports Authority (Toronto Pearson International Airport) | 4,250 |

| NAME & POSITION(1) | PRINCIPAL OCCUPATION DURING THE PAST 5 YEARS | COMMON SHARES(7) |
|---|---|---|
| **Susan F. Mathieu (3)(5)(6)**<br>Director (since Jan 13, 2021)<br>Alberta, Canada | Director of the Company; Former VP Environment & Sustainability with NexGen Energy Ltd. | 9,283 |
| **Tim Baker (3)(6)**<br>Director (since March 31, 2021)<br>British Columbia, Canada | Director of the Company and Triple Flag Precious Metals Corp.; Former director of RCF Acquisition Corp., Golden Star Resources Ltd., Sherritt International Corporation, Antofagasta PLC and Rye Patch Gold (later Alio Gold) | 8,100 |
| **Dale Peniuk (2)(3)**<br>Director (since August 3, 2021)<br>British Columbia, Canada | Chartered Professional Accountant (CPA, CA); director of the Company, Lundin Mining Corporation and Kuya Silver Corporation; Former director of Capstone Mining Corp. (now Capstone Copper Corp.) and Argonaut Gold Inc. | 1,000 |
| **Tom Peregoodoff (5)(6)**<br>Director (since January 1, 2024)<br>British Columbia, Canada | Director of the Company; Former President, CEO and director of Apollo Silver Corp.; Former director of Pretium Resources Inc., American West Metals Ltd and Blackrock Silver Corp. | 1,600 |
| **John Armstrong (2)**<br>Director (since January 31, 2025)<br>British Columbia, Canada | Director of the Company; Former CEO and director of Versamet Royalties; Former Deputy Head, Investment Banking of BMO Capital Markets. | 0 |
| **Fausto Di Trapani**<br>Chief Financial Officer<br>British Columbia, Canada | Chief Financial Officer of the Company; Former Chief Financial Officer of Galiano Gold Inc. | 33,367 |
| **Jim Mallory**<br>Chief Sustainability Officer<br>British Columbia, Canada | Chief Sustainability Officer of the Company; Former consultant for the Company's ESG implementation plan; Former VP Corporate Sustainability of First Majestic Silver Corp.; Former VP Corporate Responsibility of Primero Mining Corp. | 3,000 |
| **Marc Turcotte**<br>Chief Development Officer<br>British Columbia, Canada | Chief Development Officer of the Company; Former Vice President of Business Development for the Company | 0 |
| **Lex Lambeck**<br>Vice President, Exploration<br>Utah, United States | Vice President, Exploration of the Company | 0 |
| **Jill Neff**<br>Vice President, Governance and Corporate Secretary<br>British Columbia, Canada | Vice President, Governance and Corporate Secretary of the Company; Former Corporate Secretary of Sierra Metals Inc. | 9,000 |

Notes:

(1) Each director's term of office expires at the next annual general meeting of shareholders of the Company.
(2) Member of the Audit Committee.
(3) Member of the Compensation and Human Resources Committee.
(4) Member of the Governance and Nomination Committee.
(5) Member of the HSEC Committee.
(6) Member of the Technical Committee.
(7) Includes beneficial, direct and indirect shareholdings.

There are 103,449,740 Common Shares issued and outstanding as at March 24, 2025. As of March 24, 2025, directors and officers of the Company as a group own or control 361,854 Common Shares of the Company representing approximately 0.35% of its issued and outstanding Common Shares.

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or officer of the Company is currently, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that (i) was subject to an order that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting as a director, chief executive officer or chief financial officer.

No director or officer of the Company is currently, or has been within the past ten years, a director or executive officer of any company that, or a shareholder holding sufficient number of securities of the Company to affect materially the control of the Company, while such person was acting in such capacity, or within a year of such person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the management nominees has within the past ten years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person. None of the management nominees has been subject to (1) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (2) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for such person.

## Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will disclose his interest in the matter and abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

The directors and officers of the Company are aware of the existence of laws governing the accountability of directors and officers for corporate opportunity and requiring disclosures by the directors of conflicts of interest and the Company will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors and officers. All such conflicts will be disclosed by such directors or officers in accordance with the laws of the Province of British Columbia and they shall govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law. Other than as disclosed under the heading "*Interest of Management and Others in Material Transactions*" below, the directors and officers of the Company are not aware of any such conflicts of interests.

## Code of Business Conduct and Ethics

The Company's Code of Conduct applies to all of its directors, officers, employees, consultants and contractors. It includes provisions covering conflicts of interest; ethical conduct; compliance with applicable government laws, rules and regulations; and accountability for adherence to the Code of Conduct. For more information on the Code of Conduct, see "*Code of Business Conduct and Ethics*" in the "*Description of the Business*" section above.

## Audit Committee

The Audit Committee is responsible for assisting the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices, internal controls and its approval of the Company's annual and quarterly financial statements. In addition, the Audit Committee has been tasked with assisting the Board in fulfilling its oversight responsibilities with regard to information security, cyber risks, AI and risk management. MAG's risk register is reviewed regularly by management's ERAC, which reports to the Audit Committee on a quarterly basis, and to the Board at least annually, or more frequently as requested.

For more information regarding the responsibilities of the Audit Committee, please see the Audit Committee Charter attached hereto as Schedule "A".

### *Audit Committee Composition and Background*

The Audit Committee is currently comprised of Dale Peniuk (Chair), Jill Leversage, Peter Barnes and John Armstrong. All four members of the Audit Committee are (i) independent within the meaning of such term in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), and (ii) financially literate under NI 52-110, meaning they are able to read and understand the Company's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. In addition to each member's general business experience, the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee are set forth below:

- **Dale Peniuk, B.Com., CPA, CA (Chair of the Audit Committee)** – Mr. Peniuk is a Chartered Professional Accountant (CPA, CA) and corporate director. Mr. Peniuk currently serves on the Board and as Audit Committee Chair of Lundin Mining Corporation and Kuya Silver Corporation, and has been on the board of directors and chair of the audit committees of numerous other Canadian public mining companies since 2006. Mr. Peniuk obtained his Bachelor of Commerce (Accounting and Management Information Systems) degree from the University of British Columbia in 1982 and his Chartered Accountant designation from the Institute of Chartered Accountants of British Columbia (now the Chartered Professional Accountants of British Columbia) in 1986, and spent more than 20 years with KPMG LLP Chartered Accountants and predecessor firms, the last 10 of which as an assurance partner with a focus on mining companies, including leading KPMG's Vancouver office mining industry group.

- **Jill Leversage, FCPA, FCA** – Ms. Leversage has over 30 years of experience in the financial advisory and services sector. She began her finance career at Burns Fry Ltd. and has held senior level positions at both RBC Capital Markets and TD Securities. Ms. Leversage currently serves on a number of public and government related boards, including Aurinia Pharmaceuticals Inc., RE Royalty Ltd. and the Vancouver Airport Authority. She is a Fellow of the Institute of Chartered Professional Accountants of BC, a CGIC / ICSA Accredited Director, and is also a Chartered Business Valuator (ret.) of the Canadian Institute of Chartered Business Valuators.

- **Peter Barnes, FCPA, FCA, D.Sc. (Econ), ICD.D** – Mr. Barnes is Chair of the Board of MAG Silver Corp., and is a Fellow of the Institute of Chartered Professional Accountants of BC. Mr. Barnes co-founded Wheaton Precious Metals (formerly, Silver Wheaton Corp.) in 2004, and served as their CEO from 2006 to 2011. He is a member of the Institute of Corporate Directors and was a member of the Silver Institute's Board of Directors from 2009 to 2011. Mr. Barnes is a CGIC / ICSA Accredited Director.

- **John Armstrong, B.Com, MBA, ICD.D** – Mr. Armstrong was previously CEO of Versamet Royalties, a private metals royalty and streaming company. Prior to Versamet, he spent many years with BMO Financial Group. Most recently, he held the position of Deputy Head of Investment Banking, BMO Capital Markets where he was responsible for shaping and executing the firm's investment banking strategy across its various industry verticals, and delivering corporate finance (equity underwriting, debt underwriting and corporate lending) and advisory solutions to clients. As one of BMO Capital Markets' most senior executives, Mr. Armstrong was a member of its executive committee and various capital commitment committees. Prior to his role as Deputy Head of Investment Banking, John was Co-Head of Mergers & Acquisitions, BMO Capital Markets where he was responsible for the firm's full suite of M&A advisory services, including advising on mergers, acquisitions, divestitures, restructurings, buyouts, valuations, fairness opinions, governance and shareholder activism. Mr. Armstrong holds a Bachelor of Commerce from the Sauder School of Business at the University of British Columbia and an MBA with Honours from the Rotman School of Management at the University of Toronto. John has also completed the ICD-Rotman Directors Education Program and received his ICD.D designation.

The Board has determined that each of the Audit Committee members is an " **audit committee financial expert**" within the meaning of the regulations promulgated by the SEC and an "**independent director**" as that term is defined by the rules contained in the NYSE American Company Guide.

### *Reliance on Certain Exemptions*

At no time since the commencement of the Company's most recently completed financial year has the Company relied on any of the exemptions in Section 2.4, 3.2, 3.3(2), 3.4, 3.5 or 3.6 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 or on section 3.8 of NI 52-110. No non-audit services were approved pursuant to a de minimis exemption to the pre-approval requirement.

### *Audit Committee Oversight*

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### *Pre-Approval Policies and Procedures*

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

### *External Auditor Service Fees*

For the financial years ended December 31, 2024 and December 31, 2023, the fees billed by the Company's current external auditors, Deloitte LLP, are summarized below for each category:

| | YEAR ENDED DECEMBER 31, 2024 (C$) | YEAR ENDED DECEMBER 31, 2023 (C$) |
|---|---|---|
| Audit Fees | 481,435 | 451,620 |
| Audit-Related Fees | 5,510 | 4,746 |
| Tax Fees | 89,382 | 122,650 |
| All Other Fees | 0 | 0 |
| **Total** | **576,327** | **579,016** |

The nature of the services provided by Deloitte LLP under each of the categories indicated in the table is described below.

### *Audit Fees*

Audit fees are those incurred for professional services rendered by Deloitte LLP for the audit of the Company's annual consolidated financial statements, for the quarterly interim reviews of the Company's unaudited consolidated financial statements, and for services that are required to be provided by Deloitte LLP in connection with regulatory filings.

### *Audit-Related Fees*

The audit-related fees consist of amounts with respect to the Company's Canadian Public Accountability Board fees that are remitted by Deloitte LLP on behalf of the Company.

### *Tax Fees*

Tax fees are those incurred for professional services rendered by Deloitte LLP for tax compliance, including the preparation and review of tax returns and services related to the Company's transfer pricing policies and documentation.

### *All Other Fees*

There are no other fees to report under this category for professional services rendered by Deloitte LLP for the Company.

## Compensation and Human Resources Committee

The Compensation and Human Resources Committee of the Board is comprised of the following three directors, all of whom are independent: Tim Baker (Chair), Susan Mathieu and Dale Peniuk. The primary purpose of the Compensation and Human Resources Committee is to assist the Board in carrying out its responsibilities with respect to:

a) establishing guidelines and principles with respect to compensation and benefits provided by the Company to its employees;
b) monitoring the Company's significant strategies, programs and policies relating to compensation and human resources;
c) leading the annual performance evaluation of the CEO and determining compensation for the CEO and other executive officers of the Company;
d) overseeing the Company's equity-based compensation plans;
e) determining directors' compensation; and
f) reviewing succession plans with respect to the CEO and other executive officers of the Company.

## Governance and Nomination Committee

The Governance and Nomination Committee is comprised of the following three directors, all of whom are independent: Jill Leversage (Chair), Peter Barnes and Selma Lussenburg. The primary objective of this committee is to assist the Board in carrying out its responsibilities with respect to:

a) developing and implementing governance guidelines and principles, monitoring governance programs and policies, and providing governance leadership to the Company;
b) reviewing the performance of the Board, Board committees and individual directors;
c) assessing the size, composition and effectiveness of the Board, including the competencies, skills and other qualities that the Board should possess as a whole;
d) establishing and leading the process for identifying and recruiting qualified individuals for Board and Board committee membership;

e) reviewing and monitoring the processes for the orientation of new directors and the continuing education of existing directors; and
f) overseeing the Company's policies concerning business conduct, ethics, public disclosure of material information and other matters.

### Health, Safety, Environment and Community Committee

The HSEC Committee is comprised of the following three directors, all of whom are independent: Selma Lussenburg (Chair), Susan Mathieu and Tom Peregoodoff. The primary objective of this committee is to assist the Board in its oversight of:

a) the risks, challenges and opportunities to the Company's business associated with health, safety, environmental and social responsibility (including human rights and community engagement) matters;
b) the Company's sustainability conduct, including health, safety, environmental and social responsibility policies and programs, and performance in such areas;
c) the Company's compliance with applicable legal and regulatory requirements associated with health, safety, environmental and human rights matters; and
d) the Company's external reporting in relation to health, safety, environmental and social responsibility matters.

### Technical Committee

The Technical Committee is comprised of the following three directors, all of whom are independent: Tom Peregoodoff (Chair), Tim Baker and Susan Mathieu. The primary purpose of the Technical Committee is to assist the Board in fulfilling its oversight responsibilities with respect to the Company's operational performance and operating risks from a technical perspective. The Company's operations include exploration and development projects, operating mines, projects in reclamation and projects being considered as acquisition targets.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no pending or contemplated legal proceedings to which the Company is a party or of which any of the Company's properties is the subject.

As of December 31, 2024, the Company is not subject to:

(a) any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2024; or
(b) any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or
(c) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority during the financial year ended December 31, 2024.

The Company is unaware of any condition of default under any debt, regulatory, exchange related or other contractual obligation.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company, or any associate or affiliate of the foregoing, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year prior to the date of this AIF that has materially affected or is reasonably expected to materially affect the Company, except as otherwise disclosed in this AIF and as follows:

Dr. Peter Megaw, of Arizona, U.S.A., was the Chief Exploration Officer of the Company for part of 2024 until his retirement on May 21, 2024. Following Dr. Megaw's retirement, he continued as a consultant for MAG. He was remunerated through IMDEX as outlined below, with the exception of equity incentives (Options, RSUs and PSUs), which were granted directly to Dr. Megaw.

Dr. Megaw is also a principal of IMDEX and Cascabel. The Company is entitled to a 2.5% NSR royalty on the Cinco de Mayo property payable to the principals of Cascabel under the terms of an option agreement dated February 26, 2004, whereby the Company acquired a 100% interest in the property from Cascabel, and under the terms of assignment agreements entered into by Cascabel with its principals. A full impairment has been recognized on the Cinco de Mayo property by the Company effective December 31, 2016. Further, Cascabel has been and will continue to be retained by the Company as a consulting geological firm compensated at industry standard rates.

The Company accrued or paid Cascabel and IMDEX the following fees in the three most recently completed financial years pursuant to the terms of a field services agreement between MAG and Cascabel and IMDEX (the "**Field Services Agreement**"):

| YEAR ENDED DECEMBER 31, 2024 | CASCABEL & IMDEX | IMDEX RELATED TO DR. MEGAW | US$ TOTAL |
|---|---|---|---|
| General consulting, marketing, investor relations | - | 148,125 | **148,125** |
| Exploration management, field costs and travel reimbursement | 163,475 | 12,783 | **176,258** |
| Total | 163,475 | 160,008 | **324,383** |
| **YEAR ENDED DECEMBER 31, 2023** | | | |
| General consulting, marketing, investor relations | - | 393,368 | **393,368** |
| Exploration management, field costs and travel reimbursement | 234,919 | 38,803 | **273,722** |
| Total | 234,919 | 432,171 | **667,090** |
| **YEAR ENDED DECEMBER 31, 2022** | | | |
| General consulting, marketing, investor relations | - | 372,025 | **372,025** |
| Exploration management, field costs and travel reimbursement | 219,185 | 30,213 | **249,398** |
| Total | 219,185 | 402,238 | **621,423** |

Within the Field Services Agreement between the MAG and Cascabel/IMDEX, a 'right of first refusal' has been granted to MAG for any silver properties Cascabel/IMDEX may come across. As part of this agreement, Cascabel/IMDEX have agreed to grant MAG the right of first refusal to examine all silver properties currently in their control or brought to their attention by others. MAG, and solely at MAG's discretion, may lease, option, purchase, joint venture or otherwise acquire an interest in such silver properties as may be known or offered by Cascabel/IMDEX to MAG. In recognition of the work carried out by Cascabel/IMDEX to introduce such properties to MAG, a reasonably negotiated finder's fee may be payable by MAG on any new property of merit.

## TRANSFER AGENTS AND REGISTRARS

The Company's transfer agent and registrar for its Common Shares is:

Computershare Investor Services Inc.
3rd floor – 510 Burrard Street
Vancouver, British Columbia
Canada V6C 3B9

## MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business of the Company, the only contracts material to the Company and that were entered into within the most recently completed financial year of the Company or before the most recently completed financial year of the Company but still in effect, are:

- the Shareholders' Agreement dated October 10, 2005 between the Company, Peñoles and others relating to Minera Juanicipio (see "*Economic Dependence*" in "*Description of the Business*" above); and
- the $40 million senior secured revolving credit facility dated October 4, 2023 between the Company and the Bank of Montreal (see "*Three Year History – Year Ended December 31, 2023 – Financing and Corporate Activities*" above).

## INTERESTS OF EXPERTS

The Company's technical reports, including the following listed reports are available on the SEDAR+ website at www.sedarplus.ca and on the SEC's EDGAR website at www.sec.gov.

The 2024 Technical Report, filed on SEDAR+ on March 27, 2024, which is incorporated by reference herein, was prepared by and under the supervision of AMC and authored by P. Salmenmaki P.Eng, J. M. Shannon, P.Geo, R. Chesher, FAusIMM (CPMET), M. Molavi, P.Eng, C. Stewart, P.Geo and G. Dominguez, P.Eng. This report replaced and supersedes the previously filed reports with respect to Juanicipio.

To the knowledge of the Company, having made reasonable enquiry, none of the experts listed above, or any "designated professional" of such expert, has any registered or beneficial interest, direct or indirect, in any securities or other property of the Company or any of its associates or affiliates.

The Company's auditors, Deloitte LLP, have prepared the report of the independent registered public accounting firm attached to the Company's audited consolidated financial statements for the most recent financial year end. Deloitte LLP is independent with respect to the Company within the meaning of the U.S. Securities Act of 1933, as amended, and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board (United States) and within the meaning of the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

## ADDITIONAL INFORMATION

Additional information, including details as to directors' and officers' remuneration and indebtedness, principal holders of the Company's Common Shares and of options to purchase Common Shares and certain other matters, is contained in the Company's information circular for the annual general and special meeting held on June 17, 2024.

Additional financial information is provided in the Company's consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2024.

Copies of the above and additional information relating to the Company may be obtained on the SEDAR+ website at www.sedarplus.ca; on the SEC's EDGAR website at www.sec.gov or by calling the Company's investor relations personnel at 604-630-1399.

# SCHEDULE "A"
# AUDIT COMMITTEE CHARTER

## 1. Purpose

The Audit Committee (the "**Committee**") of MAG Silver Corp. (the "**Company**") is a committee of the Board of Directors (the " **Board**"). As delegated by the Board, the Committee shall attend to the responsibilities set out in this Charter.

## 2. Membership

2.1. Number of Members

The Committee shall be composed of three or more members of the Board.

2.2. Independence of Members

Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time.

2.3. Term of Members

The Board will appoint members of the Committee in accordance with the Company's articles, who shall serve until each such member's successor is appointed or until such member's resignation or removal.

2.4. Committee Chair

The Board shall designate one member of the Committee as the chair of the Committee (the " **Committee Chair**"). If a Committee Chair is not appointed by the Board, the members of the Committee may designate the Committee Chair by majority vote. The Committee Chair shall be responsible for overseeing the operations and affairs of the Committee as more fully specified below.

2.5. Financial Literacy of Members

At the time of their appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.6. Audit Financial Expert

At least one member of the Committee shall be an "audit financial expert" and have experience as one or more of the following: (i) a chartered professional accountant (in Canada); (ii) a certified public accountant (in the United States); (iii) a current or former chief financial officer or corporate controller of similar experience; (iv) a current or former partner of an audit company; or (v) demonstrably meaningful audit experience overseeing such functions as a senior executive officer.

## 3. Meetings

3.1. Frequency of Meetings

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once per financial quarter.

3.2. Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

3.3. Calling of Meetings

The Committee Chair, any member of the Committee, the Company's external auditors, the Chair of the Board, the Chief Executive Officer (the "**CEO**") or the Chief Financial Officer (" **CFO**") may call a meeting of the Committee by notifying the Company's Corporate Secretary who will notify the members of the Committee.

3.4. Meeting Agenda

For each Committee meeting, the Committee Chair shall develop and set the agenda, in consultation with the other members of the Committee, the Board, management and the Company's external auditors, as necessary or appropriate. The agenda and other materials concerning the business to be conducted at the meeting shall, to the extent practicable, be communicated to the Committee members sufficiently in advance of each meeting to permit meaningful review.

3.5. Minutes and Reporting to the Board

The Corporate Secretary of the Company will act as secretary for meetings of the Committee. In the event that there is no Corporate Secretary, or she/he is not available, the Committee Chair will appoint a member of the Committee or other person, as appropriate, to act as secretary for the purposes of such meeting. Minutes will be recorded at each meeting and approved at the following Committee meeting. Following each Committee meeting, the Committee Chair will report to the Board on the issues considered by the Committee, any recommendations being made by the Committee for approval by the Board and on any actions taken by the Committee.

3.6. Attendance of Non-Members

The Company's external auditors are entitled to receive notice of, to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Company, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

3.7. Meetings Without Management and Executive Sessions

As part of each meeting of the Committee, the Committee shall hold an in-camera session, at which management and non-independent directors of the Board are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

The Committee shall also periodically meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the Company's external auditor and management, as the Committee deems appropriate.

3.8. Access to Management and Books and Records

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Company's management and employees and the books and records of the Company.

## 4. Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the functions and responsibilities required of an audit committee by any exchange upon which securities of the Company are listed, or any governmental or regulatory body exercising authority over the Company, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

4.1. Financial Reports

(a) *General*

The Committee is responsible for overseeing the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The Company's external auditors are responsible for auditing the Company's annual financial statements and for reviewing the Company's unaudited interim financial statements.

(b) *Review of Annual Financial Reports*

The Committee shall review the annual audited financial statements of the Company, the auditors' report thereon, and the related management's discussion and analysis of the Company's financial condition and financial performance ("**MD&A**") and earnings press release ("**Earnings Release**"). After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements and the related MD&A and the financial information in the related Earnings Release for Board approval.

(c) *Review of Interim Financial Reports*

The Committee shall review the interim financial statements of the Company, the auditors' review report thereon, if any, and the related MD&A and Earnings Release. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A and the financial information in the related Earnings Release for Board approval.

(d) *Review Considerations*

In conducting its review of the financial-related annual filings and interim filings (as such terms are defined in National Instrument 52-109 – *Certification of Disclosure in Issuer's Annual and Interim Filings)* , the Committee shall, as the context requires:

(i) meet with management and the auditors to discuss the financial statements and MD&A;

(ii) review the disclosures in the financial statements and MD&A, including, without limitation, disclosures with respect to internal controls over financial reporting and with respect to disclosure controls and procedures;

(iii) review the audit report or interim review report prepared by the external auditors;

(iv) discuss with management, the auditors and internal legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the Company's financial statements;

(v) regularly review the Company's critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;

(vi) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;

(vii) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;

(viii) review significant recorded and unrecorded audit adjustments arising from the annual audit or interim review as provided by the external auditors;

(ix) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles ("**GAAP**");

(x) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;

(xi) inquire at least annually of both the Company's management, accounting group and the Company's auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;

(xii) review with the auditors alternative accounting treatments that have been discussed with management;

(xiii) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;

(xiv) review with management matters that may have a material effect on the financial statements;

(xv) review management's report on the effectiveness of internal controls over financial reporting and on the effectiveness of disclosure controls and procedures;

(xvi) review the factors identified by management as factors that may affect future financial results;

(xvii) review results of the Company's audit committee whistleblower hotline program; and

(xviii) review any other matters related to the financial statements that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

(e) *Other Financial Disclosures*

The Committee is responsible for reviewing financial disclosure in a prospectus or other securities offering document of the Company, as well as press releases disclosing, or based upon, financial results of the Company and any other publicly disseminated material financial disclosure.

The Committee is responsible for ensuring that satisfactory procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures.

4.2. External Auditors

(a) *General*

The Committee shall be directly responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. When a change of auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(b) *Nomination and Compensation*

The Committee shall review and, if advisable, recommend for Board approval the Company's external auditors to be nominated and the compensation of such external auditor. The Committee shall have ultimate authority to approve all audit engagement terms.

Prior to the nomination of such external auditor, the Committee will consider whether the shareholders would benefit from rotating the Company's audit firm, the lead audit partner or the reviewing audit partner, as applicable.

(c) *Resolution of Disagreements*

The Committee shall assess the effectiveness of the working relationship of the Company's external auditors with management and resolve any disagreements between management and the external auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the Company's auditors, whether or not there is to be a change of auditors, and receive and review all reports prepared by the auditors.

(d) *Discussions with Auditors*

At least annually, the Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Committee.

(e) *Audit Plan*

At least annually, the Committee shall review a summary of the auditors' annual audit plan. The Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) *Independence of Auditors*

At least annually, and before the auditors issue their report on the annual financial statements, the Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the Company; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered professional accountants to which the auditors belong and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the auditors.

(g) *Evaluation of Lead Partner*

At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the auditors.

(h) *Requirement for Pre-Approval of Non-Audit Services*

The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the auditors for the Company or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies or procedures for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the auditor. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(i) *Approval of Hiring Policies*

The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

(j) *CFO*

The Committee shall review and discuss with management the appointment of the Company's CFO.

4.3. Internal Controls

(a) *General*

The Committee shall review the Company's system of internal controls.

(b) *Establishment, Review and Approval*

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall periodically consider and review with management and the auditors:

(i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

(ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;

(iii) any material issues raised by any inquiry or investigation by the Company's regulators;

(iv) the Company's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Company to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and

(v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

(c) *Internal Audit Function*

The Committee shall periodically assess the requirement for the appointment of an internal auditor or internal audit department for the Company. If deemed appropriate, the Committee shall review and recommend an amendment to this Charter setting out the Committee's responsibilities in respect of such internal audit function.

At least annually, the Committee shall meet with management and personnel responsible for the internal audit function (if the Company has personnel in such a role), and shall review the results of the evaluation of the Company's internal controls over financial reporting and disclosure controls and procedures, including any material weaknesses or significant deficiencies identified during those evaluations, along with management's plans to remediate such material weaknesses or significant deficiencies, to the extent applicable, and any related disclosure in the Company's public filings of such evaluations.

4.4. Risk Management

The Committee shall review the Company's principal financial, audit and accounting related risks, including information security and cyber risks, and the policies, guidelines and mechanisms that management has put in place to govern the process of monitoring, controlling and reporting such risks. In this regard, the Committee shall receive reports from management on a quarterly basis, or more frequently as required, on the identification, assessment and management of such risks. The Committee shall report to the Board on a quarterly basis, or more frequently as required, with respect to the principal financial, audit and accounting related risks faced by the Company and the steps implemented by management to manage these risks. In addition, the Committee shall, in conjunction with the Company's Enterprise Risk Advisory Committee ("**ERAC**"), perform a comprehensive review of the Company's risk register on an annual basis, or more frequently as required.

4.5. Compliance with Legal and Regulatory Requirements

The Committee shall review any reports from the Company's external legal counsel, CFO, Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Company; (b) the effectiveness of the Company's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

4.6. Whistleblower Procedures

The Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and, if the Committee determines that the matter requires further investigation, it will direct the Committee Chair to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the Company's external legal counsel to reach a satisfactory conclusion.

4.7. General

The Committee shall:

(a) prepare, review and approve any audit committee disclosures required by the Applicable Requirements in the Company's disclosure documents;

(b) evaluate the function and performance of the Committee on an annual basis, and participate in relevant educational and professional development;

(c) develop and review periodically, and not less than annually, an annual work plan to assist the Committee in carrying out its responsibilities; and

(d) review and assess the adequacy of this Charter annually, and recommend any revisions deemed appropriate to the Board.

4.8. Delegation

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Committee deems appropriate.

## 5. Conflicts of Interest

The Committee shall review the Company's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the Company's external auditors.

## 6. Outside Advisors

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities and duties as described above, and may seek, retain and terminate accounting, legal, consulting or other expert advice from a source independent of management, at the expense of the Company, with notice to either the Chair of the Board, the Lead Director (if appointed) or the CEO, as deemed appropriate by the Committee. In furtherance of the foregoing, the Committee shall have the sole authority to retain and terminate, from a source independent of management, any such consultant or advisor to be used to assist in the evaluation of such matters and shall have the sole authority to approve the consultant or advisor's fees and other retention terms.

## 7. No Rights Created

This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Company. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Company's Articles and By-laws, it is not intended to establish any legally binding obligations.

**Last reviewed and approved by the Board on March 21, 2025.**



**MAG SILVER CORP.**

*Consolidated Financial Statements*
*(expressed in thousands of US dollars)*

For the year ended December 31, 2024

Dated: March 21, 2025

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## Management's Responsibility for the Financial Statements

The preparation and presentation of the accompanying consolidated financial statements and management's discussion and analysis ("MD&A") for MAG Silver Corp. (the "Company") are the responsibility of management and have been approved by the Board of Directors.

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). Financial statements, by nature, are not precise since they include certain amounts based upon estimates and judgments. When alternative methods exist, management has chosen those it deems to be the most appropriate in the circumstances.

Management, under the supervision, and with the participation of, the Chief Executive Officer and the Chief Financial Officer, have a process in place to evaluate disclosure controls and procedures and internal control over financial reporting as required by Canadian and U.S. securities regulations. We, as Chief Executive Officer and Chief Financial Officer, certify our annual filings with the Canadian Securities Administrators, as required in Canada by National Instrument 52-109 – *Certification of Disclosure*, and in the United States with the U.S. Securities and Exchange Commission as required by the Securities Exchange Act of 1934, as amended ("Exchange Act").

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board of Directors carries out this responsibility principally through its Audit Committee, which is independent from management.

The Audit Committee is appointed by the Board of Directors and reviews the consolidated financial statements and MD&A, considers the report of the external auditors, assesses the adequacy of our internal controls, including management's assessment described in the accompanying Management Report on Internal Control over Financial Reporting, examines and approves the fees and expenses for the audit services, and recommends the independent auditors to the Board of Directors for the appointment by the shareholders. The independent auditors have full and free access to the Audit Committee and meet with it to discuss their audit work, our internal control over financial reporting and financial reporting matters. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders and management's assessment of the internal control over financial reporting.

## Management's Report on Internal Control over Financial Reporting

Management of MAG Silver Corp. ("MAG" or "the Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) is a process designed by, or caused to be designed under the supervision of the President and Chief Executive Officer, and the Chief Financial Officer, and effected by the Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards. It includes those policies and procedures that:

i. pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of MAG;

ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS Accounting Standards, and that MAG's receipts and expenditures are made only in accordance with authorizations of management and MAG's directors; and

iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of MAG's assets that could have a material effect on the Company's consolidated financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future years are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, under the supervision of the President and Chief Executive Officer, and the Chief Financial Officer, assessed the effectiveness of MAG's internal control over financial reporting as of December 31, 2024, based on the criteria set forth in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that, as of December 31, 2024, MAG's internal control over financial reporting was effective.

The effectiveness of MAG's internal control over financial reporting, as of December 31, 2024, has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, who also audited the Company's consolidated financial statements as at and for the year ended December 31, 2024, as stated in their reports.

*/s/ "George Paspalas"*
George Paspalas
President and Chief Executive Officer

*/s/ "Fausto Di-Trapani"*
Fausto Di-Trapani
Chief Financial Officer

March 21, 2025

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and the Board of Directors of MAG Silver Corp.

**Opinion on the Financial Statements**

We have audited the accompanying consolidated statements of financial position of MAG Silver Corp. and subsidiaries (the "Company") as at December 31, 2024 and 2023, the related consolidated statements of income and comprehensive income, cash flows, and changes in equity, for each of the two years in the period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2024, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 21, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

**Basis for Opinion**

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

**Critical Audit Matter**

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

**Accounting for Investment in Juanicipio - Refer to Notes 3c and 8 to the financial statements**

***Critical Audit Matter Description***

The Company has a 44% ownership in the Juanicipio Mine (“Juanicipio”) where the remaining 56% interest is held by Fresnillo plc, who is also the operator. The Company has accounted for its interest in Juanicipio under the equity method which requires that the Company’s investment is initially recognized at cost and subsequently increased or decreased to reflect additional contributions or distributions, the Company’s share of earnings and losses of Juanicipio, and any impairment losses after the initial recognition date.

We identified the accounting for the investment in Juanicipio as a critical audit matter because of the significance to the Company's financial statements, and the judgments made by management when assessing the results of Juanicipio's operations and the accounting judgments made by the operator of Juanicipio. This required an increased extent of effort, including the need to involve the auditor of Juanicipio and senior members of the engagement team.

***How the Critical Audit Matter Was Addressed in the Audit***

Our audit procedures related to accounting for the investment in Juanicipio included the following, among others:

- Tested the effectiveness of controls related to the accounting for the Company's investment in Juanicipio, which includes management's receipt and review of Juanicipio financial information;
- Tested the distributions related to the investment in Juanicipio;
- Evaluated significant judgments and estimates at the underlying investment in Juanicipio through oversight of the auditors of Juanicipio by:
  - Obtaining and assessing information from the auditors of Juanicipio to understand significant judgments and estimates, significant findings or issues identified by such auditor, actions taken to address them and conclusions reached;
- Agreed the underlying information of the investment in Juanicipio to the audited financial information of Juanicipio; and
- Performed procedures to evaluate subsequent events related to the investment in Juanicipio and to assess their impact, if any, on the financial information, up to the date of our auditor's report on the Company's financial statements.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 21, 2025

We have served as the Company's auditor since 1999.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Shareholders and the Board of Directors of MAG Silver Corp.

**Opinion on Internal Control over Financial Reporting**

We have audited the internal control over financial reporting of MAG Silver Corp. and subsidiaries (the “Company") as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated March 21, 2025, expressed an unqualified opinion on those financial statements.

**Basis for Opinion**

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

**Definition and Limitations of Internal Control over Financial Reporting**

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte LLP

Chartered Professional Accountants
Vancouver, Canada
March 21, 2025

**MAG SILVER CORP.**
Consolidated Statements of Income and Comprehensive Income
For the years ended December 31, 2024 and 2023
(In thousands of US dollars, except for shares and per share amounts)

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| Income from equity accounted investment in Juanicipio | 8 | **92,875** | 65,099 |
| General and administrative expenses | 6 | **(14,790)** | (13,461) |
| General exploration and business development | | **(642)** | (736) |
| **Operating income** | | **77,443** | 50,902 |
| Interest income | | **4,611** | 2,594 |
| Other income | 11 | **1,969** | 1,017 |
| Financing costs | | **(726)** | (133) |
| Foreign exchange loss | | **(480)** | (144) |
| **Income before income tax** | | **82,817** | 54,236 |
| Deferred income tax expense | 19 | **(5,038)** | (5,577) |
| **Net income** | | **77,779** | 48,659 |
| **Other comprehensive income (loss)** | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Unrealized gain (loss) on equity securities | | **1** | (3) |
| **Total comprehensive income** | | **77,780** | 48,656 |
| **Basic earnings per share** | | **0.75** | 0.47 |
| **Diluted earnings per share** | | **0.75** | 0.47 |
| **Weighted average number of shares outstanding** | 10 | | |
| **Basic** | | **103,157,768** | 102,486,986 |
| **Diluted** | | **104,174,855** | 103,130,553 |

See accompanying notes to the consolidated financial statements

**MAG SILVER CORP.**
Consolidated Statements of Financial Position
As at December 31, 2024 and 2023
(In thousands of US dollars, unless otherwise stated)

| | Note | **December 31, 2024** | December 31, 2023 |
|---|---|---|---|
| | | **$** | $ |
| **Assets** | | | |
| Current assets | | | |
| Cash | | **162,347** | 68,707 |
| Accounts receivable | 7 | **816** | 1,559 |
| Prepaid expenses | | **569** | 1,787 |
| | | **163,732** | 72,053 |
| Non-current assets | | | |
| Investment in Juanicipio | 8 | **364,014** | 394,622 |
| Exploration and evaluation assets | 9 | **80,118** | 52,637 |
| Property and equipment | | **2,631** | 301 |
| Deferred financing fees | | **569** | 909 |
| Investments | | **8** | 8 |
| | | **447,340** | 448,477 |
| **Total assets** | | **611,072** | 520,530 |
| **Liabilities** | | | |
| Current liabilities | | | |
| Trade and other payables | | **3,477** | 2,668 |
| Lease obligation - short term | | **142** | 154 |
| Flow-through share premium liability | 11 | **-** | 1,969 |
| | | **3,619** | 4,791 |
| Non-current liabilities | | | |
| Deferred income taxes | 19 | **13,536** | 8,498 |
| Provision for reclamation | | **484** | 484 |
| Lease obligation | | **2,100** | - |
| Total liabilities | | **19,739** | 13,773 |
| | | | |
| **Equity** | | | |
| Share capital | | **618,979** | 614,364 |
| Equity reserve | | **22,945** | 20,764 |
| Accumulated other comprehensive income | | **782** | 781 |
| Deficit | | **(51,373)** | (129,152) |
| Total equity | | **591,333** | 506,757 |
| **Total liabilities and equity** | | **611,072** | 520,530 |

See accompanying notes to the consolidated financial statements

**MAG SILVER CORP.**
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(In thousands of US dollars, unless otherwise stated)

| | Note | 2024<br>$ | 2023<br>$ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| Net income | | **77,779** | 48,659 |
| Items not involving cash: | | | |
| Amortization of flow-through premium liability | 11 | **(1,969)** | (1,017) |
| Depreciation and amortization | 6 | **659** | 352 |
| Deferred income tax expense | | **5,038** | 5,577 |
| Amortization of deferred financing fees | | **340** | 84 |
| Income from equity accounted investment in Juanicipio | 8 | **(92,875)** | (65,099) |
| Share-based compensation expense | 6,10 | **3,829** | 3,279 |
| Interest expense on lease obligation | | **11** | 27 |
| Unrealized foreign exchange (gain) loss | | **(242)** | 71 |
| Movements in non-cash working capital | | | |
| Accounts receivable | | **(76)** | (340) |
| Prepaid expenses | | **1,218** | (555) |
| Trade and other payables | | **291** | 44 |
| Net cash used in operating activities | | **(5,997)** | (8,918) |
| **INVESTING ACTIVITIES** | | | |
| Exploration and evaluation expenditures | 9 | **(22,717)** | (15,220) |
| Acquisition of exploration property | 9 | **(3,802)** | - |
| Investment in Juanicipio | 8 | **-** | (25,376) |
| Receipt of principal on loans to Juanicipio | 8 | **92,361** | 25,714 |
| Receipt of interest on loans to Juanicipio | 8 | **5,015** | 7,639 |
| Receipt of dividends from Juanicipio | 8 | **26,400** | - |
| Purchase of equipment | | **(168)** | - |
| Net cash from / (used in) investing activities | | **97,089** | (7,243) |
| **FINANCING ACTIVITIES** | | | |
| Issuance of common shares upon exercise of stock options | 10 | **2,548** | 307 |
| Issuance of common shares, net of share issue costs | 10 | **-** | 39,750 |
| Issuance of flow-through shares, net of share issue costs | 10 | **-** | 15,998 |
| Payment of lease obligation | | **(177)** | (134) |
| Deferred financing fees for credit facility | | **-** | (993) |
| Net cash from financing activities | | **2,371** | 54,928 |
| Effect of exchange rate changes on cash | | **177** | (15) |
| Increase in cash during the year | | **93,640** | 38,752 |
| Cash, beginning of year | | **68,707** | 29,955 |
| Cash, end of year | | **162,347** | 68,707 |

See accompanying notes to the consolidated financial statements

**MAG SILVER CORP.**
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(In thousands of US dollars, except shares

| | Notes | Common shares without par value | | | | | |
|---|---|---|---|---|---|---|---|
| | | Number of Shares # | Amount $ | Equity reserve $ | Accumulated other comprehensive income (loss) $ | Deficit $ | Total equity $ |
| **Balance, December 31, 2022** | | 98,956,808 | 559,933 | 18,790 | 784 | (177,811) | 401,696 |
| Stock options exercised | | 28,787 | 397 | (90) | - | - | 307 |
| Restricted and performance share units converted | | 112,605 | 1,215 | (1,215) | - | - | - |
| Shares issued for cash, net of flow-through share premium liability | | 3,874,450 | 56,761 | - | - | - | 56,761 |
| Share issue costs | | - | (3,942) | - | - | - | (3,942) |
| Share-based compensation | | - | - | 3,279 | - | - | 3,279 |
| | | | | | | | |
| Other comprehensive loss | | - | - | - | (3) | - | (3) |
| Net income | | - | - | - | - | 48,659 | 48,659 |
| **Balance, December 31, 2023** | | 102,972,650 | 614,364 | 20,764 | 781 | (129,152) | 506,757 |
| Stock options exercised | 10 | **284,866** | **3,474** | **(926)** | **-** | **-** | **2,548** |
| Restricted and performance share units converted | 10 | **49,779** | **645** | **(645)** | **-** | **-** | **-** |
| Deferred share units converted | 10 | **50,000** | **496** | **(496)** | | | **-** |
| Share-based compensation | 10 | **-** | **-** | **4,248** | **-** | **-** | **4,248** |
| | | | | | | | |
| Other comprehensive income | | **-** | **-** | **-** | **1** | **-** | **1** |
| Net income | | **-** | **-** | **-** | **-** | **77,779** | **77,779** |
| **Balance, December 31, 2024** | | **103,357,295** | **618,979** | **22,945** | **782** | **(51,373)** | **591,333** |

See accompanying notes to the consolidated financial statements

## 1. NATURE OF OPERATIONS

MAG Silver Corp. (the "Company" or "MAG") is a growth-oriented Canadian mining and exploration company focused on advancing high-grade, district scale precious metals projects in the Americas. MAG is the ultimate parent company of its consolidated group, was incorporated on April 21, 1999, and is governed by the Business Corporations Act of the Province of British Columbia ("BCABC"). MAG's shares are listed on both the Toronto Stock Exchange in Canada and the NYSE American, LLC in the United States of America.

The Company's principal asset is a 44% interest in the Juanicipio Mine (Note 8 "Investment in Juanicipio") located in Zacatecas, Mexico, which achieved commercial production at its 4,000 tonnes per day ("tpd") processing facility on June 1, 2023.

Address of registered office of the Company:
3500 – 1133 Melville Street
Vancouver, British Columbia,
Canada V6E 4E5

Head office and principal place of business:
801 – 815 West Hastings Street
Vancouver, British Columbia,
Canada V6C 1B4

## 2. BASIS OF PRESENTATION

### *(a) Statement of compliance*

These consolidated financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These consolidated financial statements have been prepared on a historical cost basis except for the revaluation of certain financial instruments, which are stated at their fair value.

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on March 21, 2025.

### *(b) Principles of consolidation*

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. Control exists when the Company has power over the investee, is exposed or has rights to variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries and controlled entities are included in the consolidated financial results of the Company from the effective date that control is obtained up to the effective date of disposal or loss of control. The principal wholly-owned subsidiary as at December 31, 2024 and December 31, 2023 is Minera Los Lagartos, S.A. de C.V., a Mexican incorporated company. All intercompany balances, transactions, revenues and expenses have been eliminated upon consolidation.

These consolidated financial statements also include the Company's 44% interest in each of Minera Juanicipio, S.A. de C.V. ("Minera Juanicipio") and Equipos Chaparral, S.A. de C.V. ("Equipos Chaparral") (Note 8, "Investment in Juanicipio"), which both associates (Note 3) are accounted for using the equity method.

Where necessary, adjustments have been made to the financial statements of the Company's subsidiaries and associates prior to consolidation, to conform with the accounting policies used in their preparation to those used by the Company.

## 3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these consolidated financial statements have been applied consistently for all years presented except as disclosed in Note 4(a).

The significant judgements the Company made in applying its accounting policies and the key sources of estimation uncertainty arising in the preparation of these consolidated financial statements are discussed in Note 5.

### *(a) Functional currency and presentation currency*

The functional and presentation currency of the Company, its subsidiaries, and its associates, including the Juanicipio Mine, is the United States dollar ("US$"). References to C$ refer to thousands of Canadian dollars.

### *(b) Inventories*

Inventories at Juanicipio include production inventory, and materials and supplies inventory.

All inventories at Juanicipio are measured at the lower of cost and net realizable value ("NRV"). Cost is determined using the weighted average cost method and includes all costs incurred, based on a normal production capacity, in bringing each product to its present location and condition. NRV is the estimated selling price in the ordinary course of business less any further costs expected to be incurred to completion and estimated costs necessary to make the sale.

#### *(i) Production inventories*

Production inventory consists of stockpiled ore, work-in-process, and concentrate.

The cost of production of inventories includes:

- operating costs, which include employee costs, material costs and contractor expenses which are directly attributable to the extraction and processing of ore;
- amortization of property, plant and equipment used in the extraction and processing of ore; and
- related production overheads.

The assumptions used in the valuation of the NRV of inventories include estimates of the amount of recoverable metal in the inventories and an assumption of the metal prices expected to be realized when the metal is recovered.

#### *(ii) Materials and supplies inventory*

An allowance for obsolete and slow-moving inventories is determined by reference to specific items of inventory based on usage profile. A regular review is undertaken to determine the extent of such an allowance.

### *(c) Investments in associates*

The Company conducts the majority of its business through an equity interest in associates. An associate is an entity over which the Company has significant influence, and is neither a subsidiary nor a joint arrangement, and includes the Company's 44% interest in each of Minera Juanicipio and Equipos Chaparral, both Mexican incorporated companies (Note 8, "Investment in Juanicipio"). The Company has significant influence when it has the power to participate in the financial and operating policy decisions of the associate but does not have control or joint control over those policies.

The Company accounts for its investment in associates using the equity method. The Company aggregates its disclosures required under IFRS Accounting Standards for interests in associates effectively involved in advancing the same business objective. Under the equity method, the Company's investments in associates are initially recognized at cost and subsequently increased or decreased to reflect additional contributions or distributions and to recognize the Company's share of earnings and losses of the associate and for impairment losses after the initial recognition date. The Company's share of earnings and losses of associates are recognized in the consolidated statements of income and comprehensive income during the year. Intercompany interest on loans from the Company to its associates is recorded against its share of income from equity accounted investment, rather than as a separate line item in the consolidated statements of income and comprehensive income. Distributions received from an associate are accounted for as a reduction in the carrying amount of the Company's investment.

#### *Impairment of associates*

At the end of each reporting year, the Company assesses whether there is objective evidence that an investment in associate is impaired. The Company has performed an assessment for impairment indicators of its investments in associates as of December 31, 2024 and 2023 and noted no impairment indicators. This assessment is generally made with reference to future production, future silver, gold, lead and zinc prices, future capital requirements, future operating costs, exploration results achieved, and an assessment of the likely operating and estimated cash flow results to be achieved. When there is objective evidence that an investment in associate is impaired, the carrying amount of such investment is compared to its recoverable amount. If the recoverable amount of an investment in associate is less than its carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss, being the excess of carrying amount over the recoverable amount, is recognized in the consolidated statements of income and comprehensive income. If an impairment loss reverses in a subsequent year, the carrying amount of the investment in associate is increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the consolidated statements of income and comprehensive income in the year the reversal occurs.

### *(d) Exploration and evaluation assets*

With respect to its exploration activities, the Company follows the practice of capitalizing all costs relating to the acquisition, exploration and evaluation of its mining rights. Option payments made by the Company are capitalized until the decision to exercise the option is made. If the option agreement is to exercise a purchase option in an underlying mineral property, the costs are capitalized and accounted for as an exploration and evaluation asset. If a mineable ore body is discovered, exploration and evaluation costs are reclassified to mining properties. At such time as commercial production commences, the capitalized costs will be depleted on a units-of-production method ("UOP"). If no mineable ore body is discovered, such costs are expensed or written-off in the period in which it is determined the property has no future economic value.

Exploration and evaluation expenditures include acquisition costs of rights to explore; topographical, geological, geochemical and geophysical studies; exploratory drilling; trenching and sampling; all costs incurred to obtain permits and other licenses required to conduct such activities, including legal, community, strategic and consulting fees; and activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources. This includes the costs incurred in determining the most appropriate mining/processing methods and developing feasibility studies. Expenditures incurred on a prospective property prior to the Company obtaining the right to explore it, are expensed in the year in which they are incurred.

When the technical feasibility and commercial viability of extracting a mineral resource are demonstrable, the underlying project enters the development phase and exploration and evaluation assets are reclassified to mine development costs. Key considerations in concluding a project has entered development phase include, but are not limited to, sufficient evidence of the probability of the existence of economically recoverable minerals has been obtained, the Board of Directors has approved development of the project and the Company has sufficient financing in place to proceed with development.

***Impairment of exploration and evaluation assets***

Management reviews the carrying amount of exploration and evaluation assets for impairment when facts or circumstances suggest that the carrying amount is not recoverable. This review is generally made with reference to the timing of exploration work, work programs proposed, exploration results achieved by the Company and by others in the related area of interest, and an assessment of the likely results to be achieved from performance of further exploration. The Company has performed an assessment for impairment indicators of its exploration and evaluation assets as of December 31, 2024 and 2023 and noted no impairment indicators.

When the results of this review indicate that indicators of impairment exist, the Company estimates the recoverable amount of the exploration and evaluation assets by reference to the potential for success of further exploration activity and/or the likely proceeds to be received from sale or assignment of the rights. When the carrying amounts of exploration and evaluation assets are estimated to exceed their recoverable amounts, an impairment loss is recorded in the consolidated statements of income and comprehensive income. If conditions that gave rise to the impairment no longer exist, a reversal of impairment may be recognized in a subsequent year, with the carrying amount of the exploration and evaluation asset increased to the revised estimate of recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had an impairment loss not been previously recognized. A reversal of an impairment loss is recognized in the consolidated statements of income and comprehensive income in the year the reversal occurs.

### *(e) Property, plant and equipment and mine development costs*

Property, plant and equipment are recorded at cost less accumulated amortization and impairment losses. When parts of an item of equipment have different useful lives, they are accounted for as separate equipment items (major components).

Amortization is based on the depreciable amount, which is the cost of the asset, less its expected residual value.

Amortization of the 44% owned Juanicipio mine and plant is a component of the Company's share of income (loss) from its equity investment in Juanicipio. With the exception of mobile equipment being amortized on a straight-line basis over its useful life, the majority of the Juanicipio mine and plant will be amortized over tonnes processed from proven and probable reserves, on a UOP basis, once each component enters commercial production.

The mine entered commercial production in January 2022 and the plant entered commercial production in June 2023. Upon both the mine and plant entering commercial production, the Company ceased capitalization of oversight expenditures associated with development of the Juanicipio Project and started to amortize such costs on a UOP basis.

Amortization on 100% owned and controlled assets is recognized in the consolidated statements of income and comprehensive income on a declining balance basis or straight-line basis over the estimated useful lives of each part of an item of property and equipment, based on how this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Exploration and evaluation assets that become a mineable ore body are reclassified to mineral properties.

The amortization rates for 100% owned and controlled assets are as follows:

| | |
|---|---|
| Building | 4% declining balance |
| Computer and office equipment | 30% declining balance |
| Exploration camp and equipment | 30% declining balance |
| Right-of-use asset | straight-line over the earlier of the end of the lease term or useful life of the asset |

Amortization methods, useful lives and residual values are reviewed at the end of each reporting year and adjusted if appropriate.

### *(f) Provisions for closure and reclamation*

A provision for mine closure and reclamation 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 year 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 capitalized where it gives rise to a future economic benefit and is depreciated over future production from the mine to which it relates. The provision is reviewed on an annual basis for changes in cost estimates, discount rates or life of operations. Changes to estimated future costs are recognized in the statement of financial position by adjusting the mine closure cost liability and the related asset originally recognized.

Decommissioning assets depreciate over the estimated production period of the mining and processing facilities. The depreciation and amortization charge is recognized in the consolidated statements of income and comprehensive income as part of production costs.

### *(g) Financial instruments*

#### *Financial assets*

Financial assets are classified as either financial assets at fair value through the consolidated statements of income and comprehensive income (“FVTPL”), fair value through other comprehensive income (“FVTOCI”) or amortized cost. The Company determines the classification of financial assets at initial recognition.

**(i)** ***Financial assets at FVTPL***

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of income and comprehensive income. Equity instruments that are held for trading and all equity derivative instruments are classified as FVTPL.

**(ii)** ***Financial assets at FVTOCI***

Equity instruments that are designated at FVTOCI are initially recorded at fair value plus transaction costs with all subsequent changes in fair value recognized in other comprehensive income (loss). For investments in equity instruments that are not held for trading, the Company can make an irrevocable election (on an instrument-by-instrument basis) at initial recognition to classify them as FVTOCI. On the disposal of the investment, the cumulative change in fair value in other comprehensive income (loss) is not recycled to the consolidated statements of income and comprehensive income but transferred only within equity.

**(iii)** ***Financial assets at amortized cost***

Financial assets are classified at amortized cost if the objective of the business model is to hold the financial asset for the collection of contractual cash flows, and the assets' contractual cash flows are comprised solely of payments of principal and interest. The Company's loans to Mineria Juanicipio and Equipos Chaparral, and accounts receivable are recorded at amortized cost as they meet the required criteria. A provision is recorded based on the expected credit losses for the financial asset and reflects changes in the expected credit losses at each reporting year (see impairment of financial assets below).

***Impairment of financial assets***

IFRS 9 requires an 'expected credit loss' model to be applied which requires a loss allowance to be recognized based on expected credit losses. This applies to financial assets measured at amortized cost. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in initial recognition.

***Financial liabilities***

Financial liabilities are initially recorded at fair value and subsequently measured at amortized cost, unless they are required to be measured at FVTPL (such as derivatives) or the Company has elected to measure at FVTPL. The Company's financial liabilities include trade and other payables which are classified at amortized cost.

### *(h) Share capital*

The Company records proceeds from share issuances net of issue costs. The Company records proceeds from the exercise of stock options as share capital in the amount for which the option enabled the holder to purchase a share in the Company. Share capital issued for non-monetary consideration is recorded at the fair value of the non-monetary consideration received, or at the fair value of the shares issued if the fair value of the non-monetary consideration cannot be measured reliably, on the date of issue.

### *(i) Share-based compensation*

The fair value of equity-settled share-based compensation awards are estimated as of the date of the grant and recorded as share-based compensation expense in the consolidated statements of income and comprehensive income over their vesting periods, with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met. Market price performance conditions are included in the fair value estimate on the grant date with no subsequent adjustment to the actual number of awards that vest. Forfeiture rates are estimated on grant date, and adjusted for actual forfeitures at each reporting year. Changes to the estimated number of awards that will eventually vest are accounted for prospectively. Share based compensation awards with graded vesting schedules are accounted for as separate grants with different vesting periods and fair values.

The fair value of stock options is estimated using the Black-Scholes option valuation model. The fair value of restricted and deferred share units is based on the fair market value of a common share equivalent on the date of grant. The fair value of performance share units awarded with market price conditions is determined using the Monte Carlo pricing model and the fair value of performance share units with non-market performance conditions is based on the fair market value of a common share equivalent on the date of grant.

### *(j) Revenue*

The Juanicipio Mine recognizes revenue for silver, gold, lead and zinc from concentrate sales, net of treatment, tolling and refining charges, when it satisfies the performance obligation of transferring control of the concentrate to the customer. This generally occurs as material is received at the customer's plant, as the customer has the ability to direct the use of and obtain substantially all of the remaining benefits from the material and the customer has the risk of loss. The Juanicipio revenues are based on estimated metal quantities based on assay data and on a provisional price. The receivable is marked to market for changes in price differences each month prior to final settlement. The Juanicipio Mine also adjusts estimated metal quantities used in computing provisional revenues based on new information and assay data from the smelter/refinery as it is received (if any). A provisional payment is generally due by the 15th of the month following delivery of the concentrate to the customer. Final payment is due upon final settlement of price and quantity in accordance with the contractual terms of the sale.

### *(k) Income per common share*

Basic income per share is based on the weighted average number of common shares outstanding during the year.

Diluted income per share is computed using the weighted average number of common and potential common shares outstanding during the year. Common equivalent shares consist of the incremental common shares upon the assumed exercise of stock options and warrants, and upon the assumed conversion of deferred share units and units issued under the Company's share unit plan, to the extent their inclusion is not anti-dilutive.

## 4. CHANGES IN ACCOUNTING STANDARDS

### *(a) Accounting standards adopted during the year*

During 2024, the Company adopted amendments to IAS 1, Presentation of Financial Statements. The amendments to IAS 1, clarifies the presentation of liabilities. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting year and is unaffected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendment also clarifies how conditions with which an entity must comply within twelve months after the reporting year affect the classification of a liability. Covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The adoption of this amendment did not have any material impact on these consolidated financial statements.

### *(b) Accounting standards and amendments issued but not yet adopted*

During 2024, the Company has not applied the issued but not yet effective standard IFRS 18: Presentation and Disclosure in Financial Statements. In April 2024, IFRS 18: Presentation and Disclosure of Financial Statements ("IFRS 18") was issued, which replaces IAS 1: Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard to its financial statements.

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

### *(a) Significant judgements*

In preparing the consolidated financial statements, the Company makes judgments when applying its accounting policies. The judgments that have the most significant effect on the amounts recognized in the consolidated financial statements are outlined below.

#### *(i) Equity investments*

In the normal course of operations, the Company may invest in equity investments for strategic reasons. In such circumstances, management considers whether the facts and circumstances pertaining to each investment result in the Company obtaining control, joint control or significant influence over the investee entity. In some cases, the determination of whether or not the Company has control, joint control or significant influence over the investee entities requires the application of significant management judgment to consider individually and collectively such factors as:

- The purpose and design of the investee entity.
- The ability to exercise power, through substantive rights, over the activities of the investee entity that significantly affect its returns.
- The size of the company's equity ownership and voting rights, including potential voting rights.
- The size and dispersion of other voting interests, including the existence of voting blocks.
- Other investments in or relationships with the investee entity including, but not limited to, current or possible board representation, loans and other types of financial support, material transactions with the investee entity, interchange of managerial personnel or consulting positions.
- Other relevant and pertinent factors.

If the Company determines that it controls an investee entity, it consolidates the investee entity's financial statements as further described in Note 3. If the Company determines that it has joint control (a joint venture) or significant influence (an associate) over an investee entity, then it uses the equity method of accounting to account for its investment in that investee entity as further described in Note 3. If, after careful consideration, it is determined that the Company neither has control, joint control nor significant influence over an investee entity, the Company accounts for the corresponding investment in equity interest as a fair value through other comprehensive income investment as further described in Note 3.

### *(ii) Impairment of non-current assets*

Non-current assets are tested for impairment at the end of each reporting year if, in management's judgement, there is an indicator of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) changes in quantity of the recoverable mineral resources and reserves; (ii) changes in metal prices, capital and operating costs and interest rates; and (iii) market capitalization of the Company compared to its net assets, are evaluated by management in determining whether there are any indicators of impairment. If there are indicators, management performs an impairment test on the major assets in this category.

In addition, the application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits are likely, either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of mineral reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statements of income and comprehensive income in the year when the new information becomes available.

As at December 31, 2024 and December 31, 2023, the Company did not have any indicators of impairment.

## *(b) Significant estimates*

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported and disclosed. These estimates are based on management's knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about assumptions and other sources of estimating uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are outlined below.

### *(i) Revenue*

Revenue recorded at the Juanicipio Mine, which is reflected as a component in the Company's consolidated statements of income and comprehensive income from its equity accounted investment in Juanicipio, is based on estimated metal quantities reflecting assay data and on provisional prices which will be trued up for final price and quantity in a later period.

### *(ii) Provision for reclamation*

Management assesses the closure and reclamation obligations on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs required based on the existing laws and regulations in the jurisdiction the Company operates in, the timing of these expenditures, and the impact of changes in the inflation and discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

### *(iii) Contingent liabilities*

The Company is subject to various tax, legal and other disputes, the outcomes of which cannot be assessed with a high degree of certainty. A liability is recognized where, based on the Company's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. By their nature, these provisions will only be resolved when one or more future events occur or fail to occur, which will bring resolution to their underlying cases. The assessment of such provisions inherently involves the exercise of significant judgment of the potential outcome of future events.

### *(iv) Fair value measurement: share-based compensation*

The Company uses valuation techniques (Note 3(i)) in measuring the fair value of equity-settled share-based compensation awards, which requires the Company to make certain estimates, judgements, and assumptions in relation to the expected life, expected volatility, expected risk-free rate, expected forfeiture rate, and expected future market conditions of the various equity based units, as applicable.

The fair value of stock options is estimated using the Black-Scholes option valuation model, and related required estimates, judgements, and assumptions include stock options expected life, expected volatility, expected risk-free rate, and expected forfeiture rate. The fair value of performance share units awarded with market price conditions is determined using the Monte Carlo pricing model, projecting the performance of the Company and, if applicable, the relevant market index against which the Company's performance is compared. In assessing the vesting of performance share units awarded with market price conditions the Company may be required to make certain estimates, judgements, and assumptions in relation with future market conditions. The fair value of performance share units with non-market performance conditions, restricted and deferred share units are based on the fair market value of a common share equivalent on the date of grant.

## 6. GENERAL AND ADMINISTRATIVE EXPENSES

| | For the year ended | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| Accounting and audit | **835** | 751 |
| Compensation and consulting fees | **4,568** | 4,985 |
| Depreciation and amortization | **659** | 352 |
| Filing and transfer agent fees | **277** | 354 |
| General office expenses | **773** | 798 |
| Insurance | **1,290** | 1,466 |
| Juanicipio oversight costs | **861** | 687 |
| Legal | **856** | 433 |
| Share-based compensation expense (see Note 10) | **3,829** | 2,894 |
| Shareholder relations | **503** | 445 |
| Travel | **339** | 296 |
| | **14,790** | 13,461 |

## 7. ACCOUNTS RECEIVABLE

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| Receivable from Minera Juanicipio (Notes 8 & 17) | **2** | 855 |
| Value added tax (“IVA” and “GST”) | **499** | 700 |
| Other receivables | **315** | 4 |
| | **816** | 1,559 |

## 8. INVESTMENT IN JUANICIPIO

Minera Juanicipio, was created for the purpose of holding the Juanicipio property, and is held 56% by Fresnillo plc ("Fresnillo") and 44% by the Company. On December 27, 2021, the Company and Fresnillo created Equipos Chaparral, in the same ownership proportions. Equipos Chaparral owns the processing facility and mining equipment which is leased to Minera Juanicipio. Minera Juanicipio and Equipos Chaparral are collectively referred to herein as "Juanicipio," or, the "Juanicipio Mine".

Juanicipio is governed by a shareholders' agreement and by corporate by-laws. All costs relating to Juanicipio that are not extinguished by operating cash flows generated by Juanicipio, are required to be shared by the Company and Fresnillo pro-rata based on their ownership interests in Juanicipio, and if either party does not fund pro-rata, their ownership interest will be diluted in accordance with the shareholders' agreement and by-laws.

Fresnillo is the operator of Juanicipio, and with its affiliates, beneficially owns 9,314,877 common shares of the Company as at December 31, 2024, as publicly reported by Fresnillo.

The Company has recorded its Investment in Juanicipio using the equity method of accounting. The recorded value of the investment includes the carrying value of the deferred exploration, mineral and surface rights, Juanicipio costs incurred by the Company before the commencement of commercial production, the required net cash investments to establish and maintain its 44% interest in Juanicipio, and the Company's 44% share of income from Juanicipio.

Changes during the year in the Company's investment in Juanicipio are detailed as follows:

| | **Year ended December 31, 2024 $** | Year ended December 31, 2023 $ |
|---|---|---|
| Balance, beginning of year | **394,622** | 338,316 |
| Juanicipio oversight expenditures incurred 100% by MAG | **-** | 384 |
| Amortization of Juanicipio's oversight expenditures incurred 100% by MAG | **(526)** | (305) |
| Cash contributions and advances to Juanicipio (1) | **-** | 24,992 |
| Loan repayments from Juanicipio (2) | **(92,361)** | (25,714) |
| Dividends received from Juanicipio (3) | **(26,400)** | - |
| Total for the year | **(119,286)** | (642) |
| Income from equity accounted Investment in Juanicipio | **92,875** | 65,099 |
| Interest earned, reclassified to accounts receivable (4) | **(4,197)** | (8,150) |
| **Balance, end of year** | **364,014** | 394,622 |

(1) During the year ended December 31, 2024, no cash contributions and advances were made to Juanicipio (year ended December 31, 2023: $24,992 cash contributions and advances, with $ 22,726 in the form of loans and $ 2,276 in the form of equity).

(2) During the year ended December 31, 2024, no loans to Juanicipio were converted into equity (year ended December 31, 2023: $7,251). As at December 31, 2024, the Company has advanced, net of aggregate repayments, $ 2,053 as shareholder loans to Juanicipio ( December 31, 2023: $94,414).

(3) During the year ended December 31, 2024, an inaugural dividends payment amounting to $ 26,400 was received from Juanicipio (year ended December 31, 2023: nil).

(4) A portion of the Investment in Juanicipio is in the form of interest bearing shareholder loans. For the year ended December 31, 2024, the Company earned interest amounting to $ 4,197 (year ended December 31, 2023: $8,150) while $5,015 of interest payments were received from Juanicipio (year ended December 31, 2023: $7,639).

A summary of financial information of Juanicipio (on a 100% basis reflecting adjustments made by the Company, including adjustments for differences in accounting policies) is as follows:

*Juanicipio Statements of Income*

| | **For the year ended** | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| Sales | **627,366** | 442,288 |
| Cost of sales: | | |
| Production cost | **(153,521)** | (171,830) |
| Depreciation and amortization | **(91,197)** | (68,475) |
| | **(244,718)** | (240,305) |
| Gross profit | **382,648** | 201,983 |
| Consulting and administrative expenses | **(14,319)** | (18,768) |
| Extraordinary mining and other duties | **(10,415)** | (4,945) |
| | **357,914** | 178,270 |
| Exchange gains (losses) and other | **4,347** | (2,937) |
| Interest expense | **(9,538)** | (18,524) |
| Income tax expense | **(151,181)** | (27,381) |
| **Net income** | **201,542** | 129,428 |
| MAG's 44% portion of net income | **88,678** | 56,948 |
| Interest on Juanicipio loans - MAG's 44% | **4,197** | 8,150 |
| **MAG's 44% equity income** | **92,875** | **65,099** |

*Juanicipio Statements of Financial Position*

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | **53,193** | 42,913 |
| Value added tax and other receivables | **3,902** | 3,162 |
| Income tax receivable | **1,862** | 3,758 |
| Concentrate sales receivable | **88,324** | 56,532 |
| Inventories | | |
| Stockpiles | **4,365** | 2,417 |
| Metal concentrates | **1,916** | 2,361 |
| Materials and supplies | **18,724** | 18,414 |
| Prepaids and other assets | **1,784** | 5,501 |
| | **174,070** | 135,058 |
| Non-current assets | | |
| Right-of-use assets | **965** | 1,590 |
| Mineral interests, plant and equipment | **767,244** | 794,512 |
| Deferred tax assets | **8,953** | 24,336 |
| | **777,162** | 820,438 |
| **Total assets** | **951,232** | 955,496 |
| **Liabilities** | | |
| Current liabilities | | |
| Payables | **17,719** | 22,167 |
| Interest and other payables to shareholders | **3,534** | 12,160 |
| Taxes payable | **47,318** | 14,395 |
| | **68,571** | 48,722 |
| Non-current liabilities | | |
| Lease obligation | **974** | 1,597 |
| Provisions | | |
| Reserves for retirement and pension | **141** | 112 |
| Reclamation and closure | **3,871** | 3,605 |
| Deferred tax liabilities | **54,066** | 9,439 |
| | **59,052** | 14,753 |
| Total liabilities | **127,623** | 63,475 |
| **Equity** | | |
| Shareholders' equity including shareholder advances | **823,610** | 892,021 |
| Total equity | **823,610** | 892,021 |
| **Total liabilities and equity** | **951,232** | 955,496 |

*Juanicipio Statements of Cash Flows*

| | For the year ended | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| **Operating activities** | | |
| Net income | **201,541** | 129,428 |
| Items not involving cash | | |
| Depreciation and amortization | **91,197** | 68,475 |
| Income tax expense | **151,181** | 27,381 |
| Interest incurred on loans | **9,538** | 18,524 |
| Other | **(1,634)** | 3,304 |
| Income tax payments | **(55,998)** | (83,875) |
| Change in other operating working capital | **(39,135)** | (18,172) |
| Net cash from operating activities | **356,691** | 145,064 |
| **Investing activities** | | |
| Capital expenditures including plant, mine development and exploration | **(67,411)** | (84,881) |
| Other | **4,084** | 1,487 |
| Net cash used in investing activities | **(63,326)** | (83,393) |
| **Financing activities** | | |
| Dividends paid to shareholders | **(60,000)** | - |
| Loans and other capital provided by shareholders | **-** | 56,800 |
| Repayments of loans to shareholders | **(209,920)** | (58,441) |
| Interest paid to shareholders | **(11,399)** | (17,409) |
| Payment of lease obligations | **(1,016)** | (856) |
| Net cash used in financing activities | **(282,335)** | (19,906) |
| Effect of exchange rate changes on cash and cash equivalents | **(749)** | 46 |
| Increase in cash and cash equivalents during the year | **10,281** | 41,811 |
| Cash and cash equivalents, beginning of year | **42,913** | 1,102 |
| **Cash and cash equivalents, end of year** | **53,193** | 42,913 |

## 9. EXPLORATION AND EVALUATION ASSETS

***(a)*** In 2018, the Company entered into an option agreement with a private group, whereby the Company has the right to earn 100% ownership interest in a company which owns the Deer Trail Project in Utah. The Company paid $150 upon signing the agreement, $150 in each of 2020 and 2021, and $200 in each of 2022, 2023, and 2024. To earn 100% interest in the property, the Company must make remaining cash payments totaling $950 over the next 5 years (with option to accelerate if desired) and fund a cumulative of $30,000 of eligible exploration expenditures by 2028 (criteria met: as of December 31, 2024, the Company has incurred $36,439 of eligible exploration expenditures on the property). As at December 31, 2024, the Company has also bonded and recorded a $484 reclamation liability for the project. Other than the reclamation liability, the balance of cash payments are optional at the Company's discretion. Upon the Company's 100% earn-in, the vendors will retain a 2% net smelter returns ("NSR") royalty.

***(b)*** Through the acquisition of Gatling Exploration Inc. ("Gatling") in 2022, the Company acquired 100% of the Larder Project in Ontario. During the year ended December 31, 2024, the Company incurred a total of $17,197 in exploration and evaluation expenditures, which includes $3,802 in acquisition of exploration property mainly relating to the purchase of 100% ownership of the Goldstake property ("Goldstake"), contiguous to the existing land holdings at Gatling.

During the year ended December 31, 2024 and December 31, 2023, the Company has incurred the following exploration and evaluation expenditures on these projects:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| **Deer Trail Project** | | |
| Option and other payments | **200** | 275 |
| Total acquisition costs | **200** | 275 |
| Drilling and geotechnical | **8,905** | 5,854 |
| Camp and site costs | **401** | 875 |
| Land taxes and government fees | **239** | 213 |
| Legal, community and other consultation costs | **357** | 343 |
| Travel | **182** | 190 |
| Total for the year | **10,284** | 7,750 |
| Balance, beginning of year | **27,315** | 19,565 |
| **Total Deer Trail Project cost** | **37,599** | 27,315 |
| **Larder Project** | | |
| Acquisition of exploration property | **3,802** | - |
| Total acquisition costs | **3,802** | - |
| Drilling and geotechnical | **10,896** | 6,357 |
| Camp and site costs | **1,773** | 772 |
| Land taxes and government fees | **40** | 43 |
| Legal, community and other consultation costs | **535** | 347 |
| Travel | **151** | 109 |
| Total for the year | **17,197** | 7,628 |
| Balance, beginning of year | **25,322** | 17,694 |
| **Total Larder Project cost** | **42,519** | 25,322 |
| **Total Exploration and Evaluation Assets** | **80,118** | 52,637 |

## 10. SHARE CAPITAL

### *(a) Public offerings*

On February 7, 2023, the Company closed a $42,558 bought deal public offering and issued 2,905,000 common shares, at a price of $14.65 per common share.

On February 16, 2023, the Company closed a $17,133 (C$23,024) bought deal private placement and issued 969,450 common shares on a "flow-through" basis" (as defined in the Income Tax Act (Canada)) (the Flow-Through Shares"), at a price of $17.67 (C$23.75) per Flow-Through Share. The premium paid by investors on the flow-through shares was calculated as $ 3.08 per share. Accordingly, $2,986 was recorded as flow-through share premium liability (Note 11).

The aggregate gross proceeds from the combined bought deal public offering and bought deal private placement amounted to $59,691. The Company paid commissions to underwriters of $ 3,011 and legal and filing fees totalling $ 932, yielding net proceeds of $55,748.

### *(b) Normal Course Issuer Bid ("NCIB")*

On May 15, 2024, MAG announced that the Toronto Stock Exchange ("TSX") had accepted the Company's Notice of Intention to make a NCIB. Under the NCIB, the Company may purchase for cancellation up to an aggregate of 8,643,374 common shares of the Company, representing approximately 10% of the public float (as defined in the rules and policies of the TSX) of the common shares as of May 8, 2024. The Company's purchases in the United States will be subject to a limit of 5,148,977 common shares, being 5% of the public float of the common shares as of May 8, 2024. The NCIB commenced on May 17, 2024 and will terminate on May 16, 2025, or earlier if the maximum number of common shares under the NCIB have been purchased or if the NCIB has been terminated by the Company. As at December 31, 2024 the Company has not repurchased any common shares. In addition, the Company entered into an automatic share purchase plan with its designated broker to allow for the purchase of common shares at times which the Company ordinarily would not be active in the market due to trading blackout periods, insider trading rules or otherwise.

### *(c) Stock options*

The Company may enter into Incentive Stock Option Agreements in accordance with the Company's Stock Option Plan (the "Plan"). On June 26, 2023, the Shareholders re-approved the Plan. The maximum number of common shares that may be issuable under the Plan is set at 5% of the number of issued and outstanding common shares on a non-diluted basis at any time, provided that the number of common shares issued or issuable under the combined Plan and Share Unit Plan (Note 10(d)) shall not exceed 5% of the issued and outstanding common shares of the Company on a non-diluted basis. Options granted under the Plan have a maximum term of 5 years.

The following table summarizes the Company's stock options activity, excluding the Gatling replacement options, for the period:

| | Stock options activity | Weighted average exercise price (C$/option) |
|---|---|---|
| Outstanding, January 1, 2023 | 1,012,794 | 17.56 |
| Granted | 236,928 | 16.42 |
| Expired | (20,000) | 19.41 |
| Forfeited | (13,564) | 18.35 |
| Exercised for cash | (28,787) | 14.34 |
| Outstanding, December 31, 2023 | 1,187,371 | 17.37 |
| Granted | 273,507 | 14.64 |
| Expired | (7,791) | 21.36 |
| Exercised for cash | (284,866) | 14.32 |
| Exercised cashless | (147,826) | 14.30 |
| **Outstanding, December 31, 2024** | **1,020,395** | **17.91** |

During the year ended December 31, 2024, the Company recorded a share-based compensation expense related to stock options of $1,049 ( December 31, 2023: $1,124) and capitalized $166 ( December 31, 2023: $165) to exploration and evaluation assets.

The following table summarizes the Company's stock options outstanding and exercisable as at December 31, 2024.

| Exercise price (C$/option) | Number Outstanding | Number Exercisable | Weighted avg. remaining contractual life (years) |
|---|---|---|---|
| 14.64 | 273,507 | - | 4.12 |
| 14.98 | 28,604 | 28,604 | 0.16 |
| 16.09 | 6,021 | 2,007 | 3.25 |
| 16.43 | 213,841 | 65,139 | 3.17 |
| 17.02 | 100,000 | 66,666 | 2.38 |
| 20.20 | 106,466 | 69,861 | 2.20 |
| 21.26 | 50,000 | 50,000 | 1.92 |
| 21.29 | 9,191 | 6,127 | 2.26 |
| 21.57 | 182,765 | 182,765 | 0.94 |
| 23.53 | 50,000 | 50,000 | 1.05 |
| 14.64 - 23.53 | 1,020,395 | 521,169 | 2.59 |

The Company determined the fair value of the options using the Black-Scholes option pricing model with the following weighted average assumptions:

| | **Year ended December 31, 2024** | Year ended December 31, 2023 |
|---|---|---|
| Risk-free interest rate | **3.91%** | 3.53% |
| Expected volatility | **48%** | 57% |
| Expected dividend yield | **nil** | nil |
| Expected life (years) | **3** | 3 |

In 2022, the Company issued 43,675 replacement stock options pursuant to the Gatling acquisition, of which all replacement stock options expired unexercised by August 12, 2024.

### *(d) Restricted and performance share units*

On June 26, 2023, the Shareholders re-approved a share unit plan (the "Share Unit Plan") for the benefit of the Company's officers, employees and consultants. The Share Unit Plan provides for the issuance of common shares from treasury, in the form of restricted share units ("RSUs") and performance share units ("PSUs"). The maximum number of common shares that may be issuable under the Share Unit Plan is set at 1.5% of the number of issued and outstanding common shares on a non-diluted basis, provided that the number of common shares issued or issuable under the combined Share Unit Plan and Stock Option Plan (Note 10(c)) shall not exceed 5% of the issued and outstanding common shares on a non-diluted basis. RSUs and PSUs granted under the Share Unit Plan have a term of 5 years unless otherwise specified by the Board, and each unit entitles the participant to receive one common share of the Company subject to vesting criteria, and in the case of PSUs, performance criteria which may also impact the number of PSUs to vest between 0-200%. PSUs for which the performance targets are not achieved during the performance period are automatically forfeited and cancelled.

The following table summarizes the Company's RSUs activity for the period:

| | RSU activity | Weighted average fair value (C$/RSU) |
|---|---|---|
| Outstanding, January 1, 2023 | 101,059 | 18.47 |
| Granted | 56,425 | 16.42 |
| Forfeited | (4,244) | 17.07 |
| Exercised | (54,985) | 17.19 |
| Outstanding, December 31, 2023 | 98,255 | 17.82 |
| Granted | 94,842 | 14.64 |
| Exercised | (17,741) | 17.16 |
| **Outstanding, December 31, 2024** | **175,356** | **16.17** |

During the year ended December 31, 2024, the Company recorded share-based compensation expense related to RSUs of $ 632 ( December 31, 2023: $671) and capitalized $141 ( December 31, 2023: $91) to exploration and evaluation assets.

The following table summarizes the Company's PSUs activity for the period:

| | PSU activity | Weighted average fair value (C$/PSU) |
|---|---|---|
| Outstanding, January 1, 2023 | 231,255 | 17.91 |
| Granted | 156,861 | 16.42 |
| Forfeited | (43,047) | 19.71 |
| Exercised | (57,620) | 13.17 |
| Outstanding, December 31, 2023 | 287,449 | 17.78 |
| Granted | 137,191 | 14.64 |
| Exercised | (32,038) | 16.99 |
| **Outstanding, December 31, 2024** | **392,602** | **16.74** |

During the year ended December 31, 2024, the Company recorded share-based compensation expense related to PSUs of $ 1,166 ( December 31, 2023: $229) and capitalized $112 ( December 31, 2023: $131) to exploration and evaluation assets.

### *(e) Deferred share units*

On June 26, 2023, the Shareholders re-approved a Deferred Share Unit Plan (the "DSU Plan") for the benefit of the Company's non-executive directors. The DSU Plan provides for the issuance of common shares from treasury, on conversion of Deferred Share Units ("DSUs") granted. Directors may also elect to receive all or a portion of their annual retainer in the form of DSUs. DSUs may be settled in cash or in common shares issued from treasury, as determined by the Board at the time of the grant. The maximum number of common shares that may be issuable under the DSU Plan is set at 1.0% of the number of issued and outstanding common shares on a non-diluted basis.

The following table summarizes the Company's DSUs activity for the period:

| | DSU activity | Weighted average fair value (C$/DSU) |
|---|---|---|
| Outstanding, January 1, 2023 | 420,115 | 14.80 |
| Granted | 78,474 | 14.81 |
| Outstanding, December 31, 2023 | 498,589 | 14.80 |
| Granted | 81,173 | 16.57 |
| Exercised | (50,000) | 12.26 |
| **Outstanding, December 31, 2024** | **529,762** | **15.31** |

During the year ended December 31, 2024, the Company recorded share-based compensation expense of $ 982 ( December 31, 2023: $869) relating to DSUs to directors. 76,810 DSUs were granted under the plan and 4,363 DSUs were granted to directors who elected to receive a portion of their annual retainer in DSUs rather than in cash ( December 31, 2023: 70,882 and 7,592 respectively).

### *(f) Diluted earnings per share*

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| Net income | **77,779** | 48,659 |
| Basic weighted average number of shares outstanding | **103,157,768** | 102,486,986 |
| Effect of dilutive common share equivalents: | | |
| Stock options | **119,493** | 51,971 |
| Restricted and performance share units | **367,832** | 93,007 |
| Deferred share units | **529,762** | 498,589 |
| Diluted weighted average number of shares outstanding | **104,174,855** | 103,130,553 |
| Diluted earnings per share | **$ 0.75** | $ 0.47 |

As of December 31, 2024, there are 900,902 anti-dilutive stock options ( December 31, 2023: 748,541) and 200,126 anti-dilutive restricted and performance share units ( December 31, 2023: 292,697).

## 11. FLOW-THROUGH PREMIUM LIABILITY

As of December 31, 2024, the Company's flow-through share premium liability was reduced to $ 0 ( December 31, 2023: $1,969) in relation to the flow-through share financing completed on February 16, 2023 (see Note 10(a)) for full details of the financing). Flow-through shares are issued at a premium, and in the Company's case, considering the separate offerings for flow-through shares and standard public offering for common shares both made on January 25, 2023, this premium was calculated as the difference between the pricing of a flow-through share and that of a common share from the public offering made on the same date. Tax deductions generated by the eligible expenditures are passed through to the shareholders of the flow-through shares once the eligible expenditures are incurred and renounced. Below is a summary of the flow-through financing and the related flow-through share premium liability generated.

| | Shares issued | Flow-through share price $ | Premium per flow through share price $ | Flow-through premium liability $ |
|---|---|---|---|---|
| February 2023 Financing | 969,450 | 17.67 | 3.08 | 2,986 |

The following table is a continuity of the flow-through share funding and expenditures along with the corresponding impact on the flow-through share premium liability:

| | Flow-through funding and expenditures | Flow-through premium liability |
|---|---|---|
| | $ | $ |
| Balance at January 1, 2023 | - | - |
| Flow-through funds raised | 17,133 | 2,986 |
| Flow-through eligible expenditures | (5,835) | (1,017) |
| Balance at December 31, 2023 | 11,298 | 1,969 |
| Flow-through eligible expenditures | (11,298) | (1,969) |
| **Balance at December 31, 2024** | **-** | **-** |

## 12. DEBT FACILITY

In October 2023 the Company entered into a $40,000 senior secured revolving credit facility with the Bank of Montreal (the "Credit Facility"). The Credit Facility bears interest on a sliding scale of Secured Overnight Financing Rate ("SOFR") or the Lender's Base Rate on US Dollar commercial loans plus an applicable margin on a sliding scale of between 200 and 400 basis points based on the Company's leverage ratio. Interest incurred on drawn amounts is to be paid quarterly. Commitment fees on the undrawn portion of the facility are calculated on a similar sliding scale of between 50 and 75 basis points, and are also to be paid on a quarterly basis. The term of the facility is 34 months, maturing on August 4, 2026, at which date any drawn amount is required to be repaid in full. All debts, liabilities and obligations under the facility are guaranteed by the Company's material subsidiaries and secured by assets of the Company. The facility includes a number of customary covenants (liquidity, leverage, tangible net worth) and conditions including limitations on acquisitions and investments (excluding exploration and capital expenditures) funded using cash with no limitations when equity is used as a funding source. As at December 31, 2024, the Company is in compliance with all applicable covenants.

As of December 31, 2024, the Company has not drawn down any funds from its Credit Facility, and as a result expensed $ 200 commitment fees for the year ended December 31, 2024.

## 13. CAPITAL RISK MANAGEMENT

The Company's objectives in managing its liquidity and capital are to safeguard the Company's ability to continue as a going concern and to provide financial capacity to meet its strategic objectives. The capital structure of the Company consists of its equity (comprised of share capital, equity reserve, accumulated other comprehensive income and deficit), and lease obligation, net of cash and investments in equity securities as follows:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| Equity | **591,333** | 506,757 |
| Lease obligation | **2,242** | 154 |
| Cash | **(162,347)** | (68,707) |
| Investments | **(8)** | (8) |
| Total | **431,220** | 438,196 |

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt and/or acquire or dispose of assets.

As at December 31, 2024, the Company does not have any long-term debt outstanding, is in compliance with all applicable Credit Facility covenants, and is not subject to any other externally imposed capital requirements.

## 14. FINANCIAL RISK MANAGEMENT

The Company's operations consist of the acquisition, exploration and advancement of mineral projects in the Americas. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include credit risk, liquidity risk, currency risk, interest rate risk and other price risks. Where material, these risks are reviewed and monitored by the Board of Directors.

### *(a) Market risk*

The Company conducts the majority of its business through its equity interest in its associates, Juanicipio (Note 8). Juanicipio is exposed to commodity price risk, specifically to the prices of silver, gold, and to a lesser extent, lead and zinc. Currently, Juanicipio produces and sells concentrates containing these metals which are each subject to market price fluctuations which will affect its profitability and its ability to generate cash flow. Juanicipio does not hedge any of the commodities produced and does not have any such positions outstanding at December 31, 2024.

### *(b) Credit risk*

Counterparty credit risk is the risk that the financial benefits of contracts with a specific counterparty will be lost if a counterparty defaults on its obligations under the contract. This includes any cash amounts owed to the Company by those counterparties, less any amounts owed to the counterparty by the Company where a legal right of set-off exists and also includes the fair values of contracts with individual counterparties which are recorded in the financial statements.

#### *(i) Trade credit risk*

Juanicipio, in which the Company has a 44% interest, has revenue from its operations as described in Note 8. Juanicipio sells and receives payment for its concentrates at market terms, under an offtake agreement with Met-Mex Peñoles, S.A. de C.V. ("Met-Mex"), a related party to Fresnillo. The Company believes Juanicipio is not exposed to significant trade credit risk.

#### *(ii) Cash*

In order to manage credit and liquidity risk, the Company's practice is to invest only in highly rated investment grade instruments backed by Canadian commercial banks, and in the case of its Mexican and US operations, the Company maintains minimal cash in its US and Mexican subsidiaries.

The Company's maximum exposure to credit risk is the carrying value of its cash, accounts receivable and loans receivable from Juanicipio which is classified as an Investment in Juanicipio in the consolidated statements of financial position, as follows:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| Cash | **162,347** | 68,707 |
| Accounts receivable (Note 7) | **816** | 1,559 |
| Juanicipio loans (Notes 8 & 17) | **2,053** | 94,414 |
| | **165,216** | 164,680 |

### *(c) Liquidity risk*

The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements, its exploration and mineral projects advancement plans, and its various optional property and other commitments (Notes 8, 9, 11 and 17). The annual budget is approved by the Board of Directors. The Company ensures that there are sufficient cash balances to meet its short-term business requirements.

To increase its flexibility with regards to access to capital, in October 2023 the Company entered into a $40,000 Credit Facility (see Note 12 for full details of the debt facility).

The Company estimates it has the ability to fund the next 12 months of corporate and exploration expenses with its liquidity position, and the Company 's overall liquidity risk has not changed significantly from December 31, 2023. Future liquidity may therefore depend upon the Company's ability to repatriate capital from Juanicipio, arrange additional debt or additional equity financing.

### *(d) Currency risk*

The Company is exposed to the financial risks related to the fluctuation of foreign exchange rates, both in the Mexican peso and C$, relative to the US$. The Company does not use any derivative instruments to reduce its exposure to fluctuations in foreign exchange rates.

#### *Exposure to currency risk*

As at December 31, 2024, the Company is exposed to currency risk through the following assets and liabilities denominated in currencies other than the functional currency of the applicable entity:

| | Mexican peso | Canadian dollar |
|---|---|---|
| *(in US$ equivalent)* | $ | $ |
| Cash | 5 | 4,914 |
| Accounts receivable | 131 | 452 |
| Prepaid expenses | 19 | 499 |
| Investments | - | 8 |
| Trade and other payables | (47) | (2,968) |
| Lease obligations | - | (2,242) |
| Net (liabilities) assets exposure | **108** | **663** |

#### *Mexican peso relative to the US$*

Although the majority of operating expenses in Mexico are both determined and denominated in US$, an appreciation in the Mexican peso relative to the US$ will increase the Company's cost of operations in Mexico (reported in US$) related to those operating costs denominated and determined in Mexican pesos. Alternatively, a depreciation in the Mexican peso relative to the US$ will decrease the Company's cost of operations in Mexico (reported in US$) related to those operating costs denominated and determined in Mexican pesos.

An appreciation/depreciation in the Mexican peso against the US$ will also result in a gain/loss before tax and deferred tax to the extent that the Company holds net monetary assets (liabilities) in pesos. Specifically, the Company's foreign currency exposure is comprised of peso denominated cash, prepaids and value added taxes receivable, net of trade and other payables. The carrying amount of the Company's peso denominated net monetary liabilities at December 31, 2024 is 2.2 million pesos ( December 31, 2023: 564 thousand pesos net monetary assets). A 10% appreciation or depreciation in the peso against the US$ would have an immaterial effect on the Company's income (loss) before tax.

***Mexican peso relative to the US$ - Investment in Juanicipio***

The Company conducts the majority of its business through its equity interest in its associates (Note 8). The Company accounts for this investment using the equity method and recognizes the Company's 44% share of earnings and losses of Juanicipio. Juanicipio also has a US$ functional currency and is exposed to the same currency risks noted above for the Company.

An appreciation/depreciation in the Mexican peso against the US$ will also result in a gain/loss after tax and deferred taxes (Note 8) in Juanicipio to the extent that it holds net monetary assets (liabilities) in pesos, comprised of peso denominated cash, value added taxes receivable, net of trade and other payables. The carrying amount of Juanicipio's net peso denominated monetary liabilities at December 31, 2024 is 1.3 billion pesos ( December 31, 2023: 545 million pesos net monetary liabilities). A 10% appreciation in the peso against the US$ would result in a loss before tax at December 31, 2024 of $6,858 ( December 31, 2023: $3,584 loss) in Juanicipio, of which the Company would record its 44% share being $3,107 loss from equity investment in Juanicipio ( December 31, 2023: $1,577 loss), while a 10% depreciation in the peso relative to the US$ would result in an equivalent gain.

***C$ relative to the US$***

The Company is exposed to gains and losses from fluctuations in the C$ relative to the US$.

As general and administrative overheads in Canada are predominantly denominated in C$, an appreciation in the C$ relative to the US$ will increase the Company's overhead costs as reported in US$. Alternatively, a depreciation in the C$ relative to the US$ will decrease the Company's overhead costs as reported in US$.

An appreciation/depreciation in the C$ against the US$ will result in a gain/loss to the extent that MAG, the parent entity, and the Larder Project holds net monetary assets (liabilities) in C$. The carrying amount of the Company's net Canadian dollar denominated monetary assets at December 31, 2024 is C$954 thousand ( December 31, 2023: C$1.4 million net monetary assets). A 10% appreciation or depreciation in the C$ against the US$ would have a $66 ( December 31, 2023: $160) effect on the Company's income (loss) before tax.

***(e) Interest rate risk***

The Company's interest income earned on cash is exposed to interest rate risk. A decrease in interest rates would result in lower relative interest income and an increase in interest rates would result in higher relative interest income.

The Company's Credit Facility is based on variable interest rate, where it will bear interest on a sliding scale of SOFR or the Lender's Base Rate on US Dollar commercial loans plus an applicable margin on a sliding scale of between 200 and 400 basis points based on the Company's leverage ratio. As of December 31, 2024, the Company has not drawn down any funds from its Credit Facility.

## 15. FINANCIAL INSTRUMENTS AND FAIR VALUE DISCLOSURES

The Company's financial instruments include cash, accounts receivable, investments, and trade and other payables. The carrying values of cash, accounts receivable, and trade and other payables reported in the consolidated statement of financial position approximate their respective fair values due to the relatively short-term nature of these instruments.

Fair value is defined as 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 hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value as described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
Level 2: Observable inputs other than quoted prices in Level 1 such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3: Unobservable inputs which are supported by little or no market activity.

The Company's financial assets or liabilities as measured in accordance with the fair value hierarchy described above are:

| As at December 31, 2024 | Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
|---|---|---|---|---|
| Investments | **8** | **-** | - | 8 |

| As at December 31, 2023 | Level 1<br>$ | Level 2<br>$ | Level 3<br>$ | Total<br>$ |
|---|---|---|---|---|
| Investments | **8** | **-** | **-** | **8** |

There were no transfers between levels 1, 2 and 3 during the year ended December 31, 2024 or during the year ended December 31, 2023.

## 16. SEGMENTED INFORMATION

The Company operates in one operating segment, being the exploration and advancement of mineral projects in North America. The Company's principal asset, its 44% ownership in the Juanicipio Mine, is located in Mexico, and the Company also has other exploration properties in North America. The Company's executive and head office is located in Canada.

## 17. RELATED PARTY TRANSACTIONS

The Company does not have offices or direct personnel in Mexico, but rather is party to a Field Services Agreement, whereby it has contracted administrative and exploration services in Mexico with Minera Cascabel, S.A. de C.V. ("Cascabel") and IMDEX Inc. ("IMDEX"). Dr. Peter Megaw, the Company's former Chief Exploration Officer ("CXO"), is a principal of both IMDEX and Cascabel, and was remunerated by the Company through fees to IMDEX.

On May 21, 2024, Dr. Megaw stepped down as CXO and will continue to provide technical advice in a consulting role and as such will no longer be providing key management personnel services as defined under IAS 24. Accordingly, Dr. Megaw is no longer considered a related party. Related party transactions incurred by the Company with Cascabel and IMDEX will only be included up until the date of his retirement from executive duties.

During the year ended December 31, 2024 (expenses incurred up to May 21, 2024) and 2023, the Company incurred expenses with Cascabel and IMDEX as follows:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| Fees related to Dr. Megaw: | | |
| Exploration and marketing services | **69** | 393 |
| Travel and expenses | **11** | 39 |
| Other fees to Cascabel and IMDEX: | | |
| Administration for Mexican subsidiaries | **22** | 55 |
| Field exploration services | **66** | 180 |
| Share-based payments (Note 10) | **129** | 443 |
| | **297** | 1,110 |

All transactions are incurred in the normal course of business and are negotiated on arm's length terms between the parties for all services rendered. A portion of the expenditures are incurred on the Company's behalf and are charged to the Company on a "cost + 10%" basis. The services provided do not include drilling and assay work which are contracted out independently from Cascabel and IMDEX.

Any amounts due to related parties arising from the above transactions are unsecured, non-interest bearing and are due upon receipt of invoices.

The details of the Company's significant subsidiary and controlling ownership interests are as follows:

| Name | Country of Incorporation | Principal Project | MAG's effective interest 2024 (%) | 2023 (%) |
|---|---|---|---|---|
| Minera Los Lagartos, S.A. de C.V. | Mexico | Juanicipio (44%) | 100% | 100% |

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note.

As at December 31, 2024, Fresnillo and the Company have advanced, net of aggregate repayments, $ 4,666 as shareholder loans (MAG's 44% share $2,053) to Juanicipio, bearing interest at 6 months SOFR + 2%. Interest recorded by the Company for the year ended December 31, 2024 totalling $4,197 (year ended December 31, 2023: $8,150) has been included in MAG's income from equity accounted investment in Juanicipio.

During the year ended December 31, 2024 and 2023, compensation of key management personnel (including directors) was as follows:

| | **For the year ended December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| Salaries and other short term employee benefits | **2,720** | 1,949 |
| Share-based compensation (non-cash) (Note 10) | **2,957** | 2,532 |
| | **5,677** | 4,481 |

*Key management personnel* are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consists of its directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Sustainability Officer, and effective January 1, 2024 onwards, the Chief Development Officer.

## 18. COMMITMENTS AND CONTINGENCIES

The following table discloses the contractual obligations of the Company and its subsidiaries as at December 31, 2024 for committed exploration work and committed other obligations.

| | Total<br>$ | Less than 1 year<br>$ | 1-3 Years<br>$ | 3-5 Years<br>$ | More than 5 years<br>$ |
|---|---|---|---|---|---|
| Minera Juanicipio (1) | **-** | **-** | - | - | - |
| Financing and consulting contractual commitments | **496** | 252 | 244 | - | - |
| **Total Obligations and Commitments** | **496** | **252** | **244** | **-** | **-** |

(1) According to the operator, Fresnillo, contractual commitments including project development and for continuing operations and purchase orders issued for project capital, sustaining capital, and continuing operations total $21,776 ( December 31, 2023: $13,779), with respect to Juanicipio on a 100% basis as at December 31, 2024.

The concessions associated with the Larder Project are all in good standing with various underlying obligations or royalties ranging from nil-2% NSRs associated with various mineral claims, and various payments upon a production announcement.

The Company could be subject to various investigations, claims and legal and tax proceedings covering matters that arise in the ordinary course of business activities. Each of these matters would be subject to various uncertainties and it is possible that some matters may be resolved unfavourably to the Company. Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company is not aware of any such claims or investigations, and as such has not recorded any related provisions and does not expect such matters to result in a material impact on the results of operations, cash flows and financial position.

## 19. INCOME TAXES

The income taxes recognized in the consolidated statements of income and comprehensive income are as follows:

| | For the year ended | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| Deferred tax expense | **(5,038)** | (5,577) |
| **Total income tax expense** | **(5,038)** | (5,577) |

The provision for income taxes reported differs from the amounts computed by applying statutory Canadian federal and provincial tax rates to the loss before tax provision due to the following:

| | For the year ended | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| Income for the year before income taxes | **82,817** | 54,236 |
| Statutory tax rate | **27%** | 27% |
| | | |
| Income tax (expense) computed at statutory rates | **(22,360)** | (14,644) |
| Share issuance costs | **-** | 1,050 |
| Share based compensation | **(1,016)** | (762) |
| Mexican inflationary adjustments | **542** | 788 |
| Differing effective tax rate on loss in foreign jurisdiction | **(2,656)** | (1,904) |
| Equity accounted earnings from Investment in Juanicipio | **33,986** | 22,398 |
| Withholding tax on planned foreign earnings repatriation | **(10,767)** | (6,123) |
| Flow-through shares obligations | **513** | (3,814) |
| Unrecognized deferred tax assets | **7,348** | (21,072) |
| Impact of foreign exchange and other | **(10,287)** | 17,055 |
| Other | **(341)** | 1,451 |
| Total income tax (expense) benefit | **(5,038)** | (5,577) |

The approximate tax effect of each item that gives rise to the Company's unrecognized and recognized deferred tax assets and liabilities as at December 31, 2024 and 2023 are as follows:

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| Deferred income tax assets | | |
| Non-capital losses | 5,183 | 3,232 |
| | 5,183 | 3,232 |
| | | |
| Deferred income tax liabilities | | |
| Exploration and evaluation assets | (6,114) | (5,444) |
| Investment in Juanicipio | (10,767) | (6,123) |
| Financing costs | (6) | (26) |
| Unrealized capital gain on foreign exchange | (1,832) | (137) |
| | (18,719) | (11,730) |
| | | |
| **Net deferred income tax liability** | **(13,536)** | **(8,498)** |

The Company's movement of net deferred tax liabilities is described below:

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| At January 1 | **(8,498)** | (2,921) |
| Deferred income tax (expense) benefit through income statement | **(5,038)** | (5,577) |
| **At December 31** | **(13,536)** | (8,498) |

The Company has the following deductible temporary differences for which no deferred tax assets have been recognized:

| | **December 31, 2024 $** | expiry dates | December 31, 2023 $ |
|---|---|---|---|
| Non-capital losses | **119,688** | *2026-2045* | 163,349 |
| Exploration and evaluation assets | **14,478** | *no expiry* | 16,559 |
| Financing fees | **2,697** | *2045-2047* | 5,109 |
| Other | **2,889** | *no expiry* | 3,002 |
| **Total** | **139,752** | | **188,019** |

At December 31, 2024, the Company has non-capital loss carry forwards in Canada aggregating $ 62,969 ( December 31, 2023: $61,207) which expire over the period between 2026 and 2044, available to offset future taxable income in Canada.

At December 31, 2024, the Company has non-capital loss carry forwards in Mexico aggregating $ 71,034 ( December 31, 2023: $100,880) which expire over the period between 2026 and 2033, available to offset future taxable income in Mexico.

At December 31, 2024, the Company has non-capital loss carry forwards in the United States of America aggregating $ 5,808 ( December 31, 2023: $1,262) available to offset future taxable income in United States.

## 20. SUBSEQUENT EVENTS

Following the Board approval of a dividend policy in March 2025, MAG declared an inaugural fixed dividend of $0.02 per share and an additional cash flow linked dividend of $0.16 per share (approximately 30% of the $53,850 cash received from Juanicipio during the three months ended December 31, 2024) for a total dividend of $0.18 per share payable on April 21, 2025 to shareholders on record as of April 4, 2025.

# MAG SILVER CORP.

Management's Discussion & Analysis
For the year ended December 31, 2024

Dated: March 21, 2025



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## 1. INTRODUCTION

**All dollar amounts referred to in this MD&A are expressed in thousands of United States dollars ( "US$") unless otherwise stated; references to C$ refer to thousands of Canadian dollars.** The functional currency of the parent, its subsidiaries and its investment in Juanicipio (as defined herein), is the US$.

The common shares of the Company ("Common Shares") trade on the Toronto Stock Exchange (the "TSX") and on the NYSE American, LLC both under the ticker symbol MAG. MAG Silver is a reporting issuer in each of the provinces and territories of Canada and is a reporting "foreign issuer" in the United States of America.

### Cautionary Statements and Risk Factors

This MD&A contains forward-looking statements (as defined herein) which should be read in conjunction with the risk factors described in section "Risks and Uncertainties" and the cautionary statements provided in section "*Cautionary Statements – Cautionary Note Regarding Forward-Looking Statements*" at the end of this MD&A.

Unless otherwise indicated, technical disclosure regarding the Company's properties included or incorporated by reference herein, including use of the capitalized terms "Mineral Resources" and "Mineral Reserves", has been prepared in accordance with the requirements of, and imports the meaning of such terms as defined in, National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") – CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "CIM Definition Standards"), as applicable, and should be read in conjunction with the cautionary statements provided in section "*Cautionary Statements – Cautionary Note for United States Investors*" and "*Cautionary Statements – Cautionary Note to Investors Concerning Estimates of Mineral Resources*" at the end of this MD&A.

### Qualified Persons

Unless otherwise specifically noted herein, all scientific or technical information in this MD&A, including assay results, Mineral Reserve and Mineral Resource estimates, and mineralization, if applicable, is based upon information prepared by or under the supervision of, or has been approved by Gary Methven, P.Eng., Vice President, Technical Services and Lyle Hansen, P.Geo., Geotechnical Director; both are "Qualified Persons" for the purposes of NI 43-101.

## 2. DESCRIPTION OF BUSINESS

MAG Silver Corp. is a growth-oriented Canadian mining and exploration company focused on advancing high-grade, district scale precious metals projects in the Americas. MAG is a top-tier primary silver mining company through its (44%) investment in the 4,000 tonnes per day ("tpd") Juanicipio mine (the "Juanicipio Mine" or "Juanicipio"), operated by Fresnillo plc ("Fresnillo") (56%). The Juanicipio Mine is located in the Fresnillo Silver Trend in Mexico, the world's premier silver mining camp, where in addition to mining and processing operations, an expanded exploration program is in place targeting multiple highly prospective targets. MAG is also executing multi-phase exploration programs at the 100% earn-in Deer Trail Project (as defined herein) in Utah and the 100% owned Larder Project (as defined herein), located in the historically prolific Abitibi region of Canada.

## 3. HIGHLIGHTS – DECEMBER 31, 2024 & SUBSEQUENT TO YEAR END (ON A 100% BASIS UNLESS OTHERWISE NOTED)

### Year Ended December 31, 2024

- ✔ MAG reported net income of $77,779 ($0.75 per share), driven by income from Juanicipio (equity accounted) of $92,875, and adjusted EBITDA[1] of $186,734.
- ✔ In addition to paying an inaugural dividend of $26,400 to MAG, Juanicipio returned a total of $97,376 in interest and loan principal repayments to MAG for a total capital return in 2024 of $123,776, further augmenting MAG's cash position to $162,347 at the end of the year.
- ✔ MAG declared an inaugural fixed dividend of $0.02 per share and an additional cash flow linked dividend of $0.16 per share (approximately 30% of cash received from Juanicipio during Q4) for a total dividend of $0.18 per share payable on April 21, 2025 to shareholders on record as of April 4, 2025. This represents an inaugural return of $18,604 to shareholders.
- ✔ A total of 1,328,178 tonnes of ore at a silver head grade of 468 grams per tonne ("g/t") (equivalent silver head grade [2] of 712 g/t) was processed at Juanicipio.
- ✔ Juanicipio achieved silver production and equivalent silver production [2] of 18.6 and 26.8 million ounces, respectively.
- ✔ Juanicipio generated strong operating cash flow and free cash flow [1] of $356,691 and $292,349, respectively.

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[1] Adjusted EBITDA, cash cost per ounce, all-in sustaining cost per ounce and free cash flow are non-IFRS measures, please refer to " *Non-IFRS Measures*" section of this MD&A for a detailed reconciliation of these measures to the 2024 Financial Statements.
[2] Equivalent silver head grade and equivalent silver production have been calculated using the following price assumptions to translate gold, lead and zinc to "equivalent" silver head grade and "equivalent" silver production: $23/oz silver, $1,950/oz gold, $0.95/lb lead and $1.15/lb zinc.

- ✔ Juanicipio continued to maintain its strong cost performance with cash cost [1] of $0.88 per silver ounce sold ($8.67 per equivalent silver ounce sold[3]) and all-in sustaining cost[1] of $5.54 per silver ounce sold ($12.03 per equivalent silver ounce sold [3]).

- ✔ Silver metallurgical recovery at Juanicipio improved to 93%, from 87% in 2023, reflecting the commencement of commercial pyrite and gravimetric concentrate production during Q2 2024, delivering incremental silver and gold recovery, paired with ongoing optimizations in the processing plant.

- ✔ MAG published its updated technical report on Juanicipio, titled "Juanicipio Mineral Resource and Mineral Reserves NI 43-101 Technical Report", on March 27, 2024 (the "Technical Report") outlining robust economics over an initial 13-year life of mine, generating annual average free cash flow exceeding $130 million (at a $22/oz silver price). Mineral Resources increased by 33% from the 2017 Preliminary Economic Assessment, with substantial growth in Measured and Indicated categories. Inferred resources also expanded, highlighting significant near-term, high-grade upside potential. An inaugural 15.4 million tonnes Mineral Reserve estimate at 628 g/t equivalent silver grade was declared enhancing economic confidence. Extensive exploration upside remains, with only 10% of the property explored, indicating high potential for further discoveries.

- ✔ As reported by Fresnillo, for 2025, silver production at Juanicipio is forecasted to range between 14.7 million and 16.7 million ounces yielding between 13.1 million and 14.9 million payable ounces. This guidance is based on a throughput rate of 4,000 tonnes per operating day at a head grade range of 380 g/t to 430 g/t silver. Gold head grade is expected to range between 1.2 g/t to 1.4 g/t. Cost guidance reflects ongoing optimization efforts and sustaining capital investments with cash cost[4] and all-in sustaining cost[4] forecast to range between ($1.00) to $1.00 and $6.00 to $8.00 per silver ounce sold, respectively. Sustaining capital expenditures for 2025 are estimated between $70,000 and $80,000, with key investments including[5]:
  - o expansion of the tailings dam to provide approximately six years of deposition capacity; and
  - o development of underground workshops, electrical and pumping infrastructure, and ventilation systems to support continued mine development and operations.

  Expansionary capital expenditures for 2025 are estimated between $22 million and $28 million and are related to the installation of the underground conveyor system which is expected to be commissioned in late 2026 supporting expanded mining rates, delivering enhanced efficiencies and mining cost reductions.

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[3] Equivalent silver ounces sold have been calculated using realized prices to translate gold, lead and zinc to "equivalent" silver ounces sold (metal quantity, multiplied by metal price, divided by silver price). Three months and year ended December 31, 2024 realized prices: $30.87/oz silver, $2,655.16/oz gold, $0.88/lb lead, $1.38/lb zinc and $28.78/oz silver, $2,430.76/oz gold, $0.92/lb lead, $1.28/lb zinc, respectively.

[4] The forward-looking guidance includes non-IFRS measures such as cash cost per ounce and all-in sustaining cost per ounce, please refer to "*Non-IFRS Measures*" section of this MD&A for a discussion of the equivalent metrics in relation to historical non-IFRS financial information.

[5] MAG conducted its own review and has ensured that the information provided by Fresnillo is based on assumptions that are reasonable in the circumstances, apart from sole reliance on Fresnillo's determination.

### Three Months Ended December 31, 2024

- ✔ MAG reported net income of $18,978 ($0.18 per share), driven by income from Juanicipio (equity accounted) of $22,955, and adjusted EBITDA[1] of $48,006.
- ✔ In addition to paying an inaugural dividend of $26,400 to MAG, Juanicipio returned a total of $27,449 in interest and loan principal repayments to MAG for a total capital return in Q4 of $53,849. A total of 333,612 tonnes of ore at a silver head grade of 417 g/t (equivalent silver head grade[2] 652 g/t) was processed at Juanicipio.
- ✔ Juanicipio achieved silver production and equivalent silver production [2] of 4.3 and 6.2 million ounces, respectively.
- ✔ Juanicipio generated strong operating cash flow of $111,568 and free cash flow [1] of $78,944.
- ✔ Building on the robust cost performance of the first nine months of 2024, Juanicipio continued to deliver strong cost performance with cash cost[1] of $0.05 per silver ounce sold ($8.80 per equivalent silver ounce sold [3]) and all-in sustaining cost[1] of $8.71 per silver ounce sold ($15.00 per equivalent silver ounce sold[3])

### CORPORATE

- ✔ On May 15, 2024, MAG announced that the TSX had accepted the Company's Notice of Intention to Make a Normal Course Issuer Bid ("NCIB"). Under the NCIB, the Company may purchase for cancellation up to an aggregate of 8,643,374 Common Shares, representing approximately 10% of the public float (as defined in the rules and policies of the TSX) of the Common Shares as of May 8, 2024. As of March 21, 2025 no shares have been repurchased by the Company.
- ✔ On May 31, 2024, MAG filed a Final Shelf Prospectus (as defined herein) and Registration Statement (as defined herein) allowing the Company to offer up to $250,000 of Common Shares, preferred shares, debt securities, subscription receipts, units and warrants or any combination thereof during the 25-month period that the Final Shelf Prospectus remains effective. In order to maintain financial flexibility, and consistent with past practice, the Company has historically maintained a base shelf prospectus.
- ✔ The Company published its 2023 sustainability report on July 18, 2024, underscoring its continued commitment to transparency with its stakeholders while providing a comprehensive overview of the Company's environmental, social and governance ("ESG") performance for 2023. A copy of MAG's 2023 sustainability report and 2023 ESG Data Table are available on the Company's website at https://magsilver.com/esg/reports[6].

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[6] Information contained in or otherwise accessible through the Company's website, including the 2023 sustainability report and 2023 ESG Data Table, do not form part of this MD&A and are not incorporated into this MD&A by reference.

- ✔ On September 20, 2024, MAG and Apollo Silver Corp. ("Apollo") entered into an exploration, earn-in and option agreement (the "Cinco Option") pursuant to which Apollo has the option to acquire the Cinco de Mayo Project ("Cinco"). In order for Apollo to exercise the Cinco Option, Apollo is required to obtain the necessary social licenses to safely access and conduct exploration activities on Cinco, and subsequently complete no less than 20,000 metres of drilling, all within a five-year period, and then finally issue consideration shares equivalent to 19.9% of the then issued and outstanding common shares of Apollo to MAG.

## EXPLORATION

- ✔ Juanicipio:
    - Underground infill drilling at Juanicipio continued through 2024, primarily focused on upgrading mineralization in areas expected to be mined in the near to mid-term. During 2024, 36,216 metres (three months ended December 31, 2024: 5,998 metres) were drilled from underground. Results continue to confirm known vein continuity including grades and thicknesses.
    - Surface drilling started in April 2024 and has been focused on the Cañada Honda Structure; 13 holes have been completed since the beginning of the program. During 2024, 19,137 metres (three months ended December 31, 2024: 4,823 metres) were drilled from surface. Initial results show thin mineralized vein intercepts with textures and chemistry consistent with being at a high level and possibly above a productive boiling zone. Two holes have been extended to intercept the Juanicipio vein below the inferred resource with an initial base metal rich intercept extending the Juanicipio vein by 450 metres downdip.

- ✔ Deer Trail Project, Utah[7]:
    - During 2024, 5,845 metres have been drilled from surface (three months ended December 31, 2024: 1,064 metres). Four holes have been completed during the year, three at Carissa and one in the Deer Trail Mine Corridor.
    - Large Expansion of the Carissa Skarn Discovery: Step-out drilling has significantly expanded the 200 – 250-metre-thick Carissa skarn discovery to a 400 – 700 metre area where thick sections of copper-silver-zinc mineralization are hosted in hundreds of metres of pervasive marble and skarn altered carbonates, strongly suggestive of the hypothesized large-scale metal source located to the west.
    - High-Grade Extension of Deer Trail Mine Corridor: Drilling intersected a new high-grade silver-lead-zinc extension of the Deer Trail mine, highlighted by 2.76 metres grading 151 g/t silver, 0.5 g/t gold, 3.7% lead and 2.5% zinc at 268 metres down hole confirming depth potential.
    - New Gold Zone: The "Nodular" Gold Zone first recognized in hole DT23-16 (29.5 metres grading 4.5 g/t gold starting at 202.3 metres, including 8.8 metres grading 9.4 g/t gold) and now documented in over 20 previously drilled holes. Such distal gold zones are a feature commonly observed on the edges of large hydrothermal systems such as Deer Trail.

[7] Results of and an update on the Deer Trail Project were reported on February 24, 2025 (for more information, please see news release dated February 24, 2025 available under the Company's SEDAR+ profile at www.sedarplus.ca).

- ✔ Larder Project, Ontario[8]:
  - Surface drilling at Twist, Swansea, Long Conglomerate, Kir Vit, and North Green Carbonate Zone totalled 41,447 metres in 2024 (three months ended December 31, 2024: 11,636 metres).
  - Validated Theory: Drilling at the Cadillac-Larder Break ("CLB") has successfully extended the Cheminis and Bear zones to depths of 900 metres (10.2 g/t gold over 6.3 metres) and 1,200 metres (42.1 g/t gold over 1.5 metres), respectively, confirming the theory of increased grade and width with depth.
  - New Regional Discoveries: Testing of numerous regional targets included the Timiskaming conglomerate ("Long Conglomerate"), where 3.2 g/t gold over 10.0 metres including 8.2 g/t gold over 1.0 metre was intercepted.
  - Strategic Land Acquisition: During 2024, MAG added the highly prospective Goldstake Property, doubling the project's land area. This acquisition builds on historic high-grade intercepts (though unverified) and is further complemented by new high-grade (up to 32.1 g/t gold) grab and channel samples, fast-tracking the Instant Pond and F Zone prospects to drill-ready status.

## 4. RESULTS OF JUANICIPIO

MAG owns 44% of Minera Juanicipio, S.A. de C.V. ("Minera Juanicipio"), a company incorporated under the laws of Mexico, which owns Juanicipio. Fresnillo is the project operator and holds the remaining 56%. On December 27, 2021, for various business reasons, the Company and Fresnillo incorporated Equipos Chaparral, S.A. de C.V. ("Equipos Chaparral") in the same ownership proportions as Minera Juanicipio for the purpose of holding the Juanicipio plant and mining equipment to be leased to Minera Juanicipio. Minera Juanicipio and Equipos Chaparral, are collectively referred to herein as "Juanicipio" or the "Juanicipio Mine".

All results of Juanicipio in this section are on a 100% basis, unless otherwise noted. The Company's attributable equity interest in Juanicipio is 44%. As the third quarter of 2023 was the first quarter of full commercial production, comparative information presented below together with associated per unit values, where applicable, are not directly comparable.

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8 Results of and an update on the Larder Project were reported on February 24, 2025 (for more information, please see news release dated February 24, 2025 available under the Company's SEDAR+ profile at www.sedarplus.ca).

### Operating Performance

The following table and subsequent discussion provide a summary of the operating performance of Juanicipio for the three months and years ended December 31, 2024 and 2023, unless otherwise noted.

| Key mine performance data of Juanicipio (100% basis) | Three months ended December 31, 2024 | December 31, 2023 | Year ended December 31, 2024 | December 31, 2023 |
|---|---|---|---|---|
| Metres developed (m) | **3,729** | 3,875 | **14,661** | 14,864 |
| Material mined (t) | **337,051** | 316,644 | **1,342,786** | 1,097,289 |
| Material processed (t) | **333,613** | 346,764 | **1,328,178** | 1,268,757 |
| Silver head grade (g/t) | **417** | 467 | **468** | 472 |
| Gold head grade (g/t) | **1.14** | 1.37 | **1.25** | 1.27 |
| Lead head grade (%) | **1.49%** | 1.35% | **1.50%** | 1.14% |
| Zinc head grade (%) | **2.79%** | 2.44% | **2.78%** | 2.05% |
| Equivalent silver head grade (g/t) (1) | **653** | 717 | **712** | 691 |
| Silver ounces sold (koz) | **3,862** | 4,151 | **16,590** | 15,318 |
| Gold ounces sold (koz) | **7.89** | 9.15 | **33.11** | 31.73 |
| Lead pounds sold (klb) | **9,438** | 8,675 | **36,392** | 25,862 |
| Zinc pounds sold (klb) | **13,100** | 13,533 | **55,609** | 36,881 |
| Equivalent silver ounces sold (koz) (2) | **5,393** | 6,204 | **23,023** | 20,812 |

(1) Equivalent silver head grades have been calculated using the following price assumptions to translate gold, lead and zinc to "equivalent" silver head grade in 2024: $23/oz silver, $1,950/oz gold, $0.95/lb lead and $1.15/lb zinc (2023: $21.85/oz silver, $1,775/oz gold, $0.915/lb lead and $1.30/lb zinc).

(2) Equivalent silver ounces sold have been calculated using realized prices to translate gold, lead and zinc to "equivalent" silver ounces sold (metal quantity, multiplied by metal price, divided by silver price). Three months and year ended December 31, 2024 realized prices: $30.87/oz silver, $2,655.16/oz gold, $0.88/lb lead, $1.38/lb zinc and $28.78/oz silver, $2,430.76/oz gold, $0.92/lb lead, $1.28/lb zinc, respectively (three months and year ended December 31, 2023 realized prices: $24.14/oz silver, $2,066.36/oz gold, $0.94/lb lead, $1.14/lb zinc and $23.66/oz silver, $1,978.07/oz gold, $0.96/lb lead, $1.15/lb zinc, respectively).

### a) Health and Safety

The following table provides a summary of the safety performance of Juanicipio for the three months and year ended December 31, 2024, and 2023.

| Key safety performance data of Juanicipio (100% basis) | Three months ended December 31, 2024 | December 31, 2023 | Year ended December 31, 2024 | December 31, 2023 |
|---|---|---|---|---|
| **Lost Time Injury Frequency Rate (LTIFR)** | **5.4** | 8.1 | **5.7** | 10.6 |
| **Total Reportable Injury Frequency Rate (TRIFR)*** | **9.0** | 12.2 | **9.8** | 16.0 |

* Includes lost time injury and medical treatment or first aid cases reported per 1,000,000 hours worked

On December 31, 2024 there were 1,763 employees and contractors working at Juanicipio (539 employees and 1,224 contractors), for a total of 1,107,400 and 4,602,600 hours worked during the three months and year ended December 31, 2024, respectively.

### b) Underground Development

Total underground development to December 31, 2024 was approximately 89.46 km (55.6 miles), including 3.73 km (2.3 miles) and 14.66 km (9.1 miles) completed during the three months and year ended December 31, 2024, respectively. Underground mine infrastructure is well advanced and development continues to focus on:

- advancing the three internal spiral footwall ramps to be used to further access the Mineral Reserves and Mineral Resources over the full strike length of the Valdecañas Vein System;
- making additional cross-cuts through the vein system and establishing new mining stopes;
- integrating additional ventilation and other associated underground infrastructure; and
- expanding operational support with items including pumpstations, electrical infrastructure, loading bays, and underground offices and workshops.

### c) Mining

During the three months and year ended December 31, 2024, a total of 337,051 and 1,342,786 tonnes of ore were mined, respectively. This represents an increase of 6% over Q4 2023 and an increase of 22% over 2023. Increases in mined tonnages at Juanicipio have been driven by the operational ramp-up of the mine towards steady state mining and milling targets.

The majority of production is currently coming from longhole stopes throughout all three zones of the mine, which continues to be the preferred mining method.

### d) Processing

During the three months and year ended December 31, 2024, a total of 333,612 and 1,328,178 tonnes of ore were processed through the Juanicipio plant, respectively. The 4% decrease over Q4 2023 was mainly due to approximately 5% of Q4 2023 processing being through the Saucito plant (100% Fresnillo owned), whereas the 5% increase over 2023 was mainly attributable to the Juanicipio plant operating at nameplate per operating day during 2024, following commencement of commercial production in June 2023.

The silver head grade and equivalent silver head grade for the ore processed in the three months and year ended December 31, 2024 was 417 g/t and 652 g/t, and 468 g/t and 712 g/t, respectively (three months and year ended December 31, 2023: 467 g/t and 717 g/t, and 472 g/t and 691 g/t, respectively). The higher silver and lower base metal head grades in the three months and year ended December 31, 2023 were the result of processing ore from higher levels of the mine, characterized by elevated silver grade, compared to deeper areas in the three months and year ended December 31, 2024. 2023 head grades were also impacted by the processing of low-grade commissioning stockpiles through the Juanicipio plant as it was ramped up. Silver metallurgical recovery during the three months and year ended December 31, 2024 was 95% and 93%, respectively (three months and year ended December 31, 2023: 86% and 87%, respectively) reflecting the commencement of commercial pyrite and gravimetric concentrate production during Q2 2024 delivering incremental silver and gold recovery paired with ongoing optimizations in the processing plant.

### e) Total cash costs and all-in sustaining costs

The following table provides a summary of the total cash costs and all-in sustaining costs of Juanicipio for the three months and year ended December 31, 2024, and 2023.

| Key mine performance data of Juanicipio (100% basis) | Three months ended | | Year ended | |
|---|---|---|---|---|
| | **December 31, 2024** | December 31, 2023 | **December 31, 2024** | December 31, 2023 |
| Total cash costs (1) | **209** | 15,594 | **14,539** | 93,025 |
| Cash cost per silver ounce sold ($/oz) (1) | **0.05** | 3.76 | **0.88** | 6.07 |
| Cash cost per equivalent silver ounce sold ($/oz) (1) | **8.80** | 9.37 | **8.67** | 10.72 |
| All-in sustaining costs (1) | **33,654** | 38,041 | **91,839** | 158,151 |
| All-in sustaining cost per silver ounce sold ($/oz) (1) | **8.71** | 9.17 | **5.54** | 10.32 |
| All-in sustaining cost per equivalent silver ounce sold ($/oz) (1) | **15.00** | 12.99 | **12.03** | 13.85 |

(1) Total cash costs, cash cost per ounce, cash cost per equivalent ounce, all-in sustaining costs, all-in sustaining cost per ounce, and all-in sustaining cost per equivalent ounce are non-IFRS measures, please refer to "*Non-IFRS Measures*" section of this MD&A for a detailed reconciliation of these measures to the 2024 Financial Statements. Equivalent silver ounces sold have been calculated using realized prices to translate gold, lead and zinc to "equivalent" silver ounces sold (metal quantity, multiplied by metal price, divided by silver price). Three months and year ended December 31, 2024 realized prices: $30.87/oz silver, $2,655.16/oz gold, $0.88/lb lead, $1.38/lb zinc and $28.78/oz silver, $2,430.76/oz gold, $0.92/lb lead, $1.28/lb zinc, respectively (three months and year ended December 31, 2023 realized prices: $24.14/oz silver, $2,066.36/oz gold, $0.94/lb lead, $1.14/lb zinc and $23.66/oz silver, $1,978.07/oz gold, $0.96/lb lead, $1.15/lb zinc, respectively).

### f) Exploration Update

The Juanicipio exploration program expenditures for the three months and year ended December 31, 2024 totalled $1,825 and $8,155, respectively (three months and year ended December 31, 2023: $1,454 and $7,575, respectively).

During 2024, 36,216 metres (three months ended December 31, 2024: 5,998 metres) were drilled from underground and focused on infilling the upper parts of the Valdecañas Vein System including the Valdecañas, Ramal 1, Anticipada and Venadas veins. Results continue to confirm vein continuity including grades and thicknesses.

Surface drilling started in April 2024 and has been focused on the Cañada Honda Structure, from which 13 holes have been completed since the beginning of the program. During 2024, 19,137 metres (three months ended December 31, 2024: 4,823 metres) were drilled from surface. Initial results show thin mineralized vein intercepts with textures and chemistry consistent with being at high level and possibly above a productive boiling zone. Two holes have been extended to intercept the Juanicipio vein below the inferred resource with an initial base metal rich intercept extending the Juanicipio vein by 450 metres downdip.

### Financial Results

The following table presents excerpts of the financial results of Juanicipio for the three months and years ended December 31, 2024 and 2023.

| | Three months ended | | Year ended | |
|---|---|---|---|---|
| | **December 31, 2024 $** | December 31, 2023 $ | **December 31, 2024 $** | December 31, 2023 $ |
| Sales | **160,204** | 130,985 | **627,366** | 442,288 |
| Cost of sales: | | | | |
| Production cost | **(38,272)** | (46,100) | **(153,521)** | (171,830) |
| Depreciation and amortization | **(23,263)** | (21,474) | **(91,197)** | (68,475) |
| **Gross profit** | **98,669** | 63,412 | **382,648** | 201,983 |
| Consulting and administrative expenses | **(3,350)** | (9,653) | **(14,319)** | (18,768) |
| Extraordinary mining and other duties | **(3,440)** | (1,413) | **(10,415)** | (4,945) |
| Interest expense | **(480)** | (4,609) | **(9,538)** | (18,524) |
| Exchange gains (losses) and other | **2,987** | (523) | **4,347** | (2,937) |
| **Net income before tax** | **94,387** | 47,214 | **352,723** | 156,809 |
| Income tax expense | **(42,696)** | (3,940) | **(151,181)** | (27,381) |
| **Net income (100% basis)** | **51,691** | 43,274 | **201,542** | 129,428 |
| **MAG's 44% portion of net income** | **22,744** | 19,041 | **88,678** | 56,948 |
| **Interest on Juanicipio loans - MAG's 44%** | **211** | 2,028 | **4,197** | 8,150 |
| **MAG's 44% equity income** | **22,955** | 21,068 | **92,875** | 65,099 |

#### *Year ended December 31, 2024*

Sales increased by $185,077 during the year ended December 31, 2024, mainly due to 14% higher metal volumes, 19% higher realized metal prices, and $14,919 lower treatment, refining and toll milling costs driven mainly by updated favorable benchmark treatment and refining pricing terms and no toll milling at the Saucito and Fresnillo processing facilities during 2024.

Production costs decreased by $18,309 mainly due to Juanicipio depleting higher-cost, lower-grade commissioning stockpiles during operational ramp-up and processing facility commissioning in 2023 ($22,766), offset by higher mining, milling and G&A costs ($4,457, predominantly volume related) as Juanicipio shifted to nameplate production levels post September 2023.

Depreciation increased by $22,722, impacted by an increased depreciable asset cost base as the Juanicipio mill achieved commercial production and commenced depreciating the processing facility and associated equipment in June 2023. In addition, Juanicipio processed 5% more tonnes in 2024, impacting units of production depreciation.

Cash operating margin (gross profit plus depreciation divided by sales) increased from 61% to 76%, mainly due to reduced operating costs as well as positive commodity prices augmented by operational leverage and no processing at the nearby Fresnillo and Saucito processing facilities.

Other expenses decreased by $15,249 mainly as a result of lower consulting and administrative expenses ($4,449), higher foreign exchange gains and other costs ($7,284) driven mainly by a weakening in the Mexican peso versus the US dollar, and lower interest expense ($8,986) as Juanicipio reduced its outstanding shareholder loans balance by $209,920 over the course of 2024, offset by higher selling and other duties ($5,470) driven by the commencement of commercial pyrite concentrate production in Q2 2024.

Taxes increased by $123,800 mainly due to higher taxable profits generated during 2024, as well as non-cash deferred tax charges on fixed assets driven by a depreciation in the Mexican peso versus the US dollar.

**Gross Profit from Ore Processed at Juanicipio Plant (100% basis)**

| Year Ended December 31, 2024 (1,328,178 tonnes processed) | | | | Year Ended December 31, 2023 |
|---|---|---|---|---|
| **Metals Sold** | **Quantity** | **Average Price $** | **Amount $** | **Amount $** |
| Silver | 16,590,111 ounces | 28.78 per oz | 447,480 | 362,457 |
| Gold | 33,111 ounces | 2,431 per oz | 80,484 | 62,774 |
| Lead | 16,507 tonnes | 0.92 per lb. | 33,581 | 24,746 |
| Zinc | 25,224 tonnes | 1.28 per lb. | 71,087 | 42,496 |
| Treatment, refining, and other processing costs (2) | | | (35,266) | (50,185) |
| **Sales** | | | **627,366** | **442,288** |
| Production cost | | | (153,521) | (171,830) |
| Depreciation and amortization (1) | | | (91,197) | (68,475) |
| **Gross Profit** | | | **382,648** | **201,983** |

(1) The underground mine was considered readied for its intended use on January 1, 2022, whereas the Juanicipio processing facility started commissioning and ramp-up activities in January 2023, achieving commercial production status on June 1, 2023.
(2) Includes toll milling costs from processing mineralized material at the Saucito and Fresnillo plants for the year ended December 31, 2023.

Sales and treatment charges are recorded on a provisional basis and are adjusted based on final assay and pricing adjustments in accordance with the offtake contracts.

***Three months ended December 31, 2024***

Sales increased by $29,219 during the three months ended December 31, 2024, mainly due to 25% higher realized metal prices and $5,460 lower treatment, refining and toll milling costs driven mainly by updated favorable benchmark treatment and refining pricing terms and no toll milling at the Saucito processing facility during Q4 2024, offset by 7% lower metal volumes.

Production costs decreased by $7,827 mainly due to Juanicipio depleting higher-cost stockpiles in Q4 2023 ($3,955), and lower mining, milling and general and administrative expenses ("G&A expenses") ($3,872).

Depreciation increased by $1,789 impacted by an increased depreciable asset cost base.

Cash operating margin (gross profit plus depreciation divided by sales) increased from 65% to 76%, mainly due to positive commodity price movements, lower treatment and refining costs and reduced operating costs.

Other expenses decreased by $11,916 mainly as a result of lower consulting and administrative expenses ($6,303), positive foreign exchange differences ($3,510) and lower interest expense ($4,129) as Juanicipio reduced its outstanding shareholder loans balance by $209,920 over the course of 2024, offset by higher selling costs and other duties ($1,176) which were impacted by the commencement of commercial pyrite concentrate production during Q2 2024.

Taxes increased by $38,757 mainly due to higher taxable profits generated during Q4 2024, as well as non-cash deferred tax charges on fixed assets driven by a weakening in the Mexican peso versus the US dollar.

**Gross Profit from Ore Processed at Juanicipio Plant (100% basis)**

| Three Months Ended December 31, 2024 (333,612 tonnes processed) | | | | Three Months Ended December 31, 2023 |
|---|---|---|---|---|
| **Metals Sold** | **Quantity** | **Average Price $** | **Amount $** | **Amount $** |
| Silver | 3,861,861 ounces | 30.87 per oz | 119,213 | 100,186 |
| Gold | 7,894 ounces | 2,655 per oz | 20,959 | 18,900 |
| Lead | 4,281 tonnes | 0.88 per lb. | 8,264 | 8,146 |
| Zinc | 5,942 tonnes | 1.38 per lb. | 18,032 | 15,476 |
| Treatment, refining, and other processing costs (1) | | | (6,263) | (11,723) |
| **Sales** | | | **160,204** | **130,985** |
| Production cost | | | (38,272) | (46,100) |
| Depreciation and amortization | | | (23,263) | (21,474) |
| **Gross Profit** | | | **98,669** | **63,412** |

(1) Q4 2023 includes toll milling costs from processing mineralized material at the Saucito plant.

Sales and treatment charges are recorded on a provisional basis and are adjusted based on final assay and pricing adjustments in accordance with the offtake contracts.

### Cash Flow Results

The following table provides a summary of cash flows for Juanicipio for the three months and years ended December 31, 2024 and 2023:

| | Three months ended | | Year ended | |
|---|---|---|---|---|
| | **December 31, 2024 $** | December 31, 2023 $ | **December 31, 2024 $** | December 31, 2023 $ |
| Cash provided by (used in): | | | | |
| Operating activities | **111,568** | 84,146 | **356,691** | 145,064 |
| Investing activities | **(32,397)** | (21,741) | **(63,326)** | (83,393) |
| Financing activities | **(122,612)** | (42,997) | **(282,335)** | (19,906) |
| Impact of foreign exchange on cash and cash equivalents | **(148)** | 71 | **(749)** | 46 |
| (Decrease) Increase in cash and cash equivalents during the period | **(43,589)** | 19,479 | **10,281** | 41,810 |
| Cash and cash equivalents, beginning of period | **96,782** | 23,434 | **42,913** | 1,102 |
| **Cash and cash equivalents, end of period** | **53,193** | 42,913 | **53,193** | 42,913 |

#### a) Cash flows from operating activities

During the year ended December 31, 2024, cash flow from operating activities increased by $211,627 mainly as a result of higher operating margins driven by 14% higher metal volumes and 19% higher realized metal prices, as well as lower tax payments of $27,877. The lower tax payments were driven by significant remittances to the Mexican tax authorities made in 2023 to extinguish substantial 2022 tax and mining duty obligations and the commencement of provisional tax instalments.

During the three months ended December 31, 2024, cash flow from operating activities increased by $27,422 mainly as a result of higher operating margins driven by 25% higher realized metal prices offset by 7% lower metal volumes, and higher tax payments of $12,370.

#### b) Cash used in investing activities

For the year ended December 31, 2024, net cash used in investing activities decreased by $20,067, primarily due to a $36,143 reduction in property, plant, and equipment expenditures. This decline reflects the project's transition from capital-intensive development to the commissioning and operational ramp-up phase in 2023 to steady-state operations in 2024. The decrease was partially offset by an increase of $18,869 in sustaining capital expenditures, which were directed towards ongoing mine development and preparation to support ongoing and future operations in the latter part of the year.

For the three months ended December 31, 2024, net cash used in investing activities increased by $10,657. This increase was primarily driven by a $17,003 rise in sustaining capital expenditures to support ongoing mine development and future operations. The impact of these higher expenditures was partially mitigated by an $8,090 reduction in property, plant, and equipment expenditures as Juanicipio completed its transition from commissioning and ramp-up in 2023 to steady-state operations in 2024.

### c) Cash from (used in) financing activities

During the year ended December 31, 2024, net cash used in financing activities increased by $262,429 due to an inaugural dividend of $60,000 to shareholders, as well as $221,320 (year ended December 31, 2023: $75,850) of loan and interest repayments to shareholders, offset by a nil (year ended December 31, 2023: $56,800) cash injection from shareholders.

During the three months ended December 31, 2024, net cash used in financing activities increased by $79,614 due to an inaugural dividend of $60,000 to shareholders, as well as $62,384 (three months ended December 31, 2023: $42,693) of loan and interest repayments to shareholders.

### d) Liquidity position

With commercial production declared on June 1, 2023, Juanicipio is demonstrating its ability to sustain nameplate production levels. Going forward, cash flow from operations, along with the cash held by Juanicipio at December 31, 2024 of $53,193 are expected to fund ongoing requirements.

## 5. DEER TRAIL PROJECT

### BACKGROUND AND HISTORY

MAG executed an option agreement (the "Deer Trail Agreement") effective December 20, 2018 to acquire and consolidate 100% of the historic Deer Trail mine and surrounding Alunite Ridge area in Piute County, Utah (the "Deer Trail Project"). The Deer Trail Project includes a mixture of patented and unpatented claims totaling approximately 6,500 hectares ("ha"). The counterparties to the Deer Trail Agreement contributed their respective Deer Trail claims and property rights to a newly formed company for a 99% interest in the company, with MAG holding the other 1% interest. MAG is the project operator and has the right to earn a 100% interest in the company and the Deer Trail Project, with the counterparties retaining a 2% net smelter returns royalty. In order to earn in 100%, MAG must make a total of $30,000 in escalating annual exploration expenditures (criteria met: $36,439 expended to December 31, 2024) and $2,000 in advanced royalty payments ($1,050 paid to December 31, 2024), both over the 10-year term of the Deer Trail Agreement, by December 2028. All minimum obligatory commitments under the Deer Trail Agreement have been satisfied as of December 31, 2024.

The Company believes that the Deer Trail Project is a silver-rich Carbonate Replacement Deposit related to one or more porphyry intrusive centres. Consolidating the property package allows MAG to apply its integrated district scale exploration model and apply new technologies to the search for an entire suite of mineralization systems expected to occur on the property. During 2024, 5,845 metres have been drilled from surface (three months ended December 31, 2024: 1,064 metres). Four holes have been completed during the year, three at Carissa and one in the Deer Trail Mine Corridor.

Exploration at Deer Trail took a significant step forward in 2024 with work on two MAG discoveries, the Carissa copper-silver skarn and the Nodular Gold Zone, further outlining the scale of the mineralized hydrothermal system on the Deer Trail Project. Exploration challenges associated with very difficult drilling conditions continued and MAG is currently working on finding ways to mitigate exploration costs by pre-collaring drill holes with cased Reverse Circulation ("RC") pilot holes through the difficult upper 300 – 400 metres of heavily fractured quartzite rocks. In addition, MAG is exploring all avenues to maximize shareholder value and reduce discovery risk and cost to move the Deer Trail Project forward given the scale of the opportunity. MAG is well positioned to make targeted and cost-effective exploration decisions in 2025 with the tools in place to more confidently vector to mineralization with a large inventory of drill-ready targets. Results of and an update on the Deer Trail Project were reported on February 24, 2025 (for more information, please see news release dated February 24, 2025 available under the Company's SEDAR+ profile at www.sedarplus.ca).

During the year ended December 31, 2024, and 2023, the Company has incurred the following exploration and evaluation expenditures on the Deer Trail Project:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| **Deer Trail Project** | | |
| Option and other payments | **200** | 275 |
| Total acquisition costs | **200** | 275 |
| Drilling and geotechnical | **8,905** | 5,854 |
| Camp and site costs | **401** | 875 |
| Land taxes and government fees | **239** | 213 |
| Legal, community and other consultation costs | **357** | 343 |
| Travel | **182** | 190 |
| Total for the year | **10,284** | 7,750 |
| Balance, beginning of year | **27,315** | 19,565 |
| **Total Deer Trail Project cost** | **37,599** | 27,315 |

## 6. LARDER PROJECT

### BACKGROUND AND HISTORY

Through the acquisition of Gatling Exploration Inc. in 2022, the Company acquired 100% of the Larder Project in Ontario (the "Larder Project"), for which the Company recognized $15,187 in exploration and evaluation assets.

On March 22, 2024, the Company, through its Gatling subsidiary, acquired 100% ownership of the Goldstake property, contiguous to its Larder Project, from Goldstake Explorations Inc. and Transpacific Resources Inc., for consideration of C$5,000. The Goldstake Property has seen minimal exploration activity, however it displays hallmark features, common in large orogenic gold camps in the region including identified second and third order structures with shallow documented historical high-grade intercepts of 29.46 g/t gold over 10 metres and 28.65 g/t gold over 3 metres which are open at depth.

The Larder Project hosts numerous gold zones along the CLB, 35km east of Kirkland Lake and is comprised of patented and unpatented claims, leases and mining licenses of occupation within the McVittie and McGarry townships. The concessions associated with the Larder Project are all in good standing with various underlying obligations or royalties associated with individual mineral claims and varying payments upon a production announcement. MAG retained the Larder Project exploration team and has since added to it. Surface drilling at Twist, Swansea, Long Conglomerate, Kir Vit, and North Green Carbonate Zone totalled 41,447 metres in 2024 (three months ended December 31, 2024: 11,636 metres). Results of and an update on the Larder Project were reported on February 24, 2025 (for more information, please see news release dated February 24, 2025 available under the Company's SEDAR+ profile at www.sedarplus.ca).

During the year ended December 31, 2024, and 2023, the Company has incurred the following exploration and evaluation expenditures on the Larder Project:

| | **December 31, 2024** | December 31, 2023 |
|---|---|---|
| | **$** | $ |
| **Larder Project** | | |
| Acquisition of exploration property | **3,802** | - |
| Total acquisition costs | **3,802** | - |
| Drilling and geotechnical | **10,896** | 6,357 |
| Camp and site costs | **1,773** | 772 |
| Land taxes and government fees | **40** | 43 |
| Legal, community and other consultation costs | **535** | 347 |
| Travel | **151** | 109 |
| Total for the year | **17,197** | 7,628 |
| Balance, beginning of year | **25,322** | 17,694 |
| **Total Larder Project cost** | **42,519** | **25,322** |

## 7. OUTLOOK

### Juanicipio Outlook

All material mined at Juanicipio is now being processed through the Juanicipio processing facility, with the resulting gravimetric, lead (silver-rich) and zinc concentrates treated at market terms under offtake agreements with Met-Mex Peñoles, S.A. de C.V. (an affiliate of Fresnillo). A pyrite concentrate is also produced and sold at market terms by Fresnillo. The Operator Services Agreement became effective upon the declaration of commercial production on June 1, 2023, whereby Fresnillo and its affiliates will continue to operate the mine for a fee of $13,000 per annum. With the plant operating at nameplate capacity, the focus is now on ongoing cost and operational optimization.

As reported by Fresnillo, for 2025, silver production at Juanicipio is forecasted to range between 14.7 million and 16.7 million ounces yielding between 13.1 million and 14.9 million payable ounces. This guidance is based on a throughput rate of 4,000 tonnes per operating day at a head grade range of 380 g/t to 430 g/t silver. Gold head grade is expected to range between 1.2 g/t to 1.4 g/t. Cost guidance reflects ongoing optimization efforts and sustaining capital investments with cash cost[4] and all-in sustaining cost[4] forecast to range between ($1.00) to $1.00 and $6.00 to $8.00 per silver ounce sold, respectively. Sustaining capital expenditures for 2025 are estimated between $70,000 and $80,000, with key investments including:

- expansion of the tailings dam to provide approximately six years of deposition capacity; and
- development of underground workshops, electrical and pumping infrastructure, and ventilation systems to support continued mine development and operations.

Expansionary capital expenditures for 2025 are estimated between $22 million and $28 million and are related to the installation of the underground conveyor system which is expected to be commissioned in late 2026 supporting expanded mining rates, delivering enhanced efficiencies and mining cost reductions.

During 2025, Juanicipio plans to drill a total of 50,500 metres, with 33,500 metres from underground and 17,000 metres from surface. The underground program is scheduled to focus on infill drilling the Anticipada, Valdecañas, Pre-Anticipada, Ramal1 and Ramal 2 veins. Underground drilling will also focus on expanding veins to increase resources and explore for new mineralization. Surface drilling will focus on exploring the 70% of the Cañada Honda Structure that remains untested, drilling Mesa Grande, and further test the Juanicipio vein at depth.

### Deer Trail Outlook

The 2025 exploration plan and budget for Deer Trail are currently being finalized, integrating recent seismic work, airborne studies and ongoing data analysis to prioritize drill targets. The focus remains on systematically testing the "hub-and-spoke" CRD to intrusive source model, targeting high-grade polymetallic CRD/Skarn style mineralization. Drilling is anticipated to commence in the second half of 2025. To mitigate high drilling costs in the challenging ground conditions, MAG is actively evaluating the use of RC pre-collared pilot holes as well as exploring all avenues to maximise shareholder value and reduce discovery risk and costs, demonstrating a pragmatic and efficient approach to project advancement.

### Larder Project Outlook

Interpretation of the extensive 2024 exploration program is in its final stages and is guiding targeting for a focused 2025 drill program expected to commence in the second half of the year. Planned drilling will target**:**

- Follow-up testing: Drilling is planned to follow-up on numerous targets in newly discovered mineralization on 2 nd and 3rd order structures, including the Long Conglomerate and the Swansea area.
- Initial Drilling at Goldstake: Drill testing the Instant Pond and F Zone prospects below the encouraging surface samples taken in 2024 and historic shallow drill intercepts.
- Fernland: Potential shallow to mid-level (300 – 600 metre vertical depth) testing of the Fernland deposit, which has only seen relatively shallow historic drilling and is open to depth. It is the last of the three well defined zones on the CLB that still require testing and confirmation by MAG.

## 8. SUMMARY OF ANNUAL AND QUARTERLY INFORMATION

### *Selected Annual Information*

The following table summarizes selected financial data for the Company's three most recently completed financial years. The information set forth below should be read in conjunction with the 2024 Financial Statements and related notes thereto. All figures are reported in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

| | Year ended December 31, 2024 $ | Year ended December 31, 2023 $ | Year ended December 31, 2022 $ |
|---|---|---|---|
| **Income from equity accounted investment in Juanicipio** | 92,875 | 65,099 | 40,767 |
| **Interest income** (1) | 4,611 | 2,594 | 630 |
| **General and administrative expenses** | 14,790 | 13,461 | 12,352 |
| **Net income** (2) | 77,779 | 48,659 | 17,644 |
| **Net income per share** | 0.75 | 0.47 | 0.18 |
| **Diluted net income per share** | 0.75 | 0.47 | 0.18 |
| **Total assets** (3) | 611,072 | 520,530 | 407,829 |
| **Non-current liabilities** (4) | 16,120 | 8,982 | 3,470 |
| **Dividends** (5) | Nil | Nil | Nil |

Notes:

(1) The Company's only source of interest income during the years ended December 31, 2024, 2023 and 2022 was interest earned on cash, cash equivalents and term deposits. The amount of interest earned correlates directly with the amount of cash, cash equivalents and term deposits on hand during the year referenced and prevailing interest rates at the time. Interest from the Juanicipio loans, where MAG owns a 44% interest, is recognized through MAG's income from equity accounted investment in Juanicipio (see '*Results of the Juanicipio*' above) as applicable.

(2) The Company's normal course of business is to explore, evaluate and develop its mineral properties as appropriate. The income variation from year to year above reflects, amongst other things, MAG's income from its equity accounted investment in Juanicipio of $92,875 in 2024, compared to $65,099 and $40,767 in 2023 and 2022 respectively, the periodic impairment of exploration and evaluation assets (a non-cash charge) of nil in 2024 (nil in 2023 and $10,471 in 2022), and share based payment expense (a non-cash charge).

(3) Included in 'Total assets' at the end of 2024, the Company held $162,347 in cash, compared to $68,707 at the end of 2023 and $29,955 at the end of 2022. No financings were completed in 2024, whereas two bought deal financings totaling $59,691 in aggregate gross proceeds were completed in 2023, and no financings were completed in 2022. Also included in 'Total assets' at the end of 2024, the Company's investment in Juanicipio totalled $364,014, compared to $394,622 and $338,316 at the end of 2023 and 2022, respectively.

(4) Included in 'Non-current liabilities' at the end of 2024, the Company had a $13,536 deferred income tax liability, compared to $8,498 and $2,921 at the end of 2023 and 2022, respectively. The Company's deferred tax liability is mainly driven by the income from its equity accounted investment in Juanicipio, and specific to 2023 by the renunciation of tax deductions related to the Company's Flow-Through Shares financing partially offset by previous tax losses. In addition, 'Non-current liabilities' at the end of 2024 also included a $2,100 lease obligation compared to nil and $140 in 2023 and 2022, respectively.

(5) Since inception, and as at December 31, 2024, the Company has not declared or paid dividends on its Common Shares. However, MAG declared an inaugural fixed dividend of $0.02 per share and an additional cash flow linked dividend of $0.16 per share (based on 30% of cash received from Juanicipio during Q4) for a total dividend of $0.18 per share payable on April 21, 2025 to shareholders on record as of April 4, 2025. The Company expects to pay dividends quarterly following the release of its quarterly results.

### *Selected Quarterly Information*

The following table summarizes selected financial data for the Company's eight most recently completed financial quarters. The information set forth below should be read in conjunction with the 2024 Financial Statements and related notes thereto. All figures are reported in accordance with IFRS Accounting Standards.

| | 2024 | | | | 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Q4 $ | Q3 $ | Q2 $ | Q1 $ | Q4 $ | Q3 $ | Q2 $ | Q1 $ |
| **Income from equity accounted investment in Juanicipio (1)** | 22,956 | 25,552 | 25,123 | 19,244 | 21,069 | 13,692 | 22,419 | 7,919 |
| **Interest income (2)** | 1,520 | 1,336 | 928 | 827 | 726 | 663 | 641 | 564 |
| **Other income (3)** | 249 | 533 | 650 | 537 | 388 | 269 | 233 | 127 |
| **General and administrative expenses** | 3,738 | 3,529 | 3,622 | 3,901 | 2,995 | 4,094 | 3,233 | 3,272 |
| **Net income (4)** | 18,978 | 22,292 | 21,614 | 14,895 | 15,694 | 8,862 | 19,390 | 4,713 |
| **Net income per share** | 0.18 | 0.22 | 0.21 | 0.14 | 0.14 | 0.09 | 0.19 | 0.05 |
| **Diluted net income per share** | 0.18 | 0.22 | 0.21 | 0.14 | 0.14 | 0.09 | 0.19 | 0.05 |

Notes:

(1) Income from equity accounted investment in Juanicipio is often materially affected by changes in volatile metal prices, start-up and ramp-up activities associated with mining and processing, non-cash deferred tax movements related to assets as well as fluctuating feed grades as the operations approached steady state. Q2 2023 through Q4 2024 higher income from equity accounted investment in Juanicipio is mainly due to higher metal prices and processing more ore than in prior periods as Juanicipio transitioned through mill commissioning, operational ramp-up, and ultimately achieved nameplate production levels during September 2023 (see '*Results of Juanicipio*' above).

(2) The Company's only source of interest income during the quarters listed above was interest earned on cash, cash equivalents and term deposits. The amount of interest earned correlates directly to the amount of cash, cash equivalents and term deposits on hand during the period referenced and prevailing interest rates at the time. Interest from the Juanicipio loans, where MAG owns a 44% interest, is recognized through MAG's income from equity accounted investment in Juanicipio (see '*Results of the Juanicipio*' above) as applicable.

(3) On February 16, 2023, the Company closed a $17,133 (C$23,024) bought deal private placement of Common Shares issued on a "flow-through" basis within the meaning of the *Income Tax Act* (Canada) (the "Flow-Through Shares"), for which the Company recorded a $2,986 Flow-Through Share premium liability. As eligible expenditures are incurred, the Company records associated amortization of the Flow-Through Share premium liability in other income. As at December 31, 2024, the Company has fully depleted its Flow-Through Share premium liability.

(4) Net income (loss) by quarter is often materially affected by the timing and recognition of large non-cash expenses (specifically share-based payments, exploration and evaluation property impairments, and deferred tax changes) as discussed below when applicable in "*Review of Financial Results*".

## 9. REVIEW OF FINANCIAL RESULTS

### *Year Ended December 31, 2024 vs. Year ended December 31, 2023*

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| Income from equity accounted investment in Juanicipio | **92,875** | 65,099 |
| General and administrative expenses | **(14,790)** | (13,461) |
| General exploration and business development | **(642)** | (736) |
| **Operating Income** | **77,443** | 50,902 |
| Interest income | **4,611** | 2,594 |
| Other income | **1,969** | 1,017 |
| Financing costs | **(726)** | (133) |
| Foreign exchange loss | **(480)** | (144) |
| **Income before income tax** | **82,817** | 54,236 |
| Deferred income tax expense | **(5,038)** | (5,577) |
| **Net income** | **77,779** | 48,659 |

**Income from equity accounted investment in Juanicipio** increased to $92,875 for the year ended December 31, 2024 (December 31, 2023: $65,099), representing the Company's 44% equity interest in the Juanicipio Mine and is discussed above on a 100% basis in '*Results of Juanicipio*'.

**General and administrative expenses** increased to $14,790 during the year ended December 31, 2024 (December 31, 2023: $13,461) due to:

- an increase in share-based compensation to $3,829 (December 31, 2023: $2,894) mainly due to the 2023 reassessment of certain long term incentive units granted to employees of the Company, and the inducement grant for the appointment of an independent director in January 2024;
- an increase in legal fees to $856 (December 31, 2023: $433) is mainly associated with the Company's base shelf prospectus and NCIB as well as security related costs pertaining to the Company's Credit Facility (entered into October 2023);
- Juanicipio oversight costs increasing to $861 (December 31, 2023: $687) as a result of being expensed through profit and loss subsequent to the declaration of commercial production at Juanicipio in June 2023;
- an increase in depreciation and amortization expense to $659 (December 31, 2023: $352) mainly due to Juanicipio achieving commercial production in June 2023, resulting in the recording of amortization of accumulated capitalized Juanicipio oversight expenditures; and
- a decrease in compensation and consulting fees to $4,568 (December 31, 2023: $4,985) mainly due to higher executive search and consultant fees incurred by the Company in 2023.

**Interest income** increased to $4,611 during the year ended December 31, 2024 (December 31, 2023: $2,594) mainly due to higher cash balances compared to the comparative period.

**Other income** increased to $1,969 during the year ended December 31, 2024 (December 31, 2023: $1,017) mainly due to higher eligible exploration spend driving higher amortization of the Company's Flow-Through Share premium liability.

**Financing Costs** increased to $726 during the year ended December 31, 2024 (December 31, 2023: $133) mainly attributable to the amortization of deferred financing and commitment fees from the Company's Credit Facility (entered into October 2023).

**Deferred income tax expense** slightly decreased to $5,038 during the year ended December 31, 2024 (December 31, 2023: $5,577) and is primarily driven by the income from the equity accounted investment in Juanicipio recognized by the Company and the 2023 renunciation of tax deductions related to the Company's Flow-Through Shares financing which were partially offset by previous tax losses.

***Three months ended December 31, 2024 vs. Three months ended December 31, 2023***

| | **December 31, 2024 $** | **For the three months ended** December 31, 2023 $ |
|---|---|---|
| Income from equity accounted investment in Juanicipio | **22,956** | 21,069 |
| General and administrative expenses | **(3,738)** | (2,862) |
| General exploration and business development | **(52)** | (126) |
| **Operating Income** | **19,166** | 18,081 |
| | | |
| Interest income | **1,520** | 726 |
| Other income | **249** | 388 |
| Financing costs | **(173)** | (133) |
| Foreign exchange loss | **(336)** | 60 |
| **Income before income tax** | **20,426** | 19,122 |
| | | |
| Deferred income tax expense | **(1,448)** | (3,428) |
| | | |
| **Net income** | **18,978** | 15,694 |

**Income from equity accounted investment in Juanicipio** increased to $22,956 for the three months ended December 31, 2024 (December 31, 2023: $21,069), representing the Company's 44% equity interest in the Juanicipio Mine and is discussed above on a 100% basis in '*Results of Juanicipio*'.

**General and administrative expenses** increased to $3,738 during the three months ended December 31, 2024 (December 31, 2023: $2,862) due to:

- an increase in share-based compensation to $819 (December 31, 2023: $297) mainly due to the 2023 reassessment of certain long term incentive units granted to employees of the Company; and
- an increase in legal to $459 (December 31, 2023: $89) is mainly associated with security related costs pertaining to the Company's Credit Facility (entered into October 2023).

**Interest income** increased to $1,520 during the three months ended December 31, 2024 (December 30, 2023: $726) mainly due to higher cash balances compared to the comparative period.

**Other income** decreased to $249 during the three months ended December 31, 2024 (December 31, 2023: $388) mainly due to lower eligible exploration spend driving lower amortization of the Flow-Through Share premium liability, which was fully amortized as of November 2024.

**Deferred income tax expense** decreased to $1,448 during the three months ended December 31, 2024 (December 31, 2023: $3,428) and is primarily driven by the income from the equity accounted investment in Juanicipio recognized by the Company, and the 2023 renunciation of tax deductions related to the Company's Flow-Through Shares financing which were partially offset by previous tax losses.

## 10. FINANCIAL POSITION

The following table summarizes MAG's financial position as at December 31, 2024 and December 31, 2023:

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash | **162,347** | 68,707 |
| Other current assets | **1,385** | 3,346 |
| Total current assets | **163,732** | 72,053 |
| Non-current assets | | |
| Investment in Juanicipio | **364,014** | 394,622 |
| Exploration and evaluation assets | **80,118** | 52,637 |
| Deferred financing fees | **569** | 909 |
| Property and equipment | **2,631** | 301 |
| Investments | **8** | 8 |
| | **447,340** | 448,477 |
| **Total assets** | **611,072** | 520,530 |
| **Liabilities** | | |
| Current liabilities | **3,619** | 4,791 |
| Non-current liabilities | **16,120** | 8,982 |
| Total liabilities | **19,739** | 13,773 |
| Total equity | **591,333** | 506,757 |
| Total liabilities and equity | **611,072** | 520,530 |

Cash totalled $162,347 as at December 31, 2024 compared to $68,707 at December 31, 2023, with the increase primarily attributable to $97,376 of Juanicipio loan principal and interest repayments, and a $26,400 inaugural dividend payment from Juanicipio (see '*Company's investment in Juanicipio*' below), offset by $22,717 in exploration and evaluation expenditures as well as $3,802 attributable to the acquisition of the Goldstake exploration property (see '*Cash Flows - Investing Activities*' below).

Other current assets as at December 31, 2024 include accounts receivable of $816 (December 31, 2023: $1,559) and prepaid expenses of $569 (December 31, 2023: $1,787).

The equity accounted investment in Juanicipio decreased from $394,622 at December 31, 2023 to $364,014 at December 31, 2024. This movement was mainly driven by $92,361 in repayment of loans from Juanicipio, a $26,400 inaugural dividend payment from Juanicipio, and $4,197 of interest earned reclassified to receivables, offset by MAG's share of earnings from Juanicipio of $92,875 - as depicted below in '*Company's investment in Juanicipio*'.

Exploration and evaluation assets as at December 31, 2024 increased to $80,118 (December 31, 2023: $52,637) reflecting exploration expenditures incurred on the Deer Trail Project ($10,284) and the Larder Project ($17,197 which includes $3,802 for acquisition of the Goldstake exploration property) during the year ended December 31, 2024.

Current liabilities as at December 31, 2024 decreased to $3,619 (December 31, 2023: $4,791) driven primarily by a decrease in the Flow-Through Share premium liability as a result of eligible exploration spend on the Larder Project.

Non-current liabilities of $16,120 as at December 31, 2024 (December 31, 2023: $8,982) includes a deferred income tax liability of $13,536 (December 31, 2023: $8,498), which is primarily driven by the income from the equity accounted investment in Juanicipio recognized by the Company, a lease obligation of $2,100 (December 31, 2023: nil), and a $484 reclamation provision (December 31, 2023: $484).

### Company's investment in Juanicipio

The following table provides a summary of the Company's investment relating to its interest in Juanicipio as at December 31, 2024 and 2023:

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| Balance, beginning of period | **394,622** | 338,316 |
| Juanicipio oversight expenditures incurred 100% by MAG | **-** | 384 |
| Amortization of Juanicipio's oversight expenditures incurred 100% by MAG | **(526)** | (305) |
| Loan repayments from Juanicipio | **(92,361)** | (25,714) |
| Dividends received from Juanicipio | **(26,400)** | - |
| Cash contributions and advances to Juanicipio | **-** | 24,992 |
| Total for the period | **(119,286)** | 337,673 |
| Income from equity accounted Investment in Juanicipio | **92,875** | 65,099 |
| Interest earned, reclassified to accounts receivable | **(4,197)** | (8,150) |
| Balance, end of period | **364,014** | 394,622 |

During the year ended December 31, 2024 the Company did not capitalize any Juanicipio oversight expenditures as, following the declaration of commercial production in June 2023, the Company started expensing Juanicipio oversight expenditures and recording amortization of accumulated capitalized Juanicipio oversight expenditures.

## 11. CASH FLOWS

The following table summarizes MAG Silver's cash flow activities for the years ended December 31, 2024 and 2023:

| | For the year ended, | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| Operating activities before movements in non-cash working capital | **(7,430)** | (8,067) |
| Movements in non-cash working capital | **1,433** | (851) |
| Operating activities | **(5,997)** | (8,918) |
| Investing activities | **97,089** | (7,243) |
| Financing activities | **2,371** | 54,928 |
| Effect of exchange rate changes on cash | **177** | (15) |
| Increase / (decrease) in cash during the year | **93,640** | 38,752 |
| Cash, beginning of year | **68,707** | 29,955 |
| Cash, end of year | **162,347** | 68,707 |

### *Operating Activities*

During the year ended December 31, 2024, MAG used $5,997 in cash for operations (December 31, 2023: $8,918) primarily for the payment of corporate office expenses. The decrease in cash used for operations was largely driven by changes in working capital items, mainly in prepaid expenses, accounts receivable, and trade and other payables.

### *Investing Activities*

During the year ended December 31, 2024, cash from investing activities amounted to $97,089 (December 31, 2023: cash used of $7,243). The increase in cash from investing activities was driven by loan and interest repayments from Juanicipio of $97,376 (December 31, 2023: $33,353), a $26,400 inaugural dividend payment from Juanicipio (December 31, 2023: nil), offset by cash contributions to Juanicipio of nil (December 31, 2023: $25,376) and $26,519 (which includes $3,802 for the acquisition of exploration property) in exploration and evaluation expenditures across the Deer Trail and Larder Projects (December 31, 2023: $15,220).

### *Financing Activities*

During the year ended December 31, 2024, cash received from financing activities amounted to $2,371 (December 31, 2023: $54,928). The decrease in cash received from financing activities mainly related to equity financings of nil (December 31, 2023: $55,748, completed in Q1 2023) and the issuance of Common Shares from exercising stock options amounting to $2,548 (December 31, 2023: $307).

## 12. NON-IFRS MEASURES

The Company has included certain non-IFRS performance measures throughout this MD&A. These performance measures are employed by management to assess the Company's operating and financial performance and to assist in business decision-making. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, certain investors and other stakeholders use this information to evaluate the Company's operating and financial performance; however, as explained elsewhere herein, these non-IFRS performance measures do not have any standardized meaning and therefore may not be comparable to similar measures presented by other issuers. Accordingly, these performance measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

Juanicipio does not calculate this information for use by both shareholders (Fresnillo 56%, and MAG 44%), rather it is calculated by the Company solely for the Company's own disclosure purposes and may differ from the non-IFRS measures calculated and presented by Fresnillo.

### *Cash cost per ounce*

The Company has included the non-IFRS performance measure cash cost per ounce on a by-product basis throughout this MD&A. In the gold and silver mining industry, this is a common performance measure but does not have any standardized meaning. The Company follows the recommendations of the Gold Institute Production Cost Standard. The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of suppliers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash costs of production by many gold and silver mining companies. Management uses cash cost per ounce to monitor the operating performance of Juanicipio. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, some investors use this information to evaluate the Company's performance and ability to generate cash flow, distribution of which is subject to the terms of the Juanicipio shareholders' agreement. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards. Other companies may calculate cash cost per ounce differently.

The following table provides a reconciliation of cash cost per silver ounce of Juanicipio to production cost of Juanicipio on a 100% basis (the nearest IFRS Accounting Standards measure) as presented in the notes to the 2024 Financial Statements.

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **(in thousands of US$, except per ounce amounts)** | **2024** | **2023** | **2024** | **2023** |
| Production cost as reported | 38,272 | 46,100 | 153,521 | 171,830 |
| Depreciation on inventory movements | (512) | (1,120) | 489 | (3,919) |
| Adjusted production cost | 37,760 | 44,979 | 154,009 | 167,911 |
| Treatment, refining, and other processing costs | 6,263 | 11,723 | 35,266 | 50,185 |
| By-product revenues (2) | (47,255) | (42,523) | (185,151) | (130,016) |
| Extraordinary mining and other duties | 3,440 | 1,413 | 10,415 | 4,945 |
| **Total cash costs (1)** | **209** | **15,594** | **14,539** | **93,025** |
| Add back by-product revenues (2) | 47,255 | 42,523 | 185,151 | 130,016 |
| **Total cash costs for equivalent silver (1)** | **47,463** | **58,116** | **199,690** | **223,041** |
| Silver ounces sold | 3,861,861 | 4,150,584 | 16,590,111 | 15,317,765 |
| Equivalent silver ounces sold (3) | 5,392,652 | 6,203,678 | 23,023,226 | 20,812,352 |
| **Cash cost per silver ounce sold ($/ounce)** | **0.05** | **3.76** | **0.88** | **6.07** |
| **Cash cost per equivalent silver ounce sold ($/ounce)** | **8.80** | **9.37** | **8.67** | **10.72** |

(1) As Q3 2023 represented the first full quarter of commercial production, information presented for total cash costs and total cash costs for equivalent silver together with their associated per unit values are not directly comparable.
(2) By-product revenues relate to the sale of other metals namely gold, lead, and zinc.
(3) Equivalent silver ounces sold have been calculated using realized prices to translate gold, lead and zinc to "equivalent" silver ounces sold (metal quantity, multiplied by metal price, divided by silver price). Three months and year ended December 31, 2024 realized prices: $30.87/oz silver, $2,655.16/oz gold, $0.88/lb lead, $1.38/lb zinc and $28.78/oz silver, $2,430.76/oz gold, $0.92/lb lead, $1.28/lb zinc, respectively (three months and year ended December 31, 2023 realized prices: $24.14/oz silver, $2,066.36/oz gold, $0.94/lb lead, $1.14/lb zinc and $23.66/oz silver, $1,978.07/oz gold, $0.96/lb lead, $1.15/lb zinc, respectively).

### *All-in sustaining cost per ounce*

In June 2013, the World Gold Council, a non-regulatory association of many of the world's leading gold mining companies was established to promote the use of gold to industry, provided guidance for the calculation of "all-in sustaining cost per gold ounce" in an effort to encourage improved understanding and comparability of the total costs associated with mining and producing an ounce of gold. The Company, in applying the same methodology for its silver production, has adopted the reporting of "all-in sustaining cost per silver ounce", which is a non-IFRS performance measure. The Company believes that the all-in sustaining cost per silver ounce measure provides additional insight into the costs of producing silver by capturing all of the expenditures required for the discovery, development and sustaining of silver production and allows the Company to assess Juanicipio's ability to support capital expenditures to sustain future production from the generation of operating cash flows. The Company believes that, in addition to conventional measures prepared in accordance with IFRS Accounting Standards, some investors use this information to evaluate Juanicipio's performance and ability to generate cash flow, distribution of which is subject to the terms of the Juanicipio shareholders' agreement. Other companies may calculate all-in sustaining cost per ounce differently. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS Accounting Standards.

All-in sustaining costs adjust "Total cash costs" for G&A expenses, exploration expenditures (sustaining in nature), sustaining capital expenditures, sustaining lease payments and interest expense, and accretion on closure and reclamation costs. Exploration expenditures (sustaining in nature), sustaining capital expenditures, sustaining lease payments and interest expense, and accretion on closure and reclamation costs are not line items on Juanicipio's financial statements. Sustaining capital expenditures are defined as those capital expenditures which do not materially benefit annual or life of mine silver ounce production at a mine site.

A material benefit to a mine site is considered to be at least a 10% increase in annual or life of mine production, net present value, or reserves compared to the remaining life of mine of the operation. As such, sustaining capital expenditures exclude all expenditures at Juanicipio which are deemed expansionary in nature (see reconciliation below). Accretion on reclamation and closure costs represents the growth in Juanicipio's decommissioning provision due to the passage of time. This amount does not reflect cash outflows, but it is considered to be representative of the periodic costs of closure and reclamation. Lease payments on mining and service lease agreements represent cash outflows while interest expense represents the financing component inherent in the lease. Reclamation cost accretion and lease interest are included in finance expense in the Juanicipio's results as disclosed in the notes to the 2024 Financial Statements.

The following table provides a reconciliation of all-in sustaining costs of Juanicipio to production cost and various operating expenses of Juanicipio on a 100% basis (the nearest IFRS Accounting Standards measure), as presented in the notes to the 2024 Financial Statements.

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **(in thousands of US$, except per ounce amounts)** | **2024** | **2023** | **2024** | **2023** |
| Total cash costs | 209 | 15,594 | 14,539 | 93,025 |
| General and administrative expenses | 3,350 | 9,653 | 14,319 | 18,768 |
| Exploration | 1,825 | 1,454 | 8,155 | 7,575 |
| Sustaining capital expenditures | 27,995 | 10,992 | 53,597 | 37,728 |
| Sustaining lease payments | 227 | 304 | 1,016 | 856 |
| Interest on lease liabilities | (14) | (17) | (60) | (48) |
| Accretion on closure and reclamation costs | 63 | 61 | 273 | 247 |
| **All-in sustaining costs** (1) | **33,654** | **38,041** | **91,839** | **158,151** |
| Add back by-product revenues (2) | 47,255 | 42,523 | 185,151 | 130,016 |
| **All-in sustaining costs for equivalent silver** (1) | **80,909** | **80,563** | **276,991** | **288,167** |
| Silver ounces sold | 3,861,861 | 4,150,584 | 16,590,111 | 15,317,765 |
| Equivalent silver ounces sold (3) | 5,392,652 | 6,203,678 | 23,023,226 | 20,812,352 |
| **All-in sustaining cost per silver ounce sold ($/ounce)** | **8.71** | **9.17** | **5.54** | **10.32** |
| **All-in sustaining cost per equivalent silver ounce sold ($/ounce)** | **15.00** | **12.99** | **12.03** | **13.85** |
| **Average realized price per silver ounce sold ($/ounce)** | **30.87** | **24.14** | **28.78** | **23.66** |
| **All-in sustaining margin ($/ounce)** | **22.15** | **14.97** | **23.25** | **13.34** |
| **All-in sustaining margin ($/equivalent ounce)** | **15.87** | **11.15** | **16.75** | **9.82** |
| **All-in sustaining margin** | **85,559** | **69,180** | **385,641** | **204,306** |

(1) As Q3 2023 represented the first full quarter of commercial production, information presented for all-in sustaining costs, all-in sustaining costs for equivalent silver, and all-in sustaining margin together with their associated per unit values are not directly comparable.
(2) By-product revenues relate to the sale of other metals namely gold, lead, and zinc.
(3) Equivalent silver ounces sold have been calculated using realized prices to translate gold, lead and zinc to "equivalent" silver ounces sold (metal quantity, multiplied by metal price, divided by silver price). Three months and year ended December 31, 2024 realized prices: $30.87/oz silver, $2,655.16/oz gold, $0.88/lb lead, $1.38/lb zinc and $28.78/oz silver, $2,430.76/oz gold, $0.92/lb lead, $1.28/lb zinc, respectively (three months and year ended December 31, 2023 realized prices: $24.14/oz silver, $2,066.36/oz gold, $0.94/lb lead, $1.14/lb zinc and $23.66/oz silver, $1,978.07/oz gold, $0.96/lb lead, $1.15/lb zinc, respectively).

For the three months and year ended December 31, 2024, the Company incurred corporate G&A expenses of $3,473 and $14,131 respectively (three months and year ended December 31, 2023: $2,711 and $13,109 respectively), which exclude depreciation expense.

For the three months and year ended December 31, 2024, the Company's attributable silver ounces sold were 1,699,219 and 7,299,649 respectively (three months and year ended December 31, 2023: 1,826,257 and 6,739,817 respectively) and attributable equivalent silver ounces sold were 2,372,767 and 10,130,219 respectively (three months and year ended December 31, 2023: 2,729,618 and 9,175,435 respectively), resulting in additional all-in sustaining cost for the Company of $2.04/oz and $1.94/oz respectively (three months and year ended December 31, 2023: $1.48/oz and $1.95/oz respectively); and $1.46/oz and $1.39/oz respectively (three months and year ended December 31, 2023: $0.99/oz and $1.43/oz respectively), in addition to Juanicipio's all-in-sustaining costs presented in the above table.

The following table reconciles sustaining capital expenditures (including exploration expenditures) to cash flow used in investing activities of Juanicipio on a 100% basis (the nearest IFRS Accounting Standards measure), as presented in the notes to the 2024 Financial Statements.

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **(in thousands of US$)** | **2024** | **2023** | **2024** | **2023** |
| Cash used in investing activities - Juanicipio | 32,397 | 21,741 | 63,326 | 83,393 |
| Less: | | | | |
| Other investing activities | 1,319 | 772 | 4,084 | 1,487 |
| Development expenditures (1) | (893) | (8,983) | (969) | (37,112) |
| Change in accounts payable and deposits related to capital expenditures not included in AISC | (3,005) | (1,085) | (4,689) | (2,466) |
| **Total sustaining capital expenditures (including exploration) (1)** | **29,819** | **12,445** | **61,753** | **45,303** |
| Less capitalized exploration expenditures | (1,825) | (1,454) | (8,155) | (7,575) |
| **Total sustaining capital expenditures (1)** | **27,995** | **10,992** | **53,597** | **37,728** |

(1) As Q3 2023 represents the first full quarter of commercial production, information presented for sustaining and development capital expenditures are not directly comparable.

### *EBITDA and Adjusted EBITDA*

Earnings before interest, tax, depreciation and amortization ("EBITDA") provides an indication of the Company's continuing capacity to generate income from operations before considering the Company's financing decisions and costs of amortizing capital assets. Accordingly, EBITDA comprises net income excluding interest expense, interest income, amortization and depletion, and income taxes. Adjusted EBITDA adjusts EBITDA to exclude non-recurring items and non-cash items and includes the calculated Adjusted EBITDA of Juanicipio. Other companies may calculate EBITDA and Adjusted EBITDA differently.

The following table provides a reconciliation of EBITDA and Adjusted EBITDA attributable to the Company based on its economic interest in Juanicipio to net income (the nearest IFRS Accounting Standards measure) of the Company per the 2024 Financial Statements. All adjustments are shown net of estimated income tax.

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **(in thousands of US$)** | **2024** | **2023** | **2024** | **2023** |
| Net income after tax | 18,978 | 15,694 | 77,779 | 48,659 |
| Add back (deduct): | | | | |
| Taxes | 1,448 | 3,428 | 5,038 | 5,577 |
| Depreciation and depletion | 265 | 151 | 659 | 352 |
| Finance costs (income and expenses) | (1,260) | (1,041) | (5,374) | (3,334) |
| **EBITDA (1)** | **19,431** | **18,232** | **78,102** | **51,254** |
| Add back (deduct): | | | | |
| Adjustment for non-cash share-based compensation | 819 | 297 | 3,829 | 2,894 |
| Share of net earnings related to Juanicipio | (22,956) | (21,069) | (92,875) | (65,099) |
| MAG attributable interest in Junicipio Adjusted EBITDA | 50,712 | 32,460 | 197,678 | 108,564 |
| **Adjusted EBITDA (1)** | **48,006** | **29,920** | **186,734** | **97,613** |

(1) As Q3 2023 represents the first full quarter of commercial production, information presented for EBITDA and Adjusted EBITDA is not directly comparable.

The following table reconciles Juanicipio's EBITDA and Adjusted EBITDA for the three months and years ended December 31, 2024 and 2023 to the results of Juanicipio as disclosed in Note 8 to the 2024 Financial Statements.

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **(in thousands of US$)** | **2024** | **2023** | **2024** | **2023** |
| Juanicipio net income after tax | 51,691 | 43,274 | 201,541 | 129,428 |
| Add back (deduct): | | | | |
| Juanicipio taxes | 42,696 | 3,940 | 151,181 | 27,381 |
| Juanicipio depreciation and depletion | 23,263 | 21,474 | 91,197 | 68,475 |
| Juanicipio finance costs (income and expenses) | (2,507) | 5,132 | 5,191 | 21,461 |
| **Juanicipio EBITDA (1)** | **115,143** | **73,820** | **449,111** | **246,745** |
| Add back (deduct): | | | | |
| Fixed asset write-down | 112 | (47) | 158 | (9) |
| **Juanicipio adjusted EBITDA (1)** | **115,255** | **73,772** | **449,269** | **246,736** |
| **MAG's attributable interest in Juanicipio adjusted EBITDA** | **50,712** | **32,460** | **197,678** | **108,564** |

(1) As Q3 2023 represents the first full quarter of commercial production, information presented for EBITDA and Adjusted EBITDA is not directly comparable.

While the above figures reflect an estimate of the Company's "attributable interest" in adjusted EBITDA generated from Juanicipio, cash and cash equivalents held by Juanicipio are not within the Company's exclusive control as the distribution of cash from Juanicipio is at the discretion of Fresnillo subject to the provisions in the Juanicipio shareholders' agreement.

### *Free Cash Flow*

The Company uses the financial measure free cash flow, which is a non-IFRS financial measure, to supplement information in the 2024 Financial Statements. Free cash flow does not have any standardized meaning prescribed under IFRS Accounting Standards, and therefore it may not be comparable to similar measures employed by other companies. The Company believes that in addition to conventional measures prepared in accordance with IFRS Accounting Standards, the Company and certain investors and analysts use this information to evaluate Juanicipio's performance with respect to its operating cash flow capacity to meet non-discretionary outflows of cash. The presentation of free cash flow is not meant to be a substitute for the cash flow information presented in accordance with IFRS Accounting Standards, but rather should be evaluated in conjunction with such IFRS Accounting Standards measures. Free cash flow is calculated as cash flow from operating activities of Juanicipio adjusted for cash flows associated with sustaining and non-sustaining capital expenditures and payments made to mining contractors for leases capitalized under IFRS 16.

The following table provides a reconciliation of free cash flow of Juanicipio to its cash flow from operating activities on a 100% basis (the nearest IFRS Accounting Standards measure), as presented in Note 8 of the 2024 Financial Statements.

| | Three months ended December 31, | | Year ended December 31, | |
|---|---|---|---|---|
| **(in thousands of US$)** | **2024** | **2023** | **2024** | **2023** |
| Cash flow from operating activities | 111,568 | 84,146 | 356,691 | 145,064 |
| Less: | | | | |
| Cash flow used in investing activities | (32,397) | (21,741) | (63,326) | (83,393) |
| Sustaining lease payments | (227) | (304) | (1,016) | (856) |
| **Juanicipio free cash flow** (1) | **78,944** | **62,101** | **292,349** | **60,814** |

(1) As Q3 2023 represents the first full quarter of commercial production, comparative information presented for free cash flow of Juanicipio is not directly comparable.

While the above figures reflect free cash flow generated at Juanicipio, cash and cash equivalents held by Juanicipio are not within the Company's exclusive control as the distribution of cash from Juanicipio is at the discretion of Fresnillo subject to the provisions in the Juanicipio shareholders' agreement.

## 13. LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2024, MAG had working capital (current assets less current liabilities) of $160,113 (December 31, 2023: $67,262) including cash of $162,347 (December 31, 2023: $68,707) and no long-term debt. At December 31, 2024, Juanicipio had working capital of $105,499 (December 31, 2023: working capital $86,336) including cash of $53,193 (December 31, 2023: $42,913) (MAG's attributable share is 44%). Future liquidity may depend upon the Company's ability to repatriate capital from Juanicipio, arrange debt or additional equity financing.

### *Dividends*

Following the Board approval of a dividend policy in March 2025, MAG declared an inaugural fixed dividend of $0.02 per share and an additional cash flow linked dividend of $0.16 per share (approximately 30% of the $53,850 cash received from Juanicipio during Q4) for a total dividend of $0.18 per share payable on April 21, 2025 to shareholders on record as of April 4, 2025.

On an ongoing basis, the Company intends to declare and pay a fixed quarterly dividend of $0.02 per share after the announcement of the Company's quarterly financial results. In addition, at average realised silver prices of above $20 per ounce, the Company intends to augment the fixed dividend with a cash flow linked dividend targeted at approximately 30% of cash flows from Juanicipio received by MAG every quarter and linked to net cash metrics as determined by the Board from time to time.

The declaration and payment of dividends are at the sole discretion of the Board and will depend on the Company's financial results, financial condition, capital requirements, strategic and business development considerations, the need to retain cash to fund future growth of the business of the Company, the number of outstanding common shares and other factors deemed relevant by the Board.

The Company will review the dividend policy on an ongoing basis and may amend the policy at any time considering the Company's then current financial position, profitability, cash flow, debt covenant compliance, legal requirements and other factors considered relevant. As such, no assurances can be made that any future dividends will be declared and/or paid. Dividends paid to shareholders outside Canada (non-resident investors) will be subject to Canadian non-resident withholding taxes.

MAG's existing NCIB represents another mechanism through which to prudently return capital to shareholders.

### *NCIB*

On May 15, 2024, MAG announced that the TSX had accepted the Company's Notice of Intention to make a NCIB. Under the NCIB, the Company may purchase for cancellation up to an aggregate of 8,643,374 Common Shares, representing approximately 10% of the public float (as defined in the rules and policies of the TSX) of the Common Shares as of May 8, 2024. The Company's purchases in the United States will be subject to a limit of 5,148,977 Common Shares, being 5% of the public float of the Common Shares as of May 8, 2024. The NCIB commenced on May 17, 2024 and will terminate on May 16, 2025, or earlier if the maximum number of Common Shares under the NCIB have been purchased or if the NCIB has been terminated by the Company. As at March 21, 2025 the Company has not repurchased any Common Shares under the terms of the NCIB. In addition, the Company entered into an automatic share purchase plan with its designated broker to allow for the purchase of Common Shares at times which the Company ordinarily would not be active in the market due to trading blackout periods, insider trading rules or otherwise.

### *Shelf Prospectus*

On May 31, 2024, MAG filed a final short form base shelf prospectus with the securities commissions in all of the provinces and territories of Canada ("Final Shelf Prospectus") and a corresponding registration statement on Form F-10 with the SEC under the United States Securities Act of 1933, as amended and the U.S./Canada Multijurisdictional Disclosure System ("Registration Statement") allowing the Company to offer up to $250,000 of Common Shares, preferred shares, debt securities, subscription receipts, units and warrants or any combination thereof during the 25-month period that the Final Shelf Prospectus remains effective. In order to maintain financial flexibility, and consistent with past practice, the Company has historically maintained a base shelf prospectus.

### *Revolving Credit Facility*

In October 2023, the Company entered into a $40,000 senior secured revolving credit facility with the Bank of Montreal (the "Credit Facility"). There is a provision for an accordion feature whereby, upon request, the facility may be increased to $75,000 any time prior to the maturity date, at the discretion of the lender. The Credit Facility will bear interest on a sliding scale of Secured Overnight Financing Rate ("SOFR") or the Lender's Base Rate on US Dollar commercial loans plus an applicable margin on a sliding scale of between 200 and 400 basis points based on the Company's leverage ratio. Interest incurred on drawn amounts is to be paid quarterly. Commitment fees on the undrawn portion of the facility are calculated on a similar sliding scale of between 50 and 75 basis points, and are also to be paid on a quarterly basis. The term of the facility is 34 months, maturing on August 4, 2026, at which date any drawn amount is required to be repaid in full. All debts, liabilities and obligations under the facility are guaranteed by the Company's material subsidiaries and secured by assets of the Company including the pledge of a material subsidiary. The facility includes a number of customary covenants (liquidity, leverage, tangible net worth) and conditions including limitations on acquisitions and investments (excluding exploration and capital expenditures) funded using cash with no limitations when equity is used as a funding source. As at December 31, 2024, the Company is in compliance with all applicable covenants.

As of December 31, 2024, the Company has not drawn down any funds from its Credit Facility, and as a result expensed $200 of commitment fees for the year ended December 31, 2024.

### *Expected Use of Proceeds and Financings*

The Company closed a $42,558 bought deal public offering on February 7, 2023 and issued 2,905,000 Common Shares, including 170,000 Common Shares issued upon the partial exercise of the over-allotment option, at a price of $14.65 per Common Share. A reconciliation of the expected use of net proceeds disclosed in the Company's short form prospectus dated February 2, 2023, against the actual use of net proceeds as at December 31, 2024 is as follows:

| Description | Estimated Amount ($) | Expended Amount ($) |
|---|---|---|
| Exploration expenditures related to Juanicipio, the Deer Trail Project and other projects | 17,600 | 17,600(1) |
| Development and sustaining capital expenditures not included in the estimated initial project capital related to Juanicipio (3) | 14,200 | - |
| Working capital and general corporate purposes (3) | 11,700 | 9,468(2) |
| Variance in previously disclosed expected use of proceeds (3) | - | **16,432** |
| **Total** | **43,500** | **43,500** |

(1) The Company has now spent the full $17,600 of the proceeds from the offering to be allocated to exploration expenditures, aligned with previously disclosed expectations.

(2) The Company has now spent the full $9,468 proceeds from the offering allocated to working capital and general corporate purposes, future spending from this category is expected to be funded by cash flows from its investment in Juanicipio.

(3) All proceeds from the offering previously expected to be applied to development and sustaining capital expenditures not included in the estimated initial project capital related to Juanicipio, and $2,232 expected to be applied to working capital and general corporate purposes, were subsequently re-allocated to contribute to the extinguishment of substantial tax and mining duty obligations of Juanicipio in Mexico.

As noted above in '*Cash Flows*', MAG expended $22,717, net of $11,298 flow-through eligible expenditures at the Larder Project (year ended December 31, 2023: $15,862), on its exploration and evaluation properties (excluding Juanicipio's exploration expenditures as directly funded by Juanicipio) in the year ended December 31, 2024, corresponding to the exploration expenditures in the first category in the table above (nil remaining, as of Q2 2024). Furthermore, during the year ended December 31, 2024, MAG expended $5,997 (year ended December 31, 2023: $8,918) for operations corresponding to working capital and general corporate purposes, namely the third category in the table above (nil remaining, as of Q1 2024). Post Q1 2024 and future spending to working capital and general corporate purposes is expected to be funded by cash flows from MAG's investment in Juanicipio.

In March 2023, MAG advanced $24,992 to Juanicipio and estimates that the full amount was used to extinguish substantial tax and mining duty obligations not included in the initial project capital, constituting a re-allocation in the initially anticipated use of funds of $14,200 and $2,232 previously disclosed in the second category (nil remaining) and third category (nil remaining) respectively, of the foregoing table. Given the variances mentioned above, the Company does not expect any adverse impact on its ability to achieve business objectives and milestones.

Additionally, the Company closed a $17,133 (C$23,024) bought deal private placement on February 16, 2023 and issued 969,450 Flow-Through Shares, including 126,450 Flow-Through Shares issued upon the full exercise of a 15% over-allotment option at a price of $17.67 (C$23.75) per Flow-Through Share. Total proceeds were intended for the Larder Project, whereby plans for exploration programs in 2023 and 2024 were finalized, and subsequently executed. During the year ended December 31, 2024, the Company incurred $11,298 (year ended December 31, 2023: $5,835) in eligible spend at the Larder Project, which completes full use of these proceeds.

## 14. CONTRACTUAL OBLIGATIONS

The following table discloses the contractual obligations of MAG and its subsidiaries as at December 31, 2024 for committed exploration work and other committed obligations.

| | Total $ | Less than 1 year $ | 1-3 Years $ | 3-5 Years $ | More than 5 years $ |
|---|---|---|---|---|---|
| Minera Juanicipio (1) | - | - | - | - | - |
| Financing and consulting contractual commitments | 496 | 252 | 244 | - | - |
| **Total Obligations and Commitments (2)** | **496** | **252** | **244** | **-** | **-** |

1) According to the operator, Fresnillo, as at December 31, 2024, contractual commitments including project development and for continuing operations and purchase orders issued for project capital, sustaining capital, and continuing operations total $21,776 (December 31, 2023: $13,779) with respect to Juanicipio, both on a 100% basis.

2) The Company also has discretionary commitments for property option payments and exploration expenditures as outlined in Note 9 of the 2024 Financial Statements. There is no obligation to make any of those payments or to conduct any work on its optioned properties. As the Company advances them, it evaluates exploration results and determines at its own discretion which option payments to make and which additional exploration work to undertake in order to comply with the funding requirements.

Other than as disclosed above, there were no material changes in the specified contractual obligations of the Company during the year ended December 31, 2024.

## 15. SHARE CAPITAL INFORMATION

MAG Silver's authorized capital consists of an unlimited number of Common Shares without par value. As at March 21, 2025, the following Common Shares, stock options, restricted share units, performance share units ("PSUs"), and deferred share units were outstanding:

| | Number of shares | Exercise Price (in Canadian dollars) or Conversion Ratio | Remaining Life |
|---|---|---|---|
| Common shares | 103,449,740 | n/a | n/a |
| Stock options | 957,089 | C$14.64 – C$23.53 | 0.16 to 4.25 years |
| Performance Share Units ("PSUs") (1) | 367,451 | 1:1 (1) | 0.16 to 4.25 years |
| Restricted Share Units("RSUs") | 165,909 | 1:1 | 1.05 to 4.25 years |
| Deferred Share Units ("DSUs") (2) | 489,957 | 1:1 | n/a(2) |
| **Fully Diluted** | 105,430,146 | | |

(1) Includes 102,819 PSU grants where vesting is subject to a market price performance factor, each measured over a three-year performance period which will result in a PSU vesting range from 11,304 PSUs to 194,333 PSUs.

(2) To be share settled, but no Common Shares are to be issued in respect of a participant in MAG's deferred share unit plan prior to such eligible participant's termination date.

## 16. OTHER ITEMS

### *Cyber Security*

The Company's operations depend, in part, on the efficient operation and management of the Company's information technology and operational systems in a secure manner that minimizes cyber risks. A breach of the Company's systems could have a material adverse impact on the Company, its operations and reputation.

There has been an increase in cyber security incidents globally over the past several years and this trend is expected to continue and intensify as global reliance on technology continues to increase. The Company has programs and strategies in place that are designed to mitigate the risk of cyber-attacks and to allow the Company to recover from cyber security incidents as rapidly as possible should one occur. The Company monitors, assesses and works to improve the effectiveness of its technology programs and strategies, taking into account best industry practices. The Company has not experienced any material information security breach in the last three years, nor has it experienced any known material losses relating to cyber-attacks or other data/information security since its inception.

The Company has policies and programs in place to manage cyber risks. Such programs focus primarily on the following:

- protecting the Company's assets from cyber-attacks and safeguarding sensitive information;
- improving cyber security protection, detection, incident response and recovery capabilities to minimize impact of adverse cyber events;
- adopting practices to reduce third-party cyber security risks;
- ongoing cyber security awareness in the workforce and the annual distribution of an information technology security policy;
- quarterly briefings by senior management of the Company to the Audit Committee on information security matters; and
- embedding security by design across the Company to proactively assess and manage cyber risk.

The above policies and programs are subject to oversight by the Company's management team and Board. The Audit Committee, which is comprised entirely of independent directors, has been tasked with assisting the Board in fulfilling its oversight responsibilities with regard to information security, artificial intelligence and cyber risks, and the policies, guidelines and mechanisms that management has put in place to govern the process of monitoring, controlling and reporting such risks. The Audit Committee receives reports from management on a quarterly basis, or more frequently as required, on the identification, assessment and management of such risks. The Audit Committee reports to the Board on a quarterly basis, or more frequently as required, with respect to these risks and the steps implemented by management to manage them.

At Juanicipio, Fresnillo the project operator, employs various methods to foster and elevate the cybersecurity culture, including workshops, communications, campaigns and exercises. This extends to working closely with information technology departments, contributing to the definition and establishment of best practices and security standards.

## 17. TREND INFORMATION

As both the price and market for silver are volatile and difficult to predict, a significant decrease in the silver price and to a lesser extent gold, zinc and lead prices, could have a material adverse impact on the Company's operations and market value.

Negative geopolitical events, including the ongoing Russian invasion of Ukraine and the ongoing conflicts in the Middle East, may cause increased economic volatility and adversely affect the Company.

The imposition of trade tariffs, particularly by the U.S., or other trade restrictions could have significant repercussions for Canadian and Mexican businesses, and the broader economy. Increased costs of goods and services may contribute to inflation. Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Company's business.

The nature of MAG's business is demanding of capital for property acquisition costs, exploration commitments, development and holding costs. MAG's liquidity is affected by the results of its own acquisition, exploration and advancement of mineral projects activities. The acquisition or discovery of an economic mineral deposit on one of its mineral property interests may have a favourable effect on the Company's liquidity, and conversely, the failure to acquire or find one may have a negative effect. In addition, access to capital to fund exploration and development companies is at times challenging in public markets, which could limit the Company's ability to meet its objectives.

Obtaining exploration permits in all the jurisdictions in which the Company operates, often encounters First Nations, and other forms of community resistance. Likewise, surface rights in Mexico are often owned by local communities or "ejidos" and there has been a trend in Mexico of increasing ejido challenges to existing surface right usage agreements. The Company has already been impacted by this trend at Cinco. Any further challenge to the access or exploration of any of the properties in which MAG has an interest may have a negative impact on the Company, as the Company may incur delays and expenses in defending such challenges and, if a challenge is successful, the Company's interest in a property could be materially adversely affected.

On March 28, 2023, a legislative initiative aimed at amending multiple legal codes, inclusive of the Mexican Federal Mining Law (the " **Federal Mining Law**"), was presented to the Mexican Congress by the President of Mexico. The proposed amendments pertain to, among other matters, granting of future mining permits and transfer of permits, shortening concession life, granting of future water permits, mine reclamation, profit-sharing requirements to distribute at least 7% of profits to local indigenous communities and management of mine waste. This initiative underwent a series of reviews and modifications, culminating in preliminary approval by the lower house of Congress, the Chamber of Deputies, on April 20, 2023. On April 29, 2023, the Mexican Senate approved the legislation. The amendments were approved by Mexico's Federal Executive Branch and published in the Official Gazette of the Mexican Federation on May 8, 2023, bringing the amendments into law on May 9, 2023. Numerous legal challenges to the legality and constitutionality of several aspects of these changes have been filed with various Mexican courts and there is a possibility that the Supreme Court will declare the reforms invalid due to violations committed during the legislative process. Juanicipio remains committed to monitoring these judicial proceedings with the utmost attention.

## 18. RISKS AND UNCERTAINTIES

The Company's securities should be considered a highly speculative investment and investors are directed to carefully consider all of the information disclosed in the Company's Canadian and U.S. regulatory filings prior to making an investment in the Company, including the risk factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form available on SEDAR+ at www.sedarplus.ca and incorporated by reference herein.

The Credit Facility includes certain customary restrictive covenants. The Company does not currently anticipate any significant risk in complying with the financial ratios or financial covenants contained in the Credit Facility. However, if the current facts and circumstances faced by the Company were to change due to unexpected operational issues or due to other factors beyond the Company's control, such changes could result in the Company being subject to certain restrictions under, or being found in default of, the Credit Facility. Future exploration work and development of the properties in which the Company has an interest may depend upon the Company's ability to repatriate capital from its interest in the Juanicipio Mine, obtain financing through joint venturing of projects, raise additional debt or equity finance, maintain the Credit Facility or raise financing though other means. Failure to obtain access to such financing on a timely basis may have an adverse impact on the business of the Company.

The imposition of trade tariffs, particularly by the U.S., or other trade restrictions could have significant repercussions for Canadian and Mexican businesses, and the broader economy. Increased costs of goods and services may contribute to inflation. These tariffs, and any changes to these tariffs or imposition of any new tariffs, taxes or import or export restrictions or prohibitions, could have a material adverse effect on the Company's business. Furthermore, there is a risk that the tariffs imposed by the U.S. on other countries will trigger a broader global trade war which could have a material adverse effect on the Canadian, Mexican, U.S. and global economies. Overall, trade policy restrictions create financial uncertainty for companies, disrupt trade relationships, and put downward pressure on economic growth.

In addition, the Company is exposed to a variety of financial instrument-related risks in the normal course of operations. The Company's financial instruments include cash, accounts receivable, investments, trade and other payables and a lease obligation. A discussion with respect to the fair value of such instruments is included in Note 15 of the 2024 Financial Statements. The Company examines the various financial instrument related risks to which it is exposed and assesses the impact and likelihood of those risks. These risks may include market risk, credit risk, liquidity risk, currency risk and interest rate risk. Management's objectives, policies and procedures for managing these risks are disclosed in Note 14 of the 2024 Financial Statements.

## 19. OFF-BALANCE SHEET ARRANGEMENTS

MAG has no off-balance sheet arrangements.

## 20. RELATED PARTY TRANSACTIONS

The Company does not have offices or direct personnel in Mexico, but rather is party to a Field Services Agreement, whereby it has contracted administrative and exploration services in Mexico with Minera Cascabel, S.A. de C.V. ("Cascabel") and IMDEX Inc. ("IMDEX"). Dr. Peter Megaw, the Company's former Chief Exploration Officer ("CXO"), is a principal of both IMDEX and Cascabel, and was remunerated by the Company through fees to IMDEX.

On May 21, 2024, Dr. Megaw stepped down as CXO and will continue to provide technical advice in a consulting role and as such will no longer be providing key management personnel services as defined under IAS 24. Accordingly, Dr. Megaw is no longer considered a related party. Related party transactions incurred by the Company with Cascabel and IMDEX will only be included up until the date of his retirement from executive duties.

During the years ended December 31, 2024 and 2023, the Company incurred expenses with Cascabel and IMDEX as follows:

| | **December 31, 2024 $** | December 31, 2023 $ |
|---|---|---|
| Fees related to Dr. Megaw: | | |
| Exploration and marketing services | **69** | 393 |
| Travel and expenses | **11** | 39 |
| Other fees to Cascabel and IMDEX: | | |
| Administration for Mexican subsidiaries | **22** | 55 |
| Field exploration services | **66** | 180 |
| Share-based payments (non-cash) | **129** | 443 |
| | **297** | 1,110 |

All transactions are incurred in the normal course of business and are negotiated on arm's length terms between the parties for all services rendered. A portion of the expenditures are incurred on the Company's behalf and are charged to the Company on a "cost + 10%" basis. The services provided do not include drilling and assay work which are contracted out independently from Cascabel and IMDEX.

Any amounts due to related parties arising from the above transactions are unsecured, non-interest bearing and are due upon receipt of invoices.

As at December 31, 2024, Fresnillo and the Company have advanced, net of aggregate repayments, $4,666 as shareholder loans (MAG's 44% share $2,053) to Juanicipio, bearing interest at 6 months SOFR + 2%. Interest recorded by the Company for the year ended December 31, 2024 totalling $4,197 (year ended December 31, 2023: $8,150) has been included in MAG's income from its equity accounted investment in Juanicipio.

During the years ended December 31, 2024 and 2023, compensation of key management personnel (including directors) was as follows:

| | For the year ended | |
|---|---|---|
| | **December 31, 2024** | December 31, 2023 |
| | **$** | $ |
| Salaries and other short term employee benefits | **2,720** | 1,949 |
| Share-based payments (non-cash) | **2,957** | 2,532 |
| | **5,677** | 4,481 |

*Key management personnel* are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and consists of its directors, the Chief Executive Officer, the Chief Financial Officer, the Chief Sustainability Officer, and effective January 1, 2024, onwards, the Chief Development Officer.

## 21. CRITICAL ACCOUNTING JUDGMENTS, SIGNIFICANT ESTIMATES AND ASSUMPTIONS

### *(a) Significant judgments*

In preparing the consolidated financial statements, the Company makes judgments when applying its accounting policies. The judgments that have the most significant effect on the amounts recognized in the consolidated financial statements are outlined below.

#### (i) *Equity investments*

In the normal course of operations, the Company may invest in equity investments for strategic reasons. In such circumstances, management considers whether the facts and circumstances pertaining to each investment result in the Company obtaining control, joint control or significant influence over the investee entity. In some cases, the determination of whether or not the Company has control, joint control or significant influence over the investee entities requires the application of significant management judgment to consider individually and collectively such factors as:

- The purpose and design of the investee entity.
- The ability to exercise power, through substantive rights, over the activities of the investee entity that significantly affect its returns.
- The size of the company's equity ownership and voting rights, including potential voting rights.
- The size and dispersion of other voting interests, including the existence of voting blocks.
- Other investments in or relationships with the investee entity including, but not limited to, current or possible board representation, loans and other types of financial support, material transactions with the investee entity, interchange of managerial personnel or consulting positions.
- Other relevant and pertinent factors.

If the Company determines that it controls an investee entity, it consolidates the investee entity's financial statements as further described in Note 3 of the 2024 Financial Statements. If the Company determines that it has joint control (a joint venture) or significant influence (an associate) over an investee entity, then it uses the equity method of accounting to account for its investment in that investee entity as further described in Note 3 of the 2024 Financial Statements. If, after careful consideration, it is determined that the Company neither has control, joint control nor significant influence over an investee entity, the Company accounts for the corresponding investment in equity interest as a fair value through other comprehensive income investment as further described in Note 3 of the 2024 Financial Statements.

#### *(ii) Impairment of non-current assets*

Non-current assets are tested for impairment at the end of each reporting year if, in management's judgment, there is an indicator of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors, such as (i) changes in quantity of the recoverable mineral resources and reserves; (ii) changes in metal prices, capital and operating costs and interest rates; and (iii) market capitalization of the Company compared to its net assets, are evaluated by management in determining whether there are any indicators of impairment. If there are indicators, management performs an impairment test on the major assets in this category.

In addition, the application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is probable that future economic benefits are likely, either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of mineral reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether the technical feasibility and commercial viability of extracting a mineral resource is demonstrable. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statements of income and comprehensive income in the year when the new information becomes available.

As at December 31, 2024 and December 31, 2023, the Company did not have any indicators of impairment.

### *(b) Significant estimates*

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the amounts reported and disclosed. These estimates are based on management's knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the consolidated financial statements. Information about assumptions and other sources of estimating uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next 12 months are outlined below.

### *(i) Revenue*

Revenue recorded at the Juanicipio Mine, which is reflected as a component in the Company's consolidated statements of income and comprehensive income from its equity accounted investment in Juanicipio, is based on estimated metal quantities reflecting assay data and on provisional prices which will be trued up for final price and quantity in a later period.

### *(ii) Provision for reclamation*

Management assesses the closure and reclamation obligations on an annual basis or when new information becomes available. This assessment includes the estimation of the future rehabilitation costs required based on the existing laws and regulations in the jurisdiction the Company operates in, the timing of these expenditures, and the impact of changes in the inflation and discount rates. The actual future expenditures may differ from the amounts currently provided if the estimates made are significantly different than actual results or if there are significant changes in environmental and/or regulatory requirements in the future.

### *(iii) Contingent liabilities*

The Company is subject to various tax, legal and other disputes, the outcomes of which cannot be assessed with a high degree of certainty. A liability is recognized where, based on the Company's legal views and advice, it is considered probable that an outflow of resources will be required to settle a present obligation that can be measured reliably. By their nature, these provisions will only be resolved when one or more future events occur or fail to occur, which will bring resolution to their underlying cases. The assessment of such provisions inherently involves the exercise of significant judgment of the potential outcome of future events.

### *(iv) Fair value measurement: share-based compensation*

The Company uses valuation techniques (Note 3(l)) of the 2024 Financial Statements in measuring the fair value of equity-settled share-based compensation awards, which requires the Company to make certain estimates, judgments, and assumptions in relation to the expected life, expected volatility, expected risk-free rate, expected forfeiture rate, and expected future market conditions of the various equity based units, as applicable.

The fair value of stock options is estimated using the Black-Scholes option valuation model, and related required estimates, judgments, and assumptions include stock options expected life, expected volatility, expected risk-free rate, and expected forfeiture rate. The fair value of performance share units awarded with market price conditions is determined using the Monte Carlo pricing model, projecting the performance of the Company and, if applicable, the relevant market index against which the Company's performance is compared. In assessing the vesting of performance share units awarded with market price conditions the Company may be required to make certain estimates, judgments, and assumptions in relation with future market conditions. The fair value of performance share units with non-market performance conditions, restricted and deferred share units are based on the fair market value of a common share equivalent on the date of grant.

## 22. CHANGES IN ACCOUNTING STANDARDS

### *(a) Accounting standards adopted during the year*

During 2024, the Company adopted amendments to IAS 1, Presentation of Financial Statements. The amendments to IAS 1, clarifies the presentation of liabilities. The classification of liabilities as current or noncurrent is based on contractual rights that are in existence at the end of the reporting year and is affected by expectations about whether an entity will exercise its right to defer settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendment also introduces a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendment also clarifies how conditions with which an entity must comply within twelve months after the reporting year affect the classification of a liability. Covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The implementation of this amendment did not have any material impact on these consolidated financial statements.

### *(b) Accounting standards and amendments issued but not yet adopted*

During 2024, the Company has not applied the issued but not yet effective standard IFRS 18: Presentation and Disclosure in Financial Statements. In April 2024, IFRS 18: Presentation and Disclosure of Financial Statements ("IFRS 18") was issued, which replaces IAS 1: Presentation of Financial Statements. IFRS 18 introduces a specified structure for the income statement by requiring income and expenses to be presented into the three defined categories of operating, investing and financing, and by specifying certain defined totals and subtotals. Where company-specific measures related to the income statement are provided, IFRS 18 requires companies to disclose explanations around these measures, which are referred to as management-defined performance measures. IFRS 18 also provides additional guidance on principles of aggregation and disaggregation which apply to the primary financial statements and the notes. IFRS 18 will not affect the recognition and measurement of items in the financial statements, nor will it affect which items are classified in other comprehensive income and how these items are classified. The standard is effective for reporting periods beginning on or after January 1, 2027, including for interim financial statements. Retrospective application is required, and early application is permitted. The Company is currently assessing the effect of this new standard to its financial statements.

## 23. CONTROLS AND PROCEDURES

The Company has filed certificates signed by the CEO and the CFO that, among other things, report on the design of disclosure controls and procedures and the design of internal controls over financial reporting as at December 31, 2024.

### *Disclosure Controls and Procedures*

Disclosure controls and procedures have been designed to provide reasonable assurance that all relevant information required to be disclosed by the Company is accumulated and communicated to senior management as appropriate and recorded, processed, summarized and reported to allow timely decisions with respect to required disclosure, including in its annual filings, interim filings or other reports filed or submitted by it under securities legislation. The CEO and the CFO have evaluated, or caused to be evaluated under their supervision, the design and effectiveness of the Company's disclosure controls and procedures as of December 31, 2024 through inquiry and review, as well as by drawing upon their own relevant experience. The CEO and the CFO have concluded that the Company's disclosure controls and procedures are effective as at December 31, 2024.

### *Internal Control Over Financial Reporting*

MAG Silver also maintains a system of internal controls over financial reporting, as defined by National Instrument 52-109 - *Certification of Disclosure in Issuers*' *Annual and Interim Filings* in order to provide reasonable assurance that assets are safeguarded and financial information is accurate and reliable and in accordance with IFRS Accounting Standards. The Company retains a third-party specialist annually to assist in the assessment of its internal control procedures. The Board approves the financial statements and MD&A before they are publicly filed and ensures that management discharges its financial responsibilities. The 2024 Financial Statements and MD&A for the year ended December 31, 2024 were approved by the Board on March 21, 2025. The Board's review is accomplished principally through the Audit Committee, which is composed of independent non-executive directors. The Audit Committee meets periodically with management and auditors to review financial reporting and control matters.

The Company's management, including the CEO and CFO, believe that any internal controls over financial reporting and disclosure controls and procedures, no matter how well designed, can have inherent limitations. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Therefore, even those systems determined to be effective can provide only reasonable (not absolute) assurance that the objectives of the control system are met and as such, misstatements due to error or fraud may occur and not be detected. The CEO and CFO have designed the Company's internal control over financial reporting as of December 31, 2024 based on the criteria set forth in **Internal Control – Integrated Framework (2013)** issued by the Committee of Sponsoring Organizations of the Treadway Commission to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards. The CEO and the CFO have concluded that the Company's internal controls and procedures are effective as at December 31, 2024.

There have been no changes in internal controls over financial reporting during the three months ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, MAG's internal control over financial reporting.

## 24. ADDITIONAL INFORMATION

Additional information on the Company, including the Company's most recent Annual Information Form is available for viewing under MAG's profile on the SEDAR+ at www.sedarplus.ca and on SEC's EDGAR website at www.sec.gov.

## 25. CAUTIONARY STATEMENTS

### Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this MD&A, including any information relating to MAG's future oriented financial information and financial outlook, are "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation (collectively herein referred as "forward-looking statements"), including the "safe harbour" provisions of provincial securities legislation, the U.S. Private Securities Litigation Reform Act of 1995, Section 21E of the U.S. Securities Exchange Act of 1934, as amended and Section 27A of the U.S. Securities Act. Such forward-looking statements include, but are not limited to:

- statements that address the declaration, timing, amount, and payment of future dividends, including future cash flow linked dividends and future periodic dividends;
- statements that address the tax treatment of the dividends for non-resident investors;
- statements that address maintaining the nameplate 4,000 tpd milling rate at Juanicipio;
- statements that address our expectations regarding exploration and drilling;
- statements regarding production expectations and nameplate;
- statements regarding the expected use of the Credit Facility;
- statements regarding the NCIB and any future purchases to be made thereunder;
- statements regarding the Final Shelf Prospectus;
- statements regarding the Cinco Option and activities at Cinco;
- statements regarding additional information from future drill programs;
- estimated project economics, including but not limited to, plant or mill recoveries, metals produced, metal grades, metals sold, underground mining rates;
- the estimation of Mineral Resources;
- estimated future exploration and development operations and corresponding expenditures and other expenses for specific operations;

- the anticipated impact on the Company's business and operations from the re-allocation of proceeds received from the Company's recent public offerings;
- expectations and estimates regarding use of proceeds;
- the expected capital, sustaining capital and working capital requirements at Juanicipio, including the potential for additional cash calls;
- forecasted ranges for cash costs and all-in sustaining costs at Juanicipio;
- production rates, payback time, capital and operating and other costs, internal rate of return, anticipated life of mine, and mine plan;
- the effects on the Company as a result of shifts in the price and market of silver;
- mining methodology expectations;
- distinctly different mineralization styles expectations;
- expected upside from additional exploration;
- expected results from Deer Trail Project and Carissa zones drilling;
- expected results from Larder Project at the Fernland, Cheminis, Bear, Swansea, Long Conglomerate, Kir Vit, and Twist zones and other regional targets;
- expected capital requirements and sources of funding;
- the effects of First Nations and other forms of community resistance on mining operations;
- the Company's ability to repatriate capital from the Juanicipio Mine, obtain financing through the joint venturing of projects and raise additional debt, equity or other sources of financing;
- the Company's participation in equity investments;
- statements regarding legal challenges to the amended Federal Mining Law;
- statements regarding the Company's ability to meet business objectives and milestones;
- statements regarding the 2023 sustainability report, including the contents therein; and
- other future events or developments.

When used in this MD&A, any statements that express or involve discussions with respect to predictions, beliefs, plans, projections, objectives, assumptions or future events of performance (often but not always using words or phrases such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "strategy", "goals", "objectives", "project", "potential" or variations thereof or stating that certain actions, events, or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions), as they relate to the Company or management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain known and unknown risks, uncertainties and assumptions.

Future-oriented financial information and financial outlook are presented in this MD&A for the purpose of assisting investors and others in understanding certain key elements of the Company's financial results and business plan, as well as the objectives, strategic priorities and business outlook of the Company, and in obtaining a better understanding of the Company's anticipated operating environment. Readers are cautioned that such future-oriented financial information or financial outlook may not be appropriate for other purposes.

Forward-looking statements are necessarily based upon estimates and assumptions, which are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control and many of which, regarding future business decisions, are subject to change. Assumptions underlying the Company's expectations regarding forward-looking statements contained in this MD&A include, among others: MAG's ability to carry on its various exploration and development activities including project development timelines, the timely receipt of required approvals and permits, the price of the minerals produced, the costs of operating, exploration and development expenditures, the impact on operations of the Mexican tax regime and proposed amendments to applicable Mexican legislation, including the Federal Mining Law, MAG's ability to obtain adequate financing, and outbreaks or threat of an outbreak of a virus or other contagions or epidemic disease will be adequately responded to locally, nationally, regionally and internationally.

Although MAG believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and many factors could cause actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements including amongst others: commodities prices; changes in expected mineral production performance; unexpected increases in capital costs or cost overruns; exploitation and exploration results; continued availability of capital and financing; general economic, market or business conditions; risks relating to the Company's business operations; risks relating to the financing of the Company's business operations; risks related to the Company's ability to comply with restrictive covenants and maintain financial covenants pursuant to the terms of the Credit Facility; the expected use of the Credit Facility; risks relating to the operation of Juanicipio and the minority interest investment in the same; risks relating to the Company's property titles; risks related to receipt of required regulatory approvals; pandemic risks; conflicts in Europe and the Middle East; the potential impact of any tariffs, countervailing duties or other trade restrictions; risks relating to the Company's financial and other instruments; operational risk; environmental risk; political risk; currency risk; market risk; capital cost inflation risk; risk relating to construction delays; the risk that data is incomplete or inaccurate; the risks relating to the limitations and assumptions within drilling, engineering and socio-economic studies relied upon in preparing economic assessments and estimates, including the Technical Report; as well as those risks more particularly described under the heading "Risk Factors" in the Company's Annual Information Form available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made and, other than as required by applicable securities laws, the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not attribute undue certainty to or place undue reliance on forward-looking statements.

### Cautionary Note for United States Investors

Unless otherwise indicated, technical disclosure regarding the Company's properties included or incorporated by reference herein, including all Mineral Resource estimates contained in such technical disclosure has been prepared in accordance with the requirements of NI 43-101 and the CIM Definition Standards. NI 43-101 is an instrument developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

Canadian standards, including NI 43-101, differ significantly from the disclosure requirements of the SEC under subpart 1300 of Regulation S-K (the "SEC Modernization Rules"). The Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and provides disclosure under NI 43-101 and the CIM Definition Standards. Accordingly, information contained in this MD&A, or the documents incorporated by reference herein, may differ significantly from the information that would be disclosed had the Company prepared the Mineral Resource estimates under the standards adopted under the SEC Modernization Rules.

### Cautionary Note to Investors Concerning Estimates of Mineral Resources

"Inferred Mineral Resources" are Mineral Resources for which quantity and grade or quality are estimated based on limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. "Inferred Mineral Resources" are based on limited information and have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility, although it is reasonably expected that the majority of "Inferred Mineral Resources" could be upgraded to "Indicated Mineral Resources" with continued exploration.

Under Canadian rules, estimates of Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them to enable them to be categorized as Mineral Resources and, accordingly, may not form the basis of feasibility or pre-feasibility studies, or economic studies except for a Preliminary Economic Assessment as defined under NI 43-101. Indicated and Inferred Mineral Resources that are not Mineral Resources do not have demonstrated economic viability.