



PAN AMERICAN
— SILVER —

ANNUAL
REPORT

2023



Pan American Silver is a leading producer of silver and gold in the Americas, operating mines in Canada, Mexico, Peru, Brazil, Bolivia, Chile and Argentina. We also own the Escobal mine in Guatemala that is currently not operating, and we hold interests in exploration and development projects. We have been operating in the Americas for three decades, earning an industry-leading reputation for sustainability performance, operational excellence and prudent financial management.

2023 OPERATING PERFORMANCE

Ag

20.4 MOZ

CONSOLIDATED PRODUCTION

\$18.17/OZ

SILVER SEGMENT ALL-IN SUSTAINING COST⁽¹⁾

486.8 MOZ

PROVEN + PROBABLE RESERVES⁽²⁾

Au

882.9 KOZ

CONSOLIDATED PRODUCTION

\$1,371/OZ

GOLD SEGMENT ALL-IN SUSTAINING COST⁽¹⁾

7.7 MOZ

PROVEN + PROBABLE RESERVES⁽²⁾

(1) Non-GAAP measure; please refer to the "Alternative Performance (non-GAAP) Measures" section on page 120 of this annual report for further information on these measures. Silver Segment Cash Costs and AISC are calculated net of credits for realized revenues from all metals other than silver ("silver segment by-product credits"), and are calculated per ounce of silver sold. Gold Segment Cash Costs and AISC are calculated net of credits for realized revenues from all metals other than gold ("gold segment by-product credits"), and are calculated per ounce of gold sold.

(2) See the mineral reserves and mineral resources on page 55 for further information.

Certain of the statements and information in this annual report constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws. Please refer to pages 120 to 121 at the end of this annual report for an important note to readers regarding forward-looking statements and information.

MESSAGE FROM THE BOARD CHAIR

GILLIAN WINCKLER | BOARD CHAIR

The 2023 year was a transformative one for Pan American during which we made significant progress in looking after the health and safety of our people, completing the acquisition of Yamana Gold Inc. (“Yamana”), publishing the Preliminary Economic Assessment (“PEA”) for the La Colorada Skarn project, and advancing many sustainability initiatives. This progress supports our goal of long-term sustainable growth to the benefit of our workforce, communities and shareholders.

A Transformative Year

The Yamana acquisition, which closed at the end of March 2023, established Pan American as a leading precious metals miner in the Americas. The new mines, located in Brazil, Chile, and Argentina, are operated by strong teams and have contributed to increasing our annual production of both silver and gold and extending our overall mine life. I am very pleased with how well the integration of the Yamana assets has proceeded. We are creating a stronger Pan American by combining the best of both companies, including sustainability practices.

In addition to strengthening the Company’s portfolio by acquisition, we continued the extensive brownfield drilling at the La Colorada Skarn and finalised the PEA for the project. This project has the potential to deliver long-term growth in silver volumes.

Safety, Culture and Sustainability

The health and safety of our people is Pan American’s highest priority. This year we continued to adopt additional safety measures and began to incorporate the “Do Safety Differently” concept within our operations. We expanded training and worked to further develop both the technical and leadership skills of our employees. I am extremely pleased to report that our safety performance in 2023 was significantly better than in the prior two years, including zero fatalities across all operations. While we are heartened by our



achievements, we recognize that safety requires a relentless focus, and we are committed to maintaining our efforts to continuously improve.

Attracting and retaining talent in the mining industry is a constant challenge. At Pan American, people are the heart of the Company and we strive to attract and develop new talent, with an emphasis on local hiring. Last year, we launched our “Future PAAS” internship program in Peru, which is open to all graduates from mining-related engineering programs. Our internships provide technical field training, leadership development, and mentoring, while also supporting the development of English language skills.

In 2023, we incorporated our “Building Respect Together” program into the induction processes across our sites. As this program has developed over the years, we have strived to create a welcoming, healthy, and respectful workplace while simultaneously improving our diversity and inclusion. We are fortunate to have a culturally diverse workforce, however, the

I am extremely pleased to report that our safety performance in 2023 was significantly better than in the prior two years, including zero fatalities across all operations.

level of participation of women and under-represented minorities remains low. In 2023, we set hiring and retention goals, committing to hire at least 15% women and to retain 85% of female employees. I am delighted that we exceeded both - nearly one quarter of all new hires were women, and we retained more than 90% of our female employees. We believe a more diverse and inclusive workplace culture is the foundation for success, and we will maintain a committed effort to foster this at each of our operations.

Respecting local communities is at the core of our values as a company, and we work closely with local stakeholders to build positive, long-term relationships and to support the development of sustainable local economies. In 2023, we continued advancing the social closure plan for Manantial Espejo in Argentina, which is a community-driven economic development program that is being developed by the Gobernador Gregores community and with the participation of local government. We initiated a similar social closure process at our Dolores mine in Mexico with the local Ejido members and the local and regional governments.

We continue our journey of sustainable development practices and addressing the risks and opportunities that climate change presents. In 2023, we joined the World Gold Council and committed to implement the Responsible Mining Principles. We had no significant environmental incidents in 2023 and made material progress in meeting our climate change goals, exceeding our GHG emissions annual reduction target of 19% (or 73,000 t CO₂Eq). This positions us very well to meet our current 2030 goal of reducing our global scope 1 and scope 2 GHG emissions by at least 30% from 2019 baseline emissions. We also continued our biodiversity conservation efforts, surpassing our goal of revegetating 80 hectares across our operations.

I was fortunate to travel to four of our operations this year, namely Shahuindo, El Peñon, Jacobina and Escobal. Interacting with the local management provides an opportunity to better understand the local operating context, consider the challenges and opportunities at each site, and experience our culture first-hand. It was particularly pleasing to see how well the new Pan American sites have been integrated and to see how our teams are making a positive impact in the communities where we operate.

Governance

In 2023, we welcomed several new directors to our Board: Chantal Gosselin, along with three former Yamana Board members - John Begeman, Alexander Davidson, and Kimberley Keating. Mr. Davidson will not be standing for re-election this year, and the Board extends its gratitude for his contribution over the past year, particularly in guiding the integration of the former Yamana operations. Walter Segsworth, a director since 2009, will be retiring in 2024. I am thankful for the many years of outstanding support, leadership and operational expertise that Walter has brought to Pan American.

The Board is steadfastly focused on the next chapter of Pan American's future success, enhancing operational performance, advancing growth projects, and upholding our commitment to safe and sustainable mining operations.

Pan American Well Positioned for the Future

I am excited for the future of Pan American. We are well positioned to take advantage of opportunities and navigate the challenges that may arise due to our strong balance sheet and portfolio of operating assets that has significant upside potential. Our extraordinary team, led by Michael Steinmann, has had a very demanding year where everyone has risen to the challenge. On behalf of the Board, I would like to thank all our employees and contractors for their ongoing efforts and commitment, and our communities, suppliers, and shareholders, for their continuing support.



Gillian Winckler | Board Chair

February 24, 2024

MESSAGE FROM THE CEO

MICHAEL STEINMANN | PRESIDENT AND CEO

The past year was a period of dynamic change for Pan American. Following the completion of our acquisition of Yamana Gold Inc. (“Yamana”) on March 31, 2023, we added four producing mines to our portfolio: the Jacobina mining complex in Brazil, the El Peñón and Minera Florida mines in Chile, and the Cerro Moro mine in Argentina. This strategic move greatly expanded our operations in Latin America and established Pan American as a leading producer of silver and gold in the Americas. The transaction was well aligned with our

As we enter 2024, Pan American proudly celebrates 30 years of operating in the Americas. Over the last five years, we have increased the size of the Company through two accretive acquisitions, establishing a robust base for continued growth and cash flow generation.

silver mineral reserves within a well-capitalized, widely held and highly liquid company. As we look ahead, we remain optimistic about the future demand for silver, driven by its essential role in solar panel production, electrification and the broader energy transition.

overarching strategy of creating value through exposure to new growth opportunities, margin improvement, and extending mine life.

Post-acquisition, we achieved another milestone by listing on the New York Stock Exchange, a move that solidified our position among world-class mining entities and enhanced our capital markets presence. We believe that Pan American is the preferred investment for exposure to silver, backed by our large



Successful Integration of Assets

Integration has been a key focus in 2023, as we welcomed more than 4,500 new employees into the Pan American family. Their dedication has been instrumental in achieving a smooth integration, and to fostering a shared vision for our future success. Our teams maintained a focus on the safe, efficient, and environmentally sound operation of our mines. I am especially proud to note our commendable safety record in 2023, marked by zero fatalities and significant improvements in our loss-time injury frequency and severity rates.

In 2023, we produced 20.4 million ounces of silver and a record 882.9 thousand ounces of gold, representing increases of 11% and 60%, respectively, inclusive of the nine-month contribution from the acquired Yamana operating mines. The all-in sustaining costs for our silver segment operations of \$18.17⁽¹⁾ per ounce were higher than we had guided⁽²⁾, largely due to production shortfalls at La Colorada related to ventilation constraints. We completed the new concrete-lined ventilation shaft for the La Colorada mine on schedule in December 2023. This infrastructure upgrade, coupled with the installation of two large exhaust fans by mid-2024, is expected to significantly enhance ventilation conditions, leading to improved production and costs at that mine in the second half of 2024. The all-in sustaining costs for our gold segment operations of \$1,371⁽¹⁾ per ounce was within our guided range.

Pan American achieved record revenue of \$2.3 billion in 2023 and paid out \$130.4 million in dividends. We are well-positioned entering 2024 with cash and short-term investments totaling \$440.9 million and the full \$750.0 million available under our undrawn revolving sustainability-linked credit facility.

Another priority in 2023 was the rationalization of our asset portfolio, aligning with the commitment we made to de-risk and de-leverage following the Yamana acquisition. Through the divestment of non-core assets: our interest in the MARA project, the Morococha mine and the Agua de la Falda project, we realized \$549.1 million in cash proceeds. Importantly, we retained royalties on the MARA and Agua de La Falda projects, providing future optionality to metal prices, particularly copper. We estimate these divestments will generate approximately \$90 million in cash savings, primarily from the elimination of care and maintenance, project development, and reclamation costs, complementing the more than \$60 million of synergies being realized through the Yamana acquisition.

Achieving Progress with Portfolio Catalysts

In 2023, we continued to advance our growth projects. In December, we announced the preliminary economic assessment (“PEA”) for our 100% owned La Colorada Skarn project in Mexico⁽³⁾. The project currently envisions production averaging 17.2 million ounces of silver, 427 thousand tonnes of zinc and 218 thousand tonnes of lead annually during the first 10 years of an estimated 17-year mine life. The ultimate size of the deposit has not yet been determined. We continue to define and expand the deposit with an active drill program. We are also exploring opportunities for long-term partnerships to jointly develop this project. We believe the La Colorada Skarn project represents an exceptional opportunity to create long-term value for our shareholders, providing meaningful exposure to future silver prices.

The ILO 169 consultation process for the Escobal mine continued in 2023. Information related to the project was delivered to the representatives of the Xinka Indigenous people, and the Xinka representatives and their advisors made several visits to the Escobal site to verify the information provided. In addition, several working group meetings were held. Pan American

looks forward to continuing our participation in the ILO 169 consultation under the new government in Guatemala that took office in January 2024.

At our Jacobina mine in Brazil, we commenced an optimization study in 2023 to evaluate modifications to the mining method and the processing facility to further enhance the long-term economics of the mine and to potentially increase production rates. We are very excited by the future potential of the Jacobina complex and its exploration opportunities.

As we enter 2024, Pan American proudly celebrates 30 years of operating in the Americas. Over the last five years, we have increased the size of the Company through two accretive acquisitions, establishing a robust base for continued growth and cash flow generation. We remain focused on safety and operational excellence, and we will continue to evaluate opportunities to optimize our portfolio through the divestment of non-core assets.

In closing, I extend my heartfelt thanks to our dedicated employees and the communities we serve for their unwavering support. Together, we embark on the next chapter of Pan American’s journey with confidence and enthusiasm.



Michael Steinmann | President & CEO

February 24, 2024

(1) Non-GAAP measure; please refer to the “Alternative Performance (non-GAAP) Measures” section on page 120 of this annual report for further information on these measures.

(2) As per the news release issued by Pan American on April 27, 2023.

(3) For additional information, please refer to the news release dated December 18, 2023.

CONSOLIDATED RESULTS

	December 31, 2023	December 31, 2022
Weighted average shares during period (thousands)	326,540	210,521
Shares outstanding end of period (thousands)	364,660	210,681
	Year ended December 31,	
	2023	2022
FINANCIAL (in millions USD, except per share amounts)		
Revenue	\$ 2,316.1	\$ 1,494.7
Mine operating earnings	\$ 296.8	\$ 48.4
Net loss	\$ (104.9)	\$ (340.1)
Basic loss per share ⁽¹⁾	\$ (0.32)	\$ (1.62)
Adjusted earnings ⁽²⁾	\$ 39.3	\$ 17.9
Basic adjusted earnings per share ⁽¹⁾	\$ 0.12	\$ 0.09
Net cash generated from operating activities	\$ 450.2	\$ 31.8
Net cash generated from operating activities before changes in working capital ⁽²⁾	\$ 381.3	\$ 73.8
Sustaining capital expenditures ⁽²⁾	\$ 288.5	\$ 223.8
Non-sustaining capital expenditures ⁽²⁾	\$ 141.3	\$ 71.0
Cash dividend per share	\$ 0.40	\$ 0.45
PRODUCTION ⁽³⁾		
Silver (thousand ounces)	20,437	18,455
Gold (thousand ounces)	883	553
Zinc (thousand tonnes)	38.8	38.6
Lead (thousand tonnes)	18.7	18.7
Copper (thousand tonnes)	5.0	5.3
CASH COSTS ⁽²⁾⁽³⁾ (\$/ounce)		
Silver Segment ⁽⁴⁾	13.07	12.72
Gold Segment ⁽⁴⁾	1,113	1,113
AISC ⁽²⁾⁽³⁾ (\$/ounce)		
Silver Segment ⁽⁴⁾	18.17	16.48
Gold Segment ⁽⁴⁾	1,371	1,649
AVERAGE REALIZED PRICES ⁽⁵⁾		
Silver (\$/ounce)	22.94	21.59
Gold (\$/ounce)	1,951	1,792
Zinc (\$/tonne)	2,656	3,472
Lead (\$/tonne)	2,146	2,148
Copper (\$/tonne)	8,475	8,979

(1) Per share amounts are based on basic weighted average common shares.

(2) Non-GAAP measure; please refer to the "Alternative Performance (non-GAAP) Measures" section on page 120 of this annual report for further information on these measures.

(3) Reflects ownership of the Cerro Moro, Jacobina, El Peñon and Minera Florida mines for the nine-month period from March 31 to December 31, 2023.

(4) Silver Segment Cash Costs and AISC are calculated net of credits for realized revenues from all metals other than silver ("silver segment by-product credits"), and are calculated per ounce of silver sold. Gold Segment Cash Costs and AISC are calculated net of credits for realized revenues from all metals other than gold ("gold segment by-product credits"), and are calculated per ounce of gold sold.

(5) Metal prices stated are inclusive of final settlement adjustments on concentrate sales.

For historical financial and operating data, please see the Interactive Analyst Centre at panamericansilver.com



PAN AMERICAN
— SILVER —

Management's Discussion and Analysis

FOR THE YEAR ENDED DECEMBER 31, 2023

February 21, 2024

TABLE OF CONTENTS

Introduction	7
Core Business and Strategy	8
Yamana Acquisition and Strategic Dispositions	8
2023 Highlights	10
2023 Operating Results vs Operating Outlook	11
Operating Performance	12
Financial Performance	16
2024 Operating Outlook	23
Annual and Quarterly Financial Information	30
Operating Metrics	31
Alternative Performance Measures (Non-GAAP)	33
Risks and Uncertainties	42
Material Accounting Policies, Standards and Judgements	52
Related Party Transactions	53
Disclosure Controls and Procedures	53
Mineral Reserves and Resources	55
Cautionary Note	59

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the significant factors that influence the performance of Pan American Silver Corp. and its subsidiaries (collectively "Pan American", "we", "us", "our" or the "Company") and such factors that may affect its future performance. This MD&A should be read in conjunction with the Company's audited Consolidated Financial Statements for the year ended December 31, 2023 prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") (the "2023 Annual Financial Statements"), and the related notes contained therein. Pan American's material accounting policy information is set out in Note 3 of the 2023 Annual Financial Statements. All amounts in this MD&A, and the 2023 Annual Financial Statements, are expressed in United States dollars ("USD") unless identified otherwise.

This MD&A refers to various non-IFRS ("non-GAAP") measures, such as "all-in sustaining costs per ounce sold", "cash costs per ounce sold", "adjusted earnings (loss)" and "basic adjusted earnings (loss) per share", "total debt", "capital", and "working capital", which are used by the Company to manage and evaluate operating performance at each of the Company's mines and are widely reported in the mining industry as benchmarks for performance, do not have standardized meanings under IFRS, and the methodology by which these measures are calculated may differ from similar measures reported by other companies. To facilitate a better understanding of these non-GAAP measures as calculated by the Company, additional information has been provided in this MD&A. Please refer to the section of this MD&A entitled "Alternative Performance (Non-GAAP) Measures" for a detailed description of "all-in sustaining costs per ounce sold", "cash costs per ounce sold", "adjusted earnings (loss)" and "basic adjusted earnings (loss) per share", "total debt", "capital", and "working capital" as well as details of the Company's by-product credits and a reconciliation, where appropriate, of these measures to the 2023 Annual Financial Statements.

Any reference to "Cash Costs" in this MD&A should be understood to mean cash costs per ounce of silver or gold sold, net of by-product credits. Any reference to "AISC" in this MD&A should be understood to mean all-in sustaining costs per silver or gold ounce sold, net of by-product credits.

Except for historical information contained in this MD&A, the following disclosures are forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian provincial securities laws, or are future oriented financial information and as such, are based on an assumed set of economic conditions and courses of action. Please refer to the cautionary note regarding forward-looking statements and information at the back of this MD&A, and the "Risks Related to Pan American's Business" contained in the Company's most recent Annual Information Form on file with the Canadian provincial securities regulatory authorities and Form 40-F on file with the U.S. Securities and Exchange Commission (the "SEC"). Additional information about Pan American and its business activities is available on SEDAR+ at www.sedarplus.ca and with the SEC on EDGAR at www.sec.gov/edgar.

CORE BUSINESS AND STRATEGY

Pan American engages in silver and gold mining and related activities, including exploration, mine development, extraction, processing, refining and reclamation. The Company owns and operates silver and gold mines located in Canada, Mexico, Peru, Brazil, Bolivia, Chile and Argentina. We also own the Escobal mine in Guatemala that is currently not operating. In addition, the Company is exploring for new silver and gold deposits and opportunities throughout the Americas. The Company is listed on the Toronto Stock Exchange (Symbol: PAAS) and on the New York Stock Exchange (Symbol: PAAS).

Pan American's vision is to be the world's premier silver mining company, with a reputation for excellence in discovery, engineering, innovation and sustainable development. To achieve this vision, we base our business on the following strategy:

- Generate sustainable profits and superior returns on investments through the safe, efficient and environmentally sound development and operation of our assets.
- Constantly replace and grow our mineral reserves and mineral resources through targeted near-mine exploration and global business development.
- Foster positive long-term relationships with our employees, shareholders, communities and local governments through open and honest communication and ethical and sustainable business practices.
- Continually search for opportunities to upgrade and improve the quality of our assets, both internally and through acquisition.
- Encourage our employees to be innovative, responsive and entrepreneurial throughout our entire organization.

To execute this strategy, Pan American has assembled a sector-leading team of mining professionals with a depth of knowledge and experience in all aspects of our business, which enables the Company to confidently advance early-stage projects through construction and into operation.

YAMANA ACQUISITION AND STRATEGIC DISPOSITIONS

On March 31, 2023, the Company completed the acquisition (the "Yamana Acquisition") of 100% of the issued and outstanding shares of Yamana Gold Inc. ("Yamana"), following the sale by Yamana of its Canadian assets to Agnico Eagle Mines Limited. As consideration for the Yamana Acquisition, Pan American issued 153.8 million common shares of Pan American with a value of approximately \$2.8 billion, to the former shareholders of Yamana. The Company began consolidating the operating results, cash flows and net assets of Yamana from March 31, 2023 onwards.

The Company sought to increase production of silver and gold, expand its mineral reserves, mine life and growth opportunities through the acquisition of Yamana's diverse portfolio of mines and projects, including the following principal mines: Jacobina in Brazil, El Peñon and Minera Florida in Chile, Cerro Moro in Argentina, (together the "Acquired Mines"); as well as a 56.25% interest in the MARA development project in Argentina ("MARA").

The Company reported its initial accounting for the Yamana Acquisition during the first quarter of 2023 and had a period of up to one year from the acquisition date to adjust any provisional amounts recognized and to recognize new assets and liabilities as a result of new information obtained that existed at the acquisition date. As a result, the Company recorded adjustments, most significantly to the acquired deferred tax liabilities and mineral property through the process of finalizing the purchase allocation. All measurements impacted by the adjustments have been reflected retrospectively to the acquisition date.

During 2023, the Company completed the divestment of its 56.25% interest in MARA, its 92.3% interest in the Morococha mine in Peru and its 57.74% interest in Agua de la Falda S.A. ("ADLF") on September 20, September 22, and November 6, 2023, respectively.

Under the terms of the agreement for the MARA sale, Glencore International AG (“Glencore”) paid \$475 million in cash and granted to Pan American a life-of-mine copper net smelter return royalty of 0.75% on the property with the right for Pan American to freely transfer the royalty. Glencore assumed 100% ownership of MARA following completion of the transaction.

Under the terms of the agreement regarding the sale of the Morococha mine, Alpayana S.A. paid \$28.6 million in cash, inclusive of a \$5.0 million deposit paid in Q2 2023 and final working capital adjustments, for the Company's 92.3% interest in Compañía Minera Argentum S.A., Pan American's Peruvian subsidiary that owned the Morococha mine.

Under the terms of the agreement for the ADLF sale, a subsidiary of Rio Tinto Limited paid \$45.55 million in cash upon closing and granted to Pan American's subsidiary a net smelter return royalty of 1.25% on all precious metals and a net smelter return royalty of 0.2% on all base metals production from certain mineral concessions of ADLF, applied on a pro rata basis in accordance with the ownership interest acquired in such concessions.

The sale of these non-core assets is aligned with Pan American's stated aim of optimizing its portfolio following the Yamana Acquisition. The transactions allow Pan American to reduce its annual project capital, reclamation and care and maintenance costs. The financial impacts of the dispositions are further described in Note 9 of the 2023 Annual Financial Statements.

2023 OPERATIONAL AND FINANCIAL HIGHLIGHTS

Silver production of 20.44 million ounces

Consolidated silver production for 2023 was 20.44 million ounces, 1.98 million ounces higher than the 18.45 million ounces produced in 2022. 2023 production reflected the contribution of 6.74 million ounces from the Acquired Mines.

Gold production of 882.9 thousand ounces

Consolidated gold production for 2023 was 882.9 thousand ounces, 330.4 thousand ounces higher than the 552.5 thousand ounces produced in 2022. Gold production for 2023 was a Company record, reflecting the contribution from the Acquired Mines.

Cash Costs⁽¹⁾ and All-In Sustaining Costs ("AISC")⁽¹⁾

Silver Segment Cash Costs per ounce in 2023 were \$13.07, \$0.35 higher than in 2022. Gold Segment Cash Costs per ounce in 2023 were \$1,113, comparable with Cash Costs in 2022.

Silver Segment AISC for 2023 of \$18.17 per ounce were \$1.69 per ounce higher than in 2022. Gold Segment AISC for 2023 of \$1,371 per ounce were \$277 per ounce lower than in 2022.

Income Statement, Cash Flow, Liquidity and Working Capital Position

Revenue in 2023 of \$2.3 billion was 55% higher than in 2022, largely as a result of the Yamana Acquisition.

Net loss of \$104.9 million, or \$0.32 basic loss per share, was recorded for 2023, compared with net loss of \$340.1 million, or \$1.62 basic loss per share in 2022.

Adjusted earnings⁽¹⁾ were \$39.3 million, or \$0.12 basic adjusted earnings per share, in 2023, compared to adjusted earnings of \$17.9 million, or \$0.09 basic adjusted earnings per share in 2022.

Cash flow from operations generated \$450.2 million in 2023, compared to \$31.8 million in 2022.

Liquidity and working capital as at December 31, 2023 was comprised of Working Capital⁽¹⁾ of \$765.8 million, inclusive of cash and short-term investments of \$440.9 million, and \$750.0 million available under its revolving Sustainability-Linked Credit Facility ("SL-Credit Facility"). Total Debt⁽¹⁾ of \$801.6 million is related to two senior notes Pan American assumed through the Yamana Acquisition, construction and other loans, and leases.

(1) Adjusted earnings, Cash Costs, AISC, Working Capital and Total Debt are non-GAAP measures; please refer to the "Alternative Performance (Non-GAAP) Measures" section of this MD&A for a detailed reconciliation of these measures to the 2023 Annual Financial Statements.

2023 OPERATING RESULTS VERSUS 2023 OPERATING OUTLOOK

The following table sets out the actual 2023 annual metal production, Cash Costs, AISC and capital expenditures compared to the Company's 2023 Operating Outlook as per the Q1 2023 MD&A dated May 10, 2023.

	2023 Operating Outlook	2023 Actual ⁽¹⁾
Silver Production - Moz	21.0 - 23.0	20.4
Gold Production - koz	870 - 970	883
Zinc Production - kt	41 - 45	39
Lead Production - kt	18 - 21	19
Copper Production - kt	5	5
Silver Segment Cash Costs (\$ per ounce) ⁽²⁾	10.00 - 12.00	13.07
Gold Segment Cash Costs (\$ per ounce) ⁽²⁾	975 - 1,100	1,113
Silver Segment AISC (\$ per ounce) ⁽²⁾	14.00 - 16.00	18.17
Gold Segment AISC (\$ per ounce) ⁽²⁾	1,275 - 1,425	1,371
Sustaining Capital (\$ millions)	305.0 - 320.0	288.5
Project Capital (\$ millions)	95.0 - 105.0	94.5

(1) Reflects ownership of the Cerro Moro, Jacobina, El Peñon and Minera Florida mines for the nine-month period from March 31 to December 31, 2023.

(2) Cash Costs and AISC are non-GAAP measures. Please refer to the "Alternative Performance (Non-GAAP) Measures" section of this MD&A for further information on these measures.

Silver and Gold Production

Consolidated 2023 silver production of 20.4 million ounces was below the 2023 Operating Outlook due to La Colorada's ventilation constraints in the higher grade mine zones and the temporary suspension of operations in October 2023, partially offset by higher silver production at San Vicente. Consolidated 2023 gold production of 883 thousand ounces was within the 2023 Operating Outlook, despite lower production at El Peñon related to grade reconciliations in certain sections of the mine resulting in lower gold grades mined.

Cash Costs and AISC

Silver Segment Cash Costs of \$13.07 per ounce were higher than the forecast range of \$10.00 to \$12.00 per ounce, largely affected by production shortfalls at La Colorada related to ventilation constraints, as well as higher mining costs at La Colorada and greater underground mine developments at Huaron. These increases were partially offset by lower than expected costs at Cerro Moro which were due to higher throughput along with higher gold prices, process plant operational optimizations and organizational enhancements. Silver Segment AISC of \$18.17 per silver ounce were largely driven by the same factors affecting the Silver Segment Cash Costs.

Gold Segment Cash Costs of \$1,113 per ounce were higher than the forecast range of \$975 to \$1,100 per ounce, largely the result of lower than anticipated gold production at El Peñon related to lower grade reconciliations. Gold Segment AISC of \$1,371 per gold ounce were affected by the same factors driving the Gold Segment Cash Costs, offset by \$35.7 million in cost-decreasing net realizable value ("NRV") adjustments at Dolores, and lower sustaining capital at La Arena, Shahuindo and El Peñon due to delays in project execution.

Capital Expenditures

Sustaining capital expenditures were \$16.5 million lower than the bottom end of the range provided in the 2023 Operating Outlook, largely from the reclassification of capitalized stripping to operating costs at La Arena, and delayed projects at Shahuindo and El Peñon. Project capital in 2023 was below the 2023 Operating Outlook range, primarily due to delays in permitting of the new dry-stack tailings storage facility at Huaron, payments related to the paste plant at Timmins and construction of the plant facility infrastructure upgrades at Jacobina.

2023 OPERATING PERFORMANCE

Consolidated⁽¹⁾⁽²⁾

	Three Months Ended December 31,			Year ended December 31,		
	2023	2022	Variance	2023	2022	Variance
Production						
Silver – koz	4,835	4,763	73	20,437	18,455	1,982
Gold – koz	267.8	164.4	103.4	882.9	552.5	330.4
Zinc – kt	9.4	10.5	(1.1)	38.8	38.6	0.2
Lead – kt	4.2	5.0	(0.8)	18.7	18.7	—
Copper – kt	1.4	1.3	0.1	5.0	5.3	(0.2)
Cash Costs - \$ per ounce sold ⁽²⁾						
Silver Segment	19.31	14.41	4.90	13.07	12.72	0.35
Gold Segment	1,096	1,077	19	1,113	1,113	—
AISC - \$ per ounce sold ⁽²⁾						
Silver Segment	26.55	17.79	8.77	18.17	16.48	1.69
Gold Segment	1,411	1,502	(91)	1,371	1,649	(277)

(1) Please refer to the “Operating Metrics” and “Alternative Performance (Non-GAAP) Measures” sections of this MD&A for mine by mine operating and cost metrics.

(2) Acquired Mines data represent operating results from March 31, 2023 to December 31, 2023.

(3) Cash Costs and AISC are non-GAAP measures. Please refer to the “Alternative Performance (Non-GAAP) Measures” section of this MD&A for a detailed reconciliation of these measures to production costs.

Silver Production

Consolidated silver production for 2023 was 20.44 million ounces compared with 18.45 million ounces in 2022. The increase was driven by the Acquired Mines and higher silver production at San Vicente more than offsetting production declines from the placement of Manantial Espejo on care and maintenance in January 2023, and at La Colorada from the ventilation-driven constraints and temporary suspension of operations due to security concerns in October 2023.

Gold Production

Consolidated gold production for 2023 was 882.9 thousand ounces compared to 552.5 thousand ounces in 2022. The increase was driven by the Acquired Mines more than offsetting lower production from Manantial Espejo being placed on care and maintenance and Dolores mine sequencing into lower grade gold ore zones.

Base Metal Production

Zinc, lead and copper production in 2023 was 38.8 thousand tonnes, 18.7 thousand tonnes, and 5.0 thousand tonnes, respectively. Zinc and lead production were consistent with 2022 due to higher production at Huaron from mine sequencing into higher grade ore zones, and the acquisition of Minera Florida, which offset the decrease in production from Morococha entering care and maintenance, and lower production at La Colorada due to ventilation-driven constraints. Copper production decreased relative to 2022 due to Morococha entering care and maintenance.

Cash Costs

Silver Segment Cash Costs per ounce in 2023 of \$13.07 were \$0.35 higher than the \$12.72 in 2022, reflecting: higher costs at La Colorada driven by higher operating costs per tonne, lower silver grades, and lower by-product credits from lower zinc and lead production, all related to ventilation constraints; and, lower by-product credits at Huaron related to lower zinc and copper prices. These increases were partially offset by higher gold by-product credits from the acquisition of Cerro Moro and the contribution from residual sales at Manantial Espejo as the mine entered care and maintenance.

Gold Segment Cash Costs per ounce in 2023 were \$1,113, comparable to 2022 Cash Costs of \$1,113. This largely reflects reductions from the acquisition of lower cost production from Jacobina, as well as higher by-product credits at Dolores due to mine sequencing into higher grade silver ores, partially offset by: increased costs per ounce at La Arena due to higher mining costs which were capitalized as deferred stripping in the prior year; increased operating costs at Timmins due to workforce shortages resulting in higher contractor use and challenging ground conditions, which limited throughput; and, the acquisition of higher cost production from Minera Florida.

AISC

Silver Segment AISC for 2023 of \$18.17 per ounce were \$1.69 per ounce higher than in 2022, due to the previously described factors increasing Cash Costs, as well as higher sustaining capital at Huaron related to investments in mine development advances and ventilation projects and \$3.8 million in cost-increasing NRV adjustments at La Colorada.

Gold Segment AISC for 2023 of \$1,371 per ounce were \$277 per ounce lower than in 2022. The decrease largely reflects \$35.7 million in cost-decreasing NRV adjustments in the current period relative to \$98.9 million in cost-increasing NRV adjustments in 2022 at Dolores, which led to a \$234 per ounce decrease in Gold Segment AISC, as well as lower sustaining capital at La Arena related to waste dump preparation, heap leach pad expansions and lower waste tonnes mined from a decrease in the waste-to-ore ratio in the current phase of the mine plan.

Silver Segment Operations

La Colorada

At the La Colorada mine, 2023 silver production of 4.39 million ounces was 26% lower than 2022, primarily reflecting lower throughput and grades related to ventilation constraints in the high-grade, deep eastern Candelaria zone of the mine, as well as the temporary suspension of operating activities due to security concerns in October 2023. These factors also decreased zinc and lead production by 26% and 25%, respectively. The Company has completed the construction of a concrete-lined ventilation shaft, which reached a depth of 581 meters in December 2023. The installation of two exhaust fans on the surface of the shaft is on schedule to be completed by mid-2024, following which ventilation conditions in the mine are expected to improve significantly leading to accelerated development rates and higher throughput rates thereafter.

2023 Cash Costs of \$22.82 per ounce were \$11.26 per ounce higher than in 2022, primarily due to ventilation constraints driving higher mining costs, lower mine productivity, lower silver grades and lower by-product lead and zinc production. 2023 AISC of \$28.13 per ounce were \$11.35 per ounce higher than in 2022, primarily as a result of the same factors that affected Cash Costs, as well as \$0.84 per ounce in cost-increasing NRV inventory adjustments, partially offset by lower sustaining capital investments. Lower sustaining capital investments in 2023 were related to a reduction in investments in raise bore ventilation infrastructure, mine deepening and other site infrastructure, partially offset by increased investments in tailings storage facility expansions.

During 2023, the Company invested \$44.4 million on project capital to advance the La Colorada Skarn project, largely for exploration and the preliminary economic assessment ("PEA") which was announced on December 18, 2023, as well as on the excavation of the concrete-lined ventilation shaft. An updated technical report on the La Colorada property was filed on SEDAR+ on January 31, 2024, which included the PEA on the La Colorada Skarn project and details regarding the anticipated timing and costs to advance the La Colorada Skarn project.

Cerro Moro

Following completion of the Yamana Acquisition on March 31, 2023 to December 31, 2023, silver production was 3.55 million ounces, gold production was 84.6 thousand ounces, Cash Costs were \$2.68 per ounce and AISC were \$10.00 per ounce. The Company invested \$25.4 million in sustaining capital during the same period, primarily on near-mine exploration, underground mine development and mine equipment replacements and refurbishments. Operating results were largely consistent with Management's expectations.

Huaron

In 2023, silver production of 3.61 million ounces was comparable to silver production in 2022, as throughput, grades and recoveries were largely consistent year-over-year. Zinc and lead production were 13% and 10% higher, respectively, relative to 2022, due to mine sequencing into higher grade zinc and lead ore zones. 2023 Cash Costs of \$9.95 per ounce were \$3.80 per ounce higher than in 2022, primarily driven by lower by-product credits due to lower base metal prices and higher treatment and refining charges, partially offset by higher base metal production. AISC in 2023 increased by \$5.78 per ounce, primarily as a result of the same factors that affected Cash Costs, as well as increased sustaining capital expenditures. Increased sustaining capital investments in 2023 were related to underground development advances to access the Horizonte zone, ventilation projects and near-mine exploration, partially offset by decreased investments in conventional tailings storage facility expansions. Additionally, in 2023, the Company invested \$15.8 million on project capital related to the construction of the new dry-stack tailings storage facility.

San Vicente

In 2023, silver, zinc, lead and copper production were 18%, 2%, 15% and 24% higher than in 2022, respectively, largely attributed to higher throughput and silver and lead grade ore zones mined. Cash Costs in 2023 were \$0.43 per ounce higher than in 2022, primarily due to higher royalties related to improved profitability, as well as higher treatment and refining charges due to increased zinc concentrate sold, offset by higher by-product credits per ounce. In 2023, AISC of \$17.09 per ounce were \$0.91 per ounce lower than in 2022, due to lower sustaining capital expenditures from reduced investments in tailings storage facility expansions, which partially offset the factors that increased Cash Costs year-over-year.

Manantial Espejo

The mine was placed on care and maintenance in January 2023, with residual processing resulting in 2023 silver production of 0.19 million ounces and gold production of 1.7 thousand ounces, after which the mill was also placed on care and maintenance.

Gold Segment Operations**Jacobina**

Following completion of the Yamana Acquisition on March 31, 2023 to December 31, 2023, gold production was 147.8 thousand ounces, Cash Costs were \$786 per ounce and AISC were \$1,107 per ounce. The Company invested \$46.1 million in sustaining capital during the same period, largely on near-mine exploration, lease payments related to ore haulage, tailings storage facility investments and mine equipment replacements. Additionally, the Company invested \$23.8 million on project capital related to plant facility infrastructure upgrades and development advances to connect sections of the mine via underground. Operating results were largely consistent with Management's expectations.

El Peñon

Following completion of the Yamana Acquisition on March 31, 2023 to December 31, 2023, silver production was 2.91 million ounces, gold production was 95.7 thousand ounces, Cash Costs were \$1,000 per ounce and AISC were \$1,207 per ounce. The Company invested \$18.6 million in sustaining capital during the same period, primarily on near-mine exploration and mine equipment lease payments, replacements and refurbishments. Operating results were not consistent with expectations due to lower than anticipated mined silver and gold grade ores resulting from ongoing revisions to the operating plans and negative grade reconciliations in certain sections of the mine. The shortfall was particularly impactful to gold production, which also negatively impacted Cash Costs and AISC relative to expectations. In 2024, we are focusing on infill drilling to confirm production grades going forward.

Timmins

At the Timmins mine, gold production of 132.9 thousand ounces in 2023 was consistent with 2022, reflecting lower throughput from challenging ground conditions at the Bell Creek mine being offset by higher gold grade ores

mined and higher recoveries. The challenging ground conditions resulted in a temporary work-stoppage in a certain high-grade area of the mine that impacted production in the second and third quarters of 2023; however, following successful remediation, the work stoppage was fully lifted in the fourth quarter of 2023 ("Q4 2023"), resulting in higher gold production in Q4 2023. In 2023, the Company invested \$7.7 million on project capital related to the development and construction of the Bell Creek paste backfill plant, which is advancing on schedule and is expected to be completed in the third quarter of 2024. 2023 Cash Costs of \$1,503 per ounce were \$129 per ounce higher than in 2022, primarily as a result of challenging ground conditions increasing costs per ounce and higher royalties due to higher tonnes mined on certain areas subject to higher royalty rates. 2023 AISC of \$1,800 per ounce were \$160 per ounce higher than in 2022, largely due to the same factors that impacted year-over-year Cash Costs, as well as increased investments on tailings storage facility expansions and near-mine exploration.

Shahuindo

At the Shahuindo mine, gold production of 140.1 thousand ounces was 7% lower than in 2022, primarily reflecting mine sequencing into lower gold grade ores and lower tonnes stacked, partially offset by an increase in the ratio of ounces recovered to ounces stacked from leach sequencing. 2023 Cash Costs of \$963 per ounce were consistent with 2022, while 2023 AISC of \$1,431 per ounce were \$111 per ounce higher than in 2022 due to the higher sustaining capital expenditures. Increased sustaining capital investments in 2023 were largely related to heap leach pad expansions, mining zone site access preparation and water treatment plant construction, partially offset by lower investments in mine equipment replacements.

La Arena

At the La Arena mine, gold production of 97.1 thousand ounces in 2023 was comparable to 2022 as a result of lower grades due to mine sequencing, offset by higher tonnes stacked due to mine sequencing with a lower strip ratio resulting in lower waste tonnes mined in 2023. Cash Costs in 2023 of \$1,237 were \$199 per ounce higher than in 2022 due to lower gold grades and higher mining costs, which were capitalized as deferred stripping costs in the prior year given the mine sequencing. 2023 AISC of \$1,520 per ounce were \$31 per ounce lower than in 2022, as the total tonnes mined in both years were comparable irrespective of the accounting treatment of deferred waste mining, and lower sustaining capital investments in waste dump preparation and heap leach pad expansions.

Minera Florida

Following completion of the Yamana Acquisition on March 31, 2023 to December 31, 2023, gold production was 72.4 thousand ounces, Cash Costs were \$1,472 per ounce and AISC were \$1,809 per ounce. The Company invested \$22.3 million in sustaining capital during the same period, primarily on near-mine exploration, mine equipment replacements and refurbishments and tailings storage facility expansions. Operating results were largely consistent with Management's expectations.

Dolores

At the Dolores mine, 2023 silver production of 2.19 million ounces and gold production of 107.1 thousand ounces were 2% and 22% lower than in 2022, respectively. The reduction in gold production is due to lower tonnes stacked, lower grade ores mined and lower ratio of ounces recovered to ounces stacked from leach sequencing. Cash Costs of \$1,021 per ounce in 2023 were \$49 per ounce lower than in 2022 due to higher by-product credits per ounce from the increase in silver price and the higher silver production relative to gold in the current year. 2023 AISC of \$850 per ounce were \$1,214 per ounce lower than in 2022, primarily due to NRV inventory adjustments, which resulted in \$35.7 million in cost reductions in 2023 compared to \$98.9 million in cost increases in 2022, representing a \$1,025 per ounce decrease year-over-year. In addition, the reduction in AISC reflects lower sustaining capital given the wind-down of mining activities and lower Cash Costs.

FINANCIAL PERFORMANCE

Income Statement

Net loss of \$67.8 million and \$104.9 million were recorded in Q4 2023 and the full year 2023 ("2023"), respectively, compared to a net loss of \$172.1 million and \$340.1 million in the same periods of 2022. This corresponds to a basic loss per share of \$0.19 and \$0.32, respectively (fourth quarter of 2022 ("Q4 2022") and full year 2022 ("2022") - \$0.82 and \$1.62 basic loss per share, respectively).

The following table highlights the difference between the net loss in Q4 2023 and 2023 with the comparable periods in 2022.

	Three months	Year ended	
Net loss, period ended December 31, 2022	\$ (172.1)	\$ (340.1)	Note
Revenue:			
Increased metal prices	\$ 68.3	\$ 137.9	
Higher quantities of metal sold	243.1	712.2	
Increased direct selling costs	(4.9)	(17.2)	
Increased negative settlement adjustments	(12.3)	(11.5)	
Total increase in revenue	294.2	821.4	(1)
Cost of sales:			
Increased production costs excluding NRV inventory adjustments	\$ (194.7)	\$ (514.3)	
Decreased NRV inventory adjustments	5.6	129.5	
Increased royalty charges	(11.4)	(20.0)	
Increased production costs and royalty charges	\$ (200.5)	\$ (404.8)	(2)
Increased depreciation and amortization	(63.9)	(168.2)	(3)
Increased cost of sales	(264.4)	(573.0)	
Increased mine operating earnings	29.8	248.4	
Decreased transaction and integration costs	157.1	132.1	(4)
Increased income tax expense	(0.9)	(7.0)	
Decreased exploration and project development expense	4.7	3.7	
Increased investment gain	2.0	10.7	
Increased gains on derivatives	1.3	1.0	
Decreased losses on sale of mineral properties, plant and equipment	0.7	10.3	
(Increased) decreased impairment charge	(36.2)	20.5	(5)
Increased interest and finance expense	(18.1)	(68.9)	(6)
Increased general and administrative expense	(15.4)	(32.4)	(7)
Increased other expense	(13.4)	(19.2)	(8)
(Increased) decreased foreign exchange loss	(8.7)	18.5	
Decreased (increased) care and maintenance costs	1.4	(37.1)	(9)
Decreased gains and income from associates	—	(45.4)	(10)
Net loss, year ended December 31, 2023	\$ (67.8)	\$ (104.9)	

1) Revenue for Q4 2023 was \$294.2 million higher than in Q4 2022. The major variances were: (i) a \$243.1 million increase in quantities of metal sold from the contribution of the Acquired Mines, partially offset by Manantial Espejo being on care and maintenance, and lower production at La Colorada due to the ventilation constraints; and, (ii) a \$68.3 million variance, primarily from higher gold and silver prices, which more than offset the lower zinc price realized in Q4 2023.

Revenue for 2023 was \$821.4 million higher than 2022, largely from the nine-month contribution of the Acquired Mines and increased precious metal prices, partially offset by the other quarter-over-quarter revenue drivers described above, in addition to less revenue from Morococha entering care and maintenance late in February 2022, and lower production at Dolores due to mine and leach sequencing.

Quantities and realized prices of metal sold for both Q4 2023 and 2023, and the comparable periods in 2022 are:

	Realized Metal Prices ⁽¹⁾				Quantities of Metal Sold ⁽²⁾			
	Three months ended December 31,		Year ended December 31,		Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022	2023	2022	2023	2022
Silver	\$ 22.33	\$ 21.17	\$ 22.94	\$ 21.59	4,959	4,080	20,951	17,486
Gold	\$ 1,980	\$ 1,736	\$ 1,951	\$ 1,792	270.4	146.6	893.9	548.8
Zinc	\$ 2,493	\$ 2,878	\$ 2,656	\$ 3,472	9.7	5.4	36.8	29.9
Lead	\$ 2,121	\$ 2,111	\$ 2,146	\$ 2,148	4.0	4.6	17.9	17.6
Copper	\$ 8,146	\$ 7,957	\$ 8,475	\$ 8,979	1.0	1.2	4.1	4.7

(1) Metal price stated as dollars per ounce for silver and gold, and dollars per tonne for zinc, lead and copper, inclusive of final settlement adjustments on concentrate sales.

(2) Metal quantities stated as koz for silver and gold and kt for zinc, lead and copper.

2) Production and royalty costs in Q4 2023 were \$200.5 million higher than in Q4 2022. The increase was the result of a \$194.7 million increase in production costs (excl. NRVs) and an \$11.4 million increase in royalty expense, partially offset by a \$5.6 million quarter-over-quarter change in NRV inventory adjustments that benefited costs relative to the comparable period. The increase in production costs (excl. NRVs) and royalty expense are largely related to the addition of production costs from the Acquired Mines, partially offset by reduced costs from having Manantial Espejo on care and maintenance.

Production and royalty costs in 2023 were \$404.8 million higher than in 2022, reflective of a \$514.3 million increase in production costs (excl. NRVs), and a \$20.0 million increase in royalty expense, partially offset by a \$129.5 million change in NRV inventory adjustments that increased 2022 costs by \$97.7 million and decreased 2023 costs by \$31.8 million. The increase in production costs (excl. NRV) was similar to the previously described quarter-over-quarter cost increase drivers, although with a larger offset from having both Morococha and Manantial Espejo on care and maintenance. Further drivers of increased annual production costs included: (i) increased production costs at La Colorada, due to the appreciation of the MXN and higher mining costs due to the ventilation constraints; (ii) higher costs at La Arena due to waste mining being reclassified as an operating cost in 2023 relative to 2022; and (iii) general operational cost inflation. These cost increasing factors were partially offset by lower production costs at Dolores, due to lower waste-to-ore ratios in the last phases of the mine plan with the mine entering its final year of open pit mining activities in 2024.

3) Depreciation and amortization expense for Q4 2023 was \$63.9 million higher than in Q4 2022, largely related to the addition of depreciation expense for the Acquired Mines, partially offset by lower depreciation attributable to Manantial Espejo being on care and maintenance, and the Dolores impairment recorded in Q2 2022.

Depreciation and amortization expense for 2023 was \$168.2 million higher than in 2022, primarily from the same drivers affecting quarter-over-quarter depreciation, in addition to Morococha having lower depreciation from being placed on care and maintenance early in 2022.

4) Transaction and integration costs for Q4 2023 were \$157.1 million lower than in Q4 2022, reflecting costs incurred pursuant to the Yamana Acquisition.

Transaction and integration costs for 2023 were \$132.1 million lower than in 2022 due to the same reason.

5) Impairment charge of \$36.2 million was recorded on the Shahuindo crushing and agglomeration plant in Q4 2023 as the Company determined that the non-operating crushing and agglomeration plant would not be used during the planned Shahuindo life of operations. No impairment charge was recorded in Q4 2022.

Impairment charge for 2023 was \$20.5 million lower than in 2022 due to the impairment recorded on Morococha in Q2 2023 and Shahuindo in Q4 2023 being lower than the Dolores mine impairment recorded in

Q2 2022. As described in the "Yamana Acquisition and Strategic Dispositions" section of this MD&A, as at June 30, 2023, the Company's Morococha mine was held for sale, and was then subsequently sold in September 2023, which resulted in an impairment charge of \$42.4 million during Q2 2023.

- 6) Interest and finance expense** for Q4 2023 was \$18.1 million higher than in Q4 2022. The increase was largely related to: (i) \$9.4 million of interest expense on the senior notes acquired as part of the Yamana Acquisition, which includes \$2.8 million in accretion related to the fair-value adjustments recognized on the bonds at acquisition; (ii) \$8.6 million of increased interest on lease liabilities due to the Yamana Acquisition, and; (iii) \$4.5 million attributed to increased accretion expense incurred, given the increase in reclamation obligations from the Yamana Acquisition and a combination of higher discount rates used due to rising interest rates and increases in reclamation obligations at the legacy open pit operations.

Interest and finance expense for 2023 was \$68.9 million higher than in 2022. The increase was largely due to: (i) \$28.1 million of interest expense on the senior notes acquired with the Yamana Acquisition, which includes \$8.4 million in accretion, as explained above; (ii) \$13.4 million of interest expense on the SL-Credit Facility, which was undrawn during most of 2022; (iii) \$5.9 of increased interest on lease liabilities due to the Yamana Acquisition; and, (iv) \$19.4 million attributed to increased reclamation accretion, as described above.

- 7) General and administration expense** for Q4 2023 was \$15.4 million higher than in Q4 2022, primarily reflective of the Yamana Acquisition.

General and administration expense for the 2023 was \$32.4 million higher than in 2022 due to the same reason.

- 8) Other expense** for Q4 2023 was \$13.4 million higher than in Q4 2022 due to: increased closure and decommissioning expense at non-operating assets of \$12.4 million due to revised estimates, largely driven by Alamo Dorado, which was partially offset by increased interest income of \$2.4 million.

Other expense for 2023 was \$19.2 million higher than in 2022 due to increased closure and decommissioning expense of \$15.7 million and \$4.4 million of expense from provisions on supplies and other assets, offset by an increase of \$4.3 million of interest income.

- 9) Care and maintenance expenses** for Q4 2023 were \$1.4 million higher than in Q4 2022 due to Manantial Espejo being placed on care and maintenance, which was mostly offset by a decrease from the disposition of Morococha in September 2023.

Care and maintenance expenses for 2023 were \$37.1 million higher than in 2022 because of Manantial Espejo being on care and maintenance and expenses associated with MARA, which was acquired as part of the Yamana Acquisition. As described above in the "Yamana Acquisition and Strategic Dispositions" section of this MD&A, the dispositions of the Company's interests in MARA and Morococha will result in lower care and maintenance expenses going forward.

- 10) Gains and income from associates** were \$nil for both Q4 2023 and Q4 2022.

Gains and income from associates for 2023 were \$45.4 million lower than in 2022. The 2022 gains and income resulted from the Q1 2022 re-designation of the Company's investment in Maverix Metals Inc. ("Maverix") from an "Investment in Associate" accounted for using the "equity method" (the Company's ownership proportion of Maverix's estimated earnings was recorded in income) to a "long-term investment" recorded at fair value beginning on March 31, 2022.

Statement of Cash Flows

Cash flow from operations in Q4 2023 generated \$167.4 million, a \$279.5 million increase compared to the \$112.1 million cash used in operations during Q4 2022. This was largely the result of increased revenue of \$294.2 million, a positive quarter-over-quarter variance in changes from non-cash working capital items of \$85.1 million and decreased transaction and integration costs of \$157.1 million. These were partially offset by: (i) increased

production costs (excl. NRV) of \$194.7 million described above; (ii) increased general and administrative expenses of \$15.4 million; (iii) increased income taxes paid of \$15.7 million; and (iv) increased royalty expenses of \$11.4 million, all of which were largely driven by the Yamana Acquisition.

Changes in working capital, other than cash, drove a \$56.1 million source of cash in Q4 2023 compared with a \$29.0 million use of cash in Q4 2022. The \$85.1 million quarter-over-quarter change from use of cash in Q4 2022 to source of cash in Q4 2023 resulted largely from \$42.4 million and \$26.8 million of cash generated from movement in inventories and trade and other receivables, respectively, as well as a \$9.2 million decrease in cash used to settle accounts payable.

Cash flow from operations in 2023 was \$450.2 million, \$418.4 million more than the \$31.8 million generated in 2022. This resulted from an increase in revenue of \$821.4 million, partially offset by increased production costs (excl. NRV) of \$514.3 million, both of which were largely driven by the Acquired Mines, as described above. Additionally, a decrease of transaction and integration costs of \$132.1 million and a positive year-over-year variance in changes from non-cash working capital items of \$110.9 million contributed to the increase in operating cash flow. These factors were offset by increases in: (i) mine care and maintenance expenses of \$37.1 million; (ii) general and administrative expenses of \$32.4 million; (iii) interest paid of \$38.5 million; and, (iv) income taxes paid of \$11.6 million; all of which were largely the result of the Yamana Acquisition.

Changes in working capital, other than cash, drove a \$68.9 million source of cash in 2023 compared with a \$42.0 million use of cash in 2022. The \$110.9 million period-over-period change was largely from an \$88.4 million and \$58.5 million increase in cash from inventory and trade and other receivables, respectively, due to draw-downs in the 2023 period contrasted with buildups recorded in 2022. This was offset by increased cash used in settling accounts payable and accrued liabilities and provisions of \$30.7 million and \$12.2 million, respectively, compared to 2022.

Investing activities in Q4 2023 used \$70.6 million, primarily related to payments for mineral properties, plant and equipment of \$118.7 million ("MPP&E"), partly offset by proceeds from the ADLF disposition of \$45.5 million, as described in the "Yamana Acquisition and Strategic Dispositions" section of this MD&A. In Q4 2022, investing activities used \$68.2 million, primarily related to the \$72.3 million spent on MPP&E at the Company's mines and projects.

Investing activities in 2023 generated \$397.9 million, primarily related to the proceeds from the disposition of non-core assets of \$549.1 million, of which \$475.0 million, \$28.6 million and \$45.5 million arose from the MARA, Morococha and ADLF dispositions, respectively, as described in the "Yamana Acquisition and Strategic Dispositions" section of this MD&A. There was an increase of \$259.5 million from cash acquired with the Yamana Acquisition and \$144.8 million from the sale of various short-term equity investments, including the Company's long-term investment in Maverix. This was offset by \$194.1 million of cash disposed in sale of subsidiaries and spending of \$379.0 million on MPP&E at the Company's mines and projects, as previously described in the "Operating Performance" sections of this MD&A.

In 2022, \$255.4 million was used, primarily related to the \$274.7 million spent on MPP&E at the Company's mines and projects, which was partially offset by the \$8.7 million received from a third-party as partial compensation for the closure and reclamation of the Morococha processing facility and \$9.9 million of net proceeds from derivatives.

Financing activities in Q4 2023 utilized \$45.5 million compared to \$137.3 million generated in the comparative period. In Q4 2023, the Company paid dividends of \$36.4 million and lease repayments of \$19.1 million. This was partially offset by proceeds of debt of \$10.4 million. In Q4 2022, financing activities generated \$137.3 million, which primarily comprised of proceeds from debt of \$163.8 million, partly offset by dividends paid of \$21.0 million.

Financing activities in 2023 used \$551.8 million in cash compared to \$53.0 million generated in 2022. In 2023, the Company repaid a net \$388.5 million of debt, comprised of the \$205.0 million outstanding balance on the Yamana revolving credit facility as part of the closing of the Yamana Acquisition, \$160.0 million net repayment of the SL-Credit Facility, \$14.2 million related to Peruvian construction loans and \$10.5 million related to short-term loans in

Brazil. The Company also paid \$130.4 million in dividends and spent \$44.0 million on lease repayments. Financing activities in 2022 generated \$53.0 million of cash, and were primarily related to \$167.1 million proceeds from debt, offset by \$94.7 million dividends paid and \$14.8 million related to payment of equipment leases.

Liquidity and Financial Position

Liquidity

The Company's cash and short-term investments increased by \$54.9 million during Q4 2023, largely reflecting operating cashflow of \$167.4 million and proceeds from the ADLF disposition of \$45.5 million, as described in the "Yamana Acquisition and Strategic Dispositions" section of this MD&A, partially offset by \$118.7 million relating to payments for MPP&E, dividends paid of \$36.4 million, and \$19.1 million in payments for equipment leases.

Pan American's investment objectives for its cash balances are to preserve capital, provide liquidity and maximize returns. The Company's strategy to achieve these objectives is to invest excess cash balances in a portfolio of primarily fixed income instruments with specified credit rating targets established by the Board of Directors, and by diversifying the currencies in which it maintains its cash balances.

Working capital of \$765.8 million at December 31, 2023 was \$342.2 million higher than working capital of \$423.6 million at December 31, 2022; largely as a result of the working capital acquired as part of the Yamana Acquisition.

The net cash generated from the sales of metal production provides our primary source of cash flows, and we do not currently expect to experience payment delinquencies from our metal sales counterparties.

The Company's financial position at December 31, 2023, and the operating cash flows that are expected over the next 12 months, lead Management to believe that the Company's liquid assets and available credit from the revolving SL-Credit Facility are sufficient to satisfy our 2024 working capital requirements, fund currently planned capital expenditures, and to discharge liabilities as they come due. The Company remains well positioned to take advantage of strategic opportunities as they become available. Liquidity risks are discussed further in the "Risks and Uncertainties" section of this MD&A.

Credit Facility and Senior Notes

The Company amended and upsized its SL-Credit Facility on March 30, 2023. The SL-Credit Facility was increased from its previous \$500.0 million to \$750.0 million and a term loan of \$500.0 million was added to complete the Yamana Acquisition, if needed. The term loan expired unused on May 31, 2023. The SL-Credit Facility was further amended and updated on November 24, 2023, remaining at \$750.0 million but adding an accordion feature for up to an additional \$250.0 million. As of December 31, 2023, the Company was in compliance with all financial covenants under the SL-Credit Facility, which was undrawn, following net repayment in Q3 2023 of the \$280.0 million drawn. The borrowing costs under the SL-Credit Facility are based on the Company's credit ratings from Moody's and S&P Global's at either: (i) SOFR plus 1.25% to 2.40% or; (ii) The Bank of Nova Scotia's Base Rate on U.S. dollar denominated commercial loans plus 0.15% to 1.30%. Under the ratings based pricing, undrawn amounts under the SL-Credit Facility are subject to a stand-by fee of 0.23% to 0.46% per annum, dependent on the Company's credit rating and subject to pricing adjustments based on sustainability performance ratings and scores. The SL-Credit Facility matures on November 24, 2028.

As part of the Yamana Acquisition, the Company acquired the following senior notes: (i) senior notes of \$283 million in aggregate principal with a 4.625% coupon and maturing in December 2027; and (ii) senior notes of \$500 million in aggregate principal with a 2.63% coupon and maturing in August 2031 (collectively, the "Senior Notes"). The Senior Notes are unsecured with interest payable semi-annually. Each series of Senior Notes is redeemable, in whole or in part, at the Company's option, at any time prior to maturity, subject to make-whole provisions. The Senior Notes are accreted to the face value over their respective terms and were recorded at fair value upon acquisition using an effective interest rate of 5.52%.

Commitments

In the normal course of business, the Company enters into contracts that give rise to commitments, which are described in Note 10(f)(ii) of the 2023 Annual Financial Statements, and in the "Liquidity and Capital Position" section of this MD&A. The following table summarizes the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments on an undiscounted basis:

Payments due by period December 31, 2023					
	Within 1 year	2 - 3 years	4 - 5 years	After 5 years	Total
Accounts payable and accrued liabilities other than:	\$ 491.0	\$ —	\$ —	\$ —	\$ 491.0
Severance liabilities	2.1	17.2	9.0	32.2	60.5
Payroll liabilities	4.9	—	—	—	4.9
Total accounts payable and accrued liabilities	498.0	17.2	9.0	32.2	556.4
Income tax payables	32.1	—	—	—	32.1
Debt					
Repayment of principal	6.7	11.9	275.3	409.8	703.7
Interest and standby fees	29.1	57.6	43.4	34.5	164.6
Provisions ⁽¹⁾⁽²⁾	4.0	14.0	1.2	7.7	26.9
Future payroll liabilities	2.5	17.0	—	1.8	21.3
Total contractual obligations ⁽²⁾	\$ 572.4	\$ 117.7	\$ 328.9	\$ 486.0	\$ 1,505.0

(1) Total litigation provision (Note 19 of the 2023 Annual Financial Statements).

(2) Amounts above do not include payments related to closure and decommissioning (current \$37.6 million, long-term \$409.5 million) discussed in Note 19 of the 2023 Annual Financial Statements, the lease obligations discussed in Note 20 of the 2023 Annual Financial Statements.

Outstanding Share Amounts

As at December 31, 2023, the Company had approximately 0.5 million stock options outstanding (each exercisable for one common share of the Company), with exercise prices in the range of CAD \$17.53 to CAD \$39.48 and a weighted average life of 5.3 years. Approximately 0.2 million of the stock options were vested and exercisable at December 31, 2023, with an average weighted exercise price of CAD \$22.35 per share.

The following table sets out the common shares and options outstanding as at the date of this MD&A:

	Outstanding as at February 21, 2024 (in thousands)
Common shares	364,660
Options	513
Total	365,173

As part of the acquisition of Tahoe Resources Inc. ("Tahoe") on February 22, 2019, the Company issued 313.9 million Contingent Value Rights ("CVRs"), with a term of 10 years, which are convertible into 15.6 million common shares of the Company upon the first commercial shipment of concentrate following the restart of operations at the Escobal mine. As of December 31, 2023, there were 313.9 million CVRs outstanding, which were convertible into 15.6 million common shares of the Company.

Closure and Decommissioning Provision

The estimated future closure and decommissioning costs are based principally on the requirements of relevant authorities and the Company's environmental policies. The provision is measured using Management's assumptions and estimates for future cash outflows. The Company accrues these costs, which are determined by discounting costs using rates specific to the underlying obligation. Upon recognition of a liability for the closure and decommissioning costs, the Company capitalizes these costs to the related mine and amortizes such amounts over the life of each mine on a unit-of-production basis, except in the case of exploration projects for which the

offset to the liability is expensed. The accretion of the discount due to the passage of time is recognized as an increase in the liability and a finance expense.

The total inflated and undiscounted amount of estimated cash flows required to settle the Company's estimated future closure and decommissioning costs as of December 31, 2023 was \$910.0 million (December 31, 2022 - \$679.8 million) using inflation rates of between 1% and 5% (December 31, 2022 - between 2% and 6%). The inflated and discounted provision on the statement of financial position as at December 31, 2023 was \$447.2 million (December 31, 2022 - \$296.2 million), using discount rates between 3% and 11% (December 31, 2022 - between 3% and 11%). Spending with respect to decommissioning obligations at Alamo Dorado and Manantial Espejo began in 2016, while the remainder of the obligations are expected to be substantially paid through 2075, or later if the mine lives are extended. Revisions made to the reclamation obligations in 2023 were primarily a result of the Yamana Acquisition, updates to assumed inflation and discount rates, increased site disturbance from the ordinary course of operations at the mines, reclamation activities, and revisions to the estimates based on periodic reviews of closure plans and related costs, actual expenditures incurred, and closure activities completed. These obligations will be funded from operating cash flows, reclamation deposits, and cash on hand.

The accretion of the discount charged in Q4 2023 and 2023 as finance expense was \$8.2 million and \$34.2 million, respectively (Q4 2022 and 2022 - \$3.7 million and \$14.8 million, respectively). Reclamation expenditures incurred during Q4 2023 and 2023 were \$9.0 million and \$27.6 million, respectively (Q4 2022 and 2022 - \$1.7 million and \$4.2 million, respectively).

2024 OPERATING OUTLOOK

The following provides Pan American's operating outlook for 2024. Pan American reports mines under either a Silver Segment or a Gold Segment with Cash Costs and AISC calculated on a by-product basis; specifically, by-product metal sales are credited against the operating costs to produce the primary metal for that segment.

The following estimates contain forward-looking information about expected future events and financial and operating performance of Pan American. Readers should refer to the risks and assumptions set out in the "Cautionary Note Regarding Forward-Looking Statements and Information" that accompany the MD&A for the period ended December 31, 2023. Pan American may revise forecasts during the year to reflect actual results to date and those anticipated for the remainder of the year.

2024 Silver and Gold Production and AISC Forecasts:

	Silver Production (million ounces)	Gold Production (thousand ounces)	Cash Costs (\$ per ounce) ⁽¹⁾	AISC (\$ per ounce) ⁽¹⁾
Silver Segment:				
La Colorada (Mexico)	5.3 - 5.7	2	16.60 - 19.30	21.00 - 24.00
Cerro Moro (Argentina)	3.2 - 3.5	93 - 115	3.20 - 6.70	8.00 - 11.50
Huaron (Peru)	3.5 - 3.8	—	9.30 - 11.20	15.25 - 17.25
San Vicente (Bolivia) (95.0%) ⁽²⁾	2.9 - 3.1	—	15.30 - 16.60	17.30 - 18.30
Total	14.9 - 16.1	95 - 117	11.70 - 14.10	16.00 - 18.50
Gold Segment:				
Jacobina (Brazil)	—	185 - 203	970 - 1,050	1,250 - 1,350
El Peñon (Chile)	3.6 - 3.9	120 - 135	950 - 1,030	1,200 - 1,300
Timmins (Canada)	—	125 - 135	1,530 - 1,630	1,830 - 1,950
Shahuindo (Peru)	0.2 - 0.3	122 - 144	970 - 1,050	1,550 - 1,650
La Arena (Peru) ⁽³⁾	—	83 - 95	1,400 - 1,470	1,675 - 1,775
Minera Florida (Chile)	0.4 - 0.5	85 - 96	1,410 - 1,550	1,650 - 1,800
Dolores (Mexico) ⁽³⁾	1.9 - 2.2	65 - 75	1,150 - 1,230	1,275 - 1,375
Total	6.1 - 6.9	785 - 883	1,165 - 1,260	1,475 - 1,575
Total Production	21.0 - 23.0	880 - 1,000	n/a	n/a

(1) Cash Costs and AISC are non-GAAP measures. Please refer to the "Alternative Performance (Non-GAAP) Measures" section of this MD&A for further information on these measures. The Cash Cost and AISC forecasts assume average metal prices of \$23.50/oz for silver, \$1,950/oz for gold, \$2,500/tonne (\$1.13/lb) for zinc, \$2,150/tonne (\$0.98/lb) for lead, and \$8,300/tonne (\$3.76/lb) for copper; and average annual exchange rates relative to 1 USD of 17.50 for the Mexican peso ("MXN"), 3.75 for the Peruvian sol ("PEN"), 980.00 for the Argentine peso ("ARS"), 7.00 for the Bolivian boliviano ("BOB"), \$1.36 for the Canadian dollar ("CAD"), \$850.00 for the Chilean peso ("CLP") and \$5.00 for the Brazilian real ("BRL").

(2) San Vicente data represents Pan American's 95.0% interest in the mine's production.

(3) In the news release dated January 17, 2024, there was an error in the 2024 Operating Outlook Cash Costs figures provided for La Arena and Dolores. The 2024 Operating Outlook Cash Costs are \$1,400 to \$1,470 and \$1,150 to \$1,230 for La Arena and Dolores, respectively.

2024 Consolidated Base Metal Production Forecasts:

	Zinc (kt)	Lead (kt)	Copper (kt)
Consolidated Production	42 - 46	19 - 22	4

In 2024, silver production is expected to be between 21.0 to 23.0 million ounces, which is a 0.6 to 2.6 million ounce increase relative to 2023 silver production of 20.4 million ounces. The increase is largely related to the contribution of a full-year of production from El Peñon and higher silver production at La Colorada following the completion of the Guadalupe shaft project, which is expected to improve ventilation in the second half of 2024.

Improved ventilation is expected to permit additional mining equipment deployment to advance development and thereafter increase tonnes mined from the higher-grade deep eastern extent of the Candelaria deposit.

In 2024, gold production is expected to be between 880 thousand ounces to 1.0 million ounces, which is an increase of up to 117 thousand ounces relative to 2023 gold production of 883 thousand ounces. The anticipated increase is driven by the contribution of a full-year of production from the Acquired Mines, partially offset by Dolores where mining and stacking activities are expected to be concluded in Q3 2024.

Silver Segment AISC is anticipated to be between \$16.00 and \$18.50 per ounce in 2024, which is between \$2.17 lower and \$0.33 higher per ounce relative to 2023 AISC of \$18.17 per ounce. The expected decrease is related to reduction in AISC at La Colorada once the ventilation conditions in the mine are enhanced mid-year enabling higher throughput and production rates, partially offset by anticipated cost escalations.

Gold Segment AISC is anticipated to be between \$1,475 and \$1,575 per ounce in 2024, which is \$104 and \$204 per ounce higher relative to 2023 AISC of \$1,371 per ounce. The anticipated increase is largely driven by: higher costs per ounce (including significant non-cash inventory draw-downs) at Dolores, as it enters the residual-leaching phase of the mine life; higher costs at Jacobina due to an increase in development costs expensed compared to the prior year given prior year development related to completing underground connections between sections of the mine that was classified as project capital; a higher waste-to-ore ratio in the current phase of the mine plan at La Arena; and higher capital spending at Shahuindo largely for leach pad, waste dump and water treatment plant construction.

2024 Quarterly Operating Outlook:

Below is Management's breakdown for our 2024 Operating Outlook by quarter ("2024 Quarterly Expectations").

	2024 Quarterly Expectations				
	Q1	Q2	Q3	Q4	FY 2024
Silver Production (million ounces)	4.75 - 5.30	5.36 - 5.78	5.44 - 5.97	5.45 - 5.95	21.00 - 23.00
Gold Production (thousand ounces)	204 - 231	221 - 252	229 - 258	226 - 259	880 - 1,000
Silver Segment Cash Costs ⁽¹⁾	16.50 - 18.50	15.50 - 17.50	10.50 - 12.90	4.60 - 7.70	11.70 - 14.10
Silver Segment AISC ⁽¹⁾	21.30 - 23.30	20.20 - 22.20	15.60 - 18.00	7.70 - 11.00	16.00 - 18.50
Gold Segment Cash Costs ⁽¹⁾	1,270 - 1,370	1,170 - 1,240	1,140 - 1,220	1,080 - 1,160	1,165 - 1,260
Gold Segment AISC ⁽¹⁾	1,500 - 1,700	1,500 - 1,590	1,460 - 1,570	1,400 - 1,500	1,475 - 1,575

(1) Cash Costs and AISC are non-GAAP measures. Please refer to the "Alternative Performance (Non-GAAP) Measures" section of this MD&A for further information on these measures. The Cash Cost and AISC forecasts assume average metal prices of \$23.50/oz for silver, \$1,950/oz for gold, \$2,500/tonne (\$1.13/lb) for zinc, \$2,150/tonne (\$0.98/lb) for lead, and \$8,300/tonne (\$3.76/lb) for copper; and average annual exchange rates relative to 1 USD of 17.50 for the Mexican peso ("MXN"), 3.75 for the Peruvian sol ("PEN"), 980.00 for the Argentine peso ("ARS"), 7.00 for the Bolivian boliviano ("BOB"), \$1.36 for the Canadian dollar ("CAD"), \$850.00 for the Chilean peso ("CLP") and \$5.00 for the Brazilian real ("BRL").

Silver production is anticipated to be higher towards the second half of year largely as a result of increased production from La Colorada as the fan installation is expected to be completed in mid-2024, allowing for better ventilation at the mine, and an increase in silver grades due to improved access to the higher-grade Candelaria East zone. Gold production is expected to increase in the second half of the year largely due to mine sequencing into higher grade gold ores at Cerro Moro, La Arena and Jacobina, partially offset by lower gold production at Dolores as it is expected to enter the residual-leaching phase of the mine life in the third quarter of 2024. Cash Costs and AISC are anticipated to decrease throughout the year largely as a result of the production increases.

2024 Expenditures Forecast:

The following tables detail the forecast capital, reclamation, care and maintenance, general and administrative, exploration expenditures and taxes paid in 2024:

Capital Forecast (\$ millions)	Capitalized Exploration	Lease Payments	Other Capital Expenditures	2024 Forecast
Sustaining Capital				
La Colorada	4.5	2.0	16.0 - 16.5	22.5 - 23.0
Cerro Moro	4.0	2.5	7.5 - 9.0	14.0 - 15.5
Huaron	2.5	3.0	12.0 - 13.0	17.5 - 18.5
San Vicente ⁽¹⁾	1.0	—	3.5 - 4.5	4.5 - 5.5
Jacobina	16.5	12.5	24.0 - 26.0	53.0 - 55.0
El Peñon	16.0	11.5	2.5 - 4.5	30.0 - 32.0
Timmins	5.5	—	33.5 - 34.5	39.0 - 40.0
Shahuindo	1.5	14.5	60.0 - 64.0	76.0 - 80.0
La Arena	—	4.5	13.5 - 14.5	18.0 - 19.0
Minera Florida	6.0	7.0	7.0 - 8.0	20.0 - 21.0
Dolores	—	0.5	—	0.5
Sustaining Capital Sub-total	57.5	58.0	179.5 - 194.5	295.0 - 310.0
Project Capital				
La Colorada	4.5	—	20.5 - 21.5	25.0 - 26.0
Huaron	—	—	30.0 - 31.0	30.0 - 31.0
Timmins	—	—	11.0 - 12.5	11.0 - 12.5
Jacobina	—	—	14.0 - 15.5	14.0 - 15.5
Project Capital Total	4.5	—	75.5 - 80.5	80.0 - 85.0
Total Capital Expenditures	62.0	58.0	255.0 - 275.0	375.0 - 395.0

(1) Capital expenditures at San Vicente are shown at a 100% ownership.

Other Expenditures Forecast (\$ millions)	2024 Forecast
Reclamation Expenditures	
Dolores	11.0 - 12.0
Jacobina	8.0 - 9.0
Alamo Dorado	8.0 - 10.0
Other	8.0 - 9.0
Total Reclamation Expenditures	35.0 - 40.0
Care & Maintenance	
Escobal	20.0 - 25.0
Other	5.0
Total Care & Maintenance	25.0 - 30.0
General and Administrative	70.0 - 75.0
Exploration and Project Development	10.0 - 12.0
Income Tax Payments	95.0 - 100.0

2024 Mine Operating Forecast

Management's expectation for each mine's 2024 operating performance, including production, Cash Costs, AISC, and project capital are provided below:

La Colorada

Silver production is forecast to be between 5.3 to 5.7 million ounces in 2024, which is a 21% to 30% increase relative to the 4.4 million ounces produced in 2023. The expected increase is driven by higher throughput rates as a result of the installation of the large twin ventilation fan infrastructure at the surface of the recently completed Guadalupe shaft. The fan installations are expected to be completed in mid-2024, allowing for better ventilation at the mine, and increased underground development rates in order to establish more mining fronts in the higher-grade Candelaria East zone later in the year. Zinc and lead production are also expected to benefit from higher throughput from the increased mining rates from the Candelaria East zone later in the year.

Cash Costs per silver ounce in 2024 are forecast to be between \$16.60 and \$19.30. This is between \$3.52 to \$6.22 lower than the \$22.82 recorded in 2023, and is the result of higher silver and base metal production from higher throughput and grades.

Sustaining capital in 2024 of \$22.5 to \$23.0 million is primarily related to mine equipment replacements and refurbishments, a tailings storage facility expansion, additional ventilation and mine infrastructure projects, and brownfield exploration expenditures.

AISC in 2024 is forecast to be between \$21.00 and \$24.00 per silver ounce, which is between \$4.13 to \$7.13 lower than the \$28.13 recorded in 2023. This is driven by the same factors affecting Cash Costs, partially offset by higher sustaining capital arising from mine equipment and mine infrastructure investments.

Project capital at La Colorada is expected to be between \$25.0 to \$26.0 million and directed at the La Colorada Skarn project for continued exploration and in-fill drilling and advancing engineering work, particularly in de-watering and geotechnical studies.

Huaron

Silver production is expected to be between 3.5 to 3.8 million ounces in 2024, which is consistent with the 3.6 million ounces produced in 2023.

Cash Costs per silver ounce in 2024 are forecast to be between \$9.30 to \$11.20, which is consistent with the \$9.95 reported in 2023. AISC in 2024 is anticipated to be between \$15.25 to \$17.25 per ounce, also in-line with the 2023 reported costs of \$16.82 per ounce.

Sustaining capital in 2024 of \$17.5 to \$18.5 million is primarily related to mine development to establish access to the Horizonte zone, mine equipment replacements and refurbishments, and brownfield exploration expenditures.

The construction of a tailings filtration plant and a dry-stack tailings storage facility to replace the conventional tailings storage facility currently in operation is expected to be completed during the second half of the year and commissioned thereafter.

Jacobina

Gold production is anticipated to be between 185.0 to 203.0 thousand ounces, which is a 25% to 37% increase to the 147.8 thousand gold ounces produced in 2023, largely due to additional production from a full-year of operations.

Cash Costs per gold ounce in 2024 are forecast to be between \$970 to \$1,050. This is between \$184 to \$264 per ounce higher than the \$786 reported in 2023. The anticipated increase is largely attributed to increased tailings placement costs previously classified as sustaining capital given the prior year activity dedicated to raising the tailings dam embankment and mine development costs previously included in project capital related to completing underground connections between mining areas, as well as higher labour and health insurance costs to address high employment competition in the region.

Sustaining capital in 2024 of \$53.0 to \$55.0 million is primarily related: to near mine brownfield exploration expenditures, lease payments related to ore haulage, mine equipment replacements and refurbishments, and mine and plant infrastructure investments.

AISC in 2024 is anticipated to be between \$1,250 to \$1,350 per gold ounce, which is \$143 to \$243 per ounce higher relative to the \$1,107 per ounce recorded in 2023. The expected increase is driven by the same factors affecting cash costs, offset by lower sustaining capital per ounce due to the previously mentioned tailings placement cost reclassification to operating costs in the current year given no anticipated embankment activities planned.

The Company is investing \$14.0 to \$15.5 million in project capital to complete the expansion of Jacobina's plant facility infrastructure that had been initiated prior to acquisition and advancing a mine optimization study that will evaluate alternative mining methods and production rates in the context of maximizing the mine's long-term economics and sustainability.

El Peñon

Gold production in 2024 is forecast to be between 120.0 and 135.0 thousand ounces, which is 25% to 41% more than the 95.7 thousand ounces produced in 2023, largely due to additional production from a full-year of operations.

Silver production in 2024 is forecast to be between 3.6 and 3.9 million ounces, which is between 24% to 34% higher than the 2.9 million ounces produced in 2023, for the same reason as the increase in gold production.

Cash Costs per gold ounce in 2024 are forecast to be between \$950 and \$1,030 per ounce, consistent with the \$1,000 recorded in 2023.

Sustaining capital in 2024 of \$30.0 to \$32.0 million is primarily related to: near-mine brownfield exploration and infill drilling expenditures; mine equipment replacements and refurbishments, including related lease payments; and mine infrastructure.

AISC in 2024 is forecast to be between \$1,200 and \$1,300 per gold ounce, which is consistent with the \$1,207 recorded in 2023.

Timmins

Gold production in 2024 is expected to be between 125.0 to 135.0 thousand ounces, which is consistent with the 132.9 thousand ounces produced in 2023. Ground control mitigation strategies and the start-up of a paste plant, anticipated in the second half of 2024, are expected to help improve the challenging ground conditions at the Bell Creek mine that have impacted production in previous years.

Cash Costs per gold ounce in 2024 are forecast to be between \$1,530 and \$1,630, which is between \$27 to \$127 per ounce higher than the \$1,503 per ounce recorded in 2023, largely driven by the marginally lower mid-point of production guidance relative to 2023 gold produced.

Sustaining capital in 2024 of \$39.0 to \$40.0 million is primarily related to tailings storage facility expansions, mine equipment replacements and refurbishments, near-mine brownfield exploration expenditures and mine and site infrastructure projects.

AISC in 2024 is forecast to be between \$1,830 and \$1,950 per gold ounce, which is between \$30 to \$150 per ounce higher than the \$1,800 per ounce recorded in 2023. This is entirely driven by the same factors impacting the cash cost per ounce.

At Timmins, project capital reflects initial investments for the construction of a new tailings storage facility, and the completion of the paste fill plant at Bell Creek, expected to be completed in the third quarter of 2024.

Shahuindo

Gold production in 2024 is forecast to be between 122.0 and 144.0 thousand ounces, which is between 13% lower to 3% higher than the 140.1 thousand ounces produced in 2023, reflecting mine sequencing and ore blending considerations, which result in a lower ratio of ounces recovered to ounces stacked due to a higher percentage of fine ore material forecast in 2024.

Cash Costs per gold ounce in 2024 are forecast to be between \$970 and \$1,050, which is between \$7 to \$87 per ounce higher than the \$963 recorded in 2023, largely driven by mine sequencing into lower gold grade ores and the lower mid-point of production guidance.

Sustaining capital in 2024 of \$76.0 to \$80.0 million is primarily related to waste dump preparation, heap leach pad expansions and construction of a water treatment plant.

AISC in 2024 is forecast to be between \$1,550 and \$1,650 per gold ounce, which is between \$119 to \$219 per ounce higher than the \$1,431 recorded in 2023, largely reflecting the increase in sustaining capital investments forecast for 2024.

Dolores

Gold production in 2024 is forecast to be between 65.0 and 75.0 thousand ounces, which is 30% to 39% lower than the 107.1 thousand ounces produced in 2023. The anticipated decrease is largely driven by the cessation of mining and stacking on the heap by the third quarter of 2024, while advancing physical closure works and residual leaching thereafter.

Silver production in 2024 is forecast to be between 1.9 and 2.2 million ounces, which reflects up to a 13% decrease compared to the 2.2 million ounces produced in 2023, primarily driven by the same factor affecting gold production; however, silver production has a much longer leach curve than gold following cessation of stacking activities.

Cash costs per gold ounce in 2024 is expected to be between \$1,150 and \$1,230, which is between \$129 to \$209 per ounce higher than the \$1,021 recorded in 2023, and is the result of higher costs per ounce due to decreased production rates during residual leaching, particularly for gold, and is inclusive of non-cash inventory draw-downs.

AISC per gold ounce in 2024 is expected to be between \$1,275 and \$1,375, which is between \$425 to \$525 per ounce higher than the \$850 per ounce recorded in 2023. This is driven by the same factors affecting year-over-year Cash Costs as well as lower non-recurring NRV inventory adjustments that decreased 2023 costs by \$35.7 million.

Remaining Operations

San Vicente is forecast to produce between 2.9 and 3.1 million silver ounces at Cash Costs and AISC of between \$15.30 to \$16.60 per silver ounce and \$17.30 to \$18.30 per silver ounce, respectively, in 2024, which is largely consistent with 2023 operating results.

Cerro Moro is forecast to produce between 3.2 and 3.5 million silver ounces and 93.0 and 115.0 thousand gold ounces, reflecting mine sequencing into lower silver grade ores in 2024. Cash Costs and AISC are forecast to be between \$3.20 to \$6.70 per silver ounce and \$8.00 to \$11.50 per silver ounce, respectively, largely reflecting the lower silver production forecast for 2024, as well as lower sustaining capital investments for near-mine brownfield exploration in the case of AISC.

La Arena is forecast to produce between 83.0 and 95.0 thousand gold ounces, reflecting lower tonnes stacked due to a higher waste-to-ore mining ratio in the mine plan forecast for 2024. Cash Costs and AISC are forecast to be between \$1,400 to \$1,470 per gold ounce and \$1,675 to \$1,775 per gold ounce, respectively, largely driven by the lower production guidance relative to 2023 gold produced.

Minera Florida is forecast to produce between 85.0 and 96.0 thousand gold ounces and 0.4 and 0.5 million silver ounces at Cash Costs and AISC of between \$1,410 to \$1,550 per gold ounce and \$1,650 to \$1,800 per gold ounce, respectively, reflecting a full-year of operations in 2024 at production rates consistent with 2023.

2024 Reclamation Expenditures Forecast

Estimated reclamation expenditures of \$35.0 to \$40.0 million in 2024 include spending on: (i) waste dump reclamation at Alamo Dorado to remedy the cover placed at the site following excessive erosion; (ii) progressive reclamation at Jacobina related to the inactive B1 tailings facility as well as the João Belo waste dump; (iii) the initiation of physical reclamation activities at Dolores; and (iv) reclamation activities at other properties, including Manantial Espejo.

2024 Care and Maintenance Forecast

Estimated care and maintenance costs of \$25.0 to \$30.0 million primarily reflects expenditures at Escobal, Manantial Espejo and Navidad. Pan American has not projected timing for a potential restart of the Escobal mine and has assumed a full year of care and maintenance costs at Escobal. The year-over-year decrease reflects the substantial savings from the divestiture of the Company's interests in MARA and the Morococha mine in 2023.

2024 General and Administrative Expense Forecast

Estimated corporate general and administrative expenses of \$70.0 to \$75.0 million are inclusive of the realized and implied synergies of corporate office expenses following the acquisition of Yamana.

2024 Exploration and Project Development Expense Forecast

Estimated regional exploration, property holding costs, and project development expenses of \$10.0 to \$12.0 million in 2024 are primarily directed at drilling in Brazil, Mexico and Canada. The expenditures relating to near-mine exploration targeting reserve replacement are included in the sustaining and project capital estimates provided in the 2024 Expenditures Forecast table above.

2024 Income Tax Payments Forecast

Cash income tax payments in 2024 are forecast to be between \$95.0 to \$100.0 million, and are expected to be front-end loaded with approximately half to be paid in the first quarter of 2024.

SELECTED ANNUAL AND QUARTERLY FINANCIAL INFORMATION

2023 (In millions of USD, other than per share amounts)	Quarter Ended				Year Ended
	Mar 31	Jun 30	Sep 30	Dec 31	Dec 31
Revenue	\$ 390.3	\$ 639.9	\$ 616.3	\$ 669.6	\$ 2,316.1
Mine operating earnings	\$ 77.2	\$ 88.0	\$ 66.7	\$ 64.9	\$ 296.8
Earnings (loss) for the period attributable to equity holders	\$ 16.4	\$ (32.4)	\$ (19.7)	\$ (68.0)	\$ (103.7)
Basic earnings (loss) per share	\$ 0.08	\$ (0.09)	\$ (0.05)	\$ (0.19)	\$ (0.32)
Diluted earnings (loss) per share	\$ 0.08	\$ (0.09)	\$ (0.05)	\$ (0.19)	\$ (0.32)
Cash flow from operating activities	\$ 51.3	\$ 117.0	\$ 114.6	\$ 167.4	\$ 450.2
Cash dividends paid per share	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.10	\$ 0.40
Other financial information					
Total assets					\$ 7,213.1
Total long-term financial liabilities ⁽¹⁾					\$ 1,274.8
Total attributable shareholders' equity					\$ 4,760.7

(1) Total long-term financial liabilities are comprised of non-current liabilities excluding deferred tax liabilities, and deferred revenue.

2022 (In millions of USD, other than per share amounts)	Quarter Ended				Year Ended
	Mar 31	Jun 30	Sep 30	Dec 31	Dec 31
Revenue	\$ 439.9	\$ 340.5	\$ 338.9	\$ 375.5	\$ 1,494.8
Mine operating earnings (loss)	\$ 66.8	\$ (31.7)	\$ (21.8)	\$ 35.0	\$ 48.3
Earnings (loss) for the period attributable to equity holders	\$ 76.5	\$ (174.0)	\$ (71.5)	\$ (172.8)	\$ (341.8)
Basic earnings (loss) per share	\$ 0.36	\$ (0.83)	\$ (0.34)	\$ (0.81)	\$ (1.62)
Diluted earnings (loss) per share	\$ 0.36	\$ (0.83)	\$ (0.34)	\$ (0.81)	\$ (1.62)
Cash flow from operating activities ⁽¹⁾	\$ 68.8	\$ 20.8	\$ 54.4	\$ (112.1)	\$ 31.9
Cash dividends paid per share	\$ 0.12	\$ 0.12	\$ 0.11	\$ 0.10	\$ 0.45
Other financial information					
Total assets					\$ 3,248.5
Total long-term financial liabilities ⁽²⁾					\$ 511.8
Total attributable shareholders' equity					\$ 2,195.5

(1) Cash flow from operating activities in the three months ended December 31, 2022 includes \$157.3 million of transaction and integration costs related to the Yamana Acquisition.

(2) Total long-term financial liabilities are comprised of non-current liabilities excluding deferred tax liabilities and deferred revenue.

2021 (In millions of USD, other than per share amounts)	Quarter Ended				Year Ended
	Mar 31	Jun 30	Sep 30	Dec 31	Dec 31
Revenue	\$ 368.1	\$ 382.1	\$ 460.3	\$ 422.2	\$ 1,632.7
Mine operating earnings	\$ 90.0	\$ 103.0	\$ 98.9	\$ 76.0	\$ 367.9
(Loss) earnings for the period attributable to equity holders	\$ (7.8)	\$ 70.9	\$ 20.3	\$ 14.0	\$ 97.4
Basic (loss) earnings per share	\$ (0.04)	\$ 0.34	\$ 0.10	\$ 0.06	\$ 0.46
Diluted (loss) earnings per share	\$ (0.04)	\$ 0.34	\$ 0.10	\$ 0.06	\$ 0.46
Cash flow from operating activities	\$ 29.9	\$ 87.1	\$ 157.0	\$ 118.1	\$ 392.1
Cash dividends paid per share	\$ 0.07	\$ 0.07	\$ 0.10	\$ 0.10	\$ 0.34
Other financial information					
Total assets					\$ 3,518.6
Total long-term financial liabilities ⁽¹⁾					\$ 297.6
Total attributable shareholders' equity					\$ 2,631.6

(1) Total long-term financial liabilities are comprised of non-current liabilities excluding deferred tax liabilities and deferred revenue.

OPERATING METRICS

Three Months Ended December 31, 2023												
	La Colorada	Cerro Moro ⁽¹⁾	Huaron	San Vicente ⁽²⁾	Jacobina ⁽¹⁾	El Peñon ⁽¹⁾	Timmins	Shahuindo	La Arena	Minera Florida ⁽¹⁾	Dolores	Total
Ore tonnes mined – kt	92	104	234	91	769	256	426	3,242	3,506	234	1,108	10,063
Waste tonnes mined – kt	—	784	—	—	—	—	—	4,492	3,339	—	4,260	12,875
Tonnes processed – kt	94	107	236	94	765	343	433	3,148	3,506	260	1,984	10,973
Grade												
Silver – g/t	291.7	274.5	143.2	263.5	—	88.7	—	6.6	0.6	14.3	13.2	
Gold – g/t	—	9.19	—	—	2.20	3.24	2.73	0.52	0.34	3.16	0.50	
Zinc – %	1.51	—	2.49	2.83	—	—	—	—	—	0.67	—	
Lead – %	0.83	—	1.64	0.32	—	—	—	—	—	0.10	—	
Copper – %	—	—	0.66	0.20	—	—	—	—	—	—	—	
Production												
Silver – koz	806	886	905	738	—	853	4	69	17	80	477	4,835
Gold – koz	0.4	30.3	0.2	—	51.1	33.9	35.1	34.9	31.7	24.7	25.4	267.8
Zinc – kt	1.1	—	4.7	2.3	—	—	—	—	—	1.3	—	9.4
Lead – kt	0.6	—	3.0	0.3	—	—	—	—	—	0.3	—	4.2
Copper – kt	—	—	1.2	0.1	—	—	—	—	—	—	—	1.4

Three Months Ended December 31, 2022										
	La Colorada	Huaron	San Vicente ⁽²⁾	Manantial Espejo	Timmins	Shahuindo	La Arena	Dolores	Total	
Ore tonnes mined – kt	171	231	106	110	455	3,083	3,736	2,591	10,483	
Waste tonnes mined – kt	—	—	—	—	—	3,712	3,905	6,167	13,783	
Tonnes processed – kt	163	233	97	160	448	2,970	3,747	2,075	9,893	
Grade										
Silver – g/t	283.5	162.3	242.7	249.2	—	10.0	0.6	20.5		
Gold – g/t	—	—	—	2.05	2.52	0.67	0.32	0.67		
Zinc – %	1.86	2.46	4.05	—	—	—	—	—		
Lead – %	1.09	1.71	0.32	—	—	—	—	—		
Copper – %	—	0.68	0.14	—	—	—	—	—		
Production										
Silver – koz	1,339	1,025	703	1,010	4	77	14	591	4,763	
Gold – koz	0.7	0.2	—	8.9	34.0	49.7	36.2	34.6	164	
Zinc – kt	2.5	4.5	3.4	—	—	—	—	—	10.5	
Lead – kt	1.5	3.2	0.3	—	—	—	—	—	5.0	
Copper – kt	—	1.2	0.1	—	—	—	—	—	1.3	

Year ended December 31, 2023													
	La Colorada	Cerro Moro ⁽¹⁾	Huaron	San Vicente ⁽²⁾	Manantial Espejo	Jacobina ⁽¹⁾	El Peñon ⁽¹⁾	Timmins	Shahuindo	La Arena	Minera Florida ⁽¹⁾	Dolores	Total
Ore tonnes mined – kt	529	311	941	366	—	2,275	764	1,541	12,624	12,587	692	7,781	40,411
Waste tonnes mined – kt	—	1,961	—	—	—	—	—	—	18,074	17,265	—	13,628	50,927
Tonnes processed – kt	537	315	944	372	10	2,307	1,029	1,574	12,519	12,586	760	7,617	40,571
Grade													
Silver – g/t	276.5	376.6	142.9	271.4	205.1	—	98.7	—	7.0	0.8	17.2	17.6	
Gold – g/t	—	8.82	—	—	2.13	2.08	3.05	2.70	0.48	0.31	3.15	0.57	
Zinc – %	1.64	—	2.49	3.11	—	—	—	—	—	—	0.67	—	
Lead – %	0.92	—	1.66	0.33	—	—	—	—	—	—	0.12	—	
Copper – %	—	—	0.61	0.21	—	—	—	—	—	—	—	—	
Production													
Silver – koz	4,392	3,547	3,608	2,978	191	—	2,906	16	276	47	283	2,194	20,437
Gold – koz	2.3	84.6	1.1	0.1	1.7	147.8	95.7	132.9	140.1	97.1	72.4	107.1	882.9
Zinc – kt	7.4	—	18.5	9.7	—	—	—	—	—	—	3.2	—	38.8
Lead – kt	4.2	—	12.6	1.0	—	—	—	—	—	—	0.9	—	18.7
Copper – kt	0.1	—	4.4	0.6	—	—	—	—	—	—	—	—	5.0

Year ended December 31, 2022										
	La Colorada	Huaron	Morococha ⁽²⁾	San Vicente ⁽²⁾	Manantial Espejo	Timmins	Shahuindo	La Arena	Dolores	Total
Ore tonnes mined – kt	649	937	96	357	371	1,718	13,644	11,423	7,303	36,500
Waste tonnes mined – kt	—	—	—	—	—	—	18,923	22,684	26,227	67,834
Tonnes processed – kt	641	938	101	346	643	1,694	13,755	11,486	7,957	37,561
Grade										
Silver – g/t	316.0	145.6	112.3	250.2	195.2	—	6.3	0.6	17.6	
Gold – g/t	—	—	—	—	1.47	2.60	0.50	0.33	0.64	
Zinc – %	1.85	2.25	3.12	3.29	—	—	—	—	—	
Lead – %	1.05	1.52	0.96	0.30	—	—	—	—	—	
Copper – %	—	0.63	0.60	0.18	—	—	—	—	—	
Production										
Silver – koz	5,927	3,660	324	2,526	3,463	15	260	38	2,242	18,455
Gold – koz	3.3	0.9	0.1	0.1	26.6	134.6	151.4	98.5	136.9	552.5
Zinc – kt	10.0	16.4	2.7	9.5	—	—	—	—	—	38.6
Lead – kt	5.6	11.4	0.7	0.9	—	—	—	—	—	18.7
Copper – kt	—	4.3	0.5	0.5	—	—	—	—	—	5.3

(1) Acquired Mines data represent operating results from March 31, 2023 to December 31, 2023.

(2) Morococha data represents Pan American's 92.3% interest in the mine's production. San Vicente data represents Pan American's 95.0% interest in the mine's production.

ALTERNATIVE PERFORMANCE (NON-GAAP) MEASURES

Per Ounce Measures

Cash Costs and AISC are non-GAAP financial measures that do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies.

Pan American produces by-product metals incidentally to our silver and gold mining activities. We have adopted the practice of calculating a performance measure with the net cost of producing an ounce of silver and gold, our primary payable metals, after deducting revenues gained from incidental by-product production. This performance measurement has been commonly used in the mining industry for many years and was developed as a relatively simple way of comparing the net production costs of the primary metal for a specific period against the prevailing market price of that metal.

Silver Segment Cash Costs and AISC are calculated net of credits for realized revenues from all metals other than silver ("silver segment by-product credits"), and are calculated per ounce of silver sold. Gold Segment Cash Costs and AISC are calculated net of credits for realized revenues from all metals other than gold ("gold segment by-product credits"), and are calculated per ounce of gold sold.

Cash costs per ounce metrics, net of by-product credits, is used extensively in our internal decision-making processes. We believe the metric is also useful to investors because it facilitates comparison, on a mine-by-mine basis, notwithstanding the unique mix of incidental by-product production at each mine, of our operations' relative performance on a period-by-period basis, and against the operations of our peers in the silver industry. Cash costs per ounce is conceptually understood and widely reported in the mining industry.

We believe that AISC, also calculated net of by-products, is a comprehensive measure of the full cost of operating our consolidated business, given it includes the cost of replacing silver and gold ounces through exploration, the cost of ongoing capital investments at current operations ("sustaining capital"), as well as other items that affect the Company's consolidated cash flow.

To facilitate a better understanding of these non-GAAP financial measures as calculated by the Company, the following table provides the detailed reconciliation of these measure to the applicable cost items, as reported in the Consolidated Financial Statements for the respective periods.

Consolidated Silver and Gold Segment Cash Costs and AISC:

(In millions of USD, except as noted)	Silver Segment		Gold Segment	
	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022	Three Months Ended December 31, 2023	Three Months Ended December 31, 2022
Production costs	\$ 134.7	\$ 79.6	\$ 306.5	\$ 172.8
Restructuring and end-of-mine life severance accruals and payments ⁽¹⁾	(1.8)	(5.9)	(0.6)	(0.6)
Purchase price allocation inventory fair value adjustment ⁽²⁾	(0.9)	—	(8.8)	—
NRV inventory adjustments	(0.9)	5.8	1.1	(11.2)
On-site direct operating costs	131.1	79.5	298.2	161.0
Royalties	13.7	4.7	6.6	4.2
Smelting, refining and direct selling charges ⁽³⁾	13.8	10.5	1.6	—
Cash cost of sales before by-product credits	158.6	94.7	306.4	165.2
Silver segment by-product credits ⁽³⁾	(95.0)	(45.0)	—	—
Gold segment by-product credits ⁽³⁾	—	—	(42.9)	(13.9)
Cash Costs	\$ 63.6	\$ 49.6	\$ 263.5	\$ 151.3
NRV inventory adjustments	0.9	(5.8)	(1.1)	11.2
Sustaining capital	22.2	16.9	70.5	45.7
Exploration and project development ⁽⁴⁾	—	—	—	—
Reclamation cost accretion ⁽⁵⁾	0.8	0.5	6.3	2.8
All-in sustaining costs	\$ 87.5	\$ 61.3	\$ 339.1	\$ 211.0
Silver segment silver ounces sold (Moz)	3.3	3.4	—	—
Gold segment gold ounces sold (koz)	—	—	240.4	140.5
Cash costs per ounce sold	\$ 19.31	\$ 14.41	\$ 1,096	\$ 1,077
AISC per ounce sold	\$ 26.55	\$ 17.79	\$ 1,411	\$ 1,502
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 26.28	\$ 19.47	\$ 1,415	\$ 1,422

(In millions of USD, except as noted)	Silver Segment		Gold Segment	
	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2022
Production costs	\$ 463.3	\$ 374.2	\$ 1,015.9	\$ 720.3
Restructuring and end-of-mine life severance accruals and payments ⁽¹⁾	(11.6)	(20.8)	(4.4)	(2.8)
Purchase price allocation inventory fair value adjustment ⁽²⁾	(7.1)	—	(34.7)	—
NRV inventory adjustments	(3.9)	1.1	35.7	(98.9)
On-site direct operating costs	440.7	354.5	1,012.5	618.6
Royalties	32.9	18.2	23.0	17.6
Smelting, refining and direct selling charges ⁽³⁾	65.0	52.0	4.4	0.2
Cash cost of sales before by-product credits	538.6	424.7	1,039.9	636.4
Silver segment by-product credits ⁽³⁾	(342.3)	(235.0)	—	—
Gold segment by-product credits ⁽³⁾	—	—	(148.3)	(56.4)
Cash Costs	\$ 196.3	\$ 189.7	\$ 891.6	\$ 580.1
NRV inventory adjustments	3.9	(1.1)	(35.7)	98.9
Sustaining capital	69.2	55.0	219.2	168.8
Exploration and project development ⁽⁴⁾	—	—	—	—
Reclamation cost accretion ⁽⁵⁾	3.4	2.2	23.6	11.2
All-in sustaining costs	\$ 272.8	\$ 245.8	\$ 1,098.7	\$ 859.0
Silver segment silver ounces sold (Moz)	15.0	14.9	—	—
Gold segment gold ounces sold (koz)	—	—	801.2	521.1
Cash costs per ounce sold	\$ 13.07	\$ 12.72	\$ 1,113	\$ 1,113
AISC per ounce sold	\$ 18.17	\$ 16.48	\$ 1,371	\$ 1,649
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 17.91	\$ 16.56	\$ 1,416	\$ 1,459

- (1) Included in production costs line of the consolidated income statements. Restructuring and end-of-mine life severance accruals and payments reflect mine operation severance payments related to non-recurring asset workforce restructurings and mine closures.
- (2) Included in production costs line of the consolidated income statements. Purchase price allocation inventory fair value adjustments reflect adjustments to inventory values for inventories acquired as part of the Yamana Acquisition.
- (3) Included in the revenue line of the consolidated income statements. By-product credits are reflective of realized metal prices for the applicable periods.
- (4) Exploration and project development expenditures exclude \$3.8 million and \$14.6 million for Q4 2023 and 2023, respectively (Q4 2022 and 2022: \$8.5 million and \$18.3 million, respectively) of exploration expenditures related to non-operating properties.
- (5) Reclamation cost accretion excludes \$1.1 million and \$7.2 million for Q4 2023 and 2023, respectively (Q4 2022 and 2022: \$0.4 million and \$1.4 million, respectively) of accretion related to non-operating properties.

Reconciliation of payments for mineral properties, plant and equipment and sustaining capital:

Sustaining capital is included in AISC, while capital related to growth projects or acquisitions (referred to by the Company as project or investment capital) is not. Inclusion of only sustaining capital in the AISC measure reflects the capital costs associated with current ounces sold as opposed to project capital, which is expected to increase future production.

(in millions of USD)	Three Months Ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Payments for mineral properties, plant and equipment ⁽¹⁾	\$ 118.9	\$ 72.4	\$ 379.0	\$ 274.7
Add/(Subtract)				
Lease Payments ⁽¹⁾	19.0	3.7	44.0	14.8
Repayment of loans ⁽²⁾	(3.5)	1.6	6.7	5.2
La Colorada investment (non-sustaining) capital	(10.2)	(12.5)	(44.4)	(62.4)
Jacobina investment (non-sustaining) capital	(10.2)	—	(23.8)	—
Huaron investment (non-sustaining) capital	(12.1)	(1.6)	(15.8)	(1.6)
MARA investment (non-sustaining) capital	—	—	(35.9)	—
Other investment (non-sustaining) capital	(9.3)	(1.0)	(21.4)	(7.0)
Sustaining Capital	\$ 92.6	\$ 62.6	\$ 288.5	\$ 223.8

(1) As presented on the consolidated statements of cash flows.

(2) As presented on the consolidated statements of cash flows. Related to repayments of construction loans for leach pad expansions in Peru.

Silver Segment Cash Costs and AISC by mine:

SILVER SEGMENT		Three Months Ended December 31, 2023					Consolidated Silver Segment
(In millions of USD, except as noted)	La Colorada	Cerro Moro	Huaron	San Vicente	Manantial Espejo		
Production Costs	\$ 33.7	\$ 60.6	\$ 25.9	\$ 14.4	\$ —	\$ 134.7	
Restructuring and end-of-mine life severance accruals and payments	(1.8)	—	—	—	—	(1.8)	
Purchase Price Allocation Inventory Fair Value Adjustment	—	(0.9)	—	—	—	(0.9)	
NRV inventory adjustments	(0.9)	—	—	—	—	(0.9)	
On-site direct operating costs	31.0	59.7	25.9	14.4	—	131.1	
Royalties	0.2	9.2	—	4.3	—	13.7	
Smelting, refining & direct selling costs	1.5	2.5	6.9	2.9	—	13.8	
Cash Costs before by-product credits	32.8	71.3	32.8	21.7	—	158.6	
Silver segment by-product credits	(3.4)	(58.8)	(24.0)	(8.8)	—	(95.0)	
Cash Costs	\$ 29.4	\$ 12.5	\$ 8.8	\$ 12.9	\$ —	\$ 63.6	
NRV inventory adjustments	0.9	—	—	—	—	0.9	
Sustaining capital	5.1	10.9	5.2	1.0	—	22.2	
Exploration and project development	—	—	—	—	—	—	
Reclamation cost accretion	0.2	0.3	0.3	0.1	—	0.8	
All-in sustaining costs	\$ 35.5	\$ 23.7	\$ 14.3	\$ 14.0	\$ —	\$ 87.5	
Silver segment silver ounces sold (Moz)	0.78	1.02	0.68	0.81	—	3.29	
Cash cost per ounce sold	\$ 37.59	\$ 12.24	\$ 12.93	\$ 15.98	N/A	\$ 19.31	
AISC per ounce sold	\$ 45.43	\$ 23.16	\$ 20.91	\$ 17.33	N/A	\$ 26.55	
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 44.26	\$ 23.16	\$ 20.91	\$ 17.33	N/A	\$ 26.28	

SILVER SEGMENT		Three Months Ended December 31, 2022					Consolidated Silver Segment
(In millions of USD, except as noted)	La Colorada	Huaron	San Vicente	Manantial Espejo			
Production Costs	\$ 27.9	\$ 26.9	\$ 7.2	\$ 17.4	\$ —	\$ 79.6	
Restructuring and end-of-mine life severance accruals and payments	—	—	—	(5.7)	—	(5.9)	
NRV inventory adjustments	—	—	—	5.8	—	5.8	
On-site direct operating costs	27.9	26.9	7.2	17.5	—	79.5	
Royalties	0.1	—	3.5	1.0	—	4.7	
Smelting, refining & direct selling costs	2.9	4.9	0.8	1.8	—	10.5	
Cash Costs before by-product credits	31.0	31.8	11.5	20.4	—	94.7	
Silver segment by-product credits	(11.1)	(24.0)	(1.0)	(8.9)	—	(45.0)	
Cash Costs	\$ 19.8	\$ 7.8	\$ 10.6	\$ 11.5	\$ —	\$ 49.6	
NRV inventory adjustments	—	—	—	(5.8)	—	(5.8)	
Sustaining capital	11.7	4.0	0.6	0.6	—	16.9	
Exploration and project development	—	—	—	—	—	—	
Reclamation cost accretion	0.1	0.2	0.1	0.1	—	0.5	
All-in sustaining costs	\$ 31.7	\$ 11.9	\$ 11.3	\$ 6.4	\$ —	\$ 61.3	
Silver segment silver ounces sold (Moz)	1.31	0.84	0.62	0.68	—	3.44	
Cash cost per ounce sold	\$ 15.19	\$ 9.20	\$ 17.11	\$ 16.93	\$ —	\$ 14.41	
AISC per ounce sold	\$ 24.24	\$ 14.12	\$ 18.24	\$ 9.50	\$ —	\$ 17.79	
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 24.24	\$ 14.12	\$ 18.24	\$ 18.05	\$ —	\$ 19.47	

SILVER SEGMENT		Year ended December 31, 2023					
(In thousands of USD, except as noted)	La Colorada	Cerro Moro	Huaron	San Vicente	Manantial Espejo	Consolidated Silver Segment	
Production Costs	\$ 127.4	\$ 146.0	\$ 105.2	\$ 52.5	\$ 32.1	\$	463.3
Restructuring and end-of-mine life severance accruals and payments	(1.8)	(1.0)	—	—	(8.8)		(11.6)
Purchase price allocation inventory fair value adjustment	—	(7.1)	—	—	—		(7.1)
NRV inventory adjustments	(3.8)	—	—	—	(0.1)		(3.9)
On-site direct operating costs	121.9	137.8	105.2	52.5	23.2		440.7
Royalties	0.6	14.7	—	17.3	0.3		32.9
Smelting, refining & direct selling costs	9.5	17.5	26.4	10.0	1.6		65.0
Cash Costs before by-product credits	132.0	170.0	131.6	79.8	25.1		538.6
Silver segment by-product credits	(29.2)	(160.5)	(100.5)	(35.2)	(16.9)		(342.3)
Cash Costs	\$ 102.8	\$ 9.6	\$ 31.1	\$ 44.6	\$ 8.2		\$ 196.3
NRV inventory adjustments	3.8	—	—	—	0.1		3.9
Sustaining capital	19.5	25.4	20.4	3.8	0.2		69.2
Exploration and project development							—
Reclamation cost accretion	0.6	0.8	1.1	0.3	0.5		3.4
All-in sustaining costs	\$ 126.7	\$ 35.8	\$ 52.6	\$ 48.7	\$ 9.0		\$ 272.8
Silver segment silver ounces sold (koz)	4.50	3.58	3.13	2.85	0.96		15.01
Cash cost per ounce sold	\$ 22.82	\$ 2.68	\$ 9.95	\$ 15.64	\$ 8.56		\$ 13.07
AISC per ounce sold	\$ 28.13	\$ 10.00	\$ 16.82	\$ 17.09	\$ 9.39		\$ 18.17
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 27.30	\$ 10.00	\$ 16.82	\$ 17.09	\$ 9.30		\$ 17.91

SILVER SEGMENT		Year ended December 31, 2022					
(In thousands of USD, except as noted)	La Colorada	Huaron	Morocochoa	San Vicente	Manantial Espejo	Consolidated Silver Segment	
Production Costs	\$ 98.3	\$ 100.5	\$ 20.6	\$ 45.7	\$ 109.0	\$	374.2
Restructuring and end-of-mine life severance accruals and payments	—	—	(5.3)	—	(15.5)		(20.8)
NRV inventory adjustments	—	—	—	—	1.1		1.1
On-site direct operating costs	98.3	100.5	15.3	45.7	94.7		354.5
Royalties	0.7	—	—	13.9	3.7		18.2
Smelting, refining & direct selling costs	12.7	21.0	3.6	7.1	7.7		52.0
Cash Costs before by-product credits	111.6	121.5	18.9	66.6	106.0		424.7
Silver segment by-product credits	(45.6)	(103.0)	(17.0)	(25.7)	(43.8)		(235.0)
Cash Costs	\$ 66.1	\$ 18.5	\$ 1.9	\$ 41.0	\$ 62.2		\$ 189.7
NRV inventory adjustments	—	—	—	—	(1.1)		(1.1)
Sustaining capital	29.3	13.9	0.3	7.2	4.3		55.0
Exploration and project development							—
Reclamation cost accretion	0.5	0.8	0.1	0.3	0.5		2.2
All-in sustaining costs	\$ 95.9	\$ 33.3	\$ 2.4	\$ 48.4	\$ 65.9		\$ 245.8
Silver segment silver ounces sold (koz)	5.71	3.01	0.33	2.69	3.16		14.91
Cash cost per ounce sold	\$ 11.57	\$ 6.15	\$ 5.68	\$ 15.22	\$ 19.68		\$ 12.72
AISC per ounce sold	\$ 16.78	\$ 11.04	\$ 7.08	\$ 17.99	\$ 20.82		\$ 16.48
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 16.78	\$ 11.04	\$ 7.08	\$ 17.99	\$ 21.18		\$ 16.56

Gold Segment Cash Costs and AISC by mine:

GOLD SEGMENT		Three Months Ended December 31, 2023							Consolidated Gold Segment
(In millions of USD, except as noted)	Jacobina	El Peñon	Timmins	Shahuindo	La Arena	Minera Florida	Dolores		
Production Costs	\$ 40.7	\$ 56.3	\$ 52.0	\$ 38.4	\$ 35.1	\$ 38.2	\$ 45.8	\$ 306.5	
Restructuring and end-of-mine life severance accruals and payments	(0.6)	—	—	—	—	—	—	(0.6)	
Purchase Price Allocation Inventory Fair Value Adjustment	(1.5)	(6.3)	—	—	—	(1.0)	—	(8.8)	
NRV inventory adjustments	—	—	—	—	—	—	1.1	1.1	
On-site direct operating costs	38.6	50.0	52.0	38.4	35.1	37.2	46.9	298.2	
Royalties	1.5	—	2.3	—	—	0.4	2.5	6.6	
Smelting, refining & direct selling costs	—	0.9	—	—	—	0.7	—	1.6	
Cash Costs before by-product credits	40.0	50.9	54.4	38.4	35.1	38.2	49.4	306.4	
Gold segment by-product credits	—	(20.8)	(0.3)	(2.2)	(0.3)	(5.7)	(13.5)	(42.9)	
Cash Costs of Sales	\$ 40.0	\$ 30.0	\$ 54.1	\$ 36.2	\$ 34.8	\$ 32.5	\$ 35.9	\$ 263.5	
NRV inventory adjustments	—	—	—	—	—	—	(1.1)	(1.1)	
Sustaining capital	15.9	7.0	9.2	16.4	12.1	9.1	0.8	70.5	
Exploration and project development	—	—	—	—	—	—	—	—	
Reclamation cost accretion	0.3	0.5	0.1	0.9	1.6	0.7	2.0	6.3	
All-in sustaining costs	\$ 56.2	\$ 37.6	\$ 63.4	\$ 53.5	\$ 48.5	\$ 42.3	\$ 37.5	\$ 339.1	
Gold segment gold ounces sold (koz)	55.0	31.9	36.5	36.8	28.0	23.7	28.6	240.4	
Cash cost per ounce sold	\$ 727	\$ 942	\$ 1,483	\$ 985	\$ 1,243	\$ 1,370	\$ 1,255	\$ 1,096	
AISC per ounce sold	\$ 1,022	\$ 1,178	\$ 1,737	\$ 1,456	\$ 1,735	\$ 1,784	\$ 1,314	\$ 1,411	
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 1,022	\$ 1,178	\$ 1,737	\$ 1,456	\$ 1,735	\$ 1,784	\$ 1,354	\$ 1,415	

GOLD SEGMENT		Three Months Ended December 31, 2022				Consolidated Gold Segment
(In millions of USD, except as noted)	Dolores	Shahuindo	La Arena	Timmins		
Production Costs	\$ 55.7	\$ 44.1	\$ 30.7	\$ 42.3	\$ 172.8	
Restructuring and end-of-mine life severance accruals and payments	(0.6)	—	—	—	(0.6)	
NRV inventory adjustments	(11.2)	—	—	—	(11.2)	
On-site direct operating costs	43.9	44.1	30.7	42.3	161.0	
Royalties	2.4	—	—	1.8	4.2	
Smelting, refining & direct selling costs	—	—	—	—	—	
Cash Costs before by-product credits	46.3	44.1	30.7	44.1	165.2	
Gold segment by-product credits	(11.6)	(1.9)	(0.2)	(0.2)	(13.9)	
Cash Costs of Sales	\$ 34.7	\$ 42.2	\$ 30.5	\$ 43.9	\$ 151.3	
NRV inventory adjustments	11.2	—	—	—	11.2	
Sustaining capital	4.6	21.4	11.4	8.3	45.7	
Exploration and project development	—	—	—	—	—	
Reclamation cost accretion	1.4	0.6	0.7	—	2.8	
All-in sustaining costs	\$ 51.9	\$ 64.2	\$ 42.7	\$ 52.2	\$ 211.0	
Gold segment gold ounces sold (koz)	32.6	46.3	30.6	31.0	140.5	
Cash cost per ounce sold	\$ 1,064	\$ 911	\$ 997	\$ 1,417	\$ 1,077	
AISC per ounce sold	\$ 1,592	\$ 1,388	\$ 1,393	\$ 1,685	\$ 1,502	
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 1,248	\$ 1,388	\$ 1,393	\$ 1,685	\$ 1,422	

GOLD SEGMENT		Year ended December 31, 2023							
(In thousands of USD, except as noted)	Jacobina	El Peñon	Timmins	Shahuindo	La Arena	Minera Florida	Dolores	Consolidated Gold Segment	
Production Costs	\$ 125.8	\$ 184.1	\$ 193.3	\$ 143.7	\$ 122.4	\$ 123.4	\$ 123.3	\$ 1,015.9	
Restructuring and end-of-mine life severance accruals and payments	(1.1)	—	—	—	—	—	(3.3)	(4.4)	
Purchase price allocation inventory fair value adjustment	(14.1)	(18.7)	—	—	—	(2.0)	—	(34.7)	
NRV inventory adjustments	—	—	—	—	—	—	35.7	35.7	
On-site direct operating costs	110.6	165.4	193.3	143.7	122.4	121.5	155.7	1,012.5	
Royalties	4.2	0.1	8.1	—	—	1.2	9.3	23.0	
Smelting, refining & direct selling costs	0.6	2.4	0.2	—	—	1.2	—	4.4	
Cash Costs before by-product credits	115.3	167.9	201.6	143.7	122.4	124.0	165.1	1,039.9	
Gold segment by-product credits	(0.1)	(70.7)	(0.4)	(6.6)	(1.1)	(17.0)	(52.5)	(148.3)	
Cash Costs of Sales	\$ 115.2	\$ 97.3	\$ 201.2	\$ 137.1	\$ 121.2	\$ 107.0	\$ 112.6	\$ 891.6	
NRV inventory adjustments	—	—	—	—	—	—	(35.7)	(35.7)	
Sustaining capital	46.1	18.6	39.2	63.1	21.2	22.3	8.7	219.2	
Exploration and project development	—	—	—	—	—	—	—	—	
Reclamation cost accretion	1.1	1.6	0.5	3.6	6.6	2.2	8.1	23.6	
All-in sustaining costs	\$ 162.4	\$ 117.4	\$ 240.8	\$ 203.8	\$ 149.0	\$ 131.5	\$ 93.8	\$ 1,098.7	
Gold segment gold ounces sold	146.7	97.3	133.8	142.4	98.1	72.7	110.3	801.2	
Cash cost per ounce sold	\$ 786	\$ 1,000	\$ 1,503	\$ 963	\$ 1,237	\$ 1,472	\$ 1,021	\$ 1,113	
AISC per ounce sold	\$ 1,107	\$ 1,207	\$ 1,800	\$ 1,431	\$ 1,520	\$ 1,809	\$ 850	\$ 1,371	
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 1,107	\$ 1,207	\$ 1,800	\$ 1,431	\$ 1,520	\$ 1,809	\$ 1,174	\$ 1,416	

GOLD SEGMENT		Year ended December 31, 2022				
(In thousands of USD, except as noted)	Dolores	Shahuindo	La Arena	Timmins	Consolidated Gold Segment	
Production Costs	\$ 290.8	\$ 146.2	\$ 103.9	\$ 179.4	\$ 720.3	
Restructuring and end-of-mine life severance accruals and payments	(2.8)	—	—	—	(2.8)	
NRV inventory adjustments	(98.9)	—	—	—	(98.9)	
On-site direct operating costs	189.2	146.2	103.9	179.4	618.6	
Royalties	10.8	—	—	6.9	17.6	
Smelting, refining & direct selling costs	—	—	—	0.2	0.2	
Cash Costs before by-product credits	199.9	146.2	103.9	186.4	636.4	
Gold segment by-product credits	(49.1)	(6.1)	(0.8)	(0.4)	(56.4)	
Cash Costs of Sales	\$ 150.8	\$ 140.1	\$ 103.1	\$ 186.1	\$ 580.1	
NRV inventory adjustments	98.9	—	—	—	98.9	
Sustaining capital	35.9	49.2	48.0	35.7	168.8	
Exploration and project development	—	—	—	—	—	
Reclamation cost accretion	5.5	2.6	3.0	0.2	11.2	
All-in sustaining costs	\$ 291.1	\$ 191.9	\$ 154.0	\$ 222.0	\$ 859.0	
Gold segment gold ounces sold	141.0	145.3	99.4	135.4	521.1	
Cash cost per ounce sold	\$ 1,070	\$ 964	\$ 1,038	\$ 1,374	\$ 1,113	
AISC per ounce sold	\$ 2,065	\$ 1,321	\$ 1,550	\$ 1,639	\$ 1,649	
AISC per ounce sold (excluding NRV inventory adjustments)	\$ 1,363	\$ 1,321	\$ 1,550	\$ 1,639	\$ 1,459	

Adjusted Earnings

Adjusted earnings and basic adjusted earnings per share are non-GAAP measures that the Company considers to better reflect normalized earnings because it eliminates items that in Management's judgment are subject to volatility as a result of factors that are unrelated to operations in the period, and/or relate to items that will settle in future periods. The Company adjusts certain items in the periods that they occurred, but does not reverse or otherwise unwind the effect of such items in future periods. Neither adjusted earnings nor basic adjusted earnings per share have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies.

The following table shows a reconciliation of adjusted earnings for the year ended December 31, 2023 and 2022, to the net earnings for each period.

(In millions of USD, except as noted)	Three Months Ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Net loss for the period	\$ (67.8)	\$ (172.1)	\$ (104.9)	\$ (340.1)
Adjust for:				
Impairment charges	36.2	—	78.6	99.1
Exploration and project development impairment charges	—	5.4	—	5.4
Unrealized foreign exchange losses	5.6	3.2	5.6	12.8
Net realizable value heap inventory expense	5.7	29.5	11.0	137.8
Acquired Mines fair value inventory expense	—	—	32.3	—
Derivative unrealized (gains) losses	(5.4)	(2.2)	5.5	2.5
(Gains and income) loss from associates	—	—	0.4	(45.0)
Severance provisions	2.5	6.5	26.2	23.9
Mineral property, plant and equipment losses (gains) on sale	0.4	1.1	(7.9)	2.4
Transaction and integration costs	0.3	157.3	25.3	157.3
Investment (income) loss	(3.3)	(1.2)	5.5	16.2
Closure and decommissioning liability	13.8	4.7	15.7	4.7
Effect of taxes on adjusting items	2.9	(17.9)	(18.0)	(37.6)
Effect of foreign exchange on taxes	(7.2)	(19.1)	(36.0)	(21.5)
Total adjustments	\$ 51.5	\$ 167.3	\$ 144.2	\$ 358.0
Adjusted earnings (loss) for the period	\$ (16.3)	\$ (4.8)	\$ 39.3	\$ 17.9
Weighted average shares for the period	364.7	210.6	326.5	210.5
Adjusted earnings (loss) per share for the period	\$ (0.04)	\$ (0.02)	\$ 0.12	\$ 0.09

Total Debt

Total debt is a non-GAAP measure calculated as the total current and non-current portions of: long-term debt (including amounts drawn on the SL-Credit Facility), lease liabilities, and loans payable. Total debt does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. The Company and certain investors use this information to evaluate the financial debt leverage of the Company.

Capital

Capital is a non-GAAP measure and is calculated as total equity plus total debt less cash and cash equivalents and short-term investments. Capital does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. The Company and certain investors use this information to evaluate the enterprise value of the Company.

Working Capital

Working capital is a non-GAAP measure calculated as current assets less current liabilities. Working capital does not have any standardized meaning prescribed by GAAP and is therefore unlikely to be comparable to similar measures presented by other companies. The Company and certain investors use this information to evaluate whether the Company is able to meet its current obligations using its current assets.

RISKS AND UNCERTAINTIES

The Company is exposed to many risks in conducting its business, including but not limited to: metal price risk as the Company derives its revenue from the sale of silver, gold, zinc, lead, and copper; trading and credit risk in the normal course of dealing with other companies; foreign exchange risk as the Company reports its financial statements in USD whereas the Company operates in jurisdictions that utilize other currencies; risks relating to cyber security; the inherent risk of uncertainties in estimating mineral reserves and mineral resources; political, economic and social risks related to conducting business in jurisdictions such as Canada, Peru, Mexico, Argentina, Bolivia, Chile, Brazil and Guatemala; environmental risks; and risks related to its relations with employees and local communities where we operate. Certain of these risks, and additional risks and uncertainties, are described below, and are more fully described in Pan American's most recently filed Annual Information Form (available on SEDAR+ at www.sedarplus.ca) and Form 40-F filed with the SEC, and in the Financial Instruments section of the 2023 Annual Financial Statements. Readers are encouraged to refer to these documents for a more detailed description of some of the risks and uncertainties inherent to Pan American's business.

Financial Risk Exposure

The Company is exposed to financial risks, including metal price risk, credit risk, interest rate risk, foreign currency exchange rate risk, and liquidity risk. The Company's exposures and management of each of those risks is described in the 2023 Annual Financial Statements under Note 10 "Financial Instruments", along with the financial statement classification, the significant assumptions made in determining the fair value, and amounts of income, expenses, gains and losses associated with financial instruments. Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates. There were no significant changes to those risks or to the Company's management of exposure to those risks during the year ended December 31, 2023.

The following provides a description of the risks related to financial instruments and how Management manages these risks:

Price Risk

The majority of our revenue is derived from the sale of silver, gold, zinc, copper and lead, and therefore fluctuations in the price of these metals significantly affect our operations and profitability. Our sales are directly dependent on metal prices, and metal prices have historically shown significant volatility and are beyond our control. The Board of Directors continually assesses Pan American's strategy towards our metal exposure, depending on market conditions. The table below illustrates the effect of changes in silver and gold prices on anticipated revenues for 2024, expressed in percentage terms. This analysis assumes that quantities of silver and gold produced and sold remain constant under all price scenarios presented.

2024 Revenue Metal Price Sensitivity

		Gold Price						
		\$1,650	\$1,750	\$1,850	\$1,950	\$2,050	\$2,150	\$2,250
Silver Price	\$20.50	86%	90%	94%	97%	101%	105%	109%
	\$21.50	87%	91%	94%	98%	102%	106%	110%
	\$22.50	88%	91%	95%	99%	103%	107%	111%
	\$23.50	89%	92%	96%	100%	104%	108%	111%
	\$24.50	89%	93%	97%	101%	105%	109%	112%
	\$25.50	90%	94%	98%	102%	106%	109%	113%
	\$26.50	91%	95%	99%	103%	106%	110%	114%

Since base metal and gold revenue are treated as a by-product credit for purposes of calculating Silver Segment Cash Costs and AISC per ounce of silver sold, and base metal and silver revenue is treated as a by-product credit for purposes of calculating Gold Segment Cash Costs and AISC per ounce of gold sold, these non-GAAP measures are highly sensitive to metal prices. The tables below illustrate this point by plotting the expected 2024 Silver Segment AISC per silver ounce against various price assumptions for the Silver Segment's two main by-product credits, gold and zinc, and plotting the expected 2024 Gold Segment AISC per gold ounce against various price assumptions for the Gold Segment's two main by-product credits, silver and zinc, expressed in percentage terms:

2024 Silver Segment AISC Metal Price Sensitivity

		Gold Price						
		\$1,650	\$1,750	\$1,850	\$1,950	\$2,050	\$2,150	\$2,250
Zinc Price	\$1,900	119%	115%	111%	107%	103%	99%	96%
	\$2,100	116%	112%	109%	105%	101%	97%	93%
	\$2,300	114%	110%	106%	102%	99%	95%	91%
	\$2,500	112%	108%	104%	100%	96%	92%	88%
	\$2,700	110%	106%	102%	98%	94%	90%	87%
	\$2,900	108%	104%	100%	96%	93%	89%	85%
	\$3,100	106%	103%	99%	95%	91%	87%	83%

2024 Gold Segment AISC Metal Price Sensitivity

		Silver Price						
		\$20.50	\$21.50	\$22.50	\$23.50	\$24.50	\$25.50	\$26.50
Zinc Price	\$1,900	102%	101%	101%	100%	100%	99%	99%
	\$2,100	102%	101%	101%	100%	100%	99%	99%
	\$2,300	102%	101%	101%	100%	100%	99%	99%
	\$2,500	102%	101%	101%	100%	99%	99%	98%
	\$2,700	101%	101%	100%	100%	99%	99%	98%
	\$2,900	101%	101%	100%	100%	99%	99%	98%
	\$3,100	101%	101%	100%	100%	99%	99%	98%

The price of silver, gold and other metals are affected by numerous factors beyond our control, including:

- global and regional levels of supply and demand;
- sales by government holders and other third parties;
- metal stock levels maintained by producers and others;
- increased production due to new mine developments and improved mining and production methods;
- speculative activities;
- inventory carrying costs;
- availability, demand and costs of metal substitutes;

- international economic and political conditions;
- interest rates, inflation and currency values;
- geopolitical tensions, regional conflicts, terrorism and wars;
- increased demand for silver or other metals for new technologies; and
- reduced demand resulting from obsolescence of technologies and processes utilizing silver and other metals.

In addition to general global economic conditions that can have a significant impact on our business in many ways, declining market prices for metals could materially adversely affect our operations and profitability. A decrease in the market price of silver, gold and other metals could affect the commercial viability of our mines and production at some of our mining properties. Lower prices could also adversely affect future exploration and our ability to develop mineral properties and mines, including the development of capital intensive projects such as the La Colorada Skarn, all of which would have a material adverse impact on our financial condition, results of operations and future prospects. There can be no assurance that the market prices will remain at sustainable levels.

If market prices of gold and silver remain below levels used in Pan American's impairment testing and reserve prices for an extended period of time, Pan American may need to reassess its long-term price assumptions, and a significant decrease in the long-term price assumptions would be an indicator of potential impairment, requiring Pan American to perform an impairment assessment on related assets. Due to the sensitivity of the recoverable amounts to long term metal prices, as well as to other factors including changes to mine plans and cost escalations, any significant change in these key assumptions and inputs could result in impairment charges in future periods.

The Board of Directors continually assesses Pan American's strategy towards our base metal exposure, depending on market conditions. From time to time, we mitigate the market price risk associated with our base metal production by committing some of our forecast base metal production to forward sales and options contracts. However, decisions relating to hedging may have material adverse effects on our financial performance, financial position, and results of operations.

During the year ended December 31, 2022, the Company entered into collars made up of put and call contracts and forward swap contracts for its exposure to zinc. The Company did not enter into zinc contracts during the comparable periods in 2023, and had no contracts outstanding as at December 31, 2023.

During 2020, the Company entered into diesel swap contracts designed to fix or limit the Company's exposure to higher fuel prices. At December 31, 2023, the Company had no outstanding positions on its diesel exposure.

The Company recorded the following derivative gains and losses on commodities for the three months and year ended December 31, 2023:

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Zinc gains	\$ —	\$ (0.1)	\$ —	\$ 1.7
Diesel gains	—	0.3	—	4.5
Other	(0.2)	0.2	0.6	(0.9)
	\$ (0.2)	\$ 0.5	\$ 0.6	\$ 5.3

We take the view that our precious metals production should not be hedged, thereby allowing the maximum exposure to precious metal prices. However, in extreme circumstances, the Board of Directors may make exceptions to this approach. Such decisions could have material adverse effects upon our financial performance, financial position, and results of operations.

Trading Activities and Credit Risk

The zinc, lead, copper, and silver concentrates produced by us are sold through long-term supply arrangements to metal traders or integrated mining and smelting companies. The terms of the concentrate contracts may require us to deliver concentrate that has a value greater than the payment received at the time of delivery, thereby introducing us to credit risk of the buyers of our concentrates. Should any of these counterparties not honour our contractual arrangements, or should any of them become insolvent, we may incur losses for products already shipped and be forced to sell our concentrates in the spot market or we may not have a market for our concentrates and therefore our future operating results may be materially adversely impacted.

As at December 31, 2023, we had receivable balances associated with buyers of our concentrates of \$17.5 million (December 31, 2022 - \$28.7 million). The vast majority of our concentrate is sold to a limited number of concentrate buyers.

Doré production is refined under long-term agreements with fixed refining terms at eleven separate refineries worldwide. The Company generally retains the title to the precious metals throughout the process of refining and therefore is exposed to the risk that the refineries will not be able to perform in accordance with the refining contract and that the Company may not be able to fully recover precious metals in such circumstances. As at December 31, 2023, we had approximately \$10.8 million (December 31, 2022 - \$37.0 million) contained in precious metal inventory at refineries. The Company maintains insurance coverage against the loss of precious metals at the Company's mine sites, and in-transit to refineries. Risk is transferred to the refineries at various stages from mine site to refinery.

Refined silver and gold are sold in the spot market to various bullion traders and banks. Credit risk may arise from these activities if we are not paid for metal at the time it is delivered, as required by spot sale contracts.

The Company maintains trading facilities with several banks and bullion dealers for the purposes of transacting the Company's metal sales. None of these facilities are subject to margin arrangements. The Company's trading activities can expose the Company to the credit risk of its counterparties to the extent that the trading positions have a positive mark-to-market value.

Supplier advances for products and services yet to be provided are a common practice in some jurisdictions in which we operate. These advances represent a credit risk to us to the extent that suppliers do not deliver products or perform services as expected. As at December 31, 2023, we had made \$10.4 million of supplier advances (December 31, 2022 - \$8.9 million), which are reflected in "Trade and other receivables" on the consolidated statements of financial position.

Management constantly monitors and assesses the credit risk resulting from its refining arrangements, concentrate sales and commodity contracts with its refiners, supplier advances, trading counterparties and customers. Furthermore, Management carefully considers credit risk when allocating prospective sales and refining business to counterparties. In making allocation decisions, Management attempts to avoid unacceptable concentration of credit risk to any single counterparty.

From time to time, we may invest in equity securities of other companies. Just as investing in Pan American is inherent with risks such as those set out in this MD&A, by investing in other companies we will be exposed to the risks associated with owning equity securities and those risks inherent in the investee companies.

Foreign Currency Exchange Rate Risk

We report our financial statements in USD; however we operate in jurisdictions that utilize other currencies. As a consequence, the financial results of our operations, as reported in USD, are subject to changes in the value of the USD relative to local currencies. Since our sales are denominated in USD and a portion of our operating costs and capital spending are in local currencies, we are negatively impacted by strengthening local currencies relative to the USD and positively impacted by the inverse. From time to time, we mitigate part of this currency exposure by accumulating local currencies, entering into contracts designed to fix or limit our exposure to changes in the value of local currencies relative to the USD, or assuming liability positions to offset financial assets subject to currency risk.

Pan American held cash and short-term investments of \$47.6 million in CAD, \$0.4 million in ARS, \$3.2 million in MXN, \$9.2 million in BOB, \$6.1 million in PEN, \$0.4 million in BRL, \$1.2 million in CLP and \$0.2 million in Guatemalan quetzales, as at December 31, 2023.

At December 31, 2023, Pan American had the following outstanding positions on foreign currency exposure of purchases:

	USD Notional	Weighted Average USD Forward Rate	Weighted Average USD Put Rate	Weighted Average USD Call Rate	Expiry Dates
Canadian dollar collars	\$ 18.0		\$ 1.36	\$ 1.42	January 2024 to December 2024
Canadian dollar forwards ⁽¹⁾	\$ 72.0	\$ 1.39			January 2024 to December 2024
Peruvian sol forwards	\$ 36.0	\$ 3.86			January 2024 to December 2024
Brazilian real forwards	\$ 12.0	\$ 5.19			January 2024 to December 2024
Chilean peso collar ⁽²⁾	\$ 24.0		\$ 905	\$ 956	January 2024 to December 2024
Chilean peso forwards	\$ 48.0	\$ 910			January 2024 to December 2024

(1) Canadian dollar forwards: Of the \$72.0 million of notional outstanding, \$24.0 million of notional is related to enhanced forwards with reset strikes at \$1.35 if CAD trades outside an average range of \$1.30 to \$1.41. Once the enhanced forward is reset, the reset strike applies for the notional if below the reset strike and for a 33% increase in notional above the reset strike.

(2) Chilean Peso collars: \$24.0 million of notional is related to enhanced collars with participation between average strike rates of \$905 and \$956. At each monthly expiry, if CLP is above an average strike of \$956, CLP is exercised at an average conditional strike of \$927.

The Company recorded the following derivative gains and losses on currencies for the three months and year ended December 31, 2023:

	Three Months Ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Mexican peso gains	\$ 0.1	\$ 0.7	\$ 2.5	\$ 1.5
Peruvian sol gains	1.4	2.5	2.9	3.5
Canadian dollar gains (losses)	3.1	2.0	4.1	(3.0)
Chilean peso losses	1.8	—	(3.0)	—
Brazilian real gains	0.9	—	1.2	—
	\$ 7.3	\$ 5.2	\$ 7.7	\$ 2.0

The following tables illustrate the effect of changes in the exchange rate of PEN and CAD against the USD, and CLP and BRL against the USD, respectively, on anticipated production costs for 2024 expressed in percentage terms:

2024 Cost of Sales Exchange Rate Sensitivity

		CAD/USD						
		\$1.15	\$1.22	\$1.29	\$1.36	\$1.43	\$1.5	\$1.57
CLP/USD	\$700	105%	104%	104%	103%	103%	102%	102%
	\$750	104%	103%	102%	102%	101%	101%	100%
	\$800	103%	102%	101%	101%	100%	100%	99%
	\$850	102%	101%	101%	100%	99%	99%	99%
	\$900	101%	100%	100%	99%	99%	98%	98%
	\$950	100%	100%	99%	98%	98%	97%	97%
	\$1,000	100%	99%	98%	98%	97%	97%	96%

		BRL/USD						
		\$3.5	\$4	\$4.5	\$5	\$5.5	\$6	\$6.50
PEN/USD	\$3.15	105%	104%	103%	102%	101%	101%	100%
	\$3.35	105%	103%	102%	101%	100%	100%	99%
	\$3.55	104%	103%	101%	101%	100%	99%	99%
	\$3.75	103%	102%	101%	100%	99%	99%	98%
	\$3.95	103%	102%	100%	100%	99%	98%	98%
	\$4.15	103%	101%	100%	99%	98%	98%	97%
	\$4.35	102%	101%	100%	99%	98%	97%	97%

Our consolidated statements of financial position contains various monetary assets and liabilities, some of which are denominated in foreign currencies. Accounting convention dictates that these balances are translated at the end of each period, with resulting adjustments being reflected as foreign exchange gains or losses on our consolidated statements of earnings.

In addition to the foregoing, governmental restrictions and controls relating to exchange rates also impact our operations. In Argentina, for example, the government has at times established official exchange rates that were significantly different from the unofficial exchange rates more readily utilized locally to determine prices and value. Our investments in Argentina are primarily funded from outside of the country, and therefore conversion of foreign currencies, like USD, at the official exchange rate has had the effect of reducing purchasing power and substantially increasing relative costs in an already high inflationary market. Maintaining monetary assets in ARS also exposes us to the risks of ARS devaluation and high domestic inflation.

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. As previously discussed in the "Liquidity and Financial Position" section of this MD&A, the borrowing costs under the SL-Credit Facility are based on the Company's credit rating subject to pricing adjustments based on the Company's sustainability performance ratings and scores.

Credit Rating

There can be no assurance that the credit ratings and outlook assigned to the Company's debt securities or to the Company will remain in effect for any given period of time or that any such rating or outlook will not be revised downward or withdrawn entirely by a rating agency. Real or anticipated changes in credit ratings or outlook assigned to the Company's debt securities will generally affect the market price of its debt securities. In addition, real or anticipated changes in its credit ratings may also affect the cost at which the Company can access the capital markets. If such ratings decline and its cost of accessing capital markets increases, the Company may not be able to fund proposed capital expenditures and other operations in the future.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. The volatility of the metals markets can impact our ability to forecast cash flow from operations.

We must maintain sufficient liquidity to meet our short-term business requirements, taking into account our anticipated cash flows from operations, our holdings of cash and cash equivalents, and committed loan facilities.

We manage our liquidity risk by continuously monitoring forecasted and actual cash flows. We have in place a rigorous reporting, planning and budgeting process to help determine the funds required to support our normal operating requirements on an ongoing basis and our expansion plans. We continually evaluate and review capital and operating expenditures in order to identify, decrease, and limit all non-essential expenditures.

We are required to use a portion of our cash flow to service principal and interest on debt, which will limit the cash flow available for other business opportunities. We also maintain and enter into intercompany credit arrangements with our subsidiaries in the normal course. Our ability to make scheduled principal payments, pay interest on or refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Unexpected delays in production, the suspension of our mining licenses, or other operational problems could impact our ability to service the debt and make necessary capital expenditures when the debt becomes due. If we are unable to generate such cash flow to timely repay any debt outstanding, we may be required to adopt one or more alternatives, such as selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations.

While we have paid dividends to our shareholders for many years, the payment of dividends is impacted by our cash flows and liquidity situation. The payment of any future dividends is at the discretion of our Board of Directors after taking into account many factors, including availability of and sources of cash, future anticipated funding needs, our debt position, general and regional economic conditions, and expectations with respect to operational matters such as anticipated metals production and metals prices. There can be no assurance that dividends will continue to be paid in the future or on the same terms as are currently paid by Pan American.

Foreign Operations and Political Risk

The Company holds mining and exploration properties in Peru, Mexico, Argentina, Bolivia, Brazil, Chile, Canada, the United States, and Guatemala, exposing it to the socioeconomic conditions, as well as the laws governing the mining industry in those countries. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; uncertain and evolving legal and regulatory environments; violent crime; extreme fluctuations in currency exchange rates; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in taxation policies, including carbon taxes; restrictions on foreign exchange and repatriation; and changing political norms, currency controls and governmental regulations that favour or require the Company to award contracts in, employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political priorities in any of the jurisdictions in which the Company operates may adversely affect the Company's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of parts and supplies, income, carbon and other taxes, expropriation or restrictions on the ownership of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. For example, Argentina has in the past and continues to have many highly restrictive policies with respect to foreign investment, currency controls, taxation, import and export controls, and restrictions on the ownership and use of lands, including bans on mining and the use of cyanide in certain provinces and restrictions on the amount of lands that

foreign entities, directly or indirectly, can have an ownership interest in. In some cases, this may result in the loss of properties or rights that are valuable or that might otherwise be beneficial or needed in connection with our operations.

On December 30, 2020, the Argentine government issued Decree 1060/2020 that establishes a 4.5% to 8.0% export tax rate on ore and concentrate net revenues. Cerro Moro, owned by a subsidiary of Pan American, is entitled to tax stability pursuant to Argentina's Mining Investments Law No. 24,196 which allows it to recover taxes in excess of their overall tax burden at the time of the filing of the feasibility study in 2012 for Cerro Moro. The export duty rate of eight percent (8%) for goods included in the gold tariff codes, was not yet extended for 2024. On June 16, 2021, the Argentine government also enacted legislation that increased the corporate tax rate from 25% to 35% and maintains the dividend withholding tax rate at 7% retroactive to January 1, 2021.

In July 2022, a tax reform bill was being discussed in Chile, however, on March 8, 2023, the Chamber of Deputies rejected the bill. The government is currently in consultations prior to introducing a new bill. In addition, there was a Specific Mining Tax bill enacted in May 2023. The bill is effective January 1, 2024 and imposes a new mining royalty of 1% of ad valorem value on copper and lithium and removes the deduction of the mining tax previously allowed in calculating the mining tax payable.

In December 2022, the Brazilian government introduced new transfer pricing rules that would see Brazil adopt the Organisation for Economic Co-operation and Development ("OECD") arm length's principal for cross-border transactions. These rules would align Brazil with OECD countries and pave the way for Brazil to join the OECD. The rules would come into effect in 2024, with early adoption allowed in 2023.

On May 8, 2023, the Mexican government enacted a decree to reform various provisions of the mining law (the "Decree"), which was published in the Official Gazette and became law on May 9, 2023. The Decree makes significant changes to the current mining laws, including but not limited to: reducing mining license concession terms; restricting the granting of mining concessions requiring public auctions; imposing conditions on water use and availability; imposing regulations on mining concession transfers; imposing additional grounds for cancellation of mining concessions and further limitations on mining in protected areas; granting preferential rights to mining strategic minerals to state owned enterprises; imposing additional requirements for financial instruments to be provided to guarantee preventive, mitigation, and compensation measures resulting from the social impact assessment, as well as potential damages that may occur during mining activities; and potentially requiring Indigenous Peoples' (ILO 169) consultation. These changes to the mining law are expected to have impacts on our current and future exploration activities and operations in Mexico, the extent of which is yet to be determined but which could be material. Additional Constitutional reforms were presented by the President of Mexico on February 5, 2024. Some of these reforms have the potential to impact mining in Mexico, including further restrictions on water use, the granting of future concessions for open pit mining, and increased public consultation requirements. These reforms are not law and still need to pass through a legislative process for amendment of the Constitution of Mexico, and will likely face legal challenges if they do. It is notable that the previous May 2023 mining law reforms introduced by the President have still not been implemented and have been challenged by many mining companies, as well as Congress, on Constitutional grounds. At the same time, the Presidential term will soon end in September 2024. The positions of the leading candidates for President and Congressional election are unknown at this time. As such, it is too early to speculate on whether any of the current President's proposed reforms will actually become part of the Constitution of Mexico.

Criminal activity and violence are also prevalent in some areas that we work in. For example, violence in Mexico is well documented and has, over time, been increasing. Conflicts between the drug cartels and violent confrontations with authorities are not uncommon. Operations at our La Colorada mine were temporarily suspended in October 2023 due to security concerns at the mine site and surrounding area following an armed robbery of two trailers of concentrate from the operation. Other criminal activity, such as kidnapping and extortion, is also an ongoing concern. Many incidents of crime and violence go unreported and efforts by police and other authorities to reduce criminal activity are challenged by a lack of resources, corruption and the pervasiveness of organized crime. Incidents of criminal activity have occasionally affected our employees and our contractors and their families, as well as the communities in the vicinity of our operations. Such incidents may

prevent access to our mines or offices; halt or delay our operations and production; result in harm to employees, contractors, visitors or community members; increase employee absenteeism; create or increase tension in nearby communities; or otherwise adversely affect our ability to conduct business. We can provide no assurance that the La Colorada security incident or other security incidents, in the future, will not have a material adverse effect on our operations.

Claims and Legal Proceedings

Pan American is subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. The nature, assessment and management of such claims are described in this section, and in Note 32 of the Company's 2023 Annual Financial Statements. There were no significant changes to those risks or to the Company's management of exposure to those risks during the year ended December 31, 2023. As a consequence of the Yamana Acquisition, the Company also assumed various claims and legal proceedings. These claims and legal proceedings include, among others, numerous individual labour and tax claims in Argentina and Brazil and exposures with respect to contractual indemnities, some of which could be significant. While many of these claims may not be considered material individually and, in some cases, may be settled for amounts much less than the original amounts claimed, the aggregate amounts claimed against us, if successful, could be material.

In Peru, there are many claims from current or ex-employees, or employees of former or current owners of our operations such as the Quiruvilca-related claims in Peru, which could in the aggregate, be of significant value, and include alleged improper dismissals, workplace illnesses, such as silicosis, and claims for additional profit-sharing and bonuses in prior years. In some cases, we may also be subject to collective settlement obligations with our employees and contractors relating to closures of our operations, and such obligations may be significant.

We may also become subject to class action lawsuits. For example, in mid-2017, Tahoe, which was acquired by us in late February 2019, and certain of its former directors and officers became the subject of three purported class action lawsuits filed in the United States that centered primarily around alleged misrepresentations. These U.S. class action lawsuits were later consolidated into one class action suit that is ongoing in Nevada. In October 2018, Tahoe learned that a similar proposed class action lawsuit had been filed against Tahoe and its former chief executive officer in the Superior Court of Ontario. Tahoe disputed the allegations made in these suits. In January 2023, the plaintiffs and defendants reached a tentative global settlement to resolve both the United States and Canadian class actions. Final approval of the settlement in the Canadian action was granted in October 2023, subject to obtaining final approval of the U.S. action, and the final approval of the settlement in the U.S. action was granted orally at a hearing on February 15, 2024. Upon entry of the final written approval order in the U.S. action, there will be a thirty-day period during which the order can be appealed. The Company does not anticipate any appeals and therefore the settlement of both the U.S. action and the Canadian action is expected to be final and the cases concluded in Q1 2024. The proposed settlement falls within Tahoe's insurance limits.

In early May 2021, Pan American Silver Guatemala S.A. ("PAS Guatemala") and the Guatemala Ministry of Energy and Mines were served with legal proceedings that were originated in the Constitutional Court of Guatemala by a small group of residents and landowners, or alleged residents and landowners, from the La Cuchilla community near the Escobal mine claiming that prior mining activities damaged their lands. Currently, operations at Escobal are suspended pending the completion of the government-led ILO 169 consultation process. Nevertheless, the action sought injunctive relief to prevent future mining activities at Escobal. The claims and related request for an injunction against both the Guatemala Ministry of Energy and Mines and against PAS Guatemala have subsequently been denied by the Constitutional Court.

As reported in our most recently filed Annual Information Form, certain individuals have asserted community rights and land ownership over a portion of the La Colorada mine's surface lands in the Agrarian Courts of Mexico. They also initiated a process before the Secretariat of Agrarian, Territorial and Urban Development ("SEDATU") in Zacatecas to declare such lands as national property. In 2019, we filed a legal challenge (amparo) against this SEDATU process and obtained an injunction to protect our ownership of these surface rights pending the outcome of the challenge and a further review by SEDATU. Our challenge was dismissed on October 25, 2021, primarily on

the basis that no final declaration of national lands had yet been made by SEDATU that would affect our property rights. Our appeal was also dismissed on the same basis. We will continue to oppose the ongoing SEDATU process. In March 2023, the Agrarian Court of Mexico also dismissed the claims of these individuals declaring that they had not established community rights or land ownership over any of La Colorada's surface lands. Certain of these individuals have appealed, and while the initial appeals were dismissed, have since filed further appeals against this decision. While we believe that we hold proper title to the surface lands in question, if we are unable to maintain, or maintain access to, those surface rights, there could be material adverse impacts on the La Colorada mine's future mining operations.

We may also be subject to proceedings in our commercial relationships. While we would, where available and appropriate to do so, defend against any such allegations, if we are unsuccessful in our defense of these claims, we may be subject to significant losses.

Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably against us. We establish provisions for matters that are probable and can be reasonably estimated. We also carry liability insurance coverage, however, such insurance does not cover all risks to which we might be exposed and in other cases, may only partially cover losses incurred by us. In addition, we may be involved in disputes with other parties in the future that may result in litigation, which could have a material adverse effect on our financial or operating position, cash flow and results of operations.

Climate Change

There is significant evidence of the effects of climate change on our planet and an intensifying focus on addressing these issues. The Company recognizes that climate change is a global challenge that may have both favorable and adverse effects on our business in a range of possible ways. Mining and processing operations are energy intensive and result in a carbon footprint either directly or through the purchase of fossil-fuel based electricity. As such, the Company is impacted by current and emerging policy and regulation relating to greenhouse gas emission levels, energy efficiency, and reporting of climate change related risks. While some of the costs associated with reducing emissions may be offset by increased energy efficiency, technological innovation, or the increased demand for our metals as part of technological innovations, the current regulatory trend may result in additional transition costs at some of our operations. Governments are introducing climate change legislation and treaties at the international, national, and local levels, and regulations relating to emission levels and energy efficiency are evolving and becoming more rigorous. Current laws and regulatory requirements are not consistent across the jurisdictions in which we operate, and regulatory uncertainty is likely to result in additional complexity and cost in our compliance efforts. Public perception of mining is, in some respects, negative and there is increasing pressure to curtail mining in many jurisdictions as a result, in part, of perceived adverse effects of mining on the environment.

Concerns around climate change may also affect the market price of our shares as institutional investors and others may divest interests in industries that are thought to have more environmental impacts. While we are committed to operating responsibly and reducing the negative effects of our operations on the environment, our ability to reduce emissions, energy and water usage by increasing efficiency and by adopting new innovation is constrained by technological advancement, operational factors and economics. Adoption of new technologies, the use of renewable energy, and infrastructure and operational changes necessary to reduce water usage may also increase our costs significantly. Concerns over climate change, and our ability to respond to regulatory requirements and societal expectations, may have significant impacts on our operations and on our reputation, and may even result in reduced demand for our products.

The physical risks of climate change could also adversely impact our operations. These risks include, among other things, extreme weather events, resource shortages, changes in rainfall and in storm patterns and intensities, water shortages, changing sea levels and extreme temperatures. Climate-related events such as mudslides, floods, droughts and fires can have significant impacts, directly and indirectly, on our operations and could result in damage to our facilities, disruptions in accessing our sites with labour and essential materials or in shipping products from our mines, risks to the safety and security of our personnel and to communities, shortages of

required supplies such as fuel and chemicals, inability to source enough water to supply our operations, and the temporary or permanent cessation of one or more of our operations. There is no assurance that we will be able to successfully anticipate, respond to, or manage the risks associated with physical climate change events and impacts, and this may result in material adverse consequences to our business and to our financial results.

MATERIAL ACCOUNTING POLICY INFORMATION, STANDARDS AND JUDGEMENTS

In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements. These critical accounting estimates represent management estimates and judgements that are uncertain, and any changes in these could materially impact the Company's financial statements. Management continuously reviews its estimates, judgements and assumptions using the most current information available. The significant judgements and key sources of estimation uncertainty in the application of accounting policies are described in Note 5 and Note 6 of the 2023 Annual Financial Statements, respectively.

Readers should also refer to Note 3 of the 2023 Annual Financial Statements, for the Company's summary of significant accounting policies.

Changes in Accounting Standards

New and amended IFRS standards that are effective for the current period

Amendments to IAS 12 - International Tax Reform — Pillar Two Model Rules

Amendments to IAS 12 in response to the Organisation for Economic Co-operation and Development's (OECD) Pillar Two model tax rules (also known as the Global Minimum Tax) provides that an entity has to disclose separately its current tax expense related to Global Minimum Tax as well as a mandatory temporary exception to the requirements regarding deferred tax assets and liabilities. The amendments also provide that in a period where the Global Minimum Tax legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Global Minimum Tax arising from that legislation. The Company has applied the mandatory temporary exemption regarding deferred taxes. The adoption of these amendments did not have a material impact on these Consolidated Financial Statements.

Presentation of Financial Statements (Amendment to IAS 1)

Effective January 1, 2023, the Company adopted Amendments to IAS 1 Presentation of Financial Statements related to the disclosure of accounting policies. These amendments require entities to disclose their material accounting policy information rather than significant accounting policy information. The amendments provide guidance on how an entity can identify material accounting policy information and clarify that information may be material because of its nature, even if the related amounts are immaterial.

The adoption of these amendments did not have a significant impact on the disclosure of material accounting policies in these Consolidated Financial Statements.

New and amended IFRS standards not yet effective in the current period

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments to IAS 1, clarifies the presentation of liabilities. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period 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 issued in October 2022 also clarifies how conditions with which an entity must comply within twelve months after the

reporting period 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 amendments are effective for annual reporting periods beginning on or after January 1, 2024. The implementation of this amendment is not expected to have a material impact on the Company.

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The Company is currently evaluating the impact of this amendment.

Future changes in accounting standards

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted. Management is still evaluating and does not expect any such pronouncements to have a material impact on the Company's Consolidated Financial Statements upon adoption.

Significant judgements

In preparing financial statements in accordance with IFRS, Management is required to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements. These critical accounting estimates represent Management's estimates and judgements that are uncertain and any changes in these could materially impact the Company's financial statements. Management continuously reviews its estimates, judgements, and assumptions using the most current information available.

Readers should also refer to Note 3 of the 2023 Annual Financial Statements, for the Company's summary of material accounting policy information and Note 5 of the Annual Financial Statements that summarizes the significant judgments in applying accounting policies.

RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries, associates over which it exercises significant influence and key management personnel. Transactions with the Company's subsidiaries have been eliminated on consolidation. Maverix ceased to be a related party after March 31, 2022 after the Company determined that it no longer held significant influence over Maverix. There were no other related party transactions for the years ended December 31, 2023 and 2022.

DISCLOSURE AND INTERNAL CONTROL PROCEDURES

Management considers the meaning of internal control to be the processes established by Management to provide reasonable assurance about the achievement of the Company's objectives regarding operations, reporting and compliance. Internal control is designed to address identified risks that threaten any of these objectives.

Disclosure controls and procedures ("DC&P")

Our Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for establishing and maintaining adequate DC&P. Under the supervision and with the participation of our CEO and CFO, we evaluated the effectiveness of the design and operation of our DC&P in accordance with requirements of National Instrument 52-109 of the Canadian Securities Commission ("NI 52-109") and the Sarbanes Oxley Act of 2002 (as adopted by the "SEC").

As of December 31, 2023, based on the evaluation, our CEO and CFO concluded that our DC&P were effective to ensure that information required to be disclosed by us in reports we file or submit is recorded, processed, summarized and reported within the time periods specified in securities legislation and is accumulated and communicated to our management, including our CEO and CFO.

Internal control over financial reporting (“ICFR”)

Management is responsible for establishing and maintaining adequate ICFR. Management evaluated the effectiveness of the Company's ICFR as of December 31, 2023 based upon the Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the evaluation, Management concluded that the Company's ICFR was effective as of December 31, 2023. Management reviewed the results of its evaluation with the Audit Committee of the Board of Directors.

The effectiveness of the Company's ICFR as of December 31, 2023 has been audited by Deloitte LLP, Independent Registered Public Accounting Firm, as stated in their report immediately preceding the Company's 2023 Annual Financial Statements.

Limitation on Scope

Management excluded from its assessment the internal controls policies and procedures of Yamana, which the Company acquired on March 31, 2023. Yamana's total assets, net assets, total revenues and net loss on a combined basis constitute approximately 53%, 54%, 40% and (6)%, respectively, of the Consolidated Annual Financial Statement amounts as of for the year ended December 31, 2023. This limitation of scope is in accordance with section 3.3(1)(b) of NI 52-109, which allows for an issuer to limit the design of DC&P or ICFR to exclude a business that the issuer acquired not more than 365 days before the end of the financial period to which the CEO's and CFO's certification of annual filings relates.

Other than the Yamana Acquisition, there have been no significant changes in our internal controls during the three months and twelve month period ended December 31, 2023 that have materially affected, or are reasonably likely to materially affect, its ICFR.

Inherent limitations of controls and procedures

All internal control systems, no matter how well designed, have inherent limitations. As a result, even systems determined to be effective may not prevent or detect misstatements on a timely basis, as systems can provide only reasonable assurance that the objectives of the control system are met. In addition, projections of any evaluation of the effectiveness of ICFR 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 change.

TECHNICAL INFORMATION

Scientific and technical information contained in this MD&A has been reviewed and approved by Martin Wafforn, P.Eng., Senior Vice President Technical Services and Processing Optimization, and Christopher Emerson, FAusIMM, Vice President Exploration and Geology, each of whom are Qualified Persons, as the term is defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”).

For more detailed information regarding Pan American's material mineral properties prior to the completion of the Yamana Acquisition, please refer to Pan American's most recently filed Annual Information Form, filed at www.sedarplus.ca, or Pan American's most recent Form 40-F filed with the SEC. For additional information regarding the Acquired Mines, please refer to Yamana's Annual Information Form dated March 29, 2023, filed at www.sedarplus.ca, or Yamana's most recent Form 40-F filed with the SEC.

MINERAL RESERVES AND MINERAL RESOURCES
Pan American Silver Corporation Mineral Reserves as of June 30, 2023⁽¹⁾⁽²⁾

Property	Location	Classification	Tonnes (Mt)	Ag (g/t)	Contained Ag (Moz)	Au (g/t)	Contained Au (koz)	Cu (%)	Pb (%)	Zn (%)
Silver Segment										
Huaron	Peru	Proven	6.0	174	33.4			0.62	1.53	3.06
		Probable	3.3	166	17.5			0.45	1.74	3.11
La Colorada	Mexico	Proven	5.0	296	47.2	0.21	33.8		1.25	2.15
		Probable	4.2	292	39.1	0.19	25.3		1.26	2.22
San Vicente (95%)⁽³⁾	Bolivia	Proven	0.7	341	8.2			0.34	0.35	3.67
		Probable	0.7	278	6.4			0.27	0.21	3.30
Escobal	Guatemala	Proven	2.5	486	39.5	0.42	34.2		1.02	1.75
		Probable	22.1	316	225.0	0.34	243.8		0.77	1.25
Cerro Moro	Argentina	Proven	0.5	330	5.7	6.33	109.7			
		Probable	0.7	237	5.6	8.18	192.2			
Total Silver Segment⁽⁴⁾			45.8	291	427.6	0.57	639.1	0.52	1.04	1.92
La Arena	Peru	Proven	15.1			0.38	183.4			
		Probable	17.5			0.28	159.7			
Dolores	Mexico	Proven	6.3	17	3.4	0.53	108.6			
		Probable	1.3	24	1.0	0.53	22.1			
Shahuindo	Peru	Proven	58.8	8	15.1	0.51	967.8			
		Probable	33.6	6	6.8	0.40	436.8			
Timmins	Canada	Proven	5.0			2.93	473.5			
		Probable	4.7			2.80	419.4			
Jacobina	Brazil	Proven	27.0			2.00	1,737.8			
		Probable	21.3			2.06	1,404.8			
El Peñon	Chile	Proven	0.9	213	6.2	5.35	155.6			
		Probable	5.2	148	24.6	4.21	699.5			
Minera Florida	Chile	Proven	0.9	26	0.7	3.25	89.6			1.15
		Probable	2.0	20	1.3	3.28	210.6			0.93
Total Gold Segment⁽⁴⁾			199.5	17	59.1	1.1	7,069.3			0.99
Total Gold and Silver Segments⁽⁴⁾		Proven + Probable	245.2	98	486.8	1.02	7,708.4	0.52	1.04	1.87

(1) See table below entitled "Metal price assumptions used to estimate mineral reserves and resources as at June 30, 2023".

(2) Tables have been updated to reflect the sales of MARA (completed on Sept. 20, 2023), Morococho (completed on Sept. 22, 2023), and Jeronimo (completed on Nov. 6, 2023).

(3) This information represents the portion of mineral reserves attributable to Pan American based on its ownership interest in the operating entity as indicated.

(4) Totals may not add up due to rounding. Total average grades of each metal are with respect to those mines that produce the metal.

Pan American Silver Corporation Measured and Indicated Mineral Resources as of June 30, 2023⁽¹⁾⁽²⁾⁽³⁾

Property	Location	Classification	Tonnes		Contained		Contained		Cu (%)	Pb (%)	Zn (%)
			(Mt)	Ag (g/t)	Ag (Moz)	Au (g/t)	Au (koz)				
Huaron	Peru	Measured	1.4	180	8.2			0.30	1.95	3.15	
		Indicated	1.8	173	10.2			0.30	1.86	3.06	
La Colorada	Peru	Measured	0.7	153	3.6	0.13	3.0		0.64	1.18	
		Indicated	2.5	182	14.6	0.19	15.0		0.87	1.41	
La Colorada Skarn ⁽⁴⁾	Mexico	Indicated	173.6	33	183.2				1.32	2.79	
Manantial Espejo	Argentina	Measured	0.3	164	1.7	2.40	24.7				
		Indicated	1.0	149	4.9	2.79	91.5				
Joaquin	Argentina	Measured	0.1	360	1.5	0.28	1.2				
		Indicated	0.4	351	4.2	0.28	3.4				
San Vicente (95%) ⁽⁵⁾	Bolivia	Measured	0.8	200	5.1			0.19	0.23	2.57	
		Indicated	0.3	213	1.9			0.20	0.24	2.78	
Navidad	Argentina	Measured	15.4	137	67.8			0.10	1.44		
		Indicated	139.8	126	564.5			0.04	0.79		
Escobal	Guatemala	Measured	2.3	251	18.6	0.23	16.7		0.31	0.59	
		Indicated	14.2	201	91.6	0.20	93.0		0.38	0.66	
Cerro Moro	Argentina	Measured	0.1	287	1.1	7.09	26.5				
		Indicated	0.6	349	7.1	4.57	93.0				
Total Silver Segment⁽⁶⁾			355.4	87	989.7	0.51	368.0	0.05	1.07	2.59	
Dolores	Mexico	Measured	5.5	23	4.0	0.33	57.7				
		Indicated	0.7	70	1.5	1.35	28.7				
La Bolsa	Mexico	Measured	10.8	10	3.5	0.7	242.8				
		Indicated	10.6	8	2.7	0.54	184.3				
Pico Machay	Peru	Measured	4.7			0.91	137.5				
		Indicated	5.9			0.67	127.1				
La Arena	Peru	Measured	1.2			0.25	9.5				
		Indicated	2.1			0.16	11.1				
Shahuindo	Peru	Measured	5.4	6	1.1	0.31	53.6				
		Indicated	7.1	5	1.2	0.33	75.8				
Timmins	Canada	Measured	2.6			2.77	233				
		Indicated	2.3			2.48	185.4				
Jacobina	Brazil	Measured	49.1			1.61	2541.3				
		Indicated	45.3			1.48	2162.4				
El Peñon	Chile	Measured	1.1	146	5.2	4.1	145.2				
		Indicated	6.7	99	21.3	3.04	650.2				
Minera Florida	Chile	Measured	1.7	18	1.0	3.21	172.6			1.23	
		Indicated	4.5	18	2.6	3.32	481.3			1.03	
La Arena II	Peru	Measured	154.1			0.25	1,255.4	0.38			
		Indicated	554.6			0.23	4,044.9	0.37			
La Pepa (80%)	Chile	Measured	47.1			0.61	922.8				
		Indicated	52.3			0.49	824.3				
Lavra Velha	Brazil	Indicated	4.5			1.96	282.1				
Whitney(82.8%)	Canada	Measured	0.8			7.02	180.7				
		Indicated	1.9			6.77	406.3				
Gold River	Canada	Indicated	0.7			5.29	117.4				
Marlhill	Canada	Indicated	0.4			4.52	57.4				
Vogel	Canada	Indicated	2.2			1.75	125				
Total Gold Segment⁽⁶⁾			985.8	25	44.1	0.50	15,715.6	0.37		1.09	
Total Gold and Silver Segments⁽⁶⁾		Measured + Indicated	1,341.2	79	1,033.8	0.50	16,083.6	0.31	1.07	2.55	

(1) See table below entitled "Metal price assumptions used to estimate mineral reserves and resources as at June 30, 2023".

- (2) Mineral resources are reported exclusive of mineral reserves.
 (3) Tables have been updated to reflect the sales of MARA (completed on Sept. 20, 2023), Morococha (completed on Sept. 22, 2023), and Jeronimo (completed on Nov. 6, 2023).
 (4) Mineral resource estimate for the La Colorada Skarn as at December 18, 2023.
 (5) This information represents the portion of mineral resources attributable to Pan American based on its ownership interest in the operating entity as indicated.
 (6) Totals may not add up due to rounding. Total average grades of each metal are with respect to those mines that produce the metal.

Pan American Silver Corporation Inferred Mineral Resources as of June 30, 2023 ⁽¹⁾⁽²⁾⁽³⁾										
Property	Location	Classification	Tonnes (Mt)	Ag (g/t)	Contained Ag (Moz)	Au (g/t)	Contained Au (koz)	Cu (%)	Pb (%)	Zn (%)
Silver Segment										
Huaron	Peru	Inferred	5.9	164	31.2			0.35	1.76	2.87
La Colorada	Mexico	Inferred	14.7	174	82.2	0.20	93.0		0.94	1.67
La Colorada Skarn ⁽⁴⁾	Mexico	Inferred	103.6	35	116.2				1.03	2.47
Manantial Espejo	Argentina	Inferred	0.5	106	1.8	1.49	25.2			
San Vicente (95%) ⁽⁵⁾	Bolivia	Inferred	1.5	188	9.2			0.22	0.27	2.63
Cerro Moro	Argentina	Inferred	0.7	220	4.9	8.66	191.6			
Navidad	Argentina	Inferred	45.9	81	119.4			0.02	0.57	
Joaquin	Argentina	Inferred	0.2	280	1.4	0.25	1.2			
Escobal	Guatemala	Inferred	1.9	180	10.7	0.90	53.7		0.22	0.42
Total Silver Segment⁽⁶⁾			174.9	67	377.0	0.63	364.8	0.06	0.91	2.37
Gold Segment										
Dolores	Mexico	Inferred	1.3	40	1.7	1.18	50.3			
La Bolsa	Mexico	Inferred	13.7	8	3.3	0.51	224.6			
Pico Machay	Peru	Inferred	23.9			0.58	445.7			
La Arena	Peru	Inferred	5.8			0.23	43.4			
Shahuindo	Peru	Inferred	10.1	8	2.4	0.38	124.4			
Timmins	Canada	Inferred	3.8			3.11	383.5			
Jacobina	Brazil	Inferred	40.1			1.56	2,014.7			
El Peñon	Chile	Inferred	18.5	51	30.0	1.36	804.5			
Minera Florida	Chile	Inferred	4.9	15	2.4	2.93	461.1			0.83
La Arena II	Peru	Inferred	68.2			0.21	454.6	0.24		
Whitney (82.8%)	Canada	Inferred	0.8			5.34	141.4			
Arco Sul	Brazil	Inferred	6.2			3.08	614.2			
La Pepa (80%)	Chile	Inferred	20.0			0.46	296.1			
Lavra Velha	Brasil	Inferred	4.7			1.56	238.0			
Gold River	Canada	Inferred	5.3			6.06	1,027.4			
Vogel	Canada	Inferred	1.5			3.60	168.8			
Total Gold Segment⁽⁶⁾			228.9	26	39.9	1.02	7,492.7	0.24		0.83
Total Gold and Silver Segments⁽⁶⁾		Inferred	403.8	58	416.9	0.99	7,857.5	0.16	0.91	2.31

- (1) See table below entitled “Metal price assumptions used to estimate mineral reserves and resources as at June 30, 2023”.
 (2) Mineral resources are reported exclusive of mineral reserves.
 (3) Tables have been updated to reflect the sales of MARA (completed on Sept. 20, 2023), Morococha (completed on Sept. 22, 2023), and Jeronimo (completed on Nov. 6, 2023).
 (4) Mineral resource estimate for the La Colorada Skarn as at December 18, 2023.
 (5) This information represents the portion of mineral resources attributable to Pan American based on its ownership interest in the operating entity as indicated.
 (6) Totals may not add up due to rounding. Total average grades of each metal are with respect to those mines that produce the metal.

Metal Price Assumptions Used to Estimate Mineral Reserves and Mineral Resources as of June 30, 2023

Property	Category	Ag US\$/oz	Au US\$/oz	Cu US\$/t	Pb US\$/t	Zn US\$/t
Huaron	All categories	19.00	1,300	7,000	2,000	2,600
La Colorada	All categories	19.00	1,300	7,000	2,000	2,600
La Colorada Skarn	Resource	22.00			2,200	2,800
Dolores	Reserves	19.00	1,600			
	Resources	22.00	1,700			
La Bolsa	All categories	14.00	825			
Manantial Espejo	Resources	22.00	1,700			
San Vicente	All categories	19.00	1,300	7000	2000	2600
Navidad	All categories	12.52			1100	
Pico Machay	All categories		700			
Joaquin	Resources	22.00	1,700			
Escobal	All categories	20.00	1,300		2204	2424
Shahuindo	Reserves	19.00	1,500			
	Resources	22.00	1,700			
La Arena	Reserves		1,500			
	Resources		1,700			
La Arena II	All categories		1,500	8816		
Bell Creek	All categories	19.00	1,500			
Timmins	All categories	19.00	1,500			
Whitney	Resources		1,200			
Gold River	Resources		1,200			
Marlhill	Resources		1,125			
Vogel	Inside pit		1,150			
	Below pit		1,150			
Jacobina	Reserves		1,500			
	Resources		1,700			
Cerro Moro	Reserves	19.00	1,600			
	Resources	22.00	1,700			
El Peñon	Reserves	18.00	1,250			
	Resources	18.00	1,250			
Minera Florida	Reserves	19.00	1,500			2600
	Resources	22.00	1,700			2,800
Arco Sul	Resources		1,250			
La Pepa	Resources		1,650			
Lavra Velha	Resources		1,650			

General Notes Applicable to the Foregoing Tables:

Mineral reserves and resources are as defined by the Canadian Institute of Mining, Metallurgy and Petroleum.

Pan American reports mineral resources and mineral reserves separately. Reported mineral resources do not include amounts identified as mineral reserves. Mineral resources that are not mineral reserves have no demonstrated economic viability.

Pan American does not expect these mineral reserve and resource estimates to be materially affected by metallurgical, environmental, permitting, legal, taxation, socio-economic, political, and marketing or other relevant issues.

See the Company's Annual Information Form dated February 22, 2023, available at www.sedarplus.ca for further information on the Company's material mineral properties prior to the completion of the Yamana Acquisition, including information concerning associated QA/QC and data verification matters, the key assumptions, parameters and methods used by the Company to estimate mineral reserves and mineral resources, and for a detailed description of known legal, political, environmental, and other risks that could materially affect the Company's business and the potential development of the Company's mineral reserves and resources. See Yamana's Annual Information Form dated March 29, 2023, available at www.sedarplus.ca for further information on the material mineral properties acquired pursuant to the Yamana Acquisition. For a complete list of current technical reports for the Company's material properties, see the Company's filings on its profile at www.sedarplus.ca.

Quantities of contained metal are shown before metallurgical recoveries.

Scientific and technical information contained in this MD&A has been reviewed and approved by Martin Wafforn, P.Eng., Senior Vice President Technical Services and Processing Optimization, and Christopher Emerson, FAusIMM, Vice President Exploration and Geology, each of whom are Qualified Persons, as the term is defined in NI 43-101.

Cautionary Note Regarding Forward-Looking Statements and Information

Certain of the statements and information in this MD&A constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and “forward-looking information” within the meaning of applicable Canadian provincial securities laws relating to the Company and its operations. All statements, other than statements of historical fact, are forward-looking statements. When used in this MD&A, the words, “will”, “believes”, “expects”, “intends”, “plans”, “forecast”, “objective”, “guidance”, “outlook”, “potential”, “anticipated”, “budget”, and other similar words and expressions, identify forward-looking statements or information. These forward-looking statements or information relate to, among other things: future financial or operational performance and forecasts for 2024, including our estimated production of silver, gold and other metals forecasted, and for our estimated Cash Costs, AISC, capital and exploration, mine operation, general and administrative, care and maintenance expenditures; future anticipated prices for gold, silver and other metals and assumed foreign exchange rates; the payment of any future dividends; the sale of Pan American’s non-core assets resulting in an optimized portfolio which allows Pan American to reduce its annual project capital, reclamation, care and maintenance costs; the impacts of inflation on Pan American and its operations; the duration and effect of the suspensions of operations of the Escobal mine, as well as the nature of and continuation of the constitutional court-mandated ILO 169 consultation process in Guatemala, and the timing and, if applicable, completion thereof; the SEDATU process with respect to a portion of the La Colorada mine’s surface lands; the timing for completion of the La Colorada ventilation infrastructure; the ability of Pan American to successfully complete any capital projects, the expected economic or operational results derived from those projects, and the impacts of any such projects on Pan American; the future results of our exploration activities, including with respect to the La Colorada Skarn Project; anticipated mineral reserves and mineral resources; the costs associated with the Company’s decommissioning obligations; the Company’s plans and expectations for its properties and operations.

These forward-looking statements and information reflect the Company’s current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant operational, business, economic, competitive, political, regulatory, and social uncertainties and contingencies. These assumptions, some of which are described in the “Risks and Uncertainties” section of this MD&A, include: the impact of inflation and disruptions to the global, regional and local supply chains; tonnage of ore to be mined and processed; future anticipated prices for gold, silver and other metals and assumed foreign exchange rates; the timing and impact of planned capital expenditure projects, including anticipated sustaining, project, and exploration expenditures; the ongoing impact and timing of the court-mandated ILO 169 consultation process in Guatemala; ore grades and recoveries; capital, decommissioning and reclamation estimates; our mineral reserve and mineral resource estimates and the assumptions upon which they are based; whether Pan American is able to maintain a strong financial condition and have sufficient capital, or have access to capital through the SL-Credit Facility or otherwise, to sustain our business and operations; prices for energy inputs, labour, materials, supplies and services (including transportation); positive credit ratings; no labour-related disruptions at any of our operations; no unplanned delays or interruptions in scheduled production; all necessary permits, licenses and regulatory approvals for our operations are received in a timely manner; our ability to secure and maintain title and ownership to mineral properties and the surface rights necessary for our operations; and our ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

The Company cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this MD&A and the Company has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: fluctuations in silver, gold, and base metal prices; fluctuations in prices for energy inputs; fluctuations in currency markets (such as the PEN, MXN, ARS, BOL, GTQ and CAD versus the USD); fluctuations in market interest rates; risks related to the technological and operational nature of the Company’s business; changes in national and local government, legislation, taxation, controls or regulations and political, legal or economic developments in Canada, the United States, Mexico, Peru, Argentina, Bolivia, Guatemala or other countries where the Company may carry on business, some of which might prevent or cause the suspension or discontinuation of mining activities, including the risk of expropriation related to certain of our operations, and risks related to the constitutional court-mandated ILO 169 consultation process in Guatemala; risks and hazards associated with the business of mineral exploration, development and mining (including environmental hazards, industrial accidents, unusual or unexpected geological or structural formations, pressures, cave-ins and flooding); risks related to climate change; risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom the Company does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; employee relations; relationships with and claims by the local communities and indigenous populations; availability and increasing costs associated with mining inputs and labour; the Company’s ability to secure our mine sites or maintain access to our mine sites due to criminal activity, violence, or civil and labour unrest; the speculative nature of mineral exploration and development, including the risk of obtaining or retaining necessary licenses and permits; challenges to, or difficulty in maintaining, the Company’s title to properties and continued ownership thereof; diminishing quantities or grades of mineral reserves as properties are mined; global financial and geopolitical conditions; the actual results of current exploration activities, conclusions of economic evaluations, and changes in project parameters to deal with unanticipated economic or other factors; increased competition in the mining industry for properties, equipment, qualified personnel, and their costs; having sufficient cash to pay obligations as they come due; those factors identified under the caption “Risks Related to Pan American’s Business” in the Company’s most recent Form 40-F and Annual Information Form filed with the United

States Securities and Exchange Commission and Canadian provincial securities regulatory authorities, respectively; and those factors identified under the caption "Risks of the Business" in Yamana Gold's most recent form 40-F and Annual Information Form filed with the United States Securities and Exchange Commission and Canadian provincial securities regulatory authorities, respectively. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described, or intended. Investors are cautioned against attributing undue certainty or reliance on forward-looking statements or information. Forward-looking statements and information are designed to help readers understand management's current views of our near- and longer-term prospects and may not be appropriate for other purposes. The Company does not intend, and does not assume any obligation, to update or revise forward-looking statements or information to reflect changes in assumptions or in circumstances or any other events affecting such statements or information, other than as required by applicable law.

Cautionary Note to US Investors Regarding References to Mineral Reserves and Mineral Resources

Unless otherwise indicated, all reserve and resource estimates included in this MD&A have been prepared in accordance with Canadian ("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 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 requirements of the SEC, and reserve and resource information included herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, this MD&A use the terms "measured resources," "indicated resources" and "inferred resources" as defined in accordance with NI 43-101 and the CIM Standards.

Further to recent amendments, mineral property disclosure requirements in the United States (the "U.S. Rules") are governed by subpart 1300 of Regulation S-K of the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") which differ from the CIM Standards. As a foreign private issuer that is eligible to file reports with the SEC pursuant to the multi-jurisdictional disclosure system (the "MJDS"), the Company is not required to provide disclosure on its mineral properties under the U.S. Rules and will continue to provide disclosure under NI 43-101 and the CIM Standards. If the Company ceases to be a foreign private issuer or loses its eligibility to file its annual report on Form 40-F pursuant to the MJDS, then the Company will be subject to the U.S. Rules, which differ from the requirements of NI 43-101 and the CIM Standards.

Pursuant to the U.S. Rules, the SEC recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources." In addition, the definitions of "proven mineral reserves" and "probable mineral reserves" under the U.S. Rules are now "substantially similar" to the corresponding standards under NI 43-101. Mineralization described using these terms has a greater amount of uncertainty as to its existence and feasibility than mineralization that has been characterized as reserves. Accordingly, U.S. investors are cautioned not to assume that any measured mineral resources, indicated mineral resources, or inferred mineral resources that the Company reports are or will be economically or legally mineable. Further, "inferred mineral resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Under Canadian securities laws, estimates of "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies, except in rare cases. While the above terms under the U.S. Rules are "substantially similar" to the standards under NI 43-101 and CIM Standards, there are differences in the definitions under the U.S. Rules and CIM Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven mineral reserves", "probable mineral reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 would be the same had the Company prepared the reserve or resource estimates under the standards adopted under the U.S. Rules.



PAN AMERICAN
— SILVER —

Consolidated Financial Statements and Notes

FOR THE YEARS ENDED DECEMBER 31, 2023 AND DECEMBER 31, 2022

Management's Responsibility For Financial Reporting

The accompanying Consolidated Financial Statements of Pan American Silver Corp. ("Pan American" or the "Company") have been prepared by and are the responsibility of management and have been approved by the Board of Directors (the "Board").

These Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and include managements best estimates and judgements. Pan American has developed and maintains a system of internal controls designed to ensure the reliability of its financial information.

Deloitte LLP, an Independent Registered Public Accounting Firm, has audited these Consolidated Financial Statements. Their report outlines the scope of their examination and opinion on the Consolidated Financial Statements.

"signed"

Michael Steinmann
Chief Executive Officer

"signed"

Ignacio Couturier
Chief Financial Officer

February 21, 2024

Management's Report on Internal Control over Financial Reporting

Management of Pan American is responsible for establishing and maintaining adequate internal control over financial reporting ("ICFR") and for its assessment of the effectiveness of ICFR.

Management excluded from its assessment the internal controls policies and procedures of Yamana Gold Inc. ("Yamana"), which the Company acquired control on March 31, 2023. Yamana's total assets, net assets, total revenues and net loss on a combined basis constitute approximately 53%, 54%, 40% and (6)%, respectively, of these Consolidated Financial Statement amounts as of and for the year ended December 31, 2023. This limitation of scope is in accordance with both U.S. and Canadian securities laws.

Pan American's management assessed the effectiveness of the Company's ICFR as of December 31, 2023, in accordance with the criteria established 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, 2023, Pan American's ICFR was effective.

Deloitte LLP, an Independent Registered Public Accounting Firm, has audited the Company's Consolidated Financial Statements for the year ended December 31, 2023, and as stated in the Report of Independent Registered Public Accounting Firm, they have expressed an unqualified opinion on the effectiveness of the Company's ICFR as of December 31, 2023.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Pan American Silver Corp.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Pan American Silver Corp. and subsidiaries (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of earnings and comprehensive earnings, cash flows, and changes in equity, for each of the two years in the period ended December 31, 2023, 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 of December 31, 2023 and 2022, and its financial performance and its cash flows for each of the two years in the period ended December 31, 2023, in accordance with International Financial Reporting 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, 2023, 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 February 21, 2024, 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 Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Yamana Acquisition - Refer to Notes 6 and 8 to the financial statements

Critical Audit Matter Description

The Company completed the acquisition of Yamana Gold Inc. ("Yamana") on March 31, 2023. The purchase price was allocated to the assets acquired, including mineral properties, and liabilities assumed based on their fair values. Management used discounted cash flow models to determine the fair value of the acquired mineral properties. This required management to make significant estimates and assumptions related to future gold and silver prices, discount rates, quantities of recoverable mineral reserves and resources, expected future production

costs and capital expenditures based on the life of mine plans and the in-situ resource multiples implied within the value of transactions by other market participants.

While there are several estimates and assumptions that are required to determine the fair value of the mineral properties, the estimates and assumptions with the highest degree of subjectivity are future gold and silver prices and discount rates. Auditing these required a high degree of auditor judgment and an increased extent of audit effort, including the need to involve fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to future gold and silver prices and discount rates used to determine the fair value of the mineral properties included the following, among others:

- Evaluated the effectiveness of the Company's controls over management's determination of future gold and silver prices and discount rates.
- With the assistance of fair value specialists:
 - Evaluated future gold and silver prices by comparing management forecasts to third party forecasts; and
 - Evaluated the reasonableness of the discount rates by testing the source information underlying the determination of the discount rates and developing a range of independent estimates of the discount rates and comparing those to the discount rates selected by management.

Impairment - Assessment of Whether Indicators of Impairment or Impairment Reversal Exist within the Mineral Properties, Plant and Equipment - Refer to Notes 3n and 5e to the financial statements

Critical Audit Matter Description

The Company's determination of whether or not an indicator of impairment or impairment reversal exists at the cash generating unit ("CGU") level requires significant management judgment. Changes in metal price forecasts or discount rates, increases or decreases in estimated future production costs or capital expenditures, reductions or increases in the amount of recoverable mineral reserves and resources and/or adverse or favorable political or regulatory developments can result in a write-down or write-up of the carrying amounts of the Company's mineral properties, plant and equipment.

While there are several factors that are required to determine whether or not an indicator of impairment or impairment reversal exists, the judgments with the highest degree of subjectivity are future gold and silver prices, discount rates and the Company's ability or expected timing to restart the Escobal Mine. Auditing these estimates and factors required a high degree of subjectivity in applying audit procedures and in evaluating the results of those procedures. This resulted in an increased extent of audit effort, including the involvement of fair value specialists.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to future gold and silver prices, discount rates and the Company's ability or expected timing to restart the Escobal mine considered in the assessment of indicators of impairment or impairment reversal included the following, among others:

- Evaluated the effectiveness of the Company's controls over management's assessment of indicators of impairment or impairment reversal.
- Performed independent research to assess if there have been any substantive local, political, or regulatory changes negatively impacting the ability or expected timing to restart the Escobal Mine.
- With the assistance of fair value specialists:
 - Evaluated future gold and silver prices by comparing management forecasts to third party forecasts; and
 - Evaluated the reasonableness of the changes in discount rates by testing the source information underlying the determination of the discount rates.

/s/ Deloitte LLP

Chartered Professional Accountants

Vancouver, Canada

February 21, 2024

We have served as the Company's auditor since 1993.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Pan American Silver Corp.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Pan American Silver Corp. and subsidiaries (the "Company") as of December 31, 2023, 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, 2023, 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, 2023, of the Company and our report dated February 21, 2024, expressed an unqualified opinion on those financial statements.

As described in Management's Report on Internal Control over Financial Reporting, management excluded from its assessment the internal control over financial reporting at Yamana Gold Inc., which was acquired on March 31, 2023, and whose financial statements constitute 53% and 54% of total and net assets, respectively 40% of revenues, and (6)% of net loss of the consolidated financial statement amounts as of and for the year ended December 31, 2023. Accordingly, our audit did not include the internal control over financial reporting at Yamana Gold Inc.

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

February 21, 2024

	December 31, 2023	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents (Note 28)	\$ 399.6	\$ 107.0
Investments (Note 11)	41.3	35.3
Trade and other receivables	138.0	136.6
Income tax receivables	62.9	40.0
Inventories (Note 12)	711.6	471.6
Other assets (Note 13)	36.6	13.9
	1,390.0	804.4
Non-current assets		
Mineral properties, plant and equipment (Note 14)	5,675.1	2,226.4
Long-term inventories (Note 12)	27.8	26.3
Long-term tax receivables	14.7	8.5
Deferred tax assets (Note 31)	80.4	55.9
Long-term investments (Note 16)	—	121.2
Other long-term assets (Note 17)	25.1	5.8
Total assets	\$ 7,213.1	\$ 3,248.5
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 18)	\$ 498.0	\$ 308.0
Provisions (Note 19)	41.6	17.9
Lease obligations (Note 20)	45.7	13.6
Debt (Note 21)	6.7	13.7
Income tax payables	32.1	25.8
Other liabilities	0.1	1.8
	624.2	380.8
Non-current liabilities		
Long-term provisions (Note 19)	432.4	285.3
Deferred tax liabilities (Note 31)	541.6	140.3
Long-term lease obligations (Note 20)	52.2	19.5
Long-term debt (Note 21)	697.0	180.0
Other long-term liabilities (Note 22)	93.2	41.0
Total liabilities	\$ 2,440.6	\$ 1,046.9
Equity (Note 23)		
Issued capital	5,966.5	3,140.0
Share option reserve	94.0	93.3
Investment revaluation reserve	(30.3)	(3.0)
Deficit	(1,269.5)	(1,034.8)
Total equity attributable to Company shareholders	4,760.7	2,195.5
Non-controlling interests	11.8	6.1
Total equity	4,772.5	2,201.6
Total liabilities and equity	\$ 7,213.1	\$ 3,248.5

Commitments (Note 10(f)); Contingencies (Note 32)
 See accompanying notes to the Consolidated Financial Statements
 APPROVED BY THE BOARD ON FEBRUARY 21, 2024

"signed" Gillian Winckler, Director

"signed" Michael Steinmann, Director

	2023	2022
Revenue (Note 29)	\$ 2,316.1	\$ 1,494.7
Cost of sales (Note 29)		
Production costs (Note 24)	(1,479.2)	(1,094.4)
Depreciation and amortization (Note 14)	(484.2)	(316.0)
Royalties	(55.9)	(35.9)
	(2,019.3)	(1,446.3)
Mine operating earnings (Note 29)	296.8	48.4
General and administrative	(61.4)	(29.0)
Exploration and project development	(14.6)	(18.3)
Mine care and maintenance (Note 25)	(82.2)	(45.1)
Foreign exchange gains (losses)	8.9	(9.6)
Impairment charges (Note 15)	(78.6)	(99.1)
Derivative gains (Note 10(d))	8.3	7.3
Mineral properties, plant and equipment gains (losses) (Note 14)	7.9	(2.4)
(Loss) gains and income from associates (Note 16)	(0.4)	45.0
Transaction and integration costs (Note 8)	(25.3)	(157.4)
Other expense (Note 30)	(21.3)	(2.1)
Earnings (loss) from operations	38.1	(262.3)
Investment loss (Note 10(b))	(5.5)	(16.2)
Interest and finance expense (Note 26)	(91.4)	(22.5)
Loss before income taxes	(58.8)	(301.0)
Income tax expense (Note 31)	(46.1)	(39.1)
Net loss	\$ (104.9)	\$ (340.1)
Net loss attributable to:		
Equity holders of the Company	(103.7)	(341.7)
Non-controlling interests	(1.2)	1.6
	\$ (104.9)	\$ (340.1)
Other comprehensive loss, net of taxes		
Items that will not be reclassified to net loss:		
Remeasurement of retirement benefit plan	(2.6)	—
Unrealized loss on long-term investment (Note 10(c))	(24.2)	(3.5)
Income tax (expense) recovery related to long-term investments (Note 31)	(0.5)	0.5
Total other comprehensive loss	\$ (27.3)	\$ (3.0)
Total comprehensive loss	\$ (132.2)	\$ (343.1)
Total comprehensive loss attributable to:		
Equity holders of the Company	(131.0)	(344.7)
Non-controlling interests	(1.2)	1.6
	\$ (132.2)	\$ (343.1)
Loss per share attributable to common shareholders (Note 27)		
Basic loss per share	\$ (0.32)	\$ (1.62)
Diluted loss per share	\$ (0.32)	\$ (1.62)
Weighted average shares outstanding Basic	326,540	210,521
Weighted average shares outstanding Diluted	326,540	210,521

See accompanying notes to the Consolidated Financial Statements.

	2023	2022
Operating activities		
Net loss	\$ (104.9)	\$ (340.1)
Income tax expense (Note 31)	46.1	39.1
Depreciation and amortization (Note 14)	484.2	316.0
Impairment charges (Note 15)	78.6	99.1
Net realizable value inventory (recovery) charge (Note 24)	(31.8)	97.7
Loss (gains and income) from associates (Note 16)	0.4	(45.0)
Accretion on closure and decommissioning provision (Note 19)	34.2	14.8
Investment loss	5.5	16.2
Interest paid	(45.1)	(6.6)
Interest expense (Note 26)	51.4	5.3
Interest received	17.2	3.2
Income taxes paid	(149.4)	(137.8)
Other operating activities (Note 28)	(5.1)	11.9
Net change in non-cash working capital items (Note 28)	68.9	(42.0)
	\$ 450.2	\$ 31.8
Investing activities		
Payments for mineral properties, plant and equipment	\$ (379.0)	\$ (274.7)
Cash acquired from Yamana Gold Inc. (Note 8)	259.5	—
Cash disposed in sale of subsidiaries (Note 9)	(194.1)	—
Cash proceeds from sale of subsidiaries (Note 9)	549.1	—
Proceeds from disposition of mineral properties, plant and equipment	3.8	8.7
Proceeds from disposal of investments	144.8	0.7
Net proceeds from derivatives	13.8	9.9
	\$ 397.9	\$ (255.4)
Financing activities		
Proceeds from common shares issued	\$ —	\$ 0.9
Distributions to non-controlling interests	11.1	(0.3)
Dividends paid	(130.4)	(94.7)
Proceeds from debt (Note 21)	315.0	167.1
Repayment of debt (Note 21)	(703.5)	(5.2)
Payment of equipment leases	(44.0)	(14.8)
	\$ (551.8)	\$ 53.0
Effects of exchange rate changes on cash and cash equivalents	(3.7)	(6.0)
Increase (decrease) in cash and cash equivalents	292.6	(176.6)
Cash and cash equivalents at the beginning of the year	107.0	283.6
Cash and cash equivalents at the end of the year	\$ 399.6	\$ 107.0

Supplemental cash flow information (Note 28).

See accompanying notes to the Consolidated Financial Statements.

	Attributable to equity holders of the Company						Non-controlling interests	Total equity
	Issued shares	Issued capital	Share option reserve	Investment revaluation reserve	Deficit	Total		
Balance, December 31, 2021	210,458	\$ 3,136.2	\$ 93.4	\$ —	\$ (598.0)	\$ 2,631.6	\$ 4.5	\$ 2,636.1
Total comprehensive loss								
Net loss for the year	—	—	—	—	(341.7)	(341.7)	1.6	(340.1)
Other comprehensive loss	—	—	—	(3.0)	—	(3.0)	—	(3.0)
	—	—	—	(3.0)	(341.7)	(344.7)	1.6	(343.1)
Shares issued on the exercise of stock options	79	1.3	(0.3)	—	—	1.0	—	1.0
Shares issued as compensation	144	2.5	—	—	—	2.5	—	2.5
Share-based compensation on option grants	—	—	0.2	—	—	0.2	—	0.2
Distributions by subsidiaries to non-controlling interests	—	—	—	—	(0.4)	(0.4)	—	(0.4)
Dividends paid	—	—	—	—	(94.7)	(94.7)	—	(94.7)
Balance, December 31, 2022	210,681	\$ 3,140.0	\$ 93.3	\$ (3.0)	\$ (1,034.8)	\$ 2,195.5	\$ 6.1	\$ 2,201.6
Total comprehensive loss								
Net loss for the period	—	—	—	—	(103.7)	(103.7)	(1.2)	(104.9)
Other comprehensive loss	—	—	—	(27.3)	—	(27.3)	—	(27.3)
	—	—	—	(27.3)	(103.7)	(131.0)	(1.2)	(132.2)
Shares issued as compensation	221	3.5	—	—	—	3.5	—	3.5
The Acquisition (Note 8)	153,758	2,823.0	—	—	—	2,823.0	484.9	3,307.9
Dispositions (Note 9)	—	—	—	—	—	—	(489.7)	(489.7)
Share-based compensation on option grants	—	—	0.7	—	—	0.7	—	0.7
Distributions by subsidiaries to non-controlling interests	—	—	—	—	(0.6)	(0.6)	11.7	11.1
Dividends paid	—	—	—	—	(130.4)	(130.4)	—	(130.4)
Balance, December 31, 2023	364,660	\$ 5,966.5	\$ 94.0	\$ (30.3)	\$ (1,269.5)	\$ 4,760.7	\$ 11.8	\$ 4,772.5

See accompanying notes to the Consolidated Financial Statements.

1. NATURE OF OPERATIONS

Pan American Silver Corp. is the ultimate parent company of its subsidiary group (collectively, the “Company”, or “Pan American”). Pan American is a British Columbia corporation domiciled in Canada, and its office at December 31, 2023 was at Suite 2100 – 733 Seymour Street, Vancouver, British Columbia, V6B 0S6. The Company is listed on the Toronto Stock Exchange (TSX: PAAS) and the New York Stock Exchange (NYSE: PAAS). On April 18, 2023, the Company transferred the listing of its common shares from the NASDAQ to the New York Stock Exchange.

Pan American engages in silver and gold mining and related activities, including exploration, mine development, extraction, processing, refining and reclamation. The Company owns and operates silver and gold mines located in Canada, Mexico, Peru, Bolivia, Argentina, Chile and Brazil. The Company also owns the Escobal mine in Guatemala that continues to be on care and maintenance pending satisfactory completion of a consultation process led by the Ministry of Energy and Mines in Guatemala. In addition, the Company is exploring for new silver and gold deposits, and opportunities throughout the Americas.

On March 31, 2023, the Company acquired Yamana Gold Inc. (“Yamana”) (Note 8). Yamana was a mid-tier publicly traded precious metals mining company with ownership interests in a diverse portfolio of mines and projects including the following principal mines: Jacobina in Brazil; El Peñon and Minera Florida in Chile; and Cerro Moro in Argentina (the “Acquired Mines”). Yamana’s portfolio also included the MARA and Agua de la Falda projects in Argentina and Chile, which were subsequently divested on September 20, 2023 and November 6, 2023, respectively (Note 9).

2. BASIS OF PREPARATION

These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”), effective as of December 31, 2023.

These Consolidated Financial Statements were approved for issuance by the Board of Directors on February 21, 2024.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies applied in the preparation of these audited Consolidated Financial Statements have been applied consistently for all periods presented except as outlined in Note 4. Material accounting policies used in the preparation of these Consolidated Financial Statements are as follows:

a) Functional and presentation currency

The functional and presentation currency of the Company and each of its subsidiaries is the United States dollar (“USD”).

b) Basis of measurement

These Consolidated Financial Statements have been prepared on an historical cost basis, except for those assets and liabilities that are measured at revalued amounts or fair values at the end of each reporting period.

c) Basis of consolidation

The accounts of the Company and its subsidiaries, which are controlled by the Company, have been included in these Consolidated Financial Statements. Control is achieved when the Company is exposed, or has rights, to variable returns from the investee and when the Company has the ability to affect those returns through its power over the investee. Subsidiaries are included in the consolidated financial results of the Company from the effective date of acquisition up to the effective date of disposition or loss of control. The principal subsidiaries of the Company and their geographic locations at December 31, 2023 were as follows:

Location	Subsidiary	Ownership Interest	Operations and Development Projects Owned
Brazil	Jacobina Mineração e Comércio Ltda.	100%	Jacobina mine ⁽¹⁾
Canada	Lake Shore Gold Corp.	100%	Bell Creek and Timmins West mines (together "Timmins mine")
Chile	Minera Meridian Ltda.	100%	El Peñon mine ⁽¹⁾
	Minera Florida Ltda	100%	Minera Florida mine ⁽¹⁾
	Minera Cavanca SpA.	80%	La Pepa project ⁽¹⁾
Mexico	Plata Panamericana S.A. de C.V.	100%	La Colorada mine
	Compañía Minera Dolores S.A. de C.V.	100%	Dolores mine
Peru	Pan American Silver Huaron S.A.	100%	Huaron mine
	Shahuindo S.A.C.	100%	Shahuindo mine
	La Arena S.A.	100%	La Arena mine
Bolivia	Pan American Silver (Bolivia) S.A.	95%	San Vicente mine
Guatemala	Pan American Silver Guatemala S.A.	100%	Escobal mine
Argentina	Minera Tritón Argentina S.A.	100%	Manantial Espejo & Cap-Oeste Sur Este mines
	Estelar Resources S.A.	100%	Cerro Moro mine ⁽¹⁾
	Minera Joaquin S.R.L.	100%	Joaquin mine
	Minera Argenta S.A.	100%	Navidad project

(1) Mines and projects from the Acquisition (Note 8).

d) Business combinations

Upon the acquisition of a business, the acquisition method of accounting is used, whereby the purchase consideration is allocated to the identifiable assets, liabilities and contingent liabilities (identifiable net assets) acquired on the basis of fair value at the date of acquisition. When the cost of the acquisition exceeds the fair value attributable to the Company's share of the identifiable net assets, the difference is treated as goodwill, which is not amortized and is reviewed for impairment annually or more frequently when there is an indication of impairment. If the fair value attributable to the Company's share of the identifiable net assets exceeds the cost of acquisition, the difference is immediately recognized in the Consolidated Statement of Earnings. Acquisition related costs, other than costs to issue debt or equity securities of the acquirer, including investment banking fees, legal fees, accounting fees, valuation fees, and other professional or consulting fees are expensed as incurred. The costs to issue equity securities of the Company as consideration for the acquisition are reduced from share capital as share issuance costs. The costs to issue debt securities are capitalized and amortized using the effective interest method.

Non-controlling interests are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquirers' identifiable net assets as at the date of acquisition. The choice of measurement basis is made on a transaction by transaction basis.

Control of a business may be achieved in stages. Upon the acquisition of control, any previously held interest is re-measured to fair value at the date control is obtained resulting in a gain or loss upon the acquisition of control.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. These provisional amounts are adjusted during the measurement period, or additional assets or

liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

e) Revenue recognition

Revenue associated with the sale of commodities is recognized when control of the asset sold is transferred to the customer. Indicators of control transferring include an unconditional obligation to pay, legal title, physical possession, transfer of risk and rewards and customer acceptance. This generally occurs when the goods are delivered to a loading port, warehouse, vessel or metal account as contractually agreed with the buyer; at which point the buyer controls the goods. In cases where the Company is responsible for the cost of shipping and certain other services after the date on which control of the goods transfers to the customer, these other services are considered separate performance obligations and thus a portion of revenue earned under the contract is allocated and recognized as these performance obligations are satisfied.

The Company's concentrate sales contracts with third-party buyers, in general, provide for a provisional payment based upon provisional assays and quoted metal prices. Final settlement is based on applicable commodity prices set on specified quotational periods, typically ranging from one month prior to shipment, and can extend to three months after the shipment arrives at the smelter and is based on average market metal prices. For this purpose, the transaction price can be measured reliably for those products, such as silver, gold, zinc, lead and copper, for which there exists an active and freely traded commodity market such as the London Metals Exchange and the value of product sold by the Company is directly linked to the form in which it is traded on that market.

Sales revenue is commonly subject to adjustments based on an inspection of the product by the customer. In such cases, sales revenue is initially recognized on a provisional basis using the Company's best estimate of contained metal, and adjusted subsequently. Revenues are recorded under these contracts at the time control passes to the buyer based on the expected settlement period. Revenue on provisionally priced sales is recognized based on estimates of the fair value of the consideration receivable based on forward market prices and estimated quantities. At each reporting date provisionally priced metal is marked to market based on the forward selling price for the quotational period stipulated in the contract. Variations between the price recorded at the date when control is transferred to the buyer and the actual final price set under the smelting contracts are caused by changes in metal prices resulting in the receivable being recorded at fair value through profit or loss ("FVTPL").

IFRS 15 - *Revenue from Contracts with Customers* ("IFRS 15") requires that variable consideration should only be recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. The Company concluded that the adjustments relating to the final assay results for the quantity and quality of concentrate sold are not significant and do not constrain the recognition of revenue.

Refining and treatment charges under the sales contracts are netted against revenue for sales of metal concentrate.

f) Financial instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

i) Financial assets

On initial recognition, a financial asset is classified as measured at: amortized cost, fair value through other comprehensive income ("FVTOCI"), or FVTPL. Financial assets at FVTPL are initially measured at fair value and those at amortized cost or FVTOCI are initially measured at fair value plus transaction costs.

Subsequent measurement of financial assets and liabilities depends on the classifications of such assets and liabilities.

Amortized cost:

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effective interest method. Interest income is recognized in Investment loss in the Consolidated Statement of Earnings.

The Company's financial assets at amortized cost primarily include cash and cash equivalents and, receivables not arising from sale of metal concentrates (included in Trade and other receivables) in the Consolidated Statement of Financial Position (Note 10(a)).

FVTOCI:

Financial assets that meet the following conditions are measured at FVTOCI:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- The Company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at FVTPL to present subsequent changes in fair value in Other Comprehensive Income ("OCI").

At initial recognition, the Company's made an irrevocable election to measure its Long-term investments and all the investments acquired from Yamana at FVTOCI (Note 10(c)).

FVTPL:

By default, all other financial assets are measured subsequently at FVTPL.

Financial assets measured at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. Fair value is determined in the manner described in Note 10(e)(ii). The Company's financial assets at FVTPL include its trade receivables from provisional concentrate sales, investments in equity securities not designated as FVTOCI, and derivative assets not designated as hedging instruments.

ii) Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Classification of financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using effective interest method.

Derivatives

When the Company enters into derivative contracts, these transactions are designed to reduce exposures related to assets and liabilities, firm commitments or anticipated transactions. The Company does not have derivative instruments that qualify as cash flow hedges and consequently all derivatives are recorded at FVTPL.

g) Derivative financial instruments

The Company utilizes foreign currency and commodity contracts, including forward contracts to manage exposure to fluctuations in metal prices and foreign currency exchange rates. For metals production, these contracts are intended to reduce the risk of falling prices on the Company's future sales. Foreign currency derivative financial instruments, such as forward contracts, are used to manage the effects of exchange rate changes on foreign currency cost exposures. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative and any gains or losses arising from changes in fair value on derivatives are taken directly to earnings for the year. The fair value of forward currency and commodity contracts is calculated by reference to current forward exchange rates and prices for contracts with similar maturity profiles.

h) Inventories

Inventories include work in progress, concentrate, doré, processed silver and gold, heap leach inventory, and operating materials and supplies. Work in progress inventory includes ore stockpiles and other partly processed material. Stockpiles represent ore that has been extracted and is available for further processing. The classification of inventory is determined by the stage at which the ore is in the production process. Inventories of ore are sampled for metal content and are valued based on the lower of cost or estimated net realizable value ("NRV") based upon the period ending prices of contained metal. Cost is determined on a weighted average basis or using a first-in-first-out basis and includes all costs incurred in the normal course of business including direct material and direct labour costs and an allocation of production overheads, depreciation and amortization, and other costs, based on normal production capacity, incurred in bringing each product to its present location and condition. Material that does not contain a minimum quantity of metal to cover estimated processing expenses to recover the contained metal is not classified as inventory and is assigned no value. The work in progress inventory is considered part of the operating cycle which the Company classifies as current inventory and hence heap leach and stockpiles are included in current inventory. Quantities are assessed primarily through surveys and assays.

The Company then processes the ore through the crushing facility where the output is again weighed and sampled for assaying. A metallurgical reconciliation with the data collected from the mining operation is completed with appropriate adjustments made to previous estimates. The crushed ore is then transported to the leach pad for application of the leaching solution. The samples from the automated sampler are assayed each shift and used for process control. The quantity of leach solution is measured by flow meters throughout the leaching and precipitation process. The pregnant solution from the heap leach is collected and passed through the processing circuit to produce precipitate, which is reported and then smelted to produce doré bars.

The costs incurred in the construction of heap leach pads are capitalized to Mineral Properties, Plant and Equipment. Heap leach inventory represents silver and gold contained in ore that has been placed on the leach pad for cyanide irrigation. The heap leach process is a process of extracting silver and gold by placing ore on an impermeable pad and applying a diluted cyanide solution that dissolves a portion of the contained silver and gold, which is then recovered during the metallurgical process. When the ore is placed on the pad, an

estimate of the recoverable ounces is made based on tonnage, ore grade and estimated recoveries of the ore type placed on the pad. The estimated recoverable ounces on the pad are used to compile the inventory cost.

The Company uses several integrated steps to scientifically measure the metal content of the ore placed on the leach pads. The tonnage, grade, and ore type to be mined in a period was first estimated using the Mineral Reserve model. As the ore body is drilled in preparation for the blasting process, samples are taken of the drill residue, which is assayed to determine their metal content and quantities of contained metal. The estimated recoverable ounces carried in the leach pad inventory are adjusted based on actual recoveries being experienced. Actual and estimated recoveries achieved are measured to the extent possible using various indicators including, but not limited to, individual cell recoveries, the use of leach curve recovery and trends in the levels of carried ounces depending on the circumstances or cumulative pad recoveries.

The Company allocates direct and indirect production costs to by-products on a systematic and rational basis. With respect to concentrate and doré inventory, production costs are allocated based on either gold or silver equivalent ounces contained within the respective concentrate and doré.

The inventory is stated at lower of cost or NRV, with cost being determined using a weighted average cost method. The ending inventory value of ounces associated with the leach pad is equal to opening recoverable ounces plus recoverable ounces placed less ounces produced plus or minus ounce adjustments.

The estimate of both the ultimate recovery expected over time and the quantity of metal that may be extracted relative to the time the leach process occurs requires the use of estimates, which rely upon laboratory test work and estimated models of the leaching kinetics in the heap leach pads. Test work consists of leach columns of up to 400 days duration with 150 days being the average, from which the Company projects metal recoveries up to three years in the future. The quantities of metal contained in the ore are based upon actual weights and assay analysis. The rate at which the leach process extracts gold and silver from the crushed ore is based upon laboratory column tests and actual experience. The assumptions used by the Company to measure metal content during each stage of the inventory conversion process include estimated recovery rates based on laboratory testing and assaying. The Company periodically reviews its estimates compared to actual experience and revises its estimates when appropriate. The ultimate recovery will not be known until the leaching operations cease.

Supplies inventories are valued at the lower of average cost and NRV using replacement cost plus cost to dispose, net of obsolescence. Concentrate and doré inventory includes product at the mine site, the port warehouse and product held by refineries. At times, the Company has a limited amount of finished silver at a minting operation where coins depicting Pan American's emblem are stamped.

i) Mineral Properties, Plant and Equipment ("MPPE")

On initial acquisition, MPPE are valued at cost, being the purchase price and the directly attributable costs of acquisition or construction required to bring the asset to the location and condition necessary for the asset to be capable of operating in the manner intended by management. When provisions for closure and decommissioning are recognized, the corresponding cost is capitalized as part of the cost of the related assets, representing part of the cost of acquiring the future economic benefits of the operation.

In subsequent periods, buildings, plant and equipment are stated at cost less accumulated depreciation and any impairment in value, whilst land is stated at cost less any impairment in value and is not depreciated.

Each asset's or part's estimated useful life has due regard to both its own physical life limitations and the present assessment of economically recoverable reserves of the mine property at which the item is located, and to possible future variations in those assessments. Estimates of remaining useful lives and residual values are reviewed annually. Changes in estimates are accounted for prospectively.

The net carrying amounts of MPPE are reviewed for impairment either individually or at the cash-generating unit ("CGU") level when events and changes in circumstances indicate that the carrying amounts may not be

recoverable. To the extent that these values exceed their recoverable amounts, that excess is recorded as an impairment charge.

In countries where the Company paid Value Added Tax (“VAT”) and where there is uncertainty of its recoverability, the VAT payments have either been deferred with mineral property costs relating to the property or expensed if it relates to mineral exploration. If the Company ultimately recovers previously deferred amounts, the amount received will be applied to reduce mineral property costs or taken as a credit against current expenses depending on the prior treatment.

Expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced derecognized. Similarly, overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized. All other costs are expensed as incurred.

Where an item of MPPE is disposed of or ceases to have a future economic benefit, it is derecognized and the difference between its carrying value and net sales proceeds is disclosed as gain or loss on disposal in the Consolidated Statement of Earnings.

j) Operational mining properties and mine development

When it has been determined that a mineral property can be economically developed as a result of establishing proven and probable reserves (which occurs upon completion of a positive economic analysis of the mineral deposit), the costs incurred to develop such property including costs to further delineate the ore body and remove overburden to initially expose the ore body prior to the start of mining operations, are also capitalized.

Costs associated with commissioning activities on constructed plants are deferred from the date of mechanical completion of the facilities until the date the Company is ready to commence commercial production. These costs are then amortized using the units-of-production (“UOP”) method (described below) over the life of the mine, commencing on the date of commercial production.

Acquisition costs related to the acquisition of land and mineral rights are capitalized as incurred. Prior to acquiring such land or mineral rights, the Company makes a preliminary evaluation to determine that the property has significant potential to economically develop the deposit. The time between initial acquisition and full evaluation of a property’s potential is dependent on many factors including: location relative to existing infrastructure, the property’s stage of development, geological controls and metal prices. If a mineable deposit is discovered, such costs are amortized when production begins. If no mineable deposit is discovered, such costs are expensed in the period in which it is determined the property has no future economic value.

Major development expenditures on producing properties incurred to increase production or extend the life of the mine are capitalized while ongoing mining expenditures on producing properties are charged against earnings as incurred.

k) Depreciation of MPPE

The carrying amounts of MPPE (including initial and any subsequent capital expenditure) are depreciated to their estimated residual value over the estimated useful lives of the specific assets concerned, or the estimated life of the associated mine or mineral lease, if shorter. Estimates of residual values and useful lives are reviewed annually and any change in estimate is taken into account in the determination of remaining depreciation charges, and adjusted if appropriate, at each statement of financial position date. Changes to the estimated residual values or useful lives are accounted for prospectively. Depreciation commences on the date when the asset is available for use as intended by management.

i) UOP basis

For mining properties and leases and certain mining equipment, the economic benefits from the asset are consumed in a pattern which is linked to the production level. Except as noted below, such assets are depreciated on a UOP basis.

In applying the UOP method, depreciation is normally calculated using the quantity of material extracted from the mine in the period as a percentage of the total quantity of material to be extracted in current and future periods based on proven and probable reserves.

ii) Straight line basis

Assets within operations for which production is not expected to fluctuate significantly from one year to another or which have a physical life shorter than the related mine are depreciated on a straight line basis.

MPPE are depreciated over their useful life, or over the remaining life of the mine if shorter. The major categories of property, plant and equipment are depreciated on a unit of production and/or straight-line basis as follows:

- Land – not depreciated
- Mobile equipment – 3 to 7 years
- Buildings and plant facilities – 25 to 50 years
- Mining properties and leases including capitalized evaluation and development expenditures – based on applicable reserves on a unit of production basis.
- Exploration and evaluation – not depreciated until mine goes into production
- Assets under construction – not depreciated until assets are ready for their intended use

l) Exploration and evaluation

Exploration expenditures are incurred in the search for economic mineral deposits or the process of obtaining more information about existing mineral deposits and typically include costs associated with drilling, sampling, mapping and other activity related to the search for ore.

Evaluation expenditures are incurred to establish the technical and commercial viability of mineral deposits and typically include costs associated with determining optimal methods of extraction and metallurgical and treatment processes, permitting, and preparing economic evaluations.

Exploration expenditures are expensed as incurred. Evaluation expenditures are capitalized when management determines there is a high degree of confidence that future economic benefits will flow to the Company. Acquired exploration and evaluation projects and acquired exploration rights are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination.

Capitalized exploration and evaluation expenditures are reclassified to MPPE, in accordance with Note 3(j), once the technical feasibility and commercial viability are demonstrated.

m) Deferred stripping costs

In open pit mining operations, it is necessary to remove overburden and other waste in order to access the ore body. During the preproduction phase, these costs are capitalized as part of the cost of the mine property and subsequently amortized over the life of the mine (or pit) on a UOP basis.

The costs of removal of the waste material during a mine's production phase are deferred where they give rise to future benefits. These capitalized costs are subsequently amortized on a UOP basis over the reserves that directly benefit from the specific stripping activity.

n) Impairment (and reversals of impairment) of non-current assets

The Company reviews and tests the carrying amount of MPPE and intangible assets with finite lives when there is an indication of impairment or impairment reversal. Additionally, disposal groups held for sale are tested for impairment upon classification as a disposal group held for sale.

Impairment assessments on MPPE and intangible assets are conducted at the level of the CGU. The recoverable amount of a CGU is the higher of value in use ("VIU") and fair value less cost to sell. VIU is the net present value of expected future cash flows. Impairments are recognized for any excess of carrying value over the recoverable amount.

Where the recoverable amount is assessed using discounted cash flow techniques, the resulting estimates are based on detailed mine and/or production plans. The cash flow forecasts are based on best estimates of expected future revenues and costs, including the future cash costs of production, capital expenditure, closure, restoration and environmental clean-up. These may include net cash flows expected to be realized from extraction, processing and sale of mineral resources that do not currently qualify for inclusion in proven or probable ore reserves. Such non-reserve material is included where there is a high degree of confidence in its economic extraction. This expectation is usually based on preliminary drilling and sampling of areas of mineralization that are contiguous with existing reserves. Typically, the additional evaluation to achieve reserve status for such material has not yet been done because this would involve incurring costs earlier than is required for the efficient planning and operation of the mine.

Where the recoverable amount of a CGU is dependent on the life of its associated ore, expected future cash flows reflect long term mine plans, which are based on detailed research, analysis and iterative modeling to optimize the level of return from investment, output and sequence of extraction. The mine plan takes account all relevant characteristics of the ore, including waste to ore ratios, ore grades, haul distances, chemical and metallurgical properties of the ore affecting process recoveries and capacities of processing equipment that can be used. The mine plan is therefore the basis for forecasting production output in each future year and for forecasting production costs.

The Company's cash flow forecasts are based on estimates of future commodity prices, which assume market prices will revert to the Company's assessment of the long-term average price, generally over a period of three to five years. These assessments often differ from current price levels and are updated periodically.

The discount rates applied to the future cash flow forecasts represent an estimate of the rate the market would apply having regard to the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted, including appropriate adjustments for the risk profile of the countries in which the individual CGU operate. The great majority of the Company's sales are based on prices denominated in USD. To the extent that the currencies of countries in which the Company produces commodities strengthen against the USD without commodity price offset, cash flows and, therefore, net present values are reduced.

Non-financial assets other than goodwill that have suffered impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

o) Closure and decommissioning costs

The mining, extraction and processing activities of the Company normally give rise to obligations for site closure or rehabilitation. Closure and decommissioning works can include facility decommissioning and dismantling; removal or treatment of waste materials; site and land rehabilitation. The extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Company's environmental policies. Provisions for the cost of each closure and rehabilitation program are recognized at the time that environmental disturbance occurs. When the extent of disturbance increases over the life of an operation, the provision is increased accordingly. Costs included in the provision encompass all closure and decommissioning activity expected to occur progressively over the life of the operation and at the time of closure in connection with disturbances at the reporting date. Routine operating costs that may impact the ultimate closure and decommissioning activities, such as waste material handling conducted as an integral part of a mining or production process, are not included in the provision. Costs arising from unforeseen circumstances, such as the contamination caused by unplanned discharges, are recognized as an expense and liability when the event gives rise to an obligation which is probable and capable of reliable estimation. The timing of the actual closure and decommissioning expenditure is dependent upon a number of factors such as the life and nature of the asset, the operating license conditions, and the environment in which the mine operates. Expenditures may occur before and after closure and can continue for an extended period of time dependent on closure and decommissioning requirements. Closure and decommissioning provisions are measured at the expected value of future cash flows, discounted to their present value and determined according to the probability of alternative estimates of cash flows occurring for each operation. Discount rates used are specific to the underlying obligation. Significant judgments and estimates are involved in forming expectations of future activities and the amount and timing of the associated cash flows. Those expectations are formed based on existing environmental and regulatory requirements which give rise to a constructive or legal obligation.

When provisions for closure and decommissioning are initially recognized, the corresponding cost is capitalized as a component of the cost of the related asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalized cost of closure and decommissioning activities is recognized in MPPE and depreciated accordingly. The value of the provision is progressively increased over time as the effect of discounting unwinds, creating an expense recognized in finance expenses. Closure and decommissioning provisions are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in the provision is greater than the un-depreciated capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the Consolidated Statement of Earnings. In the case of closed sites, changes to estimated costs are recognized immediately in the Consolidated Statement of Earnings. Changes to the capitalized cost result in an adjustment to future depreciation and finance charges. Adjustments to the estimated amount and timing of future closure and decommissioning cash flows are a normal occurrence in light of the significant judgments and estimates involved.

The provision is reviewed at the end of each reporting period for changes to obligations, legislation or discount rates that impact estimated costs or lives of operations and adjusted to reflect current best estimate. The cost of the related asset is adjusted for changes in the provision resulting from changes in the estimated cash flows or discount rate and the adjusted cost of the asset is depreciated prospectively.

p) Share-based payments

The Company recognizes a stock based compensation expense for all compensation shares, share purchase options and deferred share units ("DSUs") awarded to employees, officers and directors based on the fair values of the compensation shares, share purchase options and DSUs at the date of grant. The fair values of share purchase options and DSUs at the date of grant are expensed over the vesting periods of the share purchase options and RSUs, respectively, with a corresponding increase to equity. The fair value of share purchase options is determined using the Black-Scholes option pricing model with market related inputs as of the date of grant. Share purchase options with graded vesting schedules are accounted for as separate grants

with different vesting periods and fair values. The fair value of DSUs is the market value of the underlying shares at the date of grant. At the end of each reporting period, the Company re-assesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revisions to this estimate in the Consolidated Statement of Earnings and Comprehensive Earnings.

The Company recognizes a stock based compensation expense for performance share units (“PSUs”) which are awarded to eligible employees and are settled in cash. Compensation expense for the PSUs is recorded on a straight-line basis over the three year vesting period. This estimated expense is reflected as a component of net earnings over the vesting period of the PSUs with the related obligation recorded as a liability on the statement of financial position. The amount of compensation expense is adjusted at the end of each reporting period to reflect (i) the fair market value of common shares plus the cash equivalent of any dividends distributed by the Company during the three year performance period; (ii) the number of PSUs anticipated to vest; and (iii) the anticipated performance factor.

The Company recognizes a stock based compensation expense for restricted share units (“RSUs”) which are awarded to eligible employees and can be settled in cash or common shares at the discretion of the Board. Compensation expense for the RSUs is recorded on a straight-line basis over the three year vesting period. This estimated expense is reflected as a component of net earnings over the vesting period of the RSUs with the related obligation recorded as a liability on the Consolidated Statements of Financial Position. The amount of compensation expense is adjusted to reflect (i) the fair market value of common shares plus the cash equivalent of any dividends distributed by the Company during the three year performance period; and (ii) the number of RSUs anticipated to vest.

q) Income taxes

Taxation on the earnings or loss for the year comprises current and deferred tax. Taxation is recognized in the Consolidated Statement of Earnings except to the extent that it relates to items recognized in OCI or directly in equity, in which case the tax is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year using rates enacted or substantively enacted at the year end, and includes any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the statement of financial position liability method, providing for the tax effect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for tax assessment or deduction purposes. Where an asset has no deductible or depreciable amount for income tax purposes, but has a deductible amount on sale or abandonment for capital gains tax purposes, that amount is included in the determination of temporary differences.

The tax effect of certain temporary differences is not recognized, principally with respect to goodwill; temporary differences arising on the initial recognition of assets or liabilities (other than those arising in a business combination or in a manner that initially impacted accounting or taxable earnings); and temporary differences relating to investments in subsidiaries, jointly controlled entities and associates to the extent that the Company is able to control the reversal of the temporary difference and the temporary difference is not expected to reverse in the foreseeable future. The amount of deferred tax recognized is based on the expected manner and timing of realization or settlement of the carrying amount of assets and liabilities, with the exception of items that have a tax base solely derived under capital gains tax legislation, using tax rates enacted or substantively enacted at period end. To the extent that an item’s tax base is solely derived from the amount deductible under capital gains tax legislation, deferred tax is determined as if such amounts are deductible in determining future assessable income.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the deferred income tax asset to be utilized. To the extent that an asset not previously recognized fulfils the criteria for recognition, a deferred income tax asset is recorded.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date.

Mining taxes and royalties are treated and disclosed as current and deferred taxes if they have the characteristics of an income tax. Judgments are required about the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the statement of financial position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or the entire carrying amount of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the Consolidated Statement of Earnings.

Deferred tax assets, including those arising from tax losses, capital losses and temporary differences, are recognized only where it is probable that taxable earnings will be available against which the losses or deductible temporary differences can be utilized. Assumptions about the generation of future taxable earnings and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, commodity prices, reserves, operating costs, closure and decommissioning costs, capital expenditures, dividends and other capital management transactions.

4. CHANGES IN ACCOUNTING STANDARDS

New and amended IFRS standards that are effective for the current period

Amendments to IAS 12 - International Tax Reform — Pillar Two Model Rules

Amendments to IAS 12 in response to the Organisation for Economic Co-operation and Development's (OECD) Pillar Two model tax rules (also known as the Global Minimum Tax) provides that an entity has to disclose separately its current tax expense related to Global Minimum Tax as well as a mandatory temporary exception to the requirements regarding deferred tax assets and liabilities. The amendments also provide that in a period where the Global Minimum Tax legislation is enacted or substantively enacted, but not yet in effect, an entity discloses known or reasonably estimable information that helps users of financial statements understand the entity's exposure to Global Minimum Tax arising from that legislation. The Company has applied the mandatory temporary exemption regarding deferred taxes. The adoption of these amendments did not have a material impact on these Consolidated Financial Statements.

Presentation of Financial Statements (Amendment to IAS 1)

Effective January 1, 2023, the Company adopted Amendments to IAS 1 Presentation of Financial Statements related to the disclosure of accounting policies. These amendments require entities to disclose their material accounting policy information rather than significant accounting policy information. The amendments provide guidance on how an entity can identify material accounting policy information and clarify that information may be material because of its nature, even if the related amounts are immaterial.

The adoption of these amendments did not have a significant impact on the disclosure of material accounting policies in these Consolidated Financial Statements.

New and amended IFRS standards not yet effective in the current period

Certain new accounting standards and interpretations have been published that are not mandatory for the current period and have not been early adopted.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The amendments to IAS 1, clarifies the presentation of liabilities. The classification of liabilities as current or non-current is based on contractual rights that are in existence at the end of the reporting period 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 issued in October 2022 also clarifies how conditions with which an entity must comply within twelve months after the reporting period 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 amendments are effective for annual reporting periods beginning on or after January 1, 2024. The implementation of this amendment is not expected to have a material impact on the Company.

Lack of Exchangeability (Amendments to IAS 21)

The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for annual reporting periods beginning on or after January 1, 2025. The Company is currently evaluating the impact of this amendment.

5. SIGNIFICANT JUDGMENTS IN APPLYING ACCOUNTING POLICIES

Judgments that have the most significant effect on the amounts recognized in the Company's Consolidated Financial Statements are as follows:

a) Capitalization of evaluation costs

The Company has determined that evaluation costs capitalized during the year relating to the operating mines and certain other exploration interests have potential future economic benefits and are potentially economically recoverable. In making this judgment, the Company has assessed various sources of information including but not limited to the geologic and metallurgic information, history of conversion of mineral deposits to proven and probable mineral reserves, scoping and feasibility studies, proximity to existing ore bodies, operating management expertise and required environmental, operating and other permits.

b) Functional currency

The functional currency for the Company and its subsidiaries is the currency of the primary economic environment in which each operates. The Company has determined that its functional currency and that of its subsidiaries is the USD. The determination of functional currency may require certain judgments to determine the primary economic environment. The Company reconsiders the functional currency used when there is a change in events and conditions which determined the primary economic environment.

Upon acquisition, the Company has determined that Yamana's corporate office and its subsidiaries' functional currencies are USD, as this is the principal currency of the economic environments in which they operate.

c) Determination of significant influence of associates

Determination of whether the Company has significant influence with respect to its associates requires an assessment of whether the Company has power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

On March 31, 2022, the Company determined that it no longer held significant influence over its investment in Maverix Metals Inc. ("Maverix") after declining to nominate a representative to serve as a director on the Maverix board of directors and given an ownership interest of less than 20%. As a result, the Company redesignated its investment in Maverix into a long-term financial asset recorded at FVTOCI (Note 16).

d) Deferral of stripping costs

The Company treats the costs of removal of the waste material during a mine's production phase as deferred, where it gives rise to future benefits. These capitalized costs are subsequently amortized on a UOP basis over the reserves that directly benefit from the specific stripping activity. As at December 31, 2023, the carrying amount of Dolores and La Arena capitalized stripping costs was \$6.1 million and \$29.9 million, respectively (2022 - \$20.0 million and \$42.2 million, respectively).

e) Impairment, or impairment reversal, of mining interests

There is significant judgment involved in assessing whether any indications of impairment, or impairment reversal, exist for mining interests, with consideration given to both external and internal sources of information. Information the Company considers include changes in the market, economic and legal environment in which the Company operates that are not within its control that affect the recoverable amount of mining interests. Internal sources of information include the manner in which MPPE are being used or are expected to be used and indications of the economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's mining properties, costs to sell the mining properties and the appropriate discount rate. Changes in metal price forecasts, increases or decreases in estimated future costs of production, increases or decreases in estimated future capital costs, reductions or increases in the amount of recoverable mineral reserves and mineral resources and/or adverse or favorable current economics can result in a write-down or write-up of the carrying amounts of the Company's mining interests. In the year ended December 31, 2023, the Company identified indicators of impairment at the Morococha mine and Shahuindo's crushing and agglomeration plant (Note 15) and recorded impairment expenses of \$78.6 million (2022 - \$99.1 million).

f) Yamana Acquisition Business Combination

Management has concluded that Yamana constitutes a business and, therefore, the acquisition is accounted for in accordance with IFRS 3 - Business Combinations. Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value.

6. KEY SOURCES OF ESTIMATION UNCERTAINTY IN THE APPLICATION OF ACCOUNTING POLICIES

Key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

- *Revenue recognition:* Revenue from the sale of concentrate to independent smelters is recognized when control of the asset sold is transferred to the customer. The Company's concentrate sales contracts with third-party buyers, in general, provide for a provisional payment based upon provisional assays and quoted metal prices. Final settlement is based on applicable commodity prices set on specified quotational periods, typically ranging from one month prior to shipment, and can extend to three months after the shipment arrives at the smelter and is based on average market metal prices. Sales revenue is commonly subject to adjustments based on an inspection of the product by the customer. In such cases, sales revenue is initially recognized on a provisional basis using the Company's best estimate of contained metal, and adjusted subsequently. Revenues are recorded under these contracts at the time control passes to the buyer based on the expected settlement period. Revenue on provisionally priced sales is recognized based on estimates of the fair value of the consideration receivable based on forward market prices and estimated quantities. At each reporting date provisionally priced metal is marked to market based on the forward selling price for the quotational period stipulated in the contract. Variations between the price recorded at the date when control is transferred to the buyer and the actual final price set under the smelting contracts are caused by changes in metal prices resulting in the receivable being recorded at FVTPL. In a period of high price volatility, as experienced under current economic conditions, the effect of mark-to-market price adjustments related to the quantity of metal which remains to be settled with independent smelters could be significant. For changes in metal quantities upon receipt of new information and assay, the provisional sales quantities are adjusted.
- *Estimated recoverable ounces:* The carrying amounts of the Company's mining properties are depleted based on recoverable ounces. Changes to estimates of recoverable ounces and depletable costs including changes resulting from revisions to the Company's mine plans and changes in metal price forecasts can result in a change to future depletion rates.

- *Mineral reserve estimates:* The figures for mineral reserves and mineral resources are disclosed in accordance with National Instrument 43 - 101, "Standards of Disclosure for Mineral Projects", issued by the Canadian Securities Administrators and in accordance with "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines – adopted November 29, 2019", prepared by the Canadian Institute of Mining, Metallurgy and Petroleum Mineral Resource and Mineral Reserve Committee. There are numerous uncertainties inherent in estimating mineral reserves and mineral resources, including many factors beyond the Company's control. Such estimation is a subjective process, and the accuracy of any mineral reserve or mineral resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Differences between management's assumptions including economic assumptions such as metal prices and market conditions could have a material effect in the future on the Company's financial position and results of operation.
- *Valuation of Inventory:* In determining mine production costs recognized in the Consolidated Statement of Earnings, the Company makes estimates of quantities of ore stacked in stockpiles, placed on the heap leach pad and in process and the recoverable silver in this material to determine the average costs of finished goods sold during the period. Changes in these estimates can result in a change in mine operating costs of future periods and carrying amounts of inventories. Refer to Note 12 for details.
- *Depreciation and amortization rates for MPPE and mineral interests:* Depreciation and amortization expenses are allocated based on assumed asset lives and depreciation and amortization rates. Should the asset life or depreciation rate differ from the initial estimate, an adjustment would be made in the Consolidated Statement of Earnings prospectively. A change in the mineral reserve estimate for assets depreciated using the UOP method would impact depreciation expense prospectively.
- *Estimation of decommissioning and reclamation costs and the timing of expenditures:* The cost estimates are updated annually during the life of a mine to reflect known developments, (e.g. revisions to cost estimates and to the estimated lives of operations), and are subject to review at regular intervals. Decommissioning, restoration and similar liabilities are estimated based on the Company's interpretation of current regulatory requirements, constructive obligations and are measured at the best estimate of expenditures required to settle the present obligation of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine at the end of its productive life. The carrying amount is determined based on the net present value of estimated future cash expenditures for the settlement of decommissioning, restoration or similar liabilities that may occur upon decommissioning of the mine. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Refer to Note 19 for details on decommissioning and restoration costs.
- *Income taxes and recoverability of deferred tax assets:* In assessing the probability of realizing income tax assets recognized, the Company makes estimates related to expectations of future taxable income, applicable tax rates and tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, the Company gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers relevant tax planning opportunities that are within the Company's control, are feasible and within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period. Refer to Note 31 for further discussion on income taxes.

- *Accounting for acquisitions:* The fair value of assets acquired, liabilities assumed and the resulting goodwill, if any, required that management make certain judgement and estimates taking into account information available at the time of acquisition about future events, including, but not limited to, estimates of mineral reserves and resources acquired, exploration potential, future operating costs and capital expenditures, future metal prices, long-term foreign exchange rates, discount rates and tax rates.
- *Provisions and contingencies:* Due to the size, complexity and nature of the Company's operations, various legal and tax matters are outstanding from time to time. In the event the Company's estimates of the future resolution of these matters change, the Company will recognize the effects of the changes in its Consolidated Financial Statements on the date such changes occur. Refer to Note 32 for further discussion on contingencies.

7. MANAGEMENT OF CAPITAL

The Company's objective when managing its capital is to maintain its ability to continue as a going concern while at the same time maximizing the growth of its business and providing returns to its shareholders. The Company's capital structure consists of shareholders' equity (comprising issued capital plus share option reserve plus deficit, plus investment revaluation reserve) with a balance of \$4.8 billion as at December 31, 2023 (2022 - \$2.2 billion). The Company manages its capital structure and makes adjustments based on changes to its economic environment and the risk characteristics of the Company's assets. The Company's capital requirements are effectively managed based on the Company having a thorough reporting, planning and forecasting process to help identify the funds required to ensure the Company is able to meet its operating and growth objectives.

The Company is not subject to externally imposed capital requirements and the Company's overall objective with respect to capital risk management remains unchanged from the year ended December 31, 2022.

8. YAMANA ACQUISITION

On March 31, 2023, the Company completed the acquisition of 100% of the issued and outstanding shares of Yamana for consideration of 153.8 million Pan American Common Shares, which were valued at approximately \$2.8 billion based on the closing price of the shares on March 30, 2023 (the "Acquisition"). After this share issuance, Pan American shareholders owned approximately 58%, while former Yamana shareholders owned approximately 42%, of the shares of the combined company.

As a result of the Acquisition, the Company received \$259.5 million in cash and cash equivalents from Yamana. The Company began consolidating the operating results, cash flows and net assets of Yamana from March 31, 2023 onwards.

The Company sought to increase production of silver and gold, expand its mineral reserves, mine life and growth opportunities through the acquisition of Yamana's diverse portfolio of mines and projects, including the following principal mines: Jacobina in Brazil; El Peñon and Minera Florida in Chile; and Cerro Moro in Argentina.

The Company reported its initial accounting for the Acquisition during the first quarter of 2023 and had a measurement period of up to one year from the acquisition date to adjust any provisional amounts recognized and to recognize new assets and liabilities as a result of new information obtained that existed at the acquisition date. As a result, the Company recorded adjustments, most significantly to the acquired deferred tax liabilities and mineral properties, plant and equipment through the process of finalizing the purchase price allocation. All measurements impacted by the adjustments have been reflected retrospectively to the acquisition date.

Since acquisition on March 31, 2023, the assets acquired from Yamana contributed \$916.1 million of revenue and \$6.5 million of net earnings. Had the transaction occurred January 1, 2023, Yamana would have contributed revenue of \$1,198.3 million and pre-tax net income of \$30.6 million for the year ended December 31, 2023.

Total consideration:

Nature of consideration	Shares (in millions)	Consideration
Pan American Shares ⁽¹⁾	153.8	\$ 2,823.0

(1) The Pan American Share consideration value is based on an assumed value of \$18.36 per share (based on the closing price of the common shares of Pan American on NASDAQ on March 30, 2023).

Allocation of the purchase price:

	Preliminary as reported on March 31, 2023	Adjustments	Final as reported on December 31, 2023
Assets acquired			
Cash and cash equivalents	\$ 259.5	\$ —	\$ 259.5
Investments	59.5	—	59.5
Accounts receivable ⁽¹⁾	20.4	—	20.4
Income tax receivables	19.4	—	19.4
Value added tax receivables	54.0	—	54.0
Inventories	242.0	5.5	247.5
Mineral properties, plant and equipment	5,273.2	(218.8)	5,054.4
Other assets	59.4	—	59.4
Liabilities assumed			
Accounts payable	(215.2)	(0.1)	(215.3)
Income tax payables	(34.8)	12.4	(22.4)
Provision for closure and decommissioning liabilities	(238.7)	(5.3)	(244.0)
Litigation provisions	(34.6)	—	(34.6)
Lease obligations	(65.9)	(15.5)	(81.4)
Debt ⁽²⁾	(943.1)	15.5	(927.6)
Other long-term liabilities	(59.7)	—	(59.7)
Deferred taxes	(1,083.2)	202.0	(881.2)
Net assets acquired	3,312.2	(4.3)	3,307.9
Non-controlling interests ⁽³⁾	(489.2)	4.3	(484.9)
Net assets attributable to Pan American	\$ 2,823.0	\$ —	\$ 2,823.0

(1) Trade receivables acquired had a fair value of \$0.5 million, which was equal to their gross contractual value. Other receivables acquired had a fair value of \$19.9 million. Trade and other receivables are expected to be collected during the next 12 months.

(2) Debt acquired includes: 1. two senior notes with a fair value of \$675.2 million (Note 21); 2. a revolving credit facility with a fair value of \$205 million; 3. the MARA loan with a fair value of \$37.0 million; and 4. Short-term loan with a fair value of \$10.4 million.

(3) Non-controlling interests were measured at the proportionate share in the identifiable net assets recognized.

The Company recorded the following acquisition related costs for the year ended December 31, 2023 and 2022.

	Year ended December 31, 2023	
	2023	2022
Transaction related costs	\$ 20.7	\$ 157.4
Integration related costs	4.6	—
	\$ 25.3	\$ 157.4

9. DISPOSITIONS

MARA Sale

On July 31, 2023, the Company announced that it had entered into a definitive agreement to sell its 56.25% interest in the MARA project, located in the Catamarca province of Argentina, acquired as part of the Acquisition, to Glencore International AG ("Glencore"). On September 20, 2023, the Company completed the sale. The

Company received cash proceeds of \$475 million and a life-of-mine copper net smelter return royalty of 0.75% on a 100% interest in the property with the right for Pan American to freely transfer the royalty.

The Company recorded the NSR at an estimated fair value of \$90.0 million. The fair value of the NSR was estimated by the Company using a discounted future cash flow model, for which the key assumptions included production metrics and duration based on the preliminary feasibility study on the MARA Project, prevailing consensus metal prices as at September 2023, and an 8% discount rate.

Morococha Sale

On June 19, 2023, the Company entered into a binding agreement to sell its 92.3% interest in Compañía Minera Argentum S.A. ("CMA"), Pan American's Peruvian subsidiary that owned the Morococha mine located in Peru. The sale was completed on September 22, 2023 for cash proceeds of \$28.6 million, inclusive of a \$5.0 million deposit paid in Q2 2023 and final working capital adjustments. The Company had recorded an impairment charge of \$42.4 million (Note 15) upon Morococha's classification as an asset held for sale in June 2023.

Agua de la Falda Sale

On July 31, 2023, the Company entered into a definitive agreement to sell its 57.74% interest in the Agua de la Falda ("ADLF") project, located in the Atacama region of northern Chile, acquired as part of the Acquisition, and completed the sale on November 6, 2023 for cash proceeds of \$45.55 million and granted to Pan American's subsidiary a net smelter return royalty of 1.25% on all precious metals and a net smelter return royalty of 0.2% on all base metals production from certain mineral concessions of ADLF, applied on a pro rata basis in accordance with the ownership interest acquired in such concessions.

The Company recorded the NSR at an estimated fair value of \$11.1 million. The fair value of the NSR was estimated using a discounted future cash flow model for which the key assumptions included: production metrics and duration based on preliminary feasibility studies on the project, prevailing consensus metal prices as at November 2023, and a 6% discount rate.

On closing, MARA's, Morococha's and ADLF's net assets attributable to the Company were classified as follows:

	MARA	Morococha	ADLF	Total
Cash proceeds ⁽¹⁾	\$ 475.0	\$ 28.6	\$ 45.5	\$ 549.1
Net smelter return royalty	90.0	—	11.1	101.1
Net proceeds	565.0	28.6	56.6	650.2
Cash and cash equivalents	188.4	5.6	0.1	194.1
Other current assets	9.1	4.8	0.1	14.0
Mineral properties, plant and equipment	1,400.5	35.8	142.2	1,578.5
Other non-current assets	3.1	0.8	—	3.9
Current liabilities	(27.0)	(11.6)	(0.4)	(39.0)
Provisions	(133.2)	(11.2)	(3.7)	(148.1)
Deferred tax liabilities	(380.4)	(0.1)	(38.8)	(419.3)
Long-term debt	(31.5)	—	—	(31.5)
Other long-term liabilities	(19.3)	(0.1)	—	(19.4)
Net carrying amount	1,009.7	24.0	99.5	1,133.2
Non-controlling interest	(444.7)	(2.1)	(42.9)	(489.7)
Net assets attributable to Pan American	565.0	21.9	56.6	643.5
Less: net proceeds	565.0	28.6	56.6	650.2
Gain on sale	\$ —	\$ 6.7	\$ —	\$ 6.7

(1) The Morococha sale cash consideration includes \$3.6 million related to final working capital adjustments.

10. FINANCIAL INSTRUMENTS

a) Financial assets and liabilities by categories:

December 31, 2023	Amortized cost	FVTPL	FVTOCI	Total
Financial Assets:				
Cash and cash equivalents	\$ 399.6	\$ —	\$ —	\$ 399.6
Trade receivables from provisional concentrates sales ⁽¹⁾	—	17.5	—	17.5
Receivable not arising from sale of metal concentrates ⁽¹⁾	110.1	—	—	110.1
Investments	—	38.1	3.2	41.3
Derivative assets ⁽²⁾	—	6.9	—	6.9
	\$ 509.7	\$ 62.5	\$ 3.2	\$ 575.4
Financial Liabilities:				
Derivative liabilities ⁽²⁾	\$ —	\$ 0.1	\$ —	\$ 0.1
Debt	\$ 703.7	\$ —	\$ —	\$ 703.7

(1) Included in Trade and other receivables.

(2) Included in Other assets and Other liabilities.

December 31, 2022	Amortized cost	FVTPL	FVTOCI	Total
Financial Assets:				
Cash and cash equivalents	\$ 107.0	\$ —	\$ —	\$ 107.0
Trade receivables from provisional concentrates sales ⁽¹⁾	—	28.7	—	28.7
Receivable not arising from sale of metal concentrates ⁽¹⁾	99.0	—	—	99.0
Investments	—	35.3	—	35.3
Long-term investment (Note 16)	—	—	121.2	121.2
Derivative assets ⁽²⁾	—	2.9	—	2.9
	\$ 206.0	\$ 66.9	\$ 121.2	\$ 394.1
Financial Liabilities:				
Derivative liabilities ⁽²⁾	\$ —	\$ 1.8	\$ —	\$ 1.8
Debt	\$ 193.7	\$ —	\$ —	\$ 193.7

(1) Included in Trade and other receivables.

(2) Included in Other assets and Other liabilities.

b) Investments recorded at FVTPL

A portion of the Company's investments are recorded at FVTPL. The losses from investments recorded at FVTPL for the year ended December 31, 2023 and 2022 were as follows:

	2023	2022
Unrealized losses on investments	\$ (6.5)	\$ (16.6)
Realized gains on investments	1.0	0.4
	\$ (5.5)	\$ (16.2)

c) Investments recorded at FVTOCI

A portion of the Company's investments (sold in January 2023 - Note 16), are designated and recorded at FVTOCI. The losses from the Company's investments recorded at FVTOCI for the year ended December 31, 2023 and 2022 were as follows:

	2023	2022
Unrealized losses on investments	\$ (5.4)	\$ (3.5)
Realized losses on investments ⁽¹⁾	(18.8)	—
	\$ (24.2)	\$ (3.5)

(1) Excludes income tax expense of \$0.5 million, recorded through OCI, related to investments for the year ended December 31, 2023, with no amounts recorded in the comparative period.

d) Derivative instruments

The Company's derivatives are comprised of foreign currency and commodity contracts. The gains on derivatives for the year ended December 31, 2023 and 2022 were comprised of the following:

	2023	2022
Realized gains on derivatives	\$ 13.8	\$ 9.9
Unrealized losses on derivatives	(5.5)	(2.6)
	\$ 8.3	\$ 7.3

e) Fair value information
i) Fair Value Measurement

The categories of the fair value hierarchy that reflect the inputs to valuation techniques used to measure fair value are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs for the asset or liability based on unobservable market data

The levels in the fair value hierarchy into which the Company's financial assets and liabilities that are measured and recognized on the Consolidated Statements of Financial Position at fair value on a recurring basis were categorized as follows:

	At December 31, 2023		At December 31, 2022	
	Level 1	Level 2	Level 1	Level 2
Assets and Liabilities:				
Investments (Note 11)	\$ 41.3	\$ —	\$ 35.3	\$ —
Long-term investment (Note 16)	—	—	121.2	—
Trade receivables from provisional concentrate sales	—	17.5	—	28.7
Derivative assets ⁽¹⁾	—	6.9	—	2.9
Derivative liabilities ⁽¹⁾	—	(0.1)	—	(1.8)
	\$ 41.3	\$ 24.3	\$ 156.5	\$ 29.8

(1) Included in Other assets and Other liabilities.

The methodology and assessment of inputs for determining the fair value of financial assets and liabilities as well as the levels of hierarchy for the Company's financial assets and liabilities measured at fair value remains unchanged from that at December 31, 2022.

ii) Valuation Techniques
Investments and long-term investments

The Company's investments and long-term investments are valued using quoted market prices in active markets and as such are classified within Level 1 of the fair value hierarchy and are primarily equity securities. The fair value of the equity securities is calculated using the quoted market price multiplied by the quantity of shares held by the Company.

Derivative assets and liabilities

The Company's derivative assets and liabilities were comprised of foreign currency and commodity contracts which are classified within Level 2 of the fair value hierarchy and valued using observable market prices.

Receivables from provisional concentrate sales

A portion of the Company's trade receivables arose from provisional concentrate sales and are classified within Level 2 of the fair value hierarchy and valued using quoted market prices based on the forward London Metal Exchange for copper, zinc and lead and the London Bullion Market Association P.M. fix for gold and silver.

f) Financial Instruments and related risks

The Company has exposure to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and shareholder returns. The principle financial risks to which the Company is exposed are:

- i) Credit risk
- ii) Liquidity risk
- iii) Market risk
 - 1. Currency risk
 - 2. Interest rate risk
 - 3. Price risk

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

i) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade receivables. The carrying value of trade receivables represents the maximum credit exposure.

The Company has concentrate contracts to sell the zinc, lead, copper and silver concentrates produced by the Minera Florida, Huaron, San Vicente and La Colorada mines. Concentrate contracts are a common business practice in the mining industry. The terms of the concentrate contracts may require the Company to deliver concentrate that has a value greater than the payment received at the time of delivery, thereby introducing the Company to credit risk of the buyers of concentrates. Should any of these counterparties not honour purchase arrangements, or should any of them become insolvent, the Company may incur losses for products already shipped and be forced to sell its concentrates on the spot market or it may not have a market for its concentrates and therefore its future operating results may be materially adversely impacted. At December 31, 2023, the Company had receivable balances associated with buyers of its concentrates of \$17.5 million (2022 - \$28.7 million). The vast majority of the Company's concentrate is sold to a limited number of concentrate buyers.

Doré production from Jacobina, El Peñon, Minera Florida, Cerro Moro, La Colorada, Dolores, Manantial Espejo, Shahuindo, La Arena, and Timmins is refined under long-term agreements with fixed refining terms at eleven separate refineries worldwide. The Company generally retains the risk and title to the precious metals throughout the process of refining and therefore is exposed to the risk that the refineries will not be able to perform in accordance with the refining contract and that the Company may not be able to fully recover precious metals in such circumstances. At December 31, 2023, the Company had approximately \$10.8 million (2022 - \$37.0 million) of value contained in precious metal inventory at refineries. The Company maintains insurance coverage against the loss of precious metals at the Company's mine sites, in-transit to refineries and while at the refineries. Risk is transferred to the refineries at various stages from mine site to refinery.

The Company maintains trading facilities with several banks and bullion dealers for the purposes of transacting the Company's metal sales. None of these facilities are subject to margin arrangements. The Company's trading activities can expose the Company to the credit risk of its counterparties to the extent that the trading positions have a positive mark-to-market value.

Refined silver and gold are sold in the spot market to various bullion traders and banks. Credit risk may arise from these activities if the Company is not paid for metal at the time it is delivered, as required by spot sale contracts, which is uncommon as payments are predominantly concurrent with the sale.

Supplier advances for products and services yet to be provided are a common practice in some jurisdictions in which we operate. These advances represent a credit risk to us to the extent that suppliers do not deliver products or perform services as expected. As at December 31, 2023, we had made \$10.4 million of supplier advances (2022 - \$8.9 million), which are reflected in "Trade and other receivables" on the Consolidated Statements of Financial Position.

Management constantly monitors and assesses the credit risk resulting from its refining arrangements, concentrate sales and commodity contracts with its refiners, supplier advances, trading counterparties and customers. Furthermore, management carefully considers credit risk when allocating prospective sales and refining business to counterparties. In making allocation decisions, management attempts to avoid unacceptable concentration of credit risk to any single counterparty.

Cash and cash equivalents, trade accounts receivable and other receivables that represent the maximum credit risk to the Company consist of the following:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 399.6	\$ 107.0
Trade accounts receivable ⁽¹⁾	17.5	28.7
Supplier advances ⁽¹⁾	10.4	8.9
Employee loans ⁽¹⁾	—	0.3

(1) Included in Trade and other receivables.

The Company invests its cash and cash equivalents, which also has credit risk, with the objective of maintaining safety of principal and providing adequate liquidity to meet all current payment obligations.

ii) Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial obligations as they come due. The Company has in place a rigorous planning, budgeting and forecasting process to help determine the funds required to support the Company's normal operating requirements on an ongoing basis, its expansionary plans and its dividend distributions. The Company ensures that sufficient committed loan facilities exist to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash and cash equivalents.

As at December 31, 2023, after consideration for the financial assets acquired and liabilities assumed in the Acquisition, the Company continues to maintain its ability to meet its financial obligations as they come due.

There was no material change to the Company's exposure to liquidity risk for the year ended December 31, 2023 and 2022.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following tables summarize the remaining contractual maturities of the Company's financial liabilities and operating and capital commitments on an undiscounted basis:

Payments due by period December 31, 2023					
	Within 1 year	2 - 3 years	4 - 5 years	After 5 years	Total
Accounts payable and accrued liabilities other than:	\$ 491.0	\$ —	\$ —	\$ —	\$ 491.0
Severance liabilities	2.1	17.2	9.0	32.2	60.5
Payroll liabilities	4.9	—	—	—	4.9
Total accounts payable and accrued liabilities	498.0	17.2	9.0	32.2	556.4
Income tax payables	32.1	—	—	—	32.1
Debt					
Repayment of principal	6.7	11.9	275.3	409.8	703.7
Interest and standby fees	29.1	57.6	43.4	34.5	164.6
Provisions ⁽¹⁾⁽²⁾	4.0	14.0	1.2	7.7	26.9
Future payroll liabilities	2.5	17.0	—	1.8	21.3
Total contractual obligations ⁽²⁾	\$ 572.4	\$ 117.7	\$ 328.9	\$ 486.0	\$ 1,505.0

(1) Total litigation provision (Note 19).

(2) Amounts above do not include payments related to closure and decommissioning (current \$37.6 million, long-term \$409.5 million) discussed in Note 19, and lease obligations discussed in Note 20.

Payments due by period December 31, 2022					
	Within 1 year	2 - 3 years	4 - 5 years	After 5 years	Total
Accounts payable and accrued liabilities other than:	\$ 291.4	\$ —	\$ —	\$ —	\$ 291.4
Severance liabilities	13.9	1.0	0.6	4.5	20.0
Payroll liabilities	2.8	—	—	—	2.8
Total accounts payable and accrued liabilities	308.1	1.0	0.6	4.5	314.2
Income tax payables	25.8	—	—	—	25.8
Other liabilities	1.8	—	—	—	1.8
Debt					
Repayment of principal	13.7	173.4	6.6	—	193.7
Interest and standby fees	11.2	17.7	0.1	—	29.0
Provisions ⁽¹⁾⁽²⁾	3.4	2.4	—	1.1	6.9
Future payroll liabilities	2.5	8.7	—	—	11.2
Total contractual obligations ⁽²⁾	\$ 366.5	\$ 203.2	\$ 7.3	\$ 5.6	\$ 582.6

(1) Total litigation provision (Note 19).

(2) Amounts above do not include payments related to closure and decommissioning (current \$14.4 million, long-term \$281.8 million) discussed in Note 19, and lease obligations discussed in Note 20.

iii) Market Risk

1. Currency Risk

The Company reports its Financial Statements in USD; however, the Company operates in jurisdictions that utilize other currencies. As a consequence, the financial results of the Company's operations as reported in USD are subject to changes in the value of the USD relative to local currencies. Since the Company's sales are denominated in USD and a portion of the Company's operating costs and capital spending are in local currencies, the Company is negatively impacted by strengthening local currencies relative to the USD and positively impacted by the inverse.

The Company's net earnings are affected by the revaluation of its monetary assets and monetary liabilities at each Consolidated Statements of Financial Position date. The Company has reviewed its monetary assets and monetary liabilities and is exposed to foreign exchange risk through financial assets and liabilities and deferred tax assets and liabilities denominated in currencies other than USD,

as shown in the table below. The Company estimates that a 10% change in the exchange rate of the foreign currencies in which its December 31, 2023 non-USD net monetary liabilities were denominated would result in an income before taxes change of about \$69.0 million (2022 - \$10.7 million).

The Company is exposed to currency risk through the following financial assets and liabilities, and deferred tax assets and liabilities denominated in foreign currencies:

At December 31, 2023	Cash and investments	Other current and non-current assets	Income taxes receivable (payable), current and non-current	Accounts payable and accrued liabilities and non-current liabilities	Deferred tax assets and liabilities
Canadian dollar	\$ 47.6	\$ 4.6	\$ 8.0	\$ (56.1)	\$ 12.0
Mexican peso	3.2	14.3	11.4	(54.0)	33.9
Argentine peso	0.4	21.5	—	(79.0)	(12.1)
Bolivian boliviano	9.2	8.0	(7.0)	(7.6)	(3.8)
European euro	0.1	—	(2.2)	(0.1)	—
Peruvian sol	6.1	22.0	5.1	(87.2)	(68.1)
Guatemala quetzal	0.2	0.1	(0.1)	(9.6)	—
Chilean peso	1.2	7.2	18.5	(75.9)	(89.8)
Brazilian real	0.4	5.6	(5.4)	(39.3)	(333.3)
	\$ 68.4	\$ 83.3	\$ 28.3	\$ (408.8)	\$ (461.2)

At December 31, 2022	Cash and investments	Other current and non-current assets	Income taxes receivable (payable), current and non-current	Accounts payable and accrued liabilities and non-current liabilities	Deferred tax assets and liabilities
Canadian dollar	\$ 41.0	\$ 2.7	\$ —	\$ (42.2)	\$ 24.0
Mexican peso	3.1	32.6	12.7	(43.0)	(16.3)
Argentine peso	9.3	9.3	0.9	(33.5)	—
Bolivian boliviano	4.8	6.6	(5.2)	(8.7)	(4.5)
European euro	—	—	—	—	—
Peruvian sol	3.2	20.2	(0.5)	(28.9)	(87.7)
Guatemala quetzal	0.1	0.1	(0.1)	(7.3)	—
	\$ 61.5	\$ 71.5	\$ 7.8	\$ (163.6)	\$ (84.5)

At December 31, 2023, the Company had outstanding positions on its foreign currency exposure of Mexican peso ("MXN"), Peruvian sol ("PEN"), Canadian dollar ("CAD"), Chilean peso ("CLP") and Brazilian real ("BRL") purchases. The Company recorded the following derivative gains and losses on currencies for the year ended December 31, 2023 and 2022:

	2023	2022
Mexican peso gains	\$ 2.5	\$ 1.5
Peruvian sol gains	2.9	3.5
Canadian dollar gains (losses)	4.1	(3.0)
Chilean peso losses	(3.0)	—
Brazilian real gains	1.2	—
	\$ 7.7	\$ 2.0

2. Interest Rate Risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The average interest rate earned by the Company during the year ended December 31, 2023 on its cash and investments was 3.2% (2022 - 1.4%). A 10%

increase or decrease in the interest earned from financial institutions on cash and investments would result in a \$1.6 million change in the Company's earnings before income taxes (2022 – \$0.3 million).

As at December 31, 2023 the Company has \$nil drawn under its \$750.0 million Sustainability-Linked Credit Facility ("SL-Credit Facility"), with a maturity date of November 24, 2028 (Note 21). The SL-Credit Facility incurred a weighted average interest rate of 5.7% during the year ended December 31, 2023 and 2022 on amounts drawn.

As part of the Acquisition, the Company acquired two senior notes (see Note 21) : senior notes with a fixed 4.625% coupon and maturing in December 2027; and senior notes with a fixed 2.63% coupon and maturing in August 2031 (collectively "Senior Notes"). As the Senior Notes bear interest at fixed rates, they are not subject to significant interest rate risk.

At December 31, 2023, the Company had \$97.9 million in lease obligations (2022 - \$33.1 million), that are subject to an annualized interest rate of 8.9% (2022 - 9.7%).

3. Price Risk

Metal price risk is the risk that changes in metal prices will affect the Company's revenue or the value of its related financial instruments. The Company derives its revenue from the sale of silver, gold, lead, copper, and zinc. The Company's sales are directly dependent on metal prices that have shown significant volatility and are beyond the Company's control. Consistent with the Company's mission to provide equity investors with exposure to changes in precious metal prices, the Company's policy is to not hedge the price of precious metals.

A 10% increase in all metal prices as at December 31, 2023, would result in an increase of approximately \$233.6 million (2022 – \$149.9 million) in the Company's annual revenues. A 10% decrease in all metal prices as at the same period would result in a decrease of approximately \$235.7 million (2022 - \$151.6 million) in the Company's annual revenues. The Company also enters into provisional concentrate contracts to sell the zinc, lead and copper concentrates. We have provisionally priced sales for which price finalization, referenced to the relevant zinc, lead, copper and silver index, is outstanding at the Consolidated Statements of Financial Position date. A 10% increase (decrease) in metals prices on open positions of zinc, lead, copper and silver for provisional concentrate contracts for the year ended December 31, 2023 would result in \$3.3 million increase (decrease) (2022 - \$4.9 million) in the Company's before tax earnings.

The Company mitigates the price risk associated with its base metal production by committing some of its forecasted base metal production from time to time under forward sales and option contracts. The Board of Directors continually assesses the Company's strategy towards its base metal exposure, depending on market conditions.

At December 31, 2023, the Company had outstanding derivative positions on its exposure to zinc and diesel. The Company recorded the following derivative gains and losses on commodities for the year ended December 31, 2023 and 2022:

	2023	2022
Zinc gains	\$ —	\$ 1.7
Diesel gains	—	4.5
Other	0.6	(0.9)
	\$ 0.6	\$ 5.3

11. INVESTMENTS

	December 31, 2023			December 31, 2022		
	Fair Value	Cost	Accumulated unrealized holding gains	Fair Value	Cost	Accumulated unrealized holding gains
Investments	\$ 41.3	\$ 37.3	\$ 4.0	\$ 35.3	\$ 20.8	\$ 14.5

12. INVENTORIES

Inventories consist of:

	December 31, 2023	December 31, 2022
Concentrate inventory	\$ 21.3	\$ 31.3
Stockpile ore	67.2	31.3
Heap leach inventory and in process	338.6	258.8
Doré and finished inventory	121.1	86.8
Materials and supplies	191.2	89.7
Total inventories	739.4	497.9
Less: current portion of inventories	(711.6)	(471.6)
Non-current portion inventories ⁽¹⁾	\$ 27.8	\$ 26.3

(1) Includes \$20.5 million (2022 - \$19.0 million) in supplies at the Escobal mine, which have been classified as non-current pending the restart of operations.

Total inventories held at net realizable value amounted to \$170.0 million at December 31, 2023 (2022 – \$135.8 million). The Company recorded recoveries of \$31.8 million for the year ended December 31, 2023 (2022 – write-downs of \$97.7 million) which were related primarily to heap leach inventories and were included in cost of sales (Note 24).

A portion of the stockpile ore amounting to \$0.7 million (2022 - \$0.9 million) and a portion of the heap leach inventory amounting to \$70.1 million (2022 - \$53.9 million) is expected to be recovered or settled after more than twelve months.

13. OTHER ASSETS

Other assets consist of:

	December 31, 2023	December 31, 2022
Insurance prepaids	\$ 7.4	\$ 5.3
Other prepaids	22.3	5.7
Derivative assets	6.9	2.9
	\$ 36.6	\$ 13.9

14. MINERAL PROPERTIES, PLANT AND EQUIPMENT

Mineral properties, plant and equipment consist of:

	Mining Properties				
	Depletable		Non-depletable		Total
	Reserves and Resources	Reserves and Resources	Exploration and Evaluation	Plant and Equipment	
Carrying value					
As at January 1, 2023					
Net of accumulated depreciation	\$ 962.7	\$ 442.2	\$ 428.5	\$ 393.0	\$ 2,226.4
Additions	315.5	21.0	25.2	71.5	433.2
Yamana acquisition (Note 8)	1,474.1	2,667.8	205.4	707.1	5,054.4
Net smelter return royalties acquired (Note 9)	—	—	101.1	—	101.1
Disposals	(1.4)	—	(0.1)	(6.5)	(8.0)
Disposition of subsidiaries (Note 9)	—	(1,436.4)	(142.1)	—	(1,578.5)
Depreciation and amortization ⁽¹⁾	(297.2)	(1.8)	—	(187.0)	(486.0)
Depreciation charge captured in inventory	(0.2)	—	—	—	(0.2)
Impairment charge (Note 15)	10.3	(42.4)	—	(46.5)	(78.6)
Transfers	(62.6)	(18.3)	14.2	66.7	—
Closure and decommissioning – changes in estimate (Note 19)	11.3	—	—	—	11.3
As at December 31, 2023	\$ 2,412.5	\$ 1,632.1	\$ 632.2	\$ 998.3	\$ 5,675.1
Cost as at December 31, 2023	\$ 4,348.5	\$ 2,531.4	\$ 687.1	\$ 2,052.6	\$ 9,619.6
Accumulated depreciation and impairments	(1,936.0)	(899.3)	(54.9)	(1,054.3)	(3,944.5)
Carrying value – December 31, 2023	\$ 2,412.5	\$ 1,632.1	\$ 632.2	\$ 998.3	\$ 5,675.1

(1) Includes \$1.8 million of depreciation and amortization included in mine care and maintenance for the year ended December 31, 2023.

	Mining Properties				
	Depletable		Non-depletable		Total
	Reserves and Resources	Reserves and Resources	Exploration and Evaluation	Plant and Equipment	
Carrying value					
As at January 1, 2022					
Net of accumulated depreciation	\$ 1,115.9	\$ 327.4	\$ 426.5	\$ 474.7	\$ 2,344.5
Additions	237.3	42.8	—	20.5	300.6
Disposals	(11.3)	—	—	(5.8)	(17.1)
Depreciation and amortization ⁽¹⁾	(201.3)	(6.4)	—	(113.3)	(321.0)
Depreciation charge captured in inventory	(19.5)	—	—	—	(19.5)
Impairment charge (Note 15)	(73.7)	(0.5)	—	(24.9)	(99.1)
Transfers	(122.7)	78.9	2.0	41.8	—
Closure and decommissioning – changes in estimate (Note 19)	38.0	—	—	—	38.0
As at December 31, 2022	\$ 962.7	\$ 442.2	\$ 428.5	\$ 393.0	\$ 2,226.4
Cost as at December 31, 2022	\$ 3,123.6	\$ 617.4	\$ 841.3	\$ 1,281.4	\$ 5,863.7
Accumulated depreciation and impairments	(2,160.9)	(175.2)	(412.8)	(888.4)	(3,637.3)
Carrying value – December 31, 2022	\$ 962.7	\$ 442.2	\$ 428.5	\$ 393.0	\$ 2,226.4

(1) Includes \$5.1 million of depreciation and amortization included in mine care and maintenance for the year ended December 31, 2022.

		December 31, 2023			December 31, 2022		
		Cost	Accumulated Depreciation and Impairment	Carrying Value	Cost	Accumulated Depreciation and Impairment	Carrying Value
Producing:							
Brazil	Jacobina ⁽²⁾	\$ 1,539.1	\$ (85.5)	\$ 1,453.6	\$ —	\$ —	\$ —
Chile	El Peñon ⁽²⁾	477.7	(56.7)	421.0	—	—	—
	Minera Florida ⁽²⁾	167.6	(15.9)	151.7	—	—	—
Peru	Huaron	261.6	(146.1)	115.5	231.3	(143.2)	88.1
	Shahuindo	690.6	(265.7)	424.9	636.5	(179.4)	457.1
	La Arena	307.9	(178.8)	129.1	286.2	(143.0)	143.2
Mexico	La Colorada	443.4	(224.8)	218.6	403.7	(205.1)	198.6
	Dolores	1,777.5	(1,680.7)	96.8	1,783.7	(1,586.4)	197.3
Argentina	Cerro Moro ⁽²⁾	142.5	(22.9)	119.6	—	—	—
Bolivia	San Vicente	160.7	(127.8)	32.9	156.3	(119.3)	37.0
Canada	Timmins	400.7	(165.8)	234.9	359.4	(133.1)	226.3
	Other	31.9	(19.6)	12.3	29.6	(21.4)	8.2
		\$ 6,401.2	\$ (2,990.3)	\$ 3,410.9	\$ 3,886.7	\$ (2,530.9)	\$ 1,355.8
Non-Producing/Depletable:							
	Land	\$ 14.4	\$ (1.0)	\$ 13.4	\$ 6.9	\$ (1.0)	\$ 5.9
Brazil	Jacobina ⁽²⁾	982.6	—	982.6	—	—	—
Chile	El Peñon ⁽²⁾	227.7	—	227.7	—	—	—
	Minera Florida ⁽²⁾	28.9	—	28.9	—	—	—
	Jeronimo ^{(2) (3)}	—	—	—	—	—	—
	Le Pepa ⁽²⁾	49.7	—	49.7	—	—	—
Peru	La Arena	117.0	—	117.0	117.0	—	117.0
	Morococha	—	—	—	238.8	(158.1)	80.7
Mexico	Minefinders	77.2	(37.5)	39.7	77.2	(37.5)	39.7
	La Colorada	119.1	—	119.1	94.7	—	94.7
Argentina	Manantial Espejo ⁽¹⁾	518.4	(518.4)	—	518.4	(518.4)	—
	Navidad	566.6	(376.2)	190.4	566.6	(376.1)	190.5
Guatemala	Escobal	257.2	(3.8)	253.4	260.4	(3.1)	257.3
Canada	Timmins	62.9	—	62.9	63.0	—	63.0
	Other ⁽³⁾	196.8	(17.4)	179.4	34.0	(12.2)	21.8
		\$ 3,218.5	\$ (954.3)	\$ 2,264.2	\$ 1,977.0	\$ (1,106.4)	\$ 870.6
Total		\$ 9,619.7	\$ (3,944.6)	\$ 5,675.1	\$ 5,863.7	\$ (3,637.3)	\$ 2,226.4

(1) Manantial Espejo was placed on care and maintenance in January 2023.

(2) Acquisition properties (Note 8).

(3) Includes a \$90 million NSR received upon the disposition of MARA (Note 9).

15. IMPAIRMENT

The Company's impairment expense in respect of the following CGUs for the year ended December 31, 2023 were as follows:

	2023	2022
Shahuindo	\$ 36.2	\$ —
Morococha	42.4	—
Dolores	—	99.1
	\$ 78.6	\$ 99.1

The Company reviews each of its CGUs, represented by its principal producing mining properties and significant development projects, for indicators of impairment or impairment reversal each period end. The CGU carrying

amount for purposes of this assessment includes the carrying value of the mineral properties plant and equipment and goodwill less deferred tax liabilities and closure and decommissioning liabilities related to each CGU.

2023 Indicators of Impairment

a. Shahuindo

In the fourth quarter of 2023 the Company determined that the non-operating crushing and agglomeration plant located at the Shahuindo operation (the "C&A Plant") would not be used during the planned Shahuindo life of operations, and plans were established to commence dismantling the C&A Plant in 2024. This decision was partially informed by the beneficial tax treatment of dismantling the C&A Plant. Based on this decision a \$36.2 million impairment charge was recorded to fully impair the value of the C&A Plant.

b. Morococha

In June 2023 the Company entered into a binding agreement to sell its interest in CMA, Pan American's Peruvian subsidiary that owned the Morococha mine in Peru. In the second quarter of 2023 a pre-tax impairment charge of \$42.4 million was recorded on the CMA net assets to bring the carrying value to the \$25.0 million consideration amount (Note 9).

2022 Indicators of Impairment

a. Dolores

On June 30, 2022 the Company identified an impairment indicator in the Dolores Mine CGU due to the year-to-date 2022 silver and gold production being less than that expected by management, driven by an ore reconciliation shortfall experienced in a recent higher grade phase of the Dolores open pit mined in 2022, which was expected to affect production for the remainder of the year combined with the impact of inflationary pressures on this asset which has a shorter remaining mine life. Accordingly, management completed a recoverable value assessment of the Dolores Mine CGU, with the Company recognizing an impairment expense of \$99.1 million, against the carrying value of the Dolores Mine CGU at June 30, 2022, and recorded an NRV adjustment of \$55.4 million (Note 12) (Collectively, the "Dolores Impairment").

The recoverable amount was determined applying a fair value less cost to sell methodology based on future after-tax cash flows expected to be derived from Dolores Mine discounted with a 6% weighted average cost of capital, a Level 3 fair value measurement. The projected cash flows used in impairment testing are significantly affected by changes in assumptions for metal prices, changes in the amount of recoverable reserves, production costs estimates and capital expenditures estimates. For the year ended December 31, 2022, the Company's impairment testing incorporated the following key assumptions:

i. Pricing Assumptions

Metal pricing included in the cash flow projections is based on consensus analyst pricing. The metal price assumptions used in the impairment assessment were the following:

	At June 30, 2022	
	2022-2025 Average	2026 and long-term
Gold (per ounce)	\$ 1,802	\$ 1,651
Silver (per ounce)	23.56	21.77

ii. Additional Dolores-specific assumptions affecting the recoverable amount assessment

In 2022, the recoverable amount of the Dolores Mine CGU was negatively impacted by the following:

- the updated mineral resource and remaining life of mine plan that indicated a reduction in the assumed grades for a phase to be mined in 2022, following 2022 year-to-date silver

and gold production being less than expected due to lower than expected grades encountered in this section of the open pit;

2. inflationary pressures, which particularly affected this shorter-life asset where most of the mining would be completed in the next two years;
3. the suspension of underground mining operations in the first half of 2022 due to inflationary cost pressures, and the subsequent reclassification of underground mineral reserves to mineral resources; and a reduction in the expected duration of leaching to the year 2030.

16. LONG-TERM INVESTMENT

The following table shows a continuity of the Company's long-term investment, classified as financial assets measured at FVTOCI and equity investees:

Investment in Maverix	FVTOCI	Investment in Associate	Total
	Maverix	Maverix	
At December 31, 2021	\$ —	\$ 77.4	\$ 77.4
Equity pick-up from equity investees	—	0.4	0.4
Dividends received	—	(0.3)	(0.3)
Loss of significant influence	124.7	(77.5)	47.2
Investment revaluation reserve fair value adjustment	(3.5)	—	(3.5)
At December 31, 2022	\$ 121.2	\$ —	\$ 121.2
Investment revaluation reserve fair value adjustment	3.5	—	3.5
Maverix shares returned	(124.7)	—	(124.7)
Triple Flag shares received	53.0	—	53.0
Disposal of Triple Flag shares	(53.0)	—	(53.0)
At December 31, 2023	\$ —	\$ —	\$ —

Investment in Maverix:

On January 19, 2023, Triple Flag Precious Metals Corp. ("Triple Flag") and Maverix completed a plan of arrangement in which Triple Flag issued a total of 45.1 million common shares and \$86.7 million in cash to former Maverix shareholders (the "Maverix Sale"). As a result, the Company received \$58.8 million in cash and 4.0 million Triple Flag shares in exchange for its interest in Maverix. On January 26, 2023, the Company sold its entire interest in Triple Flag for net proceeds of \$46.5 million, including \$1.3 million in commission fees.

On March 31, 2022, the Company determined that it no longer held significant influence over Maverix due to declining to exercise its right to nominate a representative to serve as a director on Maverix's Board of Directors and accordingly the Company no longer had the power to participate in the financial and operating policy decisions of Maverix. As a result, the Company recorded a \$44.6 million gain concurrent with the redesignation of its investment in Maverix from Investment in Associate, accounted using the Equity Method whereby the Company's recorded into income its ownership proportion of Maverix estimated earnings, into a long-term financial asset recorded at FVTOCI.

The Company's share of Maverix income or loss was recorded based on its 17% interest up until March 31, 2022, representing the Company's fully diluted ownership.

17. OTHER LONG-TERM ASSETS

Other assets consist of:

	December 31, 2023	December 31, 2022
Escrow funds	\$ 9.9	\$ —
Long-term prepaids	9.0	—
Other	6.2	5.8
	\$ 25.1	\$ 5.8

18. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

	December 31, 2023	December 31, 2022
Trade accounts payable ⁽¹⁾	\$ 198.2	\$ 88.8
Royalty payables	30.1	20.9
Other accounts payable and accrued liabilities	144.2	111.2
Payroll and severance liabilities	85.0	66.6
Value added tax liabilities	9.6	8.5
Other tax payables	30.9	12.0
	\$ 498.0	\$ 308.0

(1) No interest is charged on the trade accounts payable ranging from 30 to 60 days from the invoice date. The Company has policies in place to ensure that all payables are paid within the credit terms.

19. PROVISIONS

	2023	2022
Reclamation obligations, opening balance	\$ 296.2	\$ 242.9
Reclamation obligations from the Acquisition (Note 8)	244.0	—
Dispositions (Note 9)	(129.9)	—
Revisions in estimates and obligations	29.9	42.7
Expenditures	(27.3)	(4.2)
Accretion expense (Note 26)	34.2	14.8
Reclamation obligations, closing balance	\$ 447.1	\$ 296.2
Litigation	10.5	7.0
Litigation from the Acquisition ⁽¹⁾	34.6	—
Dispositions (Note 9)	(18.2)	—
Total provisions	\$ 474.0	\$ 303.2

(1) These provisions are from the Acquisition (Note 8) for various claims, largely in Brazil and Argentina for labour matters.

Maturity analysis of total provisions:	December 31, 2023	December 31, 2022
Current	\$ 41.6	\$ 17.9
Non-current	432.4	285.3
	\$ 474.0	\$ 303.2

Closure and Decommissioning Cost Provision

The inflated and discounted provisions on the Consolidated Statement of Financial Position as at December 31, 2023, using inflation rates of between 1% and 5% (2022 – between 2% and 6%) and discount rates of between 3% and 11% (2022 - between 3% and 11%), was \$447.1 million (2022 - \$296.2 million). Revisions made to the reclamation obligations in 2023 were primarily a result of increased site disturbance at the mines as well as revisions to the estimate based on periodic reviews of closure plans, actual expenditures incurred and concurrent closure activities completed. These obligations will be funded from operating cash flows, reclamation deposits and cash on hand.

The accretion expense charged to 2023 earnings as finance expense was \$34.2 million (2022 - \$14.8 million). Reclamation expenditures paid during the current year were \$27.3 million (2022 - \$4.2 million).

Litigation Provision

The litigation provision, as at December 31, 2023 and 2022, consists primarily of amounts accrued for labour claims at several of the Company's mine operations. The balance of \$26.9 million at December 31, 2023 (2022 - \$7.0 million) represents the Company's best estimate for all known and anticipated future obligations related to the above claims. The amount and timing of any expected payments are uncertain as their determination is outside the control of the Company.

20. LEASES

a. Right-of-Use ("ROU") assets

The following table summarizes changes in ROU assets for the year ended December 31, 2023, which have been recorded in mineral properties, plant and equipment on the Consolidated Statements of Financial Position:

	December 31, 2023	December 31, 2022
Opening net book value	\$ 30.3	\$ 29.5
Additions	36.8	19.0
ROU assets from the Acquisition (Note 8)	77.0	—
Depreciation	(39.2)	(15.0)
Dispositions (Note 9)	(9.0)	—
Other	4.7	(3.2)
Closing net book value	\$ 100.6	\$ 30.3

b. Lease obligations

The following table presents a reconciliation of the Company's undiscounted cash flows at December 31, 2023 and December 31, 2022 to their present value for the Company's lease obligations:

	December 31, 2023	December 31, 2022
Within one year	\$ 50.7	\$ 14.1
Between one and five years	53.1	17.6
Beyond five years	12.0	14.4
Total undiscounted lease obligations	115.8	46.1
Less future interest charges	(17.9)	(13.0)
Total discounted lease obligations	97.9	33.1
Less: current portion of lease obligations	(45.7)	(13.6)
Non-current portion of lease obligations	\$ 52.2	\$ 19.5

21. DEBT

	December 31, 2022	Proceeds	Repayments	Interest	Other ⁽²⁾	Acquisition (Note 8) ⁽¹⁾	Disposition (Note 9)	December 31, 2023
Senior note maturing December 2027	\$ —	\$ —	\$ —	\$ 1.5	\$ —	\$ 272.3	\$ —	\$ 273.8
Senior note maturing August 2031	—	—	—	6.9	—	402.9	—	409.8
SL-Credit Facility	160.0	315.0	(475.0)	—	—	—	—	—
Other loans ⁽¹⁾	33.7	—	(228.5)	1.0	(7.0)	252.4	(31.5)	20.1
Less: current portion	\$ (13.7)							\$ (6.7)
Non-current	\$ 180.0	\$ 315.0	\$ (703.5)	\$ 9.4	\$ (7.0)	\$ 927.6	\$ (31.5)	\$ 697.0

(1) In connection with the Acquisition, the Company acquired a loan in MARA (\$37 million), a short term loan in Jacobina (\$10.3 million) and revolving credit facility in Yamana Corp (\$205.0 million). The MARA and Jacobina loans bore effective interest rates of 5.5%, and the revolving credit facility was immediately repaid at the date of Acquisition (Note 8). The Jacobina loan was repaid and the MARA loan was disposed of during the year ended December 31, 2023.

(2) Includes a \$7.0 million reclassification of debt at La Arena to accounts payables and accrued liabilities.

	December 31, 2021	Proceeds	Advances	Repayments	December 31, 2022
SL-Credit Facility	\$ —	\$ 160.0	\$ —	\$ —	\$ 160.0
Other	15.3	7.1	16.5	(5.2)	33.7
Less: current portion	\$ (3.4)				\$ (13.7)
Non-current	\$ 11.9	\$ 167.1	\$ 16.5	\$ (5.2)	\$ 180.0

Senior Notes

As part of the Acquisition, the Company acquired the following Senior Notes: \$283 million in aggregate principal with a 4.625% coupon and maturing in December 2027; and \$500 million in aggregate principal with a 2.63% coupon and maturing in August 2031. These Senior Notes are unsecured with interest payable semi-annually. Each series of Senior Notes is redeemable, in whole or in part, at the Company's option, at any time prior to maturity, subject to make-whole provisions. The Senior Notes are accreted to the face value over their respective terms and were recorded at fair value upon acquisition using an effective interest rate of 5.52%.

SL-Credit Facility

The Company amended and upsized its SL-Credit Facility on March 30, 2023. The SL-Credit Facility was increased from its previous \$500.0 million to \$750.0 million and a term loan of \$500.0 million was added to complete the Yamana Acquisition, if needed. The term loan expired unused on May 31, 2023. The SL-Credit Facility was further amended and updated on November 24, 2023, remaining at \$750.0 million but adding an accordion feature for up to an additional \$250.0 million. As of December 31, 2023, the Company was in compliance with all financial covenants under the \$750.0 million revolving SL-Credit Facility, which remains undrawn. The borrowing costs under the Company's SL-Credit Facility are based on the Company's credit ratings from Moody's and S&P Global's at either: (i) SOFR plus 1.25% to 2.40% or; (ii) The Bank of Nova Scotia's Base Rate on U.S. dollar denominated commercial loans plus 0.15% to 1.30%. Under the ratings based pricing, undrawn amounts under the SL-Credit Facility are subject to a stand-by fee of 0.23% to 0.46% per annum, dependent on the Company's credit rating and subject to pricing adjustments based on sustainability performance ratings and scores. The Company's SL-Credit Facility matures on November 24, 2028.

The Company paid an effective interest rate of 5.7% on the SL-Credit Facility during the year ended December 31, 2023. During the year ended December 31, 2023, the Company made net repayments on the SL-Credit Facility of \$160.0 million, (2022 - \$nil). A portion of the funds was used to repay, in full, and cancel Yamana's revolving credit facility, under which \$205.0 million had been drawn.

Other loans

Construction loans

From May 2022 to December 2022, the Company entered into Peruvian USD denominated promissory notes with a local financial institution in Peru, maturing in under 30 days, to provide short-term funding for the purpose of certain construction activities in advance of entering into term loans. In June 2021 and May 2022, the Company entered into Peruvian USD denominated five-year Loans with that same local financial institution for construction financing. The promissory notes bear a 5.6% interest rate per annum and the June 2021 loan bears a 3.6% interest rate per annum and requires quarterly repayments while the May 2022 loan bears 2.2% interest per annum and requires monthly repayments.

As at December 31, 2023 the carrying value of all construction loans was \$20.1 million (2022 - \$33.7 million).

For the year ended December 31, 2023, the Company paid \$2.0 million (2022 - \$2.2 million) in standby charges on undrawn amounts related to the SL-Credit Facility and \$43.1 million (2022 - \$1.5 million) in interest, both included in interest and finance expense.

22. OTHER LONG-TERM LIABILITIES

Other long term liabilities consist of:

	December 31, 2023	December 31, 2022
Deferred credit ⁽¹⁾	\$ 21.6	\$ 20.8
Deferred revenue ⁽²⁾	13.1	13.9
Severance liabilities ⁽³⁾	58.5	6.3
	\$ 93.2	\$ 41.0

(1) Represents the obligation to deliver future silver production of Navidad pursuant to a silver stream contract.

(2) Represents the obligation to deliver 100% of the future gold production from La Colorada and 5% of the future gold production from La Bolsa, which is in the exploration stage.

(3) Includes \$50.5 million of Chilean severances, required by local labour laws, from the Acquisition (Note 8).

23. SHARE CAPITAL AND EMPLOYEE COMPENSATION PLANS

a. Stock options and compensation shares

For the year ended December 31, 2023, the total share-based compensation expense relating to stock options and compensation shares was \$5.5 million (2022 - \$3.9 million) and is presented as a component of general and administrative expense.

- *Stock options*

During the year ended December 31, 2023, the Company granted 167.1 (2022 – 191.6) stock options.

During the year ended December 31, 2023, the Company issued nil (2022 – 79.5) common shares in connection with the exercise of stock options.

- *Deferred Share Units*

During the year ended December 31, 2023, the Company issued 109.0 DSUs to Directors in lieu of Directors' fees of \$1.6 million (2022 - 14.7 common shares in lieu of fees of \$0.3 million).

The following table summarizes changes in stock options for the years ended December 31,:

	Stock Options Outstanding	
	Shares	Weighted Average Exercise Price CAD\$
As at December 31, 2021	279.0	\$ 21.38
Granted	191.6	22.95
Exercised	(79.5)	15.12
Expired	(4.3)	41.62
Forfeited	(9.8)	31.32
As at December 31, 2022	377.0	\$ 23.01
Granted	167.1	21.18
Expired	(14.4)	23.61
Forfeited	(16.5)	25.39
As at December 31, 2023	513.2	\$ 22.32

The following table summarizes information about the Company's stock options outstanding at December 31, 2023:

Range of Exercise Prices CAD\$	Options Outstanding			Options Exercisable	
	Number Outstanding as at December 31, 2023	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price CAD\$	Number Outstanding as at December 31, 2023	Weighted Average Exercise Price CAD\$
\$17.53 - \$23.03	446.4	5.4	\$ 21.13	159.1	\$ 19.70
\$23.04 - \$28.54	21.1	2.9	\$ 26.54	21.1	\$ 26.54
\$28.55 - \$34.04	38.8	4.9	\$ 30.07	25.9	\$ 30.70
\$34.05 - \$39.48	6.9	3.9	\$ 39.48	6.9	\$ 39.48
	513.2	5.3	\$ 22.32	213.0	\$ 22.35

The following assumptions were used in the Black-Scholes option pricing model in determining the fair value of options granted during the years ended December 31,:

	2023	2022
Expected life (years)	4.5	4.5
Expected volatility	30.1 %	44.3 %
Expected dividend yield	2.7 %	2.7 %
Risk-free interest rate	3.8 %	3.4 %
Weighted average exercise price (CAD\$)	\$ 21.18	\$ 22.95
Weighted average fair value (CAD\$)	\$ 6.01	\$ 7.69

b. PSUs

PSUs are notional share units that mirror the market value of the Company's common shares. Each vested PSU entitles the participant to a cash payment equal to the value of an underlying share, less applicable taxes, at the end of the term, plus the cash equivalent of any dividends distributed by the Company during the three-year performance period. PSU grants will vest on the date that is three years from the date of grant subject to certain exceptions. Performance results at the end of the performance period relative to predetermined performance criteria and the application of the corresponding performance multiplier determine how many PSUs vest for each participant. The Board of Directors approved the issuance of 534.9 PSUs for 2023 with a share price of CAD \$20.21 (2022 - 150.5 PSUs approved at a share price of CAD \$21.16). The Company recorded a \$1.5 million and \$nil expense, respectively, in general and administrative expense for PSUs for the years ended December 31, 2023 and 2022.

The following table summarizes changes in PSUs for the years ended December 31, 2023 and 2022:

PSU	Number Outstanding	Fair Value
As at December 31, 2021	217.6	\$ 5.5
Granted	150.5	2.4
Paid out	(80.1)	(0.8)
Change in value	—	(2.3)
As at December 31, 2022	288.0	\$ 4.8
Granted	534.9	8.7
Paid out	(66.0)	—
Change in value	—	(1.0)
As at December 31, 2023	756.9	\$ 12.5

c. RSUs

Under the Company's RSU plan, selected employees are granted RSUs where each RSU has a value equivalent to one Pan American common share. At the time of settlement, the Board of Directors has the discretion to settle the RSUs with cash or common shares. The RSUs vest in three installments, the first 33.3% vest on the first anniversary date of the grant, the second 33.3% vest on the second anniversary date of the grant, and a further 33.3% vest on the third anniversary date of the grant. Additionally, RSU value is adjusted to reflect dividends paid on common shares over the vesting period.

The Company recorded a \$2.9 million and \$1.5 million expense, respectively, in general and administrative expense for RSUs for the years ended December 31, 2023 and 2022.

The following table summarizes changes in RSUs for the years ended December 31, 2023 and 2022:

RSU	Number Outstanding	Fair Value
As at December 31, 2021	426.4	\$ 10.7
Granted	341.1	5.6
Paid out	(198.4)	(3.4)
Forfeited	(17.3)	(0.3)
Change in value	—	(3.5)
As at December 31, 2022	551.8	\$ 9.1
Granted	516.2	8.4
Paid out	(237.3)	(3.9)
Forfeited	(25.7)	(0.4)
Change in value	—	(0.1)
As at December 31, 2023	805.0	\$ 13.1

d. Authorized share capital

The Company is authorized to issue 800.0 million common shares without par value.

e. Dividends

The Company declared the following dividends for the years ended December 31, 2023 and 2022:

Declaration date	Record date	Dividend per common share
February 21, 2024 ⁽¹⁾	March 4, 2024	\$ 0.10
November 7, 2023	November 20, 2023	\$ 0.10
August 9, 2023	August 21, 2023	\$ 0.10
March 23, 2023	April 14, 2023	\$ 0.10
February 22, 2023	March 6, 2023	\$ 0.10
November 9, 2022	November 21, 2022	\$ 0.10
August 10, 2022	August 22, 2022	\$ 0.11
May 11, 2022	May 24, 2022	\$ 0.12
February 23, 2022	March 7, 2022	\$ 0.12

(1) These dividends were declared subsequent to the year end and have not been recognized as distributions to owners during the period presented.

f. CVRs

As part of the acquisition of Tahoe Resources Inc ("Tahoe"), on February 22, 2019, the Company issued 313.9 million Contingent Value Rights ("CVRs"), with a term of 10 years, which were convertible into 15.6 million common shares upon the first commercial shipment of concentrate following the restart of operations at the Escobal mine. As of December 31, 2023 and 2022, there were 313.9 million CVRs outstanding that are convertible into 15.6 million common shares.

24. PRODUCTION COSTS

Production costs are comprised of the following:

	2023	2022
Materials and consumables	\$ 548.0	\$ 414.3
Salaries and employee benefits ⁽¹⁾	479.6	310.7
Contractors	346.2	232.1
Utilities	66.9	56.2
Insurance	23.0	17.2
Other expense	8.2	13.6
Changes in inventories ⁽²⁾⁽³⁾	7.3	50.3
	\$ 1,479.2	\$ 1,094.4

(1) Salaries and employee benefits are comprised of:

	2023	2022
Wages, salaries and bonuses	\$ 537.8	\$ 328.4
Severances ⁽⁴⁾	21.0	23.9
Share-based compensation	5.5	3.9
Total employee compensation and benefit expenses	564.3	356.2
Less: Expensed within General and Administrative expenses	(47.7)	(26.2)
Less: Expensed within Care and Maintenance expenses	(26.8)	(11.7)
Less: Expensed within Exploration expenses	(10.2)	(7.6)
Employee compensation and benefits expenses included in production costs	\$ 479.6	\$ 310.7

- (2) Includes NRV adjustments to inventory to reduce production costs by \$31.8 million for the year ended December 31, 2023 (2022 - increase by \$97.7 million).
- (3) Includes the sale of inventory with acquisition date fair value adjustments of \$41.1 million for the year ended December 31, 2023 resulting from the Yamana Acquisition (Note 8).
- (4) Includes \$8.8 million, \$3.3 million, \$2.3 million, \$2.9 million, \$1.5 million, \$1.1 million and \$1.1 million of severances at Manantial Espejo, Dolores, La Colorada, El Peñon, Minera Florida, Cerro Moro and Jacobina respectively for the year ended December 31, 2023 (2022 - \$23.9 million)

25. MINE CARE AND MAINTENANCE

	2023	2022
Escobal	\$ 26.0	\$ 24.6
Morococho ⁽¹⁾	17.9	15.5
Navidad	2.8	5.0
MARA ⁽²⁾	20.4	—
Manantial Espejo ⁽³⁾	15.1	—
	\$ 82.2	\$ 45.1

(1) Includes \$8.2 million in mine closure severances for the year ended December 31, 2023 (2022 - \$nil). Morococho was disposed on September 22, 2023 (Note 9).

(2) MARA was disposed on September 20, 2023 (Note 9).

(3) Includes \$2.0 million in mine closure severances for the year ended December 31, 2023 (2022 - \$nil).

26. INTEREST AND FINANCE EXPENSE

	2023	2022
Interest expense	\$ 51.4	\$ 5.3
Finance fees	5.8	2.4
Accretion expense (Note 19)	34.2	14.8
	\$ 91.4	\$ 22.5

27. EARNINGS PER SHARE ("EPS")

For the year ended December 31,	2023			2022		
	Earnings ⁽¹⁾	Shares	EPS	Earnings	Shares	EPS
Net loss	\$ (103.7)			\$ (341.7)		
Basic loss per share	\$ (103.7)	326,540	\$ (0.32)	\$ (341.7)	210,521	\$ (1.62)
Effect of dilutive securities:						
Stock options	—	—		—	—	
Diluted loss per share	\$ (103.7)	326,540	\$ (0.32)	\$ (341.7)	210,521	\$ (1.62)

(1) Net earnings attributable to equity holders of the Company.

The following securities were excluded in the computation of diluted earnings per share because they were anti-dilutive but they have the potential to dilute basic earnings per share in the future:

	2023	2022
Potential dilutive securities:		
Share options	513.2	377.0
Potential shares from CVR conversion ⁽¹⁾	15,600.0	15,600.0
	16,113.2	15,977.0

(1) There were 313.9 million CVRs outstanding at December 31, 2023 (2022 - 313.9 million)

28. SUPPLEMENTAL CASH FLOW INFORMATION

The following tables summarize other adjustments for non-cash statement of earnings items:

Other operating activities	2023	2022
Adjustments for non-cash statement of earnings items:		
Unrealized foreign exchange losses	\$ 5.6	\$ 12.9
Gains on derivatives (Note 10(d))	(8.3)	(7.3)
Share-based compensation expense (Note 23)	5.5	3.9
(Gains) losses on disposition of mineral properties, plant and equipment	(7.9)	2.4
	\$ (5.1)	\$ 11.9

The following tables summarize other adjustments for changes in operating working capital items:

Changes in non-cash operating working capital items:	2023	2022
Trade and other receivables	\$ 45.9	\$ (12.6)
Inventories	38.5	(49.9)
Prepaid expenses	9.4	2.5
Accounts payable and accrued liabilities	(10.0)	20.7
Provisions	(14.9)	(2.7)
	\$ 68.9	\$ (42.0)

Cash and Cash Equivalents	December 31, 2023	December 31, 2022
Cash in banks	\$ 399.6	\$ 107.0

29. SEGMENTED INFORMATION

The Company reviews its segment reporting to ensure it reflects the operational structure of the Company and enables the Company's Chief Operating Decision Maker to review operating segment performance. We have determined that each producing mine and significant development property represents an operating segment. The

Company has organized its reportable and operating segments by significant revenue streams and geographic regions.

From the Acquisition (Note 8) on March 31, 2023, the Company included the following mines: Jacobina, El Peñon and Minera Florida in the Gold Segment, Cerro Moro in the Silver Segment, and the MARA project in the Other Segment. These mines and projects are included in the segmented disclosures below.

Significant information relating to the Company's reportable operating segments is summarized in the table below:

For the year ended December 31, 2023

Segment/Country	Operation	Revenue	Production costs and royalties	Depreciation	Mine operating earnings (losses)	Capital expenditures ⁽¹⁾
Silver Segment:						
Mexico	La Colorada	\$ 122.5	\$ 128.1	\$ 22.1	\$ (27.7)	\$ 63.9
Peru	Huaron	145.4	105.2	12.9	27.3	36.2
	Morococha ⁽²⁾	—	—	—	—	2.1
Bolivia	San Vicente	91.5	69.8	9.5	12.2	3.8
Argentina	Manantial Espejo ⁽²⁾	37.7	32.4	2.0	3.3	0.2
	Cerro Moro	214.1	160.7	23.1	30.3	25.4
Guatemala	Escobal	—	—	—	—	2.1
Total Silver Segment		611.2	496.2	69.6	45.4	133.7
Gold Segment:						
Mexico	Dolores	267.5	132.6	114.3	20.6	8.7
Peru	Shahuindo	284.7	143.7	45.3	95.7	57.1
	La Arena	190.2	122.4	32.4	35.4	21.2
Canada	Timmins	260.6	201.4	39.8	19.4	46.9
Brazil	Jacobina	287.5	129.9	86.9	70.7	69.9
Chile	El Peñon	259.4	184.2	54.2	21.0	18.6
	Minera Florida	154.8	124.7	33.3	(3.2)	22.3
Total Gold Segment		1,704.7	1,038.9	406.2	259.6	244.7
Other segment:						
Canada	Pas Corp	—	—	0.4	(0.4)	4.5
	Yamana Corp	0.2	—	5.8	(5.6)	1.5
Argentina	MARA ⁽²⁾	—	—	0.1	(0.1)	35.9
	Other	—	—	2.1	(2.1)	2.7
Total		\$ 2,316.1	\$ 1,535.1	\$ 484.2	\$ 296.8	\$ 423.0

(1) Includes payments for mineral properties, plant and equipment and payment of equipment leases.

(2) Manantial Espejo was placed on care and maintenance in January 2023. Morococha and MARA were sold in September 2023 (Note 9).

For the year ended December 31, 2022

Segment/ Country	Operation	Revenue	Production costs and royalties	Depreciation	Mine operating earnings (losses)	Capital expenditures ⁽¹⁾
Silver Segment:						
Mexico	La Colorada	\$ 155.0	\$ 98.7	\$ 20.2	\$ 36.1	\$ 91.7
Peru	Huaron	145.7	100.5	11.8	33.4	15.5
	Morococha ⁽²⁾	22.1	20.6	2.3	(0.8)	1.3
Bolivia	San Vicente	76.9	59.5	8.8	8.6	7.1
Argentina	Manantial Espejo ⁽²⁾	105.1	112.7	23.1	(30.7)	4.3
Guatemala	Escobal	—	—	—	—	1.6
Total Silver Segment		504.8	392.0	66.2	46.6	121.5
Gold Segment:						
Mexico	Dolores	303.9	301.9	129.8	(127.8)	35.8
Peru	Shahuindo	266.4	146.2	44.5	75.7	44.6
	La Arena	175.9	103.9	34.7	37.3	48.0
Canada	Timmins	243.7	186.3	38.6	18.8	37.7
Total Gold Segment		989.9	738.3	247.6	4.0	166.1
Other segment:						
Canada	Pas Corp	—	—	0.4	(0.4)	0.3
Argentina	Navidad	—	—	—	—	0.1
	Other	—	—	1.8	(1.8)	1.5
Total		\$ 1,494.7	\$ 1,130.3	\$ 316.0	\$ 48.4	\$ 289.5

(1) Includes payments for mineral properties, plant and equipment and payment of equipment leases.

(2) Morococha and Manantial Espejo were placed on care and maintenance in February 2022 and January 2023, respectively.

At December 31, 2023

Segment/Country	Operation	Assets	Liabilities	Net assets
Silver Segment:				
Mexico	La Colorada	\$ 428.0	\$ 43.8	\$ 384.2
Peru	Huaron	149.5	61.0	88.5
Bolivia	San Vicente	78.6	45.0	33.6
Argentina	Manantial Espejo ⁽¹⁾	2.2	18.5	(16.3)
Guatemala	Pas Guatemala	290.0	16.4	273.6
Argentina	Cerro Moro	208.2	104.0	104.2
Total Silver Segment		1,156.5	288.7	867.8
Gold Segment:				
Mexico	Dolores	372.5	141.7	230.8
Peru	Shahuindo	604.0	178.2	425.8
	La Arena	383.7	156.6	227.1
Canada	Timmins	395.1	78.5	316.6
Brazil	Jacobina	2,508.2	437.5	2,070.7
Chile	El Peñon	776.0	205.6	570.4
	Minera Florida	219.6	103.7	115.9
Total Gold Segment		5,259.1	1,301.8	3,957.3
Other segment:				
Canada	Pas Corp	134.1	24.3	109.8
	Yamana Corp	304.3	725.9	(421.6)
Argentina	Navidad	192.1	14.3	177.8
	Other	167.0	85.6	81.4
Total		\$ 7,213.1	\$ 2,440.6	\$ 4,772.5

(1) Manantial Espejo was placed on care and maintenance in January 2023.

At December 31, 2022					
Segment/Country	Operation		Assets	Liabilities	Net assets
Silver Segment:					
Mexico	La Colorada	\$	375.4	\$ 52.0	\$ 323.4
Peru	Huaron		122.5	51.5	71.0
	Morococha ⁽¹⁾		102.2	31.2	71.0
Bolivia	San Vicente		82.5	47.4	35.1
Argentina	Manantial Espejo ⁽¹⁾		47.8	40.5	7.3
Guatemala	Escobal		291.1	19.4	271.7
Total Silver Segment			1,021.5	242.0	779.5
Gold Segment:					
Mexico	Dolores		415.1	155.8	259.3
Peru	Shahuindo		602.4	199.6	402.8
	La Arena		368.3	155.1	213.2
Canada	Timmins		382.0	68.0	314.0
Total Gold Segment			1,767.8	578.5	1,189.3
Other segment:					
Canada	Pas Corp		179.0	182.9	(3.9)
Argentina	Navidad		193.9	2.6	191.3
	Other		86.3	40.9	45.4
		\$	3,248.5	\$ 1,046.9	\$ 2,201.6

(1) Morococha and Manantial Espejo were placed on care and maintenance in February 2022 and January 2023, respectively.

Product Revenue	2023	2022
Refined silver and gold	\$ 1,954.4	\$ 1,106.8
Zinc concentrate	83.2	98.3
Lead concentrate	163.5	167.7
Copper concentrate	54.6	65.1
Silver concentrate	60.4	56.8
Total	\$ 2,316.1	\$ 1,494.7

The Company has 29 customers that account for 100% of the concentrate and silver and gold sales revenue. The Company has 3 customers that accounted for 21%, 21% and 12% of total sales in 2023, and 3 customers that accounted for 28%, 14% and 12% of total sales in 2022. The loss of certain of these customers or curtailment of purchases by such customers could have a material adverse effect on the Company's financial performance, financial position, and cash flows.

30. OTHER EXPENSE (INCOME)

	2023	2022
Change in closure and decommissioning estimates ⁽¹⁾	\$ 20.4	\$ 4.7
Change in provisions	4.5	5.0
Provisions on supplies and other assets	4.4	—
Investment income	(16.0)	(5.4)
Other expense (income)	8.0	(2.2)
Total	\$ 21.3	\$ 2.1

(1) Relates to changes in estimates after the completion of mining activities.

31. INCOME TAXES

Components of Income Tax Expense

	2023	2022
Current tax expense (recovery)		
Recognized in profit or loss in current year	\$ 132.7	\$ 85.3
Adjustments recognized in the current year with respect to prior years	0.2	(2.3)
	132.9	83.0
Deferred tax expense (recovery)		
Deferred tax recovery recognized in the current year	(101.7)	(34.2)
Adjustments recognized in the current year with respect to prior years	3.4	0.4
Derecognition of previously recognized deferred tax assets	3.7	9.0
Impact of impairments on deferred tax assets and liabilities	(3.4)	(3.8)
Increase (decrease) in deferred tax liabilities due to tax impact of NRV charge to inventory	11.2	(15.3)
	(86.8)	(43.9)
Income tax expense	\$ 46.1	\$ 39.1

Income tax expense differs from the amounts that would result from applying the Canadian federal and provincial income tax rates to earnings before income tax. These differences result from the items shown on the following table, which result in an income tax expense that varies considerably from the comparable period. The factors which have affected the effective tax rate for the year ended December 31, 2023 and the comparable period of 2022 were changes in the recognition of certain deferred tax assets (primarily related to the prior year's Dolores impairment, and the current year's impairment of Morococha and the Shahuindo plant), foreign exchange fluctuations, mining taxes paid, and withholding taxes on payments from foreign subsidiaries.

The Company continues to expect that these and other factors will continue to cause volatility in effective tax rates in the future.

Reconciliation of Effective Income Tax Rate

	2023	2022
Earnings (loss) before taxes and non-controlling interest	\$ (58.8)	\$ (301.0)
Statutory Canadian income tax rate	27.00 %	27.00 %
Income tax expense (recovery) based on above rates	\$ (15.9)	\$ (81.3)
Increase (decrease) due to:		
Non-deductible expenditures	3.2	7.4
Foreign tax rate differences	2.7	(11.7)
Change in net deferred tax assets not recognized ⁽¹⁾	66.3	22.3
Derecognition of deferred tax assets previously recognized ⁽²⁾	—	50.4
Effect of other taxes paid (mining and withholding)	22.1	15.7
Effect of foreign exchange on tax expense	(36.0)	(21.5)
Non-taxable impact of foreign exchange	3.8	6.3
Change in non-deductible portion of reclamation liabilities	1.9	12.2
Unrecognized tax benefit on termination fee related to the Yamana acquisition ⁽³⁾	—	39.8
Other	(2.0)	(0.5)
Income tax expense	\$ 46.1	\$ 39.1

(1) Includes deferred taxes recovery related to amounts recorded in other comprehensive income for the year-end December 31, 2023 of \$0.5 million (2022 - \$0.5 million deferred tax expense).

(2) Attributable to the loss of attributes resulting from the Dolores impairment in Q2 2022 (Note 15).

(3) In the year ended December 31, 2022, as a result of terminating its arrangement agreement with Gold Fields Limited, Yamana was required to pay Gold Fields Limited a termination fee of \$300 million. Half of this amount was funded by the Company. The Company has treated this as a capital cost of acquiring Yamana Gold Inc., pursuant to the applicable Canadian income tax legislation. Since, the Company controls the timing of the reversal of this deductible temporary difference, no deferred tax benefit could be recorded for this amount. The tax impact caused by this treatment effectively increased tax expense by \$39.8 million in 2022.

The following is the analysis of the deferred tax assets (liabilities) presented in the Consolidated Financial Statements:

	2023	2022
Net deferred tax liabilities, beginning of year	\$ (84.4)	\$ (128.8)
Recognized in net earnings in the year	86.8	43.9
Initial deferred tax liability associated with the Yamana Acquisition (Note 8)	(881.2)	—
Disposition of mining properties (Note 9)	419.3	—
Recognized in other comprehensive income (loss) in year ⁽¹⁾	(0.5)	0.5
Other	(1.2)	—
Net deferred liabilities, end of year	(461.2)	(84.4)
Deferred tax assets	80.4	55.9
Deferred tax liabilities	(541.6)	(140.3)
Net deferred tax liabilities	\$ (461.2)	\$ (84.4)

(1) Deferred tax impact related to unrealized loss on long-term investment (see Note 16).

Components of deferred tax assets and liabilities

The deferred tax assets (liabilities) are comprised of the various temporary differences, as detailed below:

	2023	2022
Deferred tax assets (liabilities) arising from:		
Closure and decommissioning costs	\$ 33.9	\$ 23.5
Tax losses, resource pools and mining tax credits	84.6	83.8
Mineral properties, plant, and equipment	(636.0)	(217.2)
Other temporary differences and provisions	56.3	25.5
Net deferred tax liabilities	\$ (461.2)	\$ (84.4)

At December 31, 2023, the net deferred tax liability above included the deferred tax asset of \$84.6 million, which includes the benefits from tax losses (\$34.8 million) and resource pools (\$49.8 million). An insignificant amount of the losses is set to expire in 2024 (\$0.4 million), with the majority of the losses set to expire in 2027 and later years, if unused.

At December 31, 2022, the net deferred tax liability above included the deferred tax asset of \$83.8 million, which includes the benefits from tax losses (\$28.1 million) and resource pools (\$55.7 million). An insignificant amount of the losses is set to expire in 2024 (\$0.4 million), with the majority of the losses set to expire in 2027 and later years, if unused.

Unrecognized deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:

	2023	2022
Operating tax loss	\$ 1,236.6	\$ 383.2
Net capital tax loss	36.5	36.8
Resource pools and other tax credits ⁽¹⁾	174.7	87.0
Mineral properties, plant, and equipment	314.2	207.2
Closure and decommissioning costs	297.6	207.3
Other temporary differences	211.1	119.6
	\$ 2,270.7	\$ 1,041.1

(1) Includes tax credits which will begin to expire after 2027 year end, if unused.

Included in the above amounts are operating tax losses, which if not utilized will expire as follows:

At December 31, 2023

	Canada	US	Peru	Mexico	Barbados	Argentina	Chile	Brazil	Netherlands	Total
2024	\$ —	\$ 15.5	\$ 0.3	\$ 0.3	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 16.1
2025	—	9.7	—	0.6	4.7	5.4	—	—	—	20.4
2026 – and after	695.2	146.1	0.4	2.2	20.9	95.1	146.6	88.2	5.4	1,200.1
Total tax losses	\$ 695.2	\$ 171.3	\$ 0.7	\$ 3.1	\$ 25.6	\$ 100.5	\$ 146.6	\$ 88.2	\$ 5.4	1,236.6

At December 31, 2022

	Canada	US	Peru	Mexico	Barbados	Argentina	Chile	Brazil	Netherlands	Total
2023	\$ —	\$ 0.4	\$ —	\$ 0.3	\$ 0.1	\$ —	\$ —	\$ —	\$ —	\$ 0.8
2024	—	0.4	0.3	0.3	—	—	—	—	—	1.0
2025 – and after	342.2	11.0	0.3	2.3	0.3	25.3	—	—	—	381.4
Total tax losses	\$ 342.2	\$ 11.8	\$ 0.6	\$ 2.9	\$ 0.4	\$ 25.3	\$ —	\$ —	\$ —	383.2

32. CONTINGENCIES

The following is a summary of the contingent matters and obligations relating to the Company as at December 31, 2023.

General

The Company is 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 is subject to various uncertainties and it is possible that some of these matters may be resolved unfavorably 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. In the opinion of management none of these matters are expected to have a material effect on the results of operations or financial conditions of the Company.

Environment

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company conducts its operations so as to protect the public health and environment and believes its operations are in compliance with applicable laws and regulations in all material respects. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations, but cannot predict the full amount of such future expenditures.

Estimated future reclamation costs are based on the extent of work required and the associated costs are dependent on the requirements of relevant authorities and the Company's environmental policies. As of December 31, 2023, \$447.1 million (2022 - \$296.2 million) was accrued for reclamation costs relating to mineral properties (Note 19).

Tax

The Company operates in numerous countries around the world and accordingly it is subject to, and pays annual income taxes under the various income tax regimes in the countries in which it operates. Some of these tax regimes are defined by contractual agreements with the local government, and others are defined by the general corporate income tax laws of the country. The Company has historically filed, and continues to file, all required income tax returns and to pay the taxes reasonably determined to be due. The tax rules and regulations in many countries are highly complex and subject to interpretation. From time to time, the Company is subject to a review of its historic income tax filings and in connection with such reviews, disputes can arise with the taxing authorities over the interpretation or application of certain rules to the Company's business conducted within the country involved.

Title

The validity of our mining or exploration titles or claims or rights, which constitute most of our property holdings, can be uncertain and may be contested. Although the Company has taken steps to verify title to properties in which it has an interest, these procedures do not guarantee the Company's title. Property title may be subject to, among other things, unregistered prior agreements or transfers, Indigenous land claims, or undetected title defects. In some cases, we do not own or hold rights to the mineral concessions we mine, and our rights may be contractual in nature. We have not conducted surveys of all the claims in which we hold direct or indirect interests and therefore, the precise area and location of such claims may be in doubt. The land title system is also not well developed in some countries and may rely on informal, hereditary or possessory rights. Such informal systems can create significant uncertainty in obtaining and maintaining ownership or rights of access, in defining precise locations or clear boundaries to properties, and substantiating rights if challenged. No assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims, or that such exploration and mining titles or claims will not be challenged or impugned by third parties. Any defects in title to our properties, or the revocation of or challenges to our rights to mine, could have a material adverse effect on our operations and financial condition.

Legal Proceedings

We are subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business activities. Many of these claims are from current or ex-employees, or employees of former or current owners of our operations, such as the Quiruvilca-related claims in Peru, which could, in the aggregate, be of significant value, and include alleged improper dismissals, workplace illnesses, such as silicosis, and claims for additional profit-sharing and bonuses in prior years.

We may also become subject to class action lawsuits. For example, in mid-2017, Tahoe, which was acquired by us in late February 2019, and certain of its former directors and officers became the subject of three purported class action lawsuits filed in the United States that centered primarily around alleged misrepresentations. These U.S. class action lawsuits were later consolidated into one class action suit that is ongoing in Nevada. In October 2018, Tahoe learned that a similar proposed class action lawsuit had been filed against Tahoe and its former chief executive officer in the Superior Court of Ontario. Tahoe disputed the allegations made in these suits. In January 2023, the plaintiffs and defendants reached a tentative global settlement to resolve both the United States and Canadian class actions. Final approval of the settlement in the Canadian action was granted in October 2023, subject to obtaining final approval of the U.S. action, and the final approval of the settlement in the U.S. action was granted orally at a hearing on February 15, 2024. Upon entry of the final written approval order in the U.S. action, there will be a thirty-day period during which the order can be appealed. The Company does not anticipate any appeals and therefore the settlement of both the U.S. action and the Canadian action is expected to be final and the cases concluded in Q1 2024. The proposed settlement falls within Tahoe's insurance limits.

We may also be subject to proceedings in our commercial relationships. While we would, where available and appropriate to do so, defend against any such allegations, if we are unsuccessful in our defense of these claims, we may be subject to significant losses.

Furthermore, we are in some cases subject to claims or other legal processes, which may be direct or indirect, by individuals, local communities, Indigenous peoples, private land owners or non-governmental organizations relating to land and mineral rights and tenure, or alleged environmental or social damage. Such claimants may seek sizeable monetary damages against us and/or the return or relinquishment of surface or mineral rights or revocation of permits and licenses that are valuable to us.

Each of these matters is subject to various uncertainties and it is possible that some of these matters may be resolved unfavourably to us. We establish provisions for matters that are probable and can be reasonably estimated. We also carry liability insurance coverage, however such insurance does not cover all risks to which we might be exposed and in other cases, may only partially cover losses incurred by us. In addition, we may be involved in disputes with other parties in the future that may result in litigation, which could have a material adverse effect on our financial or operating position, cash flow and results of operations.

Country**Argentina**

Unanticipated or drastic changes in laws and regulations have affected our operations in the past. For example, previous governments implemented severe price, foreign exchange, and import controls which included informal restrictions on dividend, interest, and service payments abroad and limitations on the ability to convert ARS into USD, which exposed the Company to additional risks of ARS devaluation and high domestic inflation. The previous government in Argentina maintained unfavorable economic policies, such as strict currency controls and the imposition of export duties and it remains uncertain whether the current government will continue with such measures.

The Company has suspended project development activities at Navidad as a result of uncertainty over the zoning, regulatory and tax laws. The Company remains committed to the development of Navidad and to contributing to the positive economic and social development of the province of Chubut upon the adoption of a favorable legislative framework.

Bolivia

On May 28, 2014, the Bolivian government enacted the New Mining Law. Among other things, the New Mining Law provided that all pre-existing contracts were to migrate to one of several new forms of agreement within a prescribed period of time. The Company currently has a joint venture agreement with COMIBOL (the "COMIBOL Joint Venture"), a Bolivian state mining company, relating to the San Vicente mine. As a result, we anticipate that the COMIBOL Joint Venture will be subject to such migration and possible renegotiation of key terms. The migration process has been delayed by COMIBOL and has not been completed.

The primary effects on the San Vicente operation and our interest therein will not be known until such time as we have, if required to do so, renegotiated the COMIBOL Joint Venture, and the full impact may only be realized over time. We will take appropriate steps to protect and, if necessary, enforce our rights under the COMIBOL Joint Venture. There is, however, no guarantee that governmental actions, including possible expropriation or additional changes in the law, and the migration of the COMIBOL Joint Venture will not impact our involvement in the San Vicente operation in an adverse way and such actions could have a material adverse effect on us and our business.

The Company's San Vicente mine, pursuant to the COMIBOL Joint Venture, is obligated to pay COMIBOL a participation fee of 37.5% of the operation's cash flow. For the year ended December 31, 2023, the Company incurred approximately \$9.7 million in COMIBOL royalties (2022 - incurred \$7.5 million).

Guatemala

Some communities and non-governmental organizations ("NGOs") have been vocal and active in their opposition to mining and exploration activities in Guatemala. In July 2017, the Escobal mining license was suspended as a result of a court proceeding initiated by an NGO in Guatemala, based upon the allegation that Guatemala's Ministry of Energy and Mines ("MEM") violated the Xinka Indigenous people's right of consultation. After several decisions and appeals on the matter, a decision of the Constitutional Court of Guatemala was rendered on September 3, 2018, determining that the Escobal mining license would remain suspended until the Guatemala MEM completes an ILO 169 consultation.

During 2023, significant progress was achieved with the ILO 169 consultation. According to the MEM, all the information related to the project was delivered to the Xinka representatives, as required by Guatemala's Constitutional Court. The Xinka representatives and their advisors made several visits to the Escobal site to verify the information provided. In addition, several working group meetings were held. Pan American looks forward to continuing our participation in the ILO 169 consultation under the new government in Guatemala that took office in January 2024.

The process, timing, and outcome of the ILO 169 consultation remains uncertain.

33. RELATED PARTY TRANSACTIONS

The Company's related parties include its subsidiaries, associates over which it exercises significant influence, and key management personnel. Transactions with the Company's subsidiaries have been eliminated on consolidation. Maverix ceased to be a related party after March 31, 2022 when the Company determined that it no longer held significant influence (Note 16). There were no other related party transactions for the years ended December 31, 2023 and 2022.

Compensation of key management personnel

Key management personnel compensation is comprised of:

	2023	2022
Short-term employee benefits ⁽¹⁾	\$ 9.9	\$ 11.7
Post-employment benefits ⁽²⁾	1.3	1.0
Share-based payments ⁽³⁾	4.4	2.3
	\$ 15.6	\$ 15.0

(1) Includes annual salary and short-term incentives, RSUs, and PSUs paid by the Company.

(2) Includes annual contributions to retirement savings plans made by the Company.

(3) Includes annual stock option and compensation shares.

CAUTIONARY NOTE

Non-GAAP Measures

This Annual Report of Pan American Silver Corp. and its subsidiaries (collectively, "Pan American", "Pan American Silver", the "Company", "we" or "our") refers to non-GAAP measures, including but not limited to, all-in sustaining costs ("AISC"), "Cash Costs" and "total debt". These measures do not have a standardized meaning prescribed by International Financial Reporting Standards as an indicator of performance, and may differ from methods used by other companies. Silver segment AISC is calculated net of credits for realized revenues from all metals other than silver, and are calculated per ounce of silver sold. Gold segment AISC are calculated net of credits for realized silver revenues, and are calculated per ounce of gold sold. AISC are based on total silver ounces sold and are net of by-product credits from all metals other than silver. Readers should refer to the "Alternative Performance (Non-GAAP) Measures" section of the Company's Management's Discussion and Analysis for the year ended December 31, 2023, available at www.sedarplus.ca.

Reporting Currency and Financial Information

Unless we have specified otherwise, all references to dollar amounts or \$ are to United States dollars.

Cautionary Note Regarding Forward-Looking Statements and Information

Certain of the statements and information in this Annual Report constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws. All statements, other than statements of historical fact, are forward-looking statements or information. Forward-looking statements or information in this Annual Report relate to, among other things: installation of two large exhaust fans by mid-2024 at La Colorada, and any anticipated benefits therefrom; future optionality to metal prices as a result of the retained royalties on the MARA and Agua de La Falda; expectations regarding production at the La Colorada Skarn project, and opportunities for long-term partnerships to jointly develop this project; statements regarding ILO 169 consultation process for the Escobal mine; the ongoing optimization study at Jacobina, and any anticipated benefits therefrom; future financial or operational performance; optimization of our portfolio through the divestment of non-core assets; continued growth and cash flow generation; and Pan American's plans and expectations for its properties and operations.

These forward-looking statements and information reflect Pan American's current views with respect to future events and are necessarily based upon a number of assumptions that, while considered reasonable by Pan American, are inherently subject to significant operational, business, economic and regulatory uncertainties and contingencies. These

assumptions include: the impact of inflation and disruptions to the global, regional and local supply chains; tonnage of ore to be mined and processed; future anticipated prices for gold, silver and other metals and assumed foreign exchange rates; the timing and impact of planned capital expenditure projects, including anticipated sustaining, project, and exploration expenditures; the ongoing impact and timing of the court-mandated ILO 169 consultation process in Guatemala; ore grades and recoveries; capital, decommissioning and reclamation estimates; our mineral reserve and mineral resource estimates and the assumptions upon which they are based; prices for energy inputs, labour, materials, supplies and services (including transportation); no labour-related disruptions at any of our operations; no unplanned delays or interruptions in scheduled production; all necessary permits, licenses and regulatory approvals for our operations are received in a timely manner; our ability to secure and maintain title and ownership to mineral properties and the surface rights necessary for our operations; whether Pan American is able to maintain a strong financial condition and have sufficient capital, or have access to capital through our corporate sustainability-linked credit facility or otherwise, to sustain our business and operations; and our ability to comply with environmental, health and safety laws. The foregoing list of assumptions is not exhaustive.

Pan American cautions the reader that forward-looking statements and information involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements or information contained in this Annual Report and Pan American has made assumptions and estimates based on or related to many of these factors. Such factors include, without limitation: the duration and effect of local and world-wide inflationary pressures and the potential for economic recessions; fluctuations in silver, gold and base metal prices; fluctuations in prices for energy inputs, labour, materials, supplies and services (including transportation); fluctuations in currency markets; operational risks and hazards inherent with the business of mining (including environmental accidents and hazards, industrial accidents, equipment breakdown, unusual or unexpected geological or structural formations, cave-ins, flooding and severe weather); risks relating to the credit worthiness or financial condition of suppliers, refiners and other parties with whom Pan American does business; inadequate insurance, or inability to obtain insurance, to cover these risks and hazards; employee relations; relationships with, and claims by, local communities and indigenous populations; our ability to obtain all necessary permits, licenses and regulatory approvals in a timely manner; changes in laws, regulations and government practices in the jurisdictions where we operate, including environmental, export and import laws and regulations; changes in national and local government, legislation, taxation, controls or regulations and political, legal or economic developments in countries where Pan American carries on business,

including legal restrictions relating to mining, risks relating to expropriation and risks relating to the constitutional court-mandated ILO 169 consultation process in Guatemala; diminishing quantities or grades of mineral reserves as properties are mined; increased competition in the mining industry for equipment and qualified personnel; those factors identified under the caption "Risks Related to Pan American's Business" in Pan American's most recent Form 40-F and Annual Information Form filed with the United States Securities and Exchange Commission and Canadian provincial securities regulatory authorities, respectively; and those factors identified under the caption "Risks of the Business" in Yamana Gold Inc.'s most recent Form 40-F and Annual Information Form filed with the United States Securities and Exchange Commission and Canadian provincial securities regulatory authorities, respectively. Although Pan American has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, described or intended. Investors are cautioned against undue reliance on forward-looking statements or information. Forward-looking statements and information are designed to help readers understand management's current views of our near- and longer-term prospects and may not be appropriate for other purposes. Pan American does not intend, nor does it assume any obligation to update or revise forward looking statements or information, whether as a result of new information, changes in assumptions, future events or otherwise, except to the extent required by applicable law.

Technical Information

Scientific and technical information contained in this Annual Report have been reviewed and approved by Martin Wafforn, P.Eng., Senior Vice President Technical Services & Process Optimization, and Christopher Emerson, FAusIMM., Vice President of Exploration and Geology, each of whom is a Qualified Person for the purposes of National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Pan American Silver Corp. is authorized by The Association of Professional Engineers and Geoscientists of the Province of British Columbia to engage in Reserved Practice under Permit to Practice number 1001470.

For additional information regarding Pan American Silver's material mineral properties prior to the completion of the acquisition of Yamana Gold Inc. ("Yamana"), please refer to Pan American Silver's most recent Annual Information Form, filed at www.sedarplus.ca, or Pan American Silver's most recent Form 40-F filed with the SEC. For further information about the material mineral projects acquired pursuant to the acquisition of Yamana, please refer to Yamana's most recent Annual Information Form, filed at www.sedarplus.ca, or Pan American Silver's most recent Form 40-F filed with the SEC. These documents include detailed information concerning associated QA/QC and data verification matters, the key assumptions, parameters and methods used to estimate mineral reserves and mineral resources, and a detailed description of known legal, political, environmental, and other risks that could materially affect the Company's business and the potential development of the Company's mineral reserves and mineral resources.

Cautionary Note to U.S. Investors Concerning Estimates of Mineral Reserves and Mineral Resources

This Annual Report has been prepared in accordance with the requirements of Canadian NI 43-101 and the Canadian Institute of Mining, which differ from the requirements of U.S. securities laws. 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 public disclosure standards, including NI 43-101, differ significantly from the requirements of the SEC, and information concerning mineralization, deposits, mineral reserve and mineral resource information contained or referred to herein may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, this Annual Report uses the terms "indicated resources", and "inferred resources". U.S. investors are advised that, while such terms are recognized and required by Canadian securities laws, the SEC does not recognize them. The requirements of NI 43-101 for identification of "reserves" are not the same as those of the SEC and may not qualify as "reserves" under SEC standards. Under U.S. standards, mineralization may not be classified as a "reserve" unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. U.S. investors are cautioned not to assume that any part of an "indicated resource" will ever be converted into a "reserve". U.S. investors should also understand that "inferred mineral resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of "inferred resources" exist, are economically or legally mineable or will ever be upgraded to a higher category. Under Canadian securities laws, estimated "inferred mineral resources" may not form the basis of feasibility or pre-feasibility studies except in rare cases.

All trade names, trademarks, and logos displayed in this Annual Report that are not owned by Pan American Silver are the property of their respective owners.

SHAREHOLDER INFORMATION

CORPORATE OFFICE

Vancouver Centre II
2100-733 Seymour Street
Vancouver, BC
Canada V6B 0S6
604-684-1175
info@panamericansilver.com

BOARD OF DIRECTORS

(As at December 31, 2023)

Gillian Winckler^(2,3) – *Chair*
John Begeman – *Director*
Alexander Davidson – *Director*
Neil de Gelder^(1,2,3) – *Director*
Chantal Gosselin – *Director*
Kimberly Keating – *Director*
Charles Jeannes^(2,4,5) – *Director*
Jennifer Maki^(1,5) – *Director*
Walter Segsworth^(2,3,4) – *Director*
Kathleen Sendall^(4,5) – *Director*
Michael Steinmann – *Director*

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Human Resources and Compensation Committee.
- (3) Member of the Nominating and Governance Committee.
- (4) Member of the Health, Safety and Environment Committee.
- (5) Member of Communities and Sustainable Development Committee.

EXECUTIVE OFFICERS

(As at December 31, 2023)

Michael Steinmann – *President & Chief Executive Officer*
Steve Busby – *Chief Operating Officer*
Ignacio Couturier – *Chief Financial Officer*
Christopher Lemon – *Chief Legal & Human Resources Officer, General Counsel*
Ibtissam (Sam) Drier – *SVP, Business Development*
Brent Bergeron – *SVP, Corporate Affairs & Sustainability*
Christopher Emerson – *VP, Exploration & Geology*
Delaney Fisher – *SVP, Associate General Counsel & Corporate Secretary*
George Greer – *SVP, Project Development*
Sean McAleer – *SVP, Strategic Initiatives*
Cameron Paterson – *SVP, Finance and IT*
Martin Wafforn – *SVP, Technical Services & Process Optimization*

AUDITORS

**Deloitte LLP, Chartered
Professional Accountants**
2800 – 1055 Dunsmuir Street
Vancouver, BC
Canada V7X 1P4

EXTERNAL LEGAL COUNSEL

Borden Ladner Gervais LLP
1200 – 200 Burrard Street
Vancouver, BC
Canada V7X 1T2

SHARE INFORMATION

NYSE: PAAS
TSX: PAAS
Common shares outstanding
at December 31, 2023: 364.7 million

SHAREHOLDER SERVICES

For information regarding your shareholdings, dividend payments, or to change your address etc., please contact Computershare Investor Services Inc. If your shares are held by a broker, please contact your broker.

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc.
510 Burrard Street, 3rd Floor
Vancouver, BC V6C 3B9

100 University Avenue, 8th Floor
Toronto, ON M5J 2Y1

1-800-564-6253
International: 1-514-982-7555

Broker Queries: 1-888-838-1405
E: service@computershare.com

INVESTOR RELATIONS

Siren Fisekci
VP, Investor Relations & Corporate Communications
T: 604-684-1175
E: ir@panamericansilver.com

PANAMERICANSILVER.COM

ANNUAL GENERAL AND SPECIAL MEETING

Wednesday, May 8, 2024 – 3:00pm (PST)
1200 Waterfront Centre
200 Burrard Street
Vancouver, BC
Canada V7X 1T2

PROVIDING ENHANCED EXPOSURE TO SILVER

Pan American Silver was created with the intention to provide investors with the best vehicle to gain exposure to the silver price. Our vision is to be the world's premier silver producer, with a reputation for excellence in discovery, engineering, innovation, and sustainable development.

WWW.PANAMERICANSILVER.COM



FOLLOW US
ON LINKEDIN

COMMITTED TO BEST-IN-CLASS ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) PERFORMANCE

REPORTING FRAMEWORKS & STANDARDS



MEMBERSHIPS AND COMMITMENTS



United Nations
Global Compact

