

**MAGMA SILVER CORP.**

**(formerly African Energy Metals Inc.)**

**MANAGEMENT DISCUSSION AND ANALYSIS**

**Nine Months Ended September 30, 2025**

**(Expressed in United States dollars)**

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*This discussion and analysis should be read in conjunction with the unaudited condensed consolidated interim financial statements and related notes thereto for the nine months ended September 30, 2025 and 2024 (the “Financial Statements”), and the audited consolidated financial statements and related notes thereto for years ended December 31, 2024 and 2023 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by IASB. All amounts in the financial statements and this discussion and analysis are presented in United States dollars, unless otherwise indicated. This Management Discussion and Analysis (“MD&A”) is dated November 19, 2025 and discloses specified information up to that date.*

## **FORWARD LOOKING INFORMATION**

This management discussion and analysis (“MD&A”) contains certain forward-looking statements and information relating to Magma Silver Corp. (the “Company”) that are based on the beliefs of its management as well as assumptions made by and information currently available to the Company. When used in this document, the words “anticipate”, “believe”, “estimate”, “expect” and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued exploration and development of the exploration projects. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

### **1. DESCRIPTION OF BUSINESS**

On March 27, 2007, Magma Silver Corp. (formerly African Energy Metals Inc.) (“the Company”), was incorporated pursuant to the provisions of the Business Corporations Act (British Columbia.) The Company’s registered office is located at 15<sup>th</sup> Floor, 1111 West Hastings Street, Vancouver, BC V6E 2J3. On August 25, 2020, the Company changed its name to Central African Gold Inc. On February 7, 2022, the Company changed its name to African Energy Metals Inc. On April 11, 2025, the Company changed its name to Magma Silver Corp. and was trading on the TSX Venture Exchange (“TSX-V”) under the symbol MGMA. The Company also trades on the OTCQB under the symbol MAGMF and on the Frankfurt Stock Exchange under the symbol BC21 and WKN A411DV.

The Company is engaged in the acquisition, exploration, and development of mineral resources.

Previously completed Management Discussion and Analysis documents covering comments for earlier periods have been prepared and filed accordingly on [www.sedarplus.ca](http://www.sedarplus.ca).

### **2. CORPORATE AND OPERATIONAL HIGHLIGHTS**

#### **Niñobamba Acquisition**

On January 20, 2025, the Company signed an option agreement with Rio Silver Inc. to acquire a 100% interest in the “Niñobamba” silver & gold project in Peru for a consideration price of \$2,180,000 in cash and the issuance of 5,000,000 common shares of the Company which will be fulfilled upon reaching certain milestones. The acquisition was approved by the TSX Venture Exchange (“TSX-V”) on April 17, 2025.

**Finders Fees**

In relation to this agreement, the Company issued 450,000 common shares to an arm's length party as a finder's fee. The securities issued pursuant to the finder's fees are subject to a hold period under applicable securities laws, which will expire four months plus one day from the date of closing of the acquisition.

**Name Change**

Concurrent with the closing of the acquisition the Company changed its name to Magma Silver Corp. The Company also changed its trading symbol on the TSXV- Exchange to MGMA, FSE to BC21, and the WKN to A411DV.

**OTCQB Listing**

On June 16, 2025, the Company's common shares became tradable on the OTCQB Venture Market trading under the symbol MAGMF.

**Private Placement**

On April 15, 2025, the Company completed the first tranche of a non-brokered private placement of 9,021,500 units at CDN\$0.10 per unit for proceeds of \$647,445 (CDN\$902,150). Each unit consists of one common share and one-half of one common share purchase warrant, where each one whole warrant entitles the holder to purchase an additional common share at an exercise price of CDN\$0.20 per share until April 15, 2027. In connection with the financing, the Company paid \$38,370 (CDN\$53,465) in finder's fees and issued 534,650 finder's warrants, exercisable at \$0.20 per share expiring April 15, 2027.

On May 27, 2025, the Company completed the second and final tranche of its non-brokered private placement of 5,978,500 units at CDN\$0.10 per unit for proceeds of \$435,243 (CDN\$597,850). Each unit consisted of one common share and one-half of one common share purchase warrant, where each one whole warrant entitles the holder to purchase an additional common share at an exercise price of CDN\$0.20 per share until May 27, 2027. In connection with the financing, the Company paid \$16,016 (CDN\$22,000) in finder's fees and issued 220,000 finder's warrants, exercisable at \$0.20 per share expiring on May 27, 2027.

On October 23, 2025, the Company completed a non-brokered private placement of 33,333,332 units at CDN\$0.15 per unit for proceeds of \$3,573,000 (CDN\$5,000,000). Each unit consisted of one common share and one-half of one common share purchase warrant, where each one whole warrant entitles the holder to purchase an additional common share at an exercise price of CDN\$0.25 per share until October 23, 2028. In connection with the financing, the Company paid \$213,520 (CDN\$298,797) in finder's fees and issued 1,962,806 finder's warrants, exercisable at \$0.25 per share expiring on October 23, 2028.

**Graduation to Tier 2**

Concurrent with the closing of the Private Placement and the acquisition the Company graduated from TSX tier 3 (the "NEX") on the exchange to TSX tier 2 (the "Venture") and changed its trading symbol from "CUCO.H" to "MAGM.V"

**Change of Directors**

On May 7, 2025, Joe Sandberg resigned as a director. On the same day Michael Townsend was appointed as a director.

### 3. LIQUIDITY, CAPITAL RESOURCES AND GOING CONCERN

As at September 30, 2025, the Company had current assets of \$95,824 (December 31, 2024 - \$32,702) and current liabilities of \$22,168 (December 31, 2024 - \$92,233). There is a working capital surplus of \$73,656 as at September 30, 2025 (December 31, 2024 – \$59,531 deficit).

As at September 30, 2025, the Company had \$420,380 in exploration and evaluation assets.

	Niñobamba Peru		Total Amount
Acquisition costs:			
Balance at December 31, 2024	\$	-	\$ -
Cash consideration		187,858	187,858
Share issuance		179,417	179,417
Finder's fee		32,295	32,295
Exploration expenditures		20,820	20,820
<b>Balance at September 30, 2025</b>	<b>\$</b>	<b>420,380</b>	<b>\$ 420,380</b>

The financial information presented in this MD&A is based on consolidated financial statements that have been prepared based on accounting principles applicable to a “going concern”, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company has not generated any revenues or cash flows from operations to date. The Company expects that it will require additional debt or equity funding in the next 12 months to continue its planned exploration and evaluation activities and meet its business objectives. The Company plans to raise funds primarily through issuance of shares. The Company's ability to continue on a going concern basis is therefore dependent on its ability to successfully raise additional funds. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

#### 4. RESULTS OF OPERATIONS

The information for the nine months ended September 30, 2025 and 2024 is based on the condensed consolidated interim financial statements:

	Three Months ended September 30,		Nine Months ended September 30,	
	2025	2024	2025	2024
<b>EXPENSES</b>				
Filing fees	\$ 5,056	\$ 9,524	\$ 87,327	\$ 14,411
Marketing	39,339	-	146,676	-
Investor relations	104,007	3,990	180,098	4,173
Management & Consulting	86,742	23,735	236,053	41,831
Office expense	12,681	1,085	33,585	2,718
Professional fees	47,952	19,127	126,249	38,705
Project generation	-	7,856	-	9,045
Share-based payments	74,439	-	108,316	-
Travel and accommodation	12,905	-	55,676	1,404
<b>TOTAL EXPENSES</b>	<b>383,121</b>	<b>65,317</b>	<b>973,980</b>	<b>112,287</b>
<b>NET LOSS BEFORE OTHER INCOME (EXPENSE)</b>	<b>(383,121)</b>	<b>(65,317)</b>	<b>(973,980)</b>	<b>(112,287)</b>
<b>OTHER INCOME (EXPENSE)</b>				
Interest expense	(1)	(4,021)	(137)	(5,254)
Write off of payables	143	283,697	18,912	283,697
Gain (loss) on foreign exchange	(7,338)	1,333	249	(282)
<b>TOTAL OTHER INCOME (EXPENSE)</b>	<b>(7,196)</b>	<b>281,009</b>	<b>19,024</b>	<b>278,161</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (390,317)</b>	<b>\$ 215,692</b>	<b>\$ (954,956)</b>	<b>\$ 165,874</b>

#### THREE MONTHS ENDED SEPTEMBER 30, 2025, COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2024

For the quarter ended September 30, 2025, net loss was \$390,317 compared to net income of \$215,692 recorded during the same period in 2024. The biggest factor was the write-off of payables in the previous period. Material variances from the prior year period are as follows:

- A decrease in filing fees of \$4,468 during the three months ended September 30, 2025, due to reduced share transactions in the period.
- An increase in marketing of \$39,339 due to the Company starting a marketing campaign.
- An increase in investor relations of \$100,017 during the three months ended September 30, 2025, due to increased activity in the current reporting period related to paid articles and little activity in the period from 2024.

- An increase in management fees of \$63,007 during the three months ended September 30, 2025, due to the company having minimal management fees during the three months ended September 30, 2024.
- An increase in professional fees of \$28,825 due to increased legal fees recorded in the current period.
- An increase in travel and accommodation of \$12,905 due to increased expenses for trips in the current quarter related to conferences.

#### **NINE MONTHS ENDED SEPTEMBER 30, 2025, COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2024**

For the period ended September 30, 2025, net loss was \$954,956 compared to net income of \$165,874 recorded during the same period in 2024. The biggest factor was the write-off of payables in the previous period. Material variances from the prior year period are as follows:

- An increase in filing fees of \$72,916 during the nine months ended September 30, 2025, mainly related to the listing on the OTCQB Venture Market and reactivation to Tier 2 on the TSX-V.
- An increase in investor relations of \$175,925 during the nine months ended September 30, 2025, due to increased activity in the current reporting period related to paid articles and marketing.
- An increase in management & consulting fees of \$194,222 during the nine months ended September 30, 2025, due to the company having very little activity in the prior year.
- An increase in professional fees of \$87,544 due to increased legal fees recorded in the current period related to the acquisition and tier 2 reactivation.
- An increase in travel and accommodation of \$54,272 due to increased expenses for trips in the current quarter related to visiting the Niiñobamba site and conferences.

#### **5. SUMMARY OF QUARTERLY FINANCIAL INFORMATION**

The following Information is derived from the consolidated financial statements:

<b>Three months ended</b>	<b>Quarter</b>	<b>Net Income (loss) \$</b>	<b>Income (loss) per share \$</b>	<b>Net comprehensive loss \$</b>
September 30, 2025	Q3	(390,317)	(0.01)	(399,704)
June 30, 2025	Q2	(457,375)	(0.02)	(460,504)
March 31, 2025	Q1	(107,264)	(0.01)	(107,852)
December 31, 2024	Q4	12,779	0.00	32,076
September 30, 2024	Q3	215,692	0.04	207,265
June 30, 2024	Q2	(19,459)	(0.00)	12,723
March 31, 2024	Q1	(30,359)	(0.00)	(13,873)
December 31, 2023	Q4	(302,596)	(0.02)	(325,720)

## 6. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are incurred in the normal course of business and are initially recorded at fair value.

The Company has identified the following related parties for the nine-month period ended September 30, 2025, and 2024:

- Stephen Barley, CEO, Chairman, and Director
- Jason Baker, CFO and Director
- Michael Townsend, Director
- Arndt Roehlig, Director
- Joe Sandberg, Former Director
- Murray Flanigan, Former CFO and Director

Related party transactions for the nine months ended September 30, 2025, and 2024 are as follows:

<b>Period ended</b>	<b>September 30, 2025</b>	<b>September 30, 2024</b>
Management and consulting fees	\$ 119,439	\$ 29,403
Share-based compensation	76,405	-
<b>Total</b>	<b>\$ 195,844</b>	<b>\$ 29,403</b>

## 7. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during this year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

Significant area requiring the use of estimates include the recoverability of exploration and evaluation assets, fair value of share-based compensation, and unrecognized deferred income tax assets.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

- i) Going concern - The Company's assessment of its ability to continue as a going concern requires management to consider all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern.
- ii) The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new

information becomes available. If information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the consolidated statement of loss in the period when the new information becomes available.

## 8. RISKS RELATED TO THE COMPANY'S BUSINESS

Resource exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production stage are also very substantial.

The following sets out the principal risks faced by the Company:

**Financing risks.** Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. As at September 30, 2025 the Company had not yet achieved profitable operations. During the nine months ended September 30, 2025, the Company incurred a net loss of \$954,956 (September 30, 2024 gain – \$165,874), a cash outflow from operating activities of \$917,154 (September 30, 2024 - \$73,077) and, as of September 30, 2025, the Company had a working capital surplus (current assets minus current liabilities) of \$73,656 (December 31, 2024 – deficit of \$59,531).

The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

**Exploration risk.** There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

**Market risks.** The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer-term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

**Commodity price risks.** The Company's exploration projects seek silver and gold in Peru. While each of these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change

in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

**Share Price Volatility and Price Fluctuations.** In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

**Currency risks.** The Company's exploration expenditures are predominately in US dollars and equity raised is predominately in Canadian dollars. The financial risk is the risk to the Company's operations that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Company is subject to fluctuations in foreign currency exchange rates and currently does not use derivative instruments to reduce its exposure to foreign currency risk.

**Key personnel risks.** The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

**Competition.** Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

**Cyber Security Risks.** As the Company continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Company relies on management information systems and computer control systems. Business and supply chain disruptions, plant and utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm its operations and materially adversely affect its operation results, Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the issue or loss of control over computer control systems, and breaches due to employee error. The Company's exposure to cyber security risks includes exposure through third parties on whose systems it places significant reliance for the conduct of its business. The Company has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks.

The Company believes these measures and procedures are appropriate. To date, it has not experienced any material impact from cyber security events. However, it may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to its information and control systems could have severe financial and other business implications.

**Foreign Countries and Regulatory Requirements.** Currently, the Company has a venture located in Peru. Consequently, the Company is subject to certain risks associated with foreign ownership, including currency fluctuations, inflation, and political risk. Both mineral exploration and mining activities and production activities in foreign countries may be affected in varying degrees by political stability and government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions are beyond the control of the Company and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to community rights, restrictions

on production, price controls, export controls, restriction of earnings, taxation laws, expropriation of property, environmental legislation, water use, labour standards and workplace safety. The Company maintains the majority of its funds in Canada and only forwards sufficient funds to meet current obligations.

**Environmental and Other Regulatory Requirements.** The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company's knowledge, it is currently operating in compliance with all applicable environmental regulations.

**History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations.** The Company has incurred net losses to date. Its deficit as of September 30, 2025, was \$29,932,761. Even if the Company commences development of certain properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably, or provide a return on investment in the future.

**Uninsurable risks.** The Company and its subsidiaries may become subject to liability for pollution, fire, explosion, against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

## 9. OTHER MD&A DISCLOSURE REQUIREMENTS

### Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR+ website <http://www.sedarplus.ca/>

### Outstanding Share Data

As at the date of this MD&A, the Company had 72,012,195 shares outstanding. As at the same date there were 31,644,372 warrants outstanding at exercise prices ranging from CDN \$0.10 per share to \$0.25 per share and 6,650,000 stock options outstanding at exercise prices ranging from CDN \$0.16 per share to CDN \$0.25 per share.

<b>Outstanding Warrants</b>	<b>Exercise Price (\$CDN)</b>	
6,250,000	0.10	December 6, 2025
3,590,325	0.20	April 15, 2027
3,209,250	0.20	May 27, 2027
18,594,797	0.25	October 23, 2028
<b>31,644,372</b>		

<b>Outstanding Options</b>	<b>Vested Options</b>	<b>Exercise Price (\$CDN)</b>		<b>Expiry Date</b>
1,500,000	75,000	0.16		May 6, 2030
300,000	-	0.16		May 29, 2027
1,850,000	-	0.20		October 9, 2030
3,000,000	-	0.25		October 23, 2030
<b>6,650,000</b>	<b>75,000</b>			

### Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Vancouver, British Columbia

November 19, 2025