NIÑOBAMA PROJECT

EXECUTIVE BRIEF

Niñobamba is a fully permitted, drill-ready silver-gold system in Peru with decades of historical work behind it—now positioned to convert that evidence into compliant value.

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MAGMA
SILVER CORP.

The definitive index for Niñobamba Project Brief

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Silver is an engine of industry

Silver behaves like gold when investors need a hedge—and like a high-beta metal when technology accelerates. That dual identity is what creates the commodity torque.

SUPPLY CONSTRAINT

70%
of silver is mined as a by-product

200%
solar-driven silver demand by 2035

Silver demand is rising faster than supply can respond. Most silver is mined as a by-product, meaning production cannot scale with price or industrial needs. With solar demand expected to grow 200% by 2035, the market faces a structural imbalance: more silver required, not enough silver produced.

VALUE SHIFT

Silver's role in the global economy has shifted from optional commodity to foundational input. The world is no longer buying silver for sentiment or speculation—it is embedding it into infrastructure, circuitry, and energy systems that must be built, replaced, and expanded regardless of price. This creates a structural break: industrial demand is compounding, yet the industry's ability to deliver new primary supply is not.

Silver is no longer trading as gold's understudy. It has become the **critical metal linking industrial policy, electrification mandates, and technology adoption. Electric vehicles, solar arrays, advanced semiconductors, data centers, and next-generation power systems all rely on silver's conductivity.**
Unlike gold—which stores value—silver enables it. And unlike gold—which is hoarded—silver is consumed. Consumption is what creates the torque: once silver enters infrastructure, it doesn't return to market. There is no scalable recycling loop, and supply chains were never engineered for the level of demand now being legislated into existence.
More than 70% of global silver production comes as a by-product of mining other metals, meaning the industry cannot simply produce more because the world suddenly needs more.
Electrification, grid expansion, and renewable mandates are now balance-sheet enforced — not discretionary. Yet primary silver discoveries are dwindling, development timelines stretch a decade or more, and only a handful of jurisdictions can permit and build new projects at industrial scale. Investors are no longer seeking exposure to silver prices; they are seeking exposure to the molecules of supply the system cannot function without.

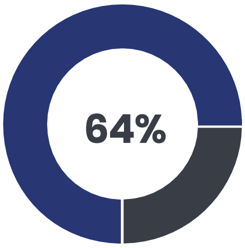
The next silver bull market won't reward sentiment — it will reward access to new ounces.

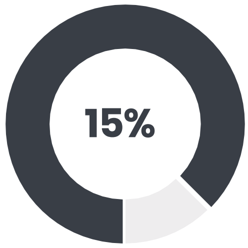
Peru’s Mining Economy

JURISDICTION ADVANTAGE

Peru is one of the few jurisdictions globally where mining is not simply permitted — it is economically essential. With more than half of national export revenues tied directly to resource production and a double-digit share of GDP driven by mining activity, the sector is not a peripheral contributor; it is the backbone of the country’s fiscal stability. As a result, Peru has built policy frameworks, logistics corridors, and a technically trained workforce around advancing mining projects rather than obstructing them.

Unlike emerging jurisdictions still constructing their regulatory identity, Peru operates on decades of proven predictability: projects that demonstrate geological validity receive the social, legislative, and infrastructural support required to progress.





64% of Peru’s total exports are mining-related, anchoring the country’s economy directly to resource development.

Almost 15% of Peru’s GDP can be attributed to the mining industry — embedding resource development into national policy.

EXECUTION PATHWAY

Because Peru’s regulatory, logistical, and labor systems are organized around enabling mine development — Magma can:

- Move permits through established regulatory channels with clear expectations and predictable timelines, not multi-year uncertainty.
- Deploy capital directly into drilling and assays instead of administrative drag, accelerating geological de-risking.
- Tap into an existing ecosystem of drill contractors, labs, and logistics that eliminates costly ramp-up and operational lag.
- Advance discoveries toward development in a jurisdiction with a track record of converting proven deposits into producing mines.

3rd

largest silver producer globally.

Industrial-scale infrastructure already built for precious metals.

3rd

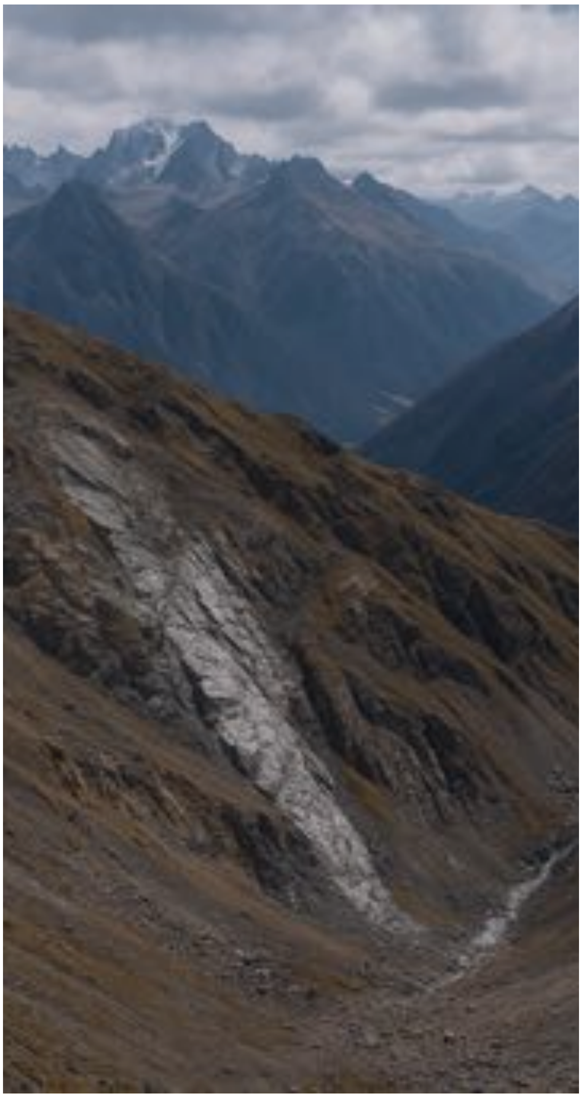
of Latin America’s major high-sulfidation belts.

Proven systems that consistently generate world-class deposits.

11th

largest gold producer worldwide.

Supported by regulatory framework and experienced mining workforce.



The Niñobamba System

Niñobamba is already a confirmed silver-gold system. The work ahead is not about proving mineralization exists, but defining its volume, geometry, and economic relevance.

More than CAD $14.5 million of prior exploration has already established mineralization across multiple zones through drilling, trenching, sampling, and geophysical programs led by previous operators, including Newmont. That dataset provides an unusually advanced starting point: geological continuity is demonstrated before fresh capital is deployed.

The significance of Niñobamba lies not in proving mineralization exists, but in determining its scale and orientation.

Historic work was designed around gold targets, reflecting the priorities of previous owners rather than the system's full potential. That commodity bias created an asymmetry: silver-rich structures were mapped, sampled, and in some cases trenched, but never drilled. Randypata illustrates this perfectly — an 8-ounce silver grab sample along a two-kilometre trend that Newmont never drilled—not due to lack of potential, but simply because it wasn't aligned with their commodity focus.

The significance of Niñobamba lies not in proving mineralization exists, but in determining its scale and orientation.

It carries the de-risked backbone of a mature project (real data, real zones, real mineralization) while preserving the discovery leverage typical of an early-stage district. Magma's drill program begins at Joramina because it is fully permitted and immediately drillable. The mandate is clear: convert decades of historic work into compliant ounces and validate the geometry implied by surface results. In parallel, Niñobamba Main — the project's system-scale engine — advances toward permits. Its distinct north (gold) and south (silver) domains exhibit the zoned, multi-metal architecture associated with deposits that progress from exploration concepts into mines.

Niñobamba is a 4,100-hectare high-sulfidation silver-gold system located in a proven Peruvian precious-metals belt.

The project is 100% controlled by Magma Silver and is not conceptual acreage—it is a mineralized system with decades of technical work behind it. Unlike typical early-stage claims, Niñobamba represents a contiguous land package large enough to host multiple mineralized zones rather than isolated prospects.

The property exhibits district-scale alteration, mapped structural corridors, and consistent mineralization at surface across several zones, indicating a single, integrated system—not a collection of geochemical curiosities. Its architecture is what differentiates it: multiple targets connected by a shared geological framework, each supported by legacy datasets and mineralized exposure.

Multi-Zone Value

A shared geological system links three mineralized zones, converting what is typically one exploration bet into a multi-path value platform.

SYSTEMIC FRAMEWORK

Niñobamba's value is not concentrated in a single target — it is distributed across three mineralized zones connected by a shared geological framework. Each zone advances on its own technical track, supported by distinct datasets and drivers, creating multiple shots on goal and reducing the single-outcome risk typical of early-stage explorers.

CATALYST STACK

Niñobamba's value proposition isn't anchored to a single drill hole or a binary outcome. The system distributes opportunity across three distinct mineralized zones, each with its own dataset, drivers, and pathway to value. This structure creates multiple chances to win: near-term confirmation at Joramina, large-scale potential at Niñobamba Main, and high-grade silver upside at Randypata that provides geological redundancy if the lead target underdelivers. Instead of waiting years for one result, investors see a sequence of catalysts that compound, not compete.

- **Multiple valuation inflection points —** Joramina delivers the first compliant ounces, while Main and Randypata add scale and discovery potential without resetting exploration risk.
- **Diversified technical thesis —** Each zone advances independently, supported by legacy datasets that shorten timelines and reduce capital inefficiency.
- **District-style upside —** The system's architecture mirrors deposits that evolve into multi-deposit development hubs—not single-target gambles.

NIÑOBAMBA MAIN

Hosts both gold (North) and silver (South) domains with district-scale alteration and mapped structural corridors. The largest land footprint and the clearest path to a multi-target development scenario, reducing reliance on a single "make-or-break" zone.

JORAMINA

Permitted, drill-ready, and supported by Newmont's 65 historic holes and internal conceptual resource work. Near-term catalysts: confirm mineralization, validate geometry, and convert legacy ounces into compliant inventory.

RANDYPATA

A 2-kilometre silver trend mapped and sampled but never drilled. Recent 8-ounce silver grab sample confirms high-grade potential. Provides geological redundancy if Joramina underdelivers, with asymmetric silver-focused upside overlooked by Newmont's gold bias.

Niñobamba Main

The system's scale driver
— the largest mineralized zone with multi-metal potential and room for multiple deposits.

Offers the clearest path from concept to development.

Supported by extensive surface mineralization and mapped structural corridors that confirm continuity across the land package.

Niñobamba Main exhibits the traits of buildable geology.

1. **Scale advantage** — Largest footprint in the package, providing room for multiple mineralized centers.
2. **Metal zonation** — gold in the north, silver in the south creates diversified upside.
3. **Structural continuity** — Mapped geological corridors indicate connected mineralized trends,.
4. **Development trajectory** — Attributes align with projects that evolve into multi-deposit districts.

PROVEN GROUNDWORK

Niñobamba Main benefits from years of previous exploration, allowing Magma to step into a system with known controls and established data—reducing guesswork and shortening timelines before new capital is deployed.

FUTURE DEVELOPMENT

If resource potential is confirmed, Niñobamba Main becomes the logical hub for infrastructure, permitting, and engineering—positioning it as the project's most credible path to a buildable scenario.

Joramina

The project's first catalyst — fully permitted, backed by legacy drilling, ready to deliver first results.

Delivers the first shot at validated mineralization.

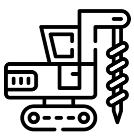
Backed by 65 historic holes and conceptual resource work from Newmont, Joramina offers near-term proof of continuity.

Joramina provides the evidence base that de-risks.

1. **Permitted advantage** — Ready to drill now, eliminating regulatory delays and accelerating first results.
2. **Data inheritance** — Historic Newmont holes and modeled geometry provide a pre-built geological framework.
3. **Validation vector** — Results here confirm whether the mapped structures carry grade at depth.
4. **Inventory potential** — Successful drilling converts legacy mineralization into compliant ounces .

NEAR-TERM UPSIDE

Joramina is the fastest route to value recognition — assays, geometry, and continuity can be demonstrated within a single drill season, creating an early re-rate opportunity.



SYSTEM CONFIRMATION

If Joramina performs, it validates the geological thesis underpinning Niñobamba's larger footprint, strengthening the case for Main and Randypata before a meter is drilled there.

Randypata

The district's second engine
— a parallel path to value if Joramina performs, and a replacement if it doesn't.

Unlocks silver-driven upside overlooked by prior operators.

Historic trenches and sampling confirm high-grade silver along a two-kilometre trend that was never drilled—not due to geology, but because past owners were focused on gold.

Randypata extends the optionality thesis.

1. **Contingency value** — If Joramina underdelivers, Randypata remains a growth path with its own footprint.
2. **Discovery corridor** — A continuous, silver-rich corridor mapped at surface but never drill tested.
3. **Asymmetric payoff** — Early success could reset expectations at low cost, generating disproportionate value to spend.
4. **Diverse exposure** — Silver exposure diversifies the commodity mix and reduces single-metal dependency.

NEAR-SURFACE CONFIRMATION

Sampling and trenching have already returned silver grades at surface, demonstrating metal where it can be physically observed. Confirming the system is mineralized before a modern drill test—elevating the probability of continuity.

OPTIONALITY PREMIUM

A viable second target turns Niñobamba from a single-thread story into a platform. Randypata provides an alternate path to value if Joramina underdelivers—and meaningful upside if both hit—reducing dependency on one outcome.

Execution Advantage

Projects do not fail because the geology is wrong — they fail because execution is.

This is not a team learning Niñobamba — it's the team that built the knowledge behind it.

Permitting, logistics, and in-country execution are where most juniors lose time and capital. Magma does not face that curve. The team already understands Peru's regulatory process, has worked on Niñobamba for years, and is fully operational in-country. That starting point removes the friction that slows everyone else.

Exploration success in Peru isn't constrained by geology — it is constrained by execution. Most juniors lose years learning the jurisdiction, hiring the wrong people, or navigating permitting blind. Magma Silver starts beyond that hurdle. Its leadership has already spent decades operating in Peru and more than a decade on Niñobamba itself.

- **Local operational control —** logistics, permitting, and stakeholder relations handled from a staffed Lima office
- **Continuity of knowledge —** team members with direct, long-term history on Niñobamba
- **Regulatory fluency —** disclosures, reporting, and data interpretation aligned to NI 43-101 standards
- **Asset-specific insight —** they know what has worked, what hasn't, and where the system must be measured next
- **Frictionless deployment —** capital flows into drill meters, not organizational learning curves

The advantage here isn't just a mineralized system — it's a team that already knows how to operate it. Most juniors spend years learning Peru.

JEFFREY REEDER

Senior Technical Advisor, Peru

A senior geologist with 30+ years operating in Peru and 18+ years of direct involvement with Niñobamba, responsible for technical oversight and the geological model driving the drill program.

CARLOS AGREDA MINAYA

General Manager, Peru

Holds both a geology degree and an MBA, and has been involved with Niñobamba for more than a decade. That continuity matters: he knows the land, the permitting pathways, and the stakeholders.

CAPITAL EFFICIENCY

Niñobamba is entering the valuation window with a fully defined spend profile — capital is not searching for a thesis; it is converting known intervals into compliant ounces.

- C$1.4M funds the first 4,000 metres of drilling and assays —capital that converts evidence into countable ounces, not overhead.
- The program targets known mineralized corridors, validating geometry rather than speculating on discovery.
- No camp build, no access roads, no regulatory drag — capital deploys into meters, not administration.

COST STRUCTURE

Unlike greenfield peers who spend 60–70% of capital proving existence, Niñobamba allocates the majority of spend directly into value-assignable outcomes.

• ~C$300/m all-in discovery cost — among the lowest in the Americas due to established logistics and workforce.

• Assay turnaround measured in weeks, not quarters — tightening conversion cycles.

• Historic datasets eliminate guesswork, redirecting capital to resource definition.

VALUATION

Niñobamba is priced like an exploration story but behaves like a pre-resource system — the asymmetry investors chase.

- Peers with compliant ounces trade 4–10x higher on EV/oz metrics
- Silver inventory, not silver price, drives re-rates across the cycle
- Systems entering definition windows historically see 50–200% step-changes before the resource drops

USE OF PROCEEDS

Capital is deployed directly into 4,000 metres that convert evidence into compliant intervals, not early-stage speculation. Infill drilling confirms what decades of work already intersected, step-outs add scale, and modeling plus metallurgy prepare those results for compliant categories.

Corporate and regulatory spend ensures uninterrupted progress, enabling Niñobamba to transition from exploration narrative to silver inventory the market can price.

1. 40% — infill drilling to convert legacy intercepts into compliant intervals.
2. 30% — step-outs to scale silver inventory and demonstrate district architecture.
3. 20% — structural modeling + metallurgy to support resource definition.
4. 10% — corporate, regulatory, and community agreements already underway.

Permits, targets, and financing are in place — 2026 is not exploration; it is the systematic conversion of evidence into compliant ounces.

Q1 Mobilization Without the Learning Curve

Drilling begins on permitted pads inside a system already confirmed by decades of work.
Capital deploys directly into meters — not permitting, not jurisdiction risk, not first-pass geology.

- First holes test mapped structures, allowing geometry validation rather than discovery.
- Early visuals and structural confirmation start shifting the narrative from potential to inventory.

Q2 Assays Begin to Anchor Value

Results quantify continuity, thickness, and grade — the variables the market can price.
Binary risk disappears as the system demonstrates compliant characteristics.

- Legacy drilling converts into compliant geometry, establishing intervals investors can model.
- Assays and structural data show the system behaves like known high-value analogs in-country.

Q3 Scaling Without New Permits

Follow-up fences and step-outs advance quickly because of historical groundwork.
The program shifts from proof-of-existence to scale, expanding the footprint of silver inventory.

- Multiple mineralized zones deliver parallel catalysts, reducing reliance on a single drill result.
- Unit costs drop as drilling progresses on existing approvals, improving capital efficiency.

Q4 The Re-Rate Window Opens

The market re-prices when evidence appears — not when the full resource is published.
By year-end, Niñobamba transitions from exploration story to a compliant-inventory story

- Visibility into resource definition moves Niñobamba toward measurable ounces.
- Valuation shifts from narrative to inventory — the point where silver projects re-rate.

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Niñobamba now shifts from legacy evidence to measurable inventory.

Niñobamba is past discovery and entering definition. Capital goes into meters, not theory; drilling converts evidence into inventory; and once ounces become compliant, valuation follows.

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